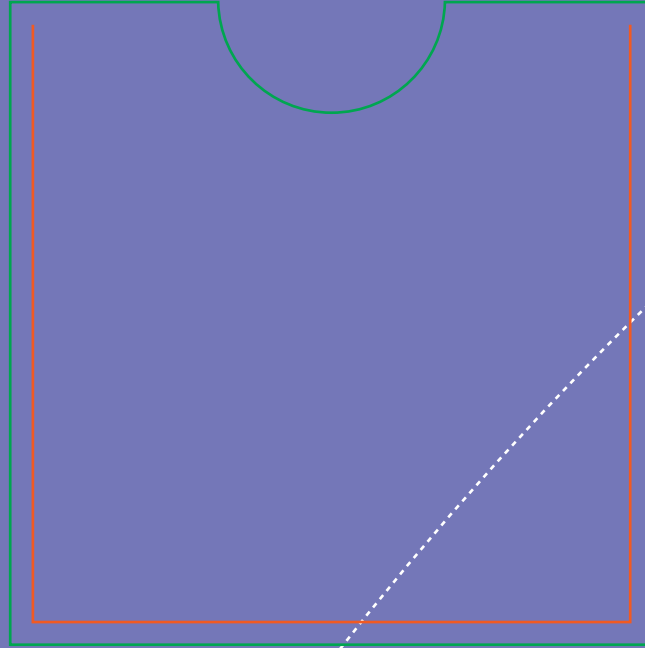




2006 ANNUAL REPORT

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HOW CAN WE BETTER GUIDE OUR CUSTOMERS?



This is a question for which we seek the answer hundreds of times every day; its response lies in our consistent and efficient business philosophy built on optimal use of information ...

Çalıkbank is a steadfast guide and an unfailing compass showing the right direction to its customers.

Our key target is to create the highest added value for our customers and to always offer them the best by combining all our strengths and competencies derived from our customer-focused structure with our knowledge and experience. To the extent we succeed in doing this, we will constantly improve Çalıkbank's performance and further raise the bar of our expectations.





PROFILE AND PERFORMANCE

- ÇALIKBANK WAS FOUNDED IN 1999. AS AN INVESTMENT BANK, ÇALIKBANK'S PRIMARY TARGET IS TO PROVIDE RESULTS-ORIENTED, INNOVATIVE AND TAILOR-MADE FINANCING SOLUTIONS WITH HIGH ADDED VALUE IN NICHE MARKETS.

- AS SINCE ITS INCEPTION, THE BANK OFFERS FOREIGN TRADE FINANCE, PROJECT FINANCE, CONSULTANCY, LEASING, FACTORING AND SPECIALIZED RISK MANAGEMENT ADVICE, AS WELL AS CORPORATE CREDIT PRODUCTS TO ITS SELECT CUSTOMER PORTFOLIO CONSISTING OF MEDIUM AND LARGE SIZED NATIONAL COMPANIES.

- ÇALIKBANK COMBINES HIGHLY QUALIFIED HUMAN RESOURCES WHO SHARE A COMMON CORPORATE MINDSET WITH A SERVICE PLATFORM BASED UPON CUTTING-EDGE TECHNOLOGY.

- THE 2006 FISCAL YEAR MARKED A PERIOD IN WHICH ÇALIKBANK SUSTAINED ITS DEVELOPMENT BUILT ON SOLID FOUNDATIONS. ACCORDING TO 2006 FINANCIAL STATEMENTS PREPARED IN COMPLIANCE WITH THE STANDARDS SET FORTH BY THE BANKING REGULATION AND SUPERVISION AGENCY (BRSA), ÇALIKBANK'S TOTAL ASSETS REACHED TRY 66,792 THOUSAND AND NON-CASH LOANS TRY 105,718 THOUSAND.

- ÇALIKBANK ENJOYS AMONG THE HIGHEST CAPITAL ADEQUACY LEVELS IN ITS SECTOR. AT END-2006, ÇALIKBANK'S EQUITY TOTALED TRY 60,749 THOUSAND (2005: TRY 55,551 THOUSAND). THE BANK'S CAPITAL ADEQUACY RATIO STOOD AT 61.40%.

- ÇALIKBANK IS THE SOLE FINANCIAL SERVICES SUBSIDIARY OF ÇALIK HOLDING, ONE OF TURKEY'S LARGEST HOLDING COMPANIES AND ITS BUSINESS ACTIVITIES SPAN A WIDE ARRAY OF SECTORS.

WELL DEFINED AND EFFICIENTLY IMPLEMENTED BUSINESS STRATEGIES AND POLICIES WILL CONTINUE TO BE THE KEY GUIDES OF ÇALIKBANK IN ITS QUEST FOR SUSTAINABLE AND PROFITABLE GROWTH.



ÇALIKBANK'S HISTORY AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION IN THE REPORTING PERIOD AND THE REASONS THEREFORE.

The permission for the establishment of the Bank was granted pursuant to Article 4 of the Banks Law no: 3182 by the Council of Ministers decree dated 22 September 1998 and numbered 98/11819, which was published in the Official Gazette dated 21 October 1998, numbered 23500. The Bank was registered on 28 July 1999 and the articles of association were published in the Turkish Trade Registry Gazette of 29 July 1999.

The Bank's status is "development and investment bank" as per the classification contained in the Banking Law no: 5411. The Bank is not authorized to "accept deposits."

The Bank's registered full name is Çalık Yatırım Bankası A.Ş.

The amendments made to the articles of association in the reporting period are as follows:

- Amendment of the article concerning share capital due to capital increase,
- Amendments made for harmonization with the new banking law:
 - Amendment of the article concerning transfer of shares,
 - Amendment of the article concerning capital increase and issuance of new share certificates,
 - Amendment of the article concerning issuance of securities,
 - Amendment of the article concerning meeting quorum,
 - Amendment of the article concerning the formation of the Board of Directors,
 - Amendment of the article concerning vacant memberships on the Board of Directors and dismissal of Board members,
 - Amendment of the article concerning the division of duties for the Board of Directors,
 - Amendment of the article concerning the appointment of the Bank's general manager and assistant general managers,
 - Amendment of the article concerning the qualifications required for the general manager and assistant general managers,
 - Amendment of the article concerning the election, qualifications and terms of office of statutory auditors,
 - Amendment of the article concerning legal reserves,
 - Amendment of the article concerning the dissolution of the Bank,
 - Addition of the audit committee to the authorized bodies of the Bank,
 - Addition of a new article concerning the formation, duties and committee book of the audit committee and the auditing of the said committee.

CAPITAL STRUCTURE OF ÇALIKBANK

The major shareholders and the capital structure as of 31 December 2006 are shown below:

Shareholder	Share Amount (TRY thousand)	Share Percentage	Paid Amount (TRY thousand)	Unpaid Amount (TRY thousand)
Çalık Holding	18,300	91.50	18,300	0
GAP Güneydoğu Tekstil San. ve Tic. A.Ş.	900	4.50	900	0
Ahmet Çalık	400	2.00	400	0
Mahmut Çalık	200	1.00	200	0
Ali Akbulut	200	1.00	200	0
Total	20,000	100,00	20,000	0

In the current period, the Bank increased its paid-in capital from TRY 13,500 thousand to TRY 20,000 thousand by injecting TRY 6,500 thousand. Of the increased capital, TRY 3,250 thousand was covered from extraordinary reserves and TRY 3,250 thousand from the paid-in capital inflation adjustment difference.

The capital increase in question was published in the Trade Registry Gazette dated 23 November 2006 and numbered 6689.

No changes occurred in the shareholding structure in 2006.

The primary capital group with direct or indirect control over the Bank's share capital is the Çalık Holding Group.

The Chairman of the Board of Directors, Mr. Ahmet Çalık, holds a 2% direct shareholding interest in the Bank's capital. Apart from Mr. Ahmet Çalık, the Board members, general manager and assistant general managers do not have any shareholding interest in the Bank.



KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS	2006 (TRY thousand)	2006 (USD thousand)
Balance with Banks & Interbank Money Market Placements	9,375	6,633
Trading Securities (Net)	747	529
Loans & Factoring Receivables	43,751	30,957
Finance Lease Receivables (Net)	1,539	1,089
Shareholders' Equity	60,749	42,984
Total Assets	66,792	47,260
Guarantees and Warranties	105,718	74,803
Net Interest Income	9,962	7,049
Net Fees and Commissions Income	2,396	1,695
Net Operating Income	6,120	4,330
Gain/(Loss) on Equity Method	499	353
Income Before Taxes	6,619	4,683
Provision for Taxes on Income	(1,421)	(1,005)
Net Profit/Losses	5,198	3,678

PERFORMANCE RATIOS (%)

Capital Adequacy Ratio	61.40
Return on Equity	8.56
Net Average Return on Assets	7.79
Average Return on Assets (Before Taxation)	9.91
Net Fees and Commissions/Operating Expenses	35.73
Fixed Assets (Net)/Shareholders' Equity	16.78
Income Bearing Assets/Total Assets	82.96

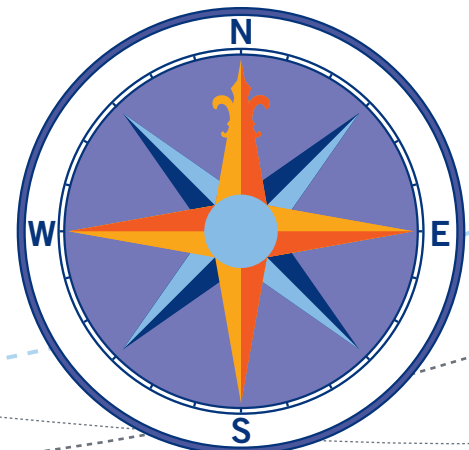
USD 1/TRY 1: 1.41329

SHAREHOLDERS' EQUITY (TRY thousand)

60,749

TOTAL ASSETS (TRY thousand)

66,792



FROM THE BOARD OF DIRECTORS



Ahmet Çalık
Chairman

DEAR CUSTOMERS, NATIONAL AND
INTERNATIONAL BUSINESS PARTNERS,

HAVING SUCCESSFULLY PASSED ALL THE TRIALS
OF THE BUSINESS ENVIRONMENT SINCE ITS
ESTABLISHMENT IN 1999, ÇALIKBANK
CONTINUED TO PRODUCE VALUE IN ITS 7TH YEAR
IN OPERATION, SHARED THE VALUE WHICH IT
PRODUCED, AND PROCEEDED SURE-FOOTEDLY
INTO THE FUTURE.



BEFORE ELABORATING ON THE RESULTS AND
PERFORMANCE ATTAINED BY OUR BANK IN 2006,
WE WOULD LIKE TO SHARE SOME KEY
OBSERVATIONS ABOUT OUR COUNTRY AND OUR
SECTOR.



The world economy achieved a growth that surpassed the projections.

The year 2006 has been a good one for the world economy. The global economy grew by 5.1% owing to the positive momentum added primarily by the USA and by other parts of the world. The impact of the volatility experienced in the spring of 2006 was limited on developing economies, and this fact was a major contributor to the strong global performance.

The Turkish economy is characterized by stability and has great growth potential.

Turkey sustained its economic improvement through 2006. Despite the short-lived volatility in May, economic activity fully maintained its vibrancy, while exports increased, the improvement in employment continued, and most importantly, all economic parameters reached their respective targets. Key indicators for economic performance in 2006 are presented in detail in the pages that follow. At this point, we would like to share with you the following development that supports us in our faith in our country and that we deem significant.

Turkey transformed into a world-class success story by virtue of the economic stability program pursued uninterruptedly over the past five years. This was an accomplishment that boosted our country's international prestige. Direct foreign capital inflow has reached a level that is unequalled at any phase in the history of the Republic, while Turkey's low country risk ranked it among the top investment options most recommended by international analysts.

Our country stands at a very different position compared with five years ago. The country's vulnerable economic structure that was highly dependent on the winds of politics and very sensitive to external fluctuations is now replaced by a strong, stable and sustainable foundation.

This environment of stability unleashed Turkey's true development potential, and hence enabled the country to make important strides in becoming a regional force.

The banking sector is developing quickly.

The rapid improvement observed in the economy continued to reflect positively upon the Turkish banking sector in 2006. The level of trust held in the banks and the financial sector in Turkey is high. International credibility in Turkish banks has reached a point that is unprecedented in the sector's history.

The increase in the demand for financial services is brisk particularly for corporate and retail banking in the domestic market. The loan volume of the banking sector grew in real terms, and the ratio of loans to total assets and deposits continued to rise.

In addition to the positive impact borne by macroeconomic developments in our sector, the shrinking profit margins and the fierce competition amplified the importance of certain concepts such as economies of scale, productivity and market efficiency. The rise in foreign investors making their way into the banking sector prompted national banks to redefine their strategies and business conduct in accord with the realities of the global playing field.

Çalıkbank is strong and well positioned.

Our ability to timely and correctly respond to the changes in the business environment has been the factor that enabled us to successfully bring Çalıkbank to the present day. Ever since the first day we opened our doors, our expectations for the macroeconomic environment turned into reality one after the other, while Çalıkbank continued on with its sustainable growth and guided its customers creating an optimum balance between fiscal conservatism and profitability, risk and expansion in the clearly defined lines of business. All along, our Bank has been unyielding from its function of transferring resources to the real sector, and offered its innovative services.

The value of close and cordial relations

One other aspect establishing Çalıkbank's strength and position is the way we perceive our relationship with our customers. To us, customer relations go far beyond a simple lending process. Our intellectual capital and strong equity position, as well as the competencies we enjoy, enable us to provide our customers with the guidance they need along the different stages of the business life cycle all within the confines of a reliable and cordial relationship.

Çalıkbank is a reliable guide and an unfailing compass for its clientele.

This is Çalıkbank's difference in service and also its competitive edge.



FROM THE BOARD OF DIRECTORS

Performance highlights

In last year's annual report, we predicted that the momentum we created in customer relations would pick up pace. This prediction became reality as verified by indisputable evidence seen in the 2006 results summarized below and in the subsequent pages of the report.

- Çalıkbank registered TRY 6,619 thousand (USD 4,683 thousand) in pre-tax profit in 2006. The Bank's asset size reached TRY 66,792 thousand (USD 47,260 thousand) at the end of the year.
- In 2006, average ROA stood at 9.91% on the basis of pre-tax profit and at 7.79% on net profit basis, whereas ROE registered 8.56%.
- Based on year-end 2006 results, the Bank's capital adequacy standard ratio is 61.40%.
- Our efforts in 2006 further leveraged the Bank's efficiency standing. Regarded as a key performance indicator in the banking sector, commission income sustained its stable performance. The ratio of net fees and commissions income to our operating expenses was 35.73%, whereas that of income-bearing assets to total assets was 82.96%.
- Our loans portfolio and business volume on the basis of different products continued to develop in 2006. The Bank managed the liquidity of its cash loans portfolio and the risk structure of its customer portfolio based on an attentive approach.
- The activities in project consultancy, project finance and foreign trade finance continued. While factoring and insurance brokerage services emerged as other fields of activity that showed development, Çalıkbank further strengthened its international relations with the new correspondent relations established in 2006.

BKT: The banking investment in Albania by the Çalık Group

The year 2006 saw the successful completion of the participation process of our equity owner Çalık Holding in Banka Kombetare Tregtare (BKT), one of Albania's largest commercial banks. BKT was named the best bank of Albania among a total of 17 in 2006 by "The Banker" journal. Our participation in BKT brought about a partnership with EBRD and IFC as well. This

is indicative of the international eminence of the Çalık Group in the global arena and also a valuable development for our Bank.

Çalıkbank regards inclusion of BKT under our Group's organization as a key expansion in terms of multi-faceted synergy and cooperation. Our Bank is committed to improve the cooperation with BKT and to play an active part in commercial and business relationships between Albania and Turkey.

Here we would like to make a note of an important reassignment at the Bank in the reporting period. Having served Çalıkbank for many years, Mr. Pekhan İşipek departed from our Bank as assistant general manager and started his new post with BKT on 1 January 2007. We would like to take this opportunity to extend our gratitude to Mr. İşipek for his invaluable services and contributions to Çalıkbank and wish him the best in his new position.

In order to be more profitable and more productive

We are fully confident as we look ahead. The steps taken toward creating stability and sustainable macroeconomic balance will only lead Turkey to stronger days ahead. We know that as the banking sector will be characterized by increased competition in the coming years, those who offer high quality services and products will win, and most importantly, will last.

Drawing on its corporate structure, Çalıkbank is determined to take place at the top of the rankings in its clearly defined lines of business. While our financial strength and human resources will provide us with the energy necessary to grow, the existence and constant pledge of Çalık Holding as an equity owner is key in our journey to the future.

We thank our Board of Directors, our customers, our national and international business partners, and our colleagues for their contribution to our 2006 performance.

As we keep working even harder together as the Çalıkbank community, we will continue to be the steadfast compass of our customers.



Ahmet Çalık
Chairman



Semih Ergür
Board Member and
Acting General Manager

THE BOARD OF DIRECTORS



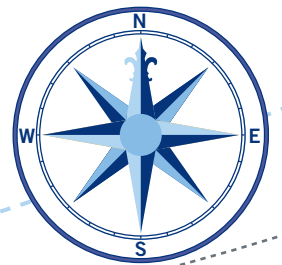
İlhan Nebiođlu
Board Member

Ertuđrul Grler
Board Member

Ahmet alık
Chairman

Semih Ergr
Board Member and
Acting General Manager

Mehmet Ayhan Bolay
Vice Chairman



SENIOR MANAGEMENT



Ahmet Kapıcıoğlu
Assistant General Manager
Financial Reporting and
Internal Systems Coordinator

Sadık Toprak
Assistant General Manager
Client Relations Group

Gülay Ergüneş
Group Head
Accounting and
Internal Services

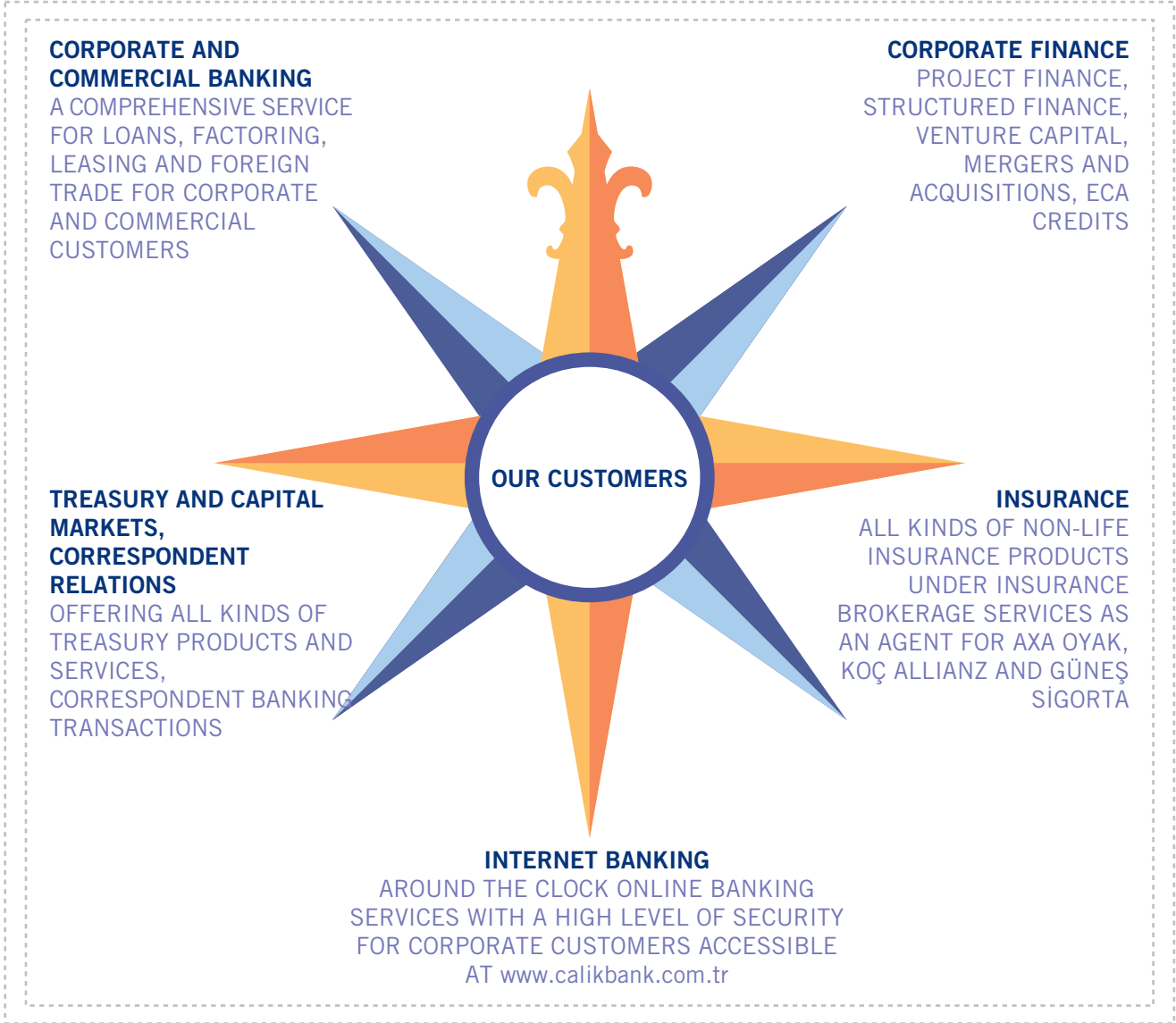
Ferhat Aklar
Group Head
Information Technologies

Gökhan Güngör
Assistant General Manager
Treasury, Capital Markets
and Financial Institutions

OUR PRODUCTS AND SERVICES

Çalıkbank product and service line is designed under a wholesale banking approach.

The primary goal of the Bank is to provide its clientele consisting of Turkey's leading national companies with all kinds of banking products and services from loans to foreign trade intermediation, from structured corporate finance to non-cash solutions based upon Çalıkbank's high quality and innovative approach to service.



ÇALIKBANK IN 2006: PERFORMANCE, STRATEGIES AND TARGETS



ÇALIKBANK CONTINUES TO BE A MODEL OF SUSTAINABLE GROWTH AND PROFITABILITY IN AN ENVIRONMENT THAT IS SUBJECT TO FIERCE COMPETITION.

THE REASON FOR THIS ATTAINMENT BY ÇALIKBANK LIES IN ITS ABILITY TO BALANCE RISKS AND RETURNS AT AN OPTIMAL BALANCE SHEET SIZE, AND TO EXECUTE THIS STRATEGY UNDER ANY MARKET CONDITION. ÇALIKBANK IS A BANK ENJOYING GREAT STRENGTH IN CREATING VALUE TO SHAREHOLDERS. THIS ATTRIBUTE WILL BE A KEY FACTOR IN THE BANK'S LONG-TERM GROWTH.

A MODEL OF SUSTAINABLE GROWTH

Çalıkbank continues to be a model of sustainable growth and profitability in an environment that is subject to fierce competition.

Capable of collecting the principal amounts and interests of its placements at maturity and in a problem-free fashion, the Bank furthered the successful portrait drawn by the high quality of its assets with profitable operating results. The Bank's total assets reached TRY 66,792 thousand and registered a net profit worth TRY 5,198 thousand in the 2006 fiscal year.

STRONG CAPITAL STRUCTURE

Çalıkbank enjoys a strong capital structure. Based upon year-end 2006 balance sheets, the Bank's assets totaled TRY 60,749 thousand. Çalıkbank's capital adequacy ratio for the same period stands at 61.40%.

From the very beginning, the Bank succeeded in realizing its sustainable growth through its own capital.

SUSTAINED PROFITABILITY

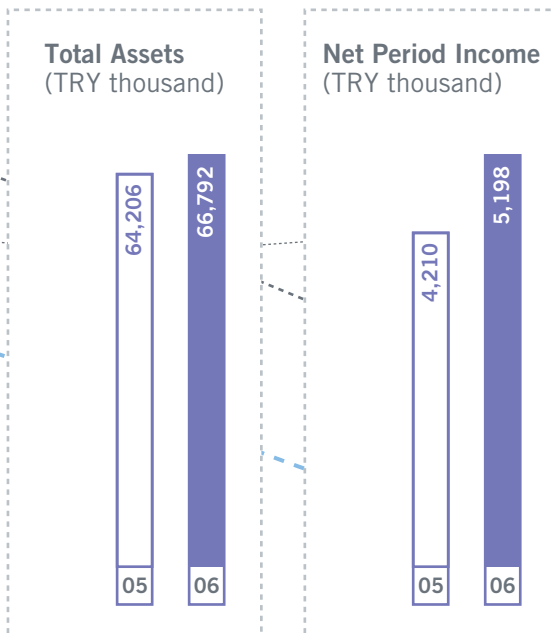
Çalıkbank posted profits every year through the seven years that passed since its establishment in 1999. A review of Çalıkbank's profitability in conjunction with the expansion achieved in asset size clearly reveals the Bank's strategic success. As opposed to many

players in the market, Çalıkbank opted for a controlled expansion of its asset size and focused on optimal productivity and high profitability. The reason for this attainment by Çalıkbank lies in its ability to balance risks and returns at an optimal balance sheet size, and to execute this strategy under any market conditions. Çalıkbank enjoys a high level of success in creating value for shareholders. This attribute will be a key factor in the Bank's long-term growth.

A SELECTIVE LENDING POLICY

In addition to its primary function of lending, Çalıkbank serves its customers in foreign trade intermediation, factoring, project finance and non-cash loans.

In 2006, the Bank managed its credit portfolio based on an approach that maintained an optimally balanced risk-return structure, and fulfilled its customers' needs for resources with varying maturities at optimum terms. Careful and selective placement policies served to protect and care for both Çalıkbank and its customers no matter the contingency. The Bank is pleased to report that no problem loans were presented in 2006.



ÇALIKBANK IN 2006: PERFORMANCE, STRATEGIES AND TARGETS

Çalıkbank is a subsidiary of a group having deeply-rooted experience in the real sector. These roots equip the Bank with significant competitive advantages. Its principal shareholder's 25 years of experience in the real sector and its viewpoint of risk constitute a central value and knowledge base for Çalıkbank's perspective in understanding and interpreting customer needs. Inherited from the real sector origin, the ability to anticipate guides Çalıkbank in the process of transferring resources to this sector.

Bringing its competitive advantages into play, Çalıkbank combines the latest financing techniques with cutting-edge risk identification and management techniques, and continues to display an exemplary lending performance in its sector. Total loans granted by Çalıkbank in 2006 amounted to TRY 43,751 thousand.

HIGH QUALITY CUSTOMER PORTFOLIO

Offering services with its head office at Istanbul Tekfen Tower, its branch in Merter and online banking application accessible at www.calikbank.com.tr, Çalıkbank holds a portfolio consisting of select customers.

Çalıkbank's clientele is populated by Turkey's leading medium and large sized national companies. In keeping with its strategy built on a basis of long-term cooperation, Çalıkbank concentrated on achieving further improvement and depth in its relations with its existing customers in 2006.

PRODUCTS DEVISED BY OUR CONSULTANCY MISSION

Consultancy and knowledge base make up the essential elements of investment banking today. Using the right information at the right time and tailoring solutions that fit the customer needs define Çalıkbank's consultancy mission.

The Bank provides investment banking services devised with a keen consideration of its consultancy mission, based on an innovative approach to business. The main services offered under this division include consultancy in mergers and acquisitions, feasibility studies, and due diligence.

Çalıkbank is committed to fulfilling its consultancy mission, constituting a fundamental function of investment banking, and to be a leading establishment in this segment in Turkey.

OUR SERVICES ATTRACT INTERNATIONAL CLIENTS AS WELL.

Çalıkbank also offers consultancy services to international companies intending to make investments in our country. In this department, the Bank served as a consultant in two major projects in 2006.

- Project consultancy services were provided to Spain-based Iberdrola which aimed to invest in the energy sector, one of ever growing importance in Turkey in recent years, and to be engaged in the power distribution segment.
- Pre-acquisition due diligence services were provided to Italy-based San Paolo IMI banking group which analyzed the potential for a joint venture in the Turkish banking sector with our equity owner Çalık Holding.

Such and similar consultancy services contribute to sharpening Çalıkbank's competencies, base of knowledge and competitive advantages, while also reinforcing the Bank's ability to provide services on an international scale.

Çalıkbank estimates that Turkey will be a destination of increased foreign capital inflow. In parallel, the Bank will find the opportunity to offer consultancy services to a greater number of domestic and foreign customers.

GAINS IN MONEY AND CAPITAL MARKETS

Çalıkbank continued to monitor the developments in the money and capital markets on a daily basis in 2006, and managed the Bank's resources optimally, adhering to strategies designed to bring the highest return opportunities in the daily market environment.

The normal course of money and capital markets were closely watched in the first half of 2006, and in the aftermath of May, action-reaction scenarios that might result within the markets from the short-lived volatility experienced were devised and necessary changes were effected in the policies.

According to 2006 financial results, Çalıkbank attained TRY 2,418 thousand in total interest income from placements made within money and capital markets transactions. The interest income generated by loans, on the other hand, registered TRY 7,548 thousand in the same period.

AN UPWARD TREND IN OUR FACTORING TRANSACTION VOLUME

Aiming to offer its customers a complete range of services and products, Çalıkbank provides factoring services within the scope of corporate banking activities. The Bank's factoring transactions volume continued its growth in 2006. Multi-faceted relationships developed with corporate banking customers is the key driver behind this growth.



IN KEEPING WITH ITS STRATEGY BUILT ON LONG-TERM COOPERATION AND UNDERSTANDING, ÇALIKBANK CONCENTRATED ON ACHIEVING FURTHER IMPROVEMENT AND DEPTH IN ITS RELATIONS WITH ITS EXISTING CUSTOMERS IN 2006.



ÇALIKBANK IN 2006: PERFORMANCE, STRATEGIES AND TARGETS

A SUPERIOR RISK ASSESSMENT AND MONITORING SKILL

Çalıkbank gives much importance to risk measurement and monitoring, signifying the most critical aspect of today's finance sector. The risk monitoring standard in place at the Bank addresses all of the requirements as set out by the legislation in force in Turkey.

By virtue of the ratings component implemented, the system evaluates and assigns a rating to customers entering into a "risk" element bearing relationship with the Bank. The rating system it developed constitutes one of the crucial advantages of Çalıkbank.

FOR CONTINUED OPERATIONAL COMPETENCY

Within the scope of the Emergency and Contingency Plan project, Çalıkbank introduced Disaster Recovery Centers in 2006.

Formulated to ensure business continuity at Çalıkbank in case of an emergency, the Emergency and Contingency Plan foresees that the Hotsite Center located in Balmumcu, Beşiktaş will assume operations in the event of evacuation of, fire, flood, long-lasting hardware failures or power cuts at the Head Office building in İstanbul Tekfen Tower, and the Disaster Recovery Center set up in Söğütözü, Ankara will assume operations in case of disasters that might affect İstanbul as a whole.

At Çalıkbank, simultaneous back-up of all critical systems are performed by the Disaster Recovery Center in Ankara.

OUR PERCEPTION OF TECHNOLOGY

To Çalıkbank, technology is the principal tool of innovation and evolution in today's world. Ever since the very beginning, the Bank made it a principle to employ technology in all its work processes in the most efficient fashion.

WEBBANK: ÇALIKBANK ON THE INTERNET

WEBBANK is Çalıkbank's corporate Internet banking application.

Facilitating fast and secure access of customers to Çalıkbank over the Internet and enabling online banking transactions, WEBBANK is accessible at www.calikbank.com.tr.

WEBBANK stands out among other Internet banking applications in that it is one of the first applications in Turkey to have fortified its encryption and verification mechanism. Having renewed its corporate Internet site in 2006, Çalıkbank will continue to update the online services offered to its customers and to further enrich them with the addition of new modules.

AN ENTREPRENEURIAL TEAM WITH A SHARED CORPORATE MINDSET

Çalıkbank's team members, with their entrepreneurial spirit, are the architects behind the Bank's innovative solutions.

Each member of Çalıkbank's team of 30 persons believes in the free exchange of ideas for the corporate good and participative management. Operating within a horizontal organization structure, this collective team operates with a shared corporate mindset.





The Bank gives utmost importance to the professional training of its employees, which make up its intellectual capital. In 2006, Çalıkbank continued to put domestic and overseas training opportunities to use aimed at upgrading the professional competencies of its employees.

ÇALIKBANK: A BANK DEVOTED TO CONSTANT IMPROVEMENT AND CHANGE

Çalıkbank is devoted to improvement and change. Aiming to offer the very best in products and services with the best possible pricing to its customers, the Bank continuously carries out research in its field of activity and accommodates itself in line with the current conditions of the national and international markets.

Çalıkbank estimates that the Turkish economy, which is back on track for sustainable growth and is a verified world-class success story, will continue to expand consistently and steadily in the coming period.

In line with this projection, the Bank is committed to;

- maintain an optimal structure in its customer portfolio,
- offer its customers a complete package of solutions covering cash and non-cash instruments, within the scope of wholesale banking,
- achieve balanced growth in its balance sheet,
- improve its revenue base,
- sustain and further enhance its profitability.

Çalıkbank will continue to be a specialized and respected force in a competing, growing, winning and sharing market that operates within the framework of ethical values.

ÇALIKBANK WILL CONTINUE TO BE A SPECIALIZED AND RESPECTED FORCE IN A COMPETING, GROWING, WINNING AND SHARING MARKET THAT OPERATES WITHIN THE FRAMEWORK OF ETHICAL VALUES.

ÇALIK GROUP

ITS FOUNDATIONS LAID IN 1981, THE ÇALIK GROUP (ÇALIK HOLDING AND SUBSIDIARIES), WITH ITS BUSINESS VOLUME, PROFITABILITY AND IMPRESSIVE COMPETENCIES IN PRODUCTS AND SERVICES, STANDS AMONG THE LARGEST GROUPS OF COMPANIES IN A LARGE GEOGRAPHY CENTERED ON TURKEY.



ENGAGED IN THE CORE BUSINESSES OF;

- ENERGY
- CONSTRUCTION
- FINANCE
- TEXTILE
- TRADE,

36 COMPANIES OF THE ÇALIK GROUP ARE POSITIONED AMONG THE LEADING AND STRONGEST PLAYERS IN THEIR RESPECTIVE SECTORS.



TEXTILE

GAP Güneydoğu Tekstil San. ve Tic. A.Ş.
(textile)
Turkmenbashi Jeans Complex
Turkmenbashi Textile Complex
Serdar Pamuk Eğrici Factory
Balkan Dokuma (weaving)
Çalık Alexandra

CONSTRUCTION AND INVESTMENT

GAP İnşaat Yatırım ve Dış Ticaret A.Ş.
(construction, investment and foreign trade)
GAP İnşaat Turkmenistan Branch
GAP Sudan
Soma Yapı Malzemeleri Madencilik San. ve Tic. A.Ş. (building materials and mining)



Providing services in 11 different countries with its 13,631 employees through its direct subsidiaries, strategic alliances and commercial representations, the Çalık Group enjoys a synergistic and modern organizational structure that makes efficient use of technology and the latest management practices at every point of the production-service cycle.

Resolute in its constant target of producing increasing added value for its shareholders, the Çalık Group is an exemplary practitioner of good corporate governance and ethical values in all of the commercial, industrial and service activities it is engaged in.

In its 25th year, the Çalık Group undertakes initiatives that solidify its vision to become a prestigious global company recognized for its entrepreneurship and respectability in the sectors it focuses on. The Group aptly and constantly remodels its corporate plans, strategies and goals in accord with this perspective.

Based on year-end 2005 consolidated data, the total assets of the Çalık Group registered USD 1,483 million, and total turnover was worth USD 991 million.

The tenacity to succeed, integrity, transparency, customer satisfaction, globalization and contribution to the society are the driving forces of the Çalık Holding's core values and corporate strategy. The Group is dedicated to the principle of constantly producing value for the economy and society as a whole through its strong and respected brand, high quality products and services, and deeply-rooted customer and business relations.

BANKA KOMBETARE TREGTARE: ALBANIA'S BEST BANK

Named the best bank in Albania by "The Banker" journal in 2006, Banka Kombetare Tregtare (BKT) is Albania's second largest bank with a total asset size of USD 858 million. The Bank offers an array of banking products and services to public and private sector establishments and companies as well as its retail customers. The service network of BKT consists of 33 branches operating in 19 cities in Albania.

Established in 1993 and privatized in 2000, BKT's shareholders are Çalık-Şeker Consortium (60%)*, EBRD (20%), and IFC (20%).

* Çalıkbank's stakeholding in the aforementioned consortium is 24%.

ENERGY AND TELECOMMUNICATIONS

Çalık Enerji Sanayi ve Ticaret A.Ş. (energy)
Çalık Enerji Turkmenistan Branch
Bursagaz Bursa Şehirliği Doğalgaz Dağıtım Tic. ve Taah. A.Ş. (natural gas distribution)
Naturelgaz San. ve Tic. A.Ş. (natural gas sales)
GAPOIL Inc.
Çalık Enerji Elektrik Üretim ve Madencilik A.Ş. (power generation and mining)
Cetel Çalık Enerji Telekomünikasyon Hiz. A.Ş. (telecommunications services)
Trans Anadolu Petrol Boru Hattı San. ve Tic. A.Ş. (crude oil pipeline)
HSV Kayseri Doğalgaz Dağıtım Paz. ve Tic. A.Ş. (natural gas distribution)
Çalık NTF Elektrik Üretim ve Madencilik A.Ş. (power generation and mining)

FINANCE

Çalık Yatırım Bankası A.Ş. (investment bank)
Çalık-Şeker Konsorsiyum Yatırım A.Ş. (consortium)
Banka Kombetare Tregtare

TRADE

GAP Pazarlama A.Ş. (marketing)
GAP-PA Textiles Inc.
Çalık USA Inc.

TRENDS IN THE WORLD AND TURKISH ECONOMIES IN 2006

AS GLOBAL GROWTH DISPLAYED A STRONG PERFORMANCE...

The strong performance displayed by global growth in 2006 was driven by the expansion and revival in economic activity that surpassed the expectations in many geographies.

The USA exhibited substantial growth in the first quarter of the year; that was followed by some deceleration as the year progressed. The growth that gained momentum in the Euro zone was also sustained in Japan. Led by China, the emerging markets continued to achieve rapid growth, whereas the countries taking place in the low-income category realized noteworthy growth performances due to the effect of strong commodity prices. Yet, inflationary pressure signals started to arise, resulting from idle capacities that were left out by constant high growth rates in certain countries.

... HEADLINE INFLATION ADOPTED AN UPWARD TREND.

Headline inflation in key developed economies has for some time reached a level creating unease among central banks, coupled with the impact of the momentum resulting from increased oil prices. Currently signals are indicating an increase in core inflation, particularly evident in the USA. On the other hand, there are strong signs that deflation in Japan has finally come to an end.

AS OIL AND METAL PRICES REACHED NEW RECORD LEVELS...

Oil and metal prices broke new records. Contractions in idle capacities resulting from vibrant GDP growth, coupled with the geopolitical strain rising in the Middle East with respect to the oil front and the production risks by other major producers like Nigeria have emerged as key elements supporting the upward trend of oil prices in global markets.

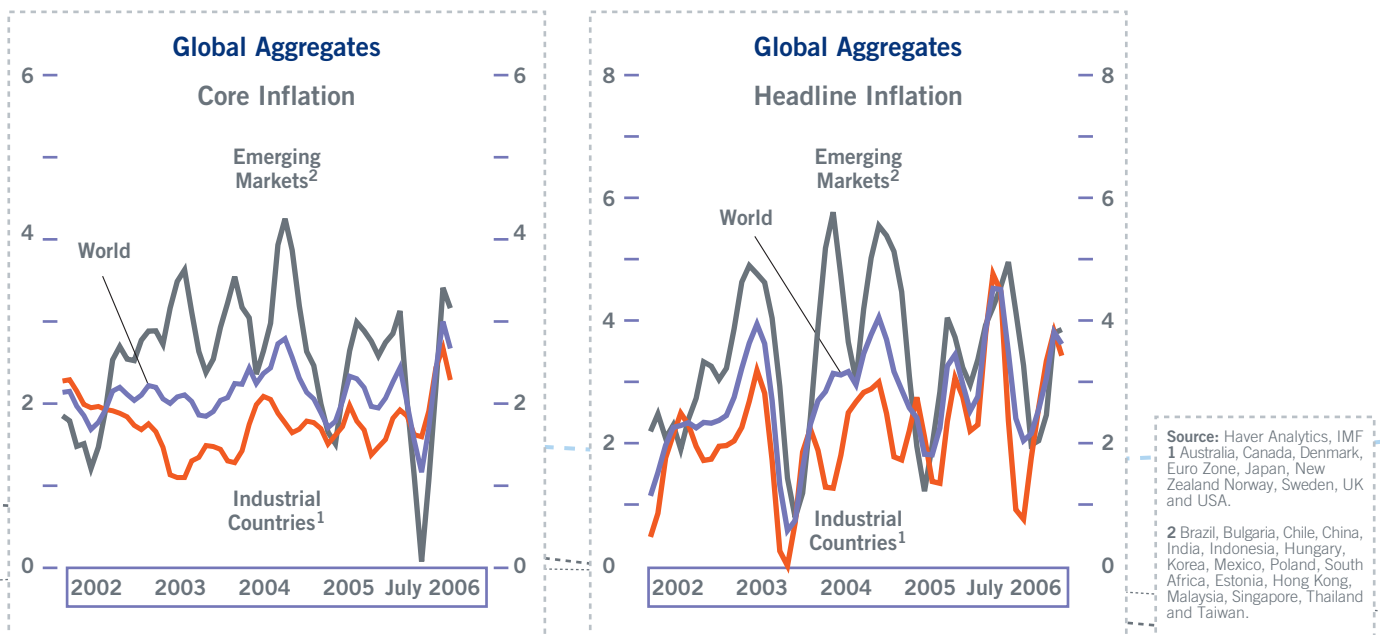
Major central banks responded to this market environment by further tightening their monetary policies. The Federal Reserve Bank, the central bank of the USA, gradually increased interest rates until June 2006, though they have been kept at the same level since August. The European Central Bank (ECB) recently increased interest rates even more, while the Bank of Japan terminated the zero interest policy in July in Japan.

... US DOLLAR LOST VALUE AGAINST EURO.

As the US Dollar lost value against Euro, and also against Japanese yen though to a lesser degree, long-term interest rates were fixed.

DEEPENED CONCERNS ABOUT INCREASED INFLATION THROUGH MAY AND JUNE...

Although the markets have been stable since July, the concerns stemming from the increased inflation through May and June 2006, accompanied by the



The charts in this section are taken from IMF, World Economic Outlook, Financial Systems and Economic Cycles, September 2006.

tightened monetary policies, gave rise to a relative weakness in capital markets of developed economies and to simultaneous fluctuations in asset prices in certain emerging markets.

...LED TO VOLATILITIES HAVING A REGIONAL IMPACT RATHER THAN RADICAL ECONOMIC RISKS.

These volatilities are considered to be market adjustments following major price increase periods, rather than significant economic risks. In such periods, it is believed that increasing interest rates by some central banks for the purpose of calming money and capital markets and curbing inflation bear a very limited impact on global growth, despite the possibility of slowing down growth in relevant countries.

Global imbalances continue to exist to a large extent. Despite the acceleration in export expansion, the current account deficit in the USA is expected to near 7% of its GDP. It is forecast that the current surplus will stand at high levels in petroleum exporting countries and in some Asian countries. For China, on the other hand, it is estimated that the current surplus will be around 7% of the GDP.

OUTLOOK AND RISKS

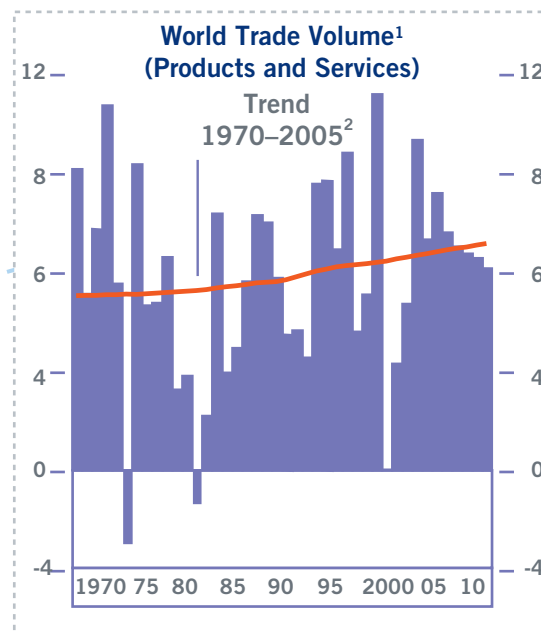
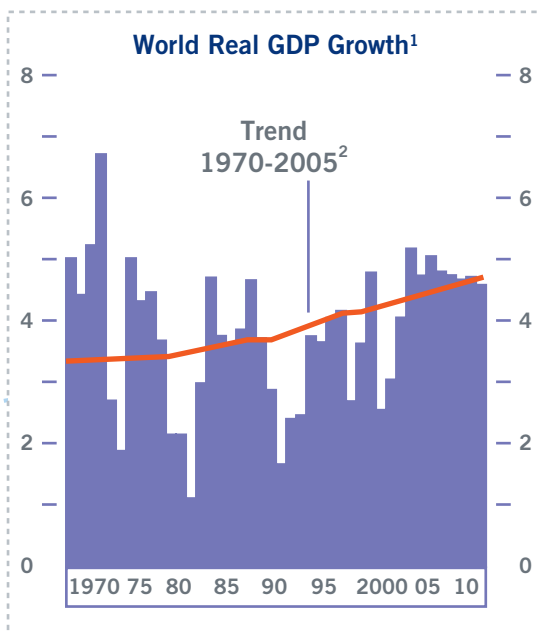
Global growth is expected to surpass the forecasts by 0.25% points and attain 5.1% for 2006, and 4.9%

for 2007. On the USA front, economic growth is estimated to dip to 3.9% in 2006 and to 2.9% in 2007, with the impact of the domestic market that is inclined to slow. The expansion in the Japanese economy will lose momentum as the economic cycle starts to mature. Despite the decelerating effects to be suffered by economic growth in Germany due to increased taxes enforced, the improvement momentum in the Euro zone will continue.

Emerging and developing markets are expected to realize strong growth levels in 2007. The Chinese economy will keep up its rapid expansion.

The major risks that might affect the global economy in the near future will be;

- increased inflationary pressures, and resulting necessity to further tighten monetary policies;
- further increased oil prices due to geopolitical uncertainties and limited idle capacity;
- a more pronounced slowdown in the American home construction industry than expectations and its sudden decelerating impact on economic growth.



Source: Haver Analytics, IMF
¹ IMF estimate for 2005-2010
² The average growth rates for individual countries are calculated in accordance with purchasing power. The averages change in time in favor of countries with higher growth rates and result in an upward trend.



TRENDS IN THE WORLD AND TURKISH ECONOMIES IN 2006

THE TURKISH ECONOMY CONTINUES ITS CONSISTENT JOURNEY ALONG THE AVENUE OF GROWTH.

The Turkish economy grew 6% in 2006. Private sector consumption and investment outlays have been the driver of economic growth in 2006, while the contribution of the public sector continued to fall.

EXPORTS AND IMPORTS ACHIEVED RESPECTIVE INCREASES OF 15.9% AND 17.3%.

In 2006, exports reached USD 85.1 billion, up 15.9% and imports reached USD 137 billion, up 17.3%. The main factors that contributed to the increase in imports were increased use of imported inputs, as well as high prices of oil and other commodities. In the aftermath of the short-lived volatilities in May, the depreciation of the Turkish currency was the key reason behind the increase in exports. The current deficit in 2006 rose to USD 31.3 billion.

INFLATION TRENDED UPWARD AND CPI REGISTERED 9.65%.

In 2006, the rate of inflation increased. At end-2006, the annual inflation registered 11.58% in the producer prices index (PPI), and 9.65% in the consumer prices index (CPI), well above the targeted 5%. The primary reasons of the increase in inflation were high food prices, buoyant domestic demand and high raw material costs.

THE SHORT-TERM INTEREST RATE CLIMBED TO 17.50%.

The macroeconomic stability in recent years led to a significant decline in market interest rates. Having dropped to 13.25% in April, the overnight borrowing interest rate of the Central Bank of the Republic of Turkey (CBRT) rose to the 17.50% mark with 425 base point increments following the short-lived volatility in May and within the scope of the measures adopted by the CBRT.

EXCHANGE RATES EXHIBITED A FLUCTUATING TREND IN 2006.

After the stability in the first five months of 2006, exchange rates were on a fluctuating course after the resurgence in the markets.

As of 31 December 2006, the New Turkish Lira lost 4.75% of its value against the USD and 16.7% against Euro. The loss of value suffered by the New Turkish Lira against the foreign currency basket consisting of USD 1 + EUR 0.77 stood at 10.41%.

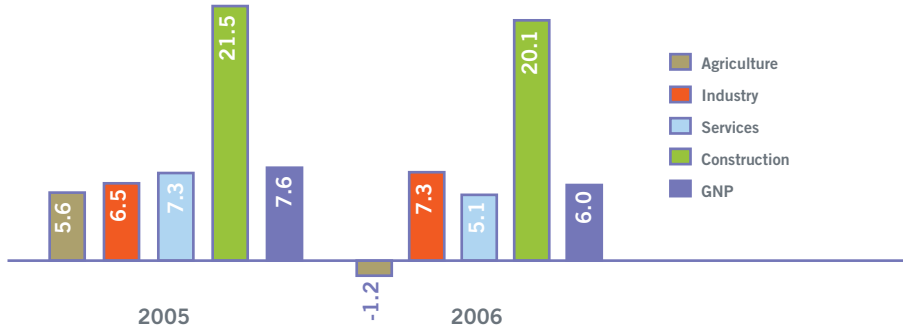
THE GROWTH TARGET SET FOR THE TURKISH ECONOMY IN 2007 IS 5%.

For the year 2007 targets cover 5% real growth and bringing inflation on consumer prices basis down to 4%. The main risk elements of the national economy are the EU accession process, the Presidential election, general elections, the political uncertainty in the Middle East, current account deficit and the potential volatilities in the global arena.

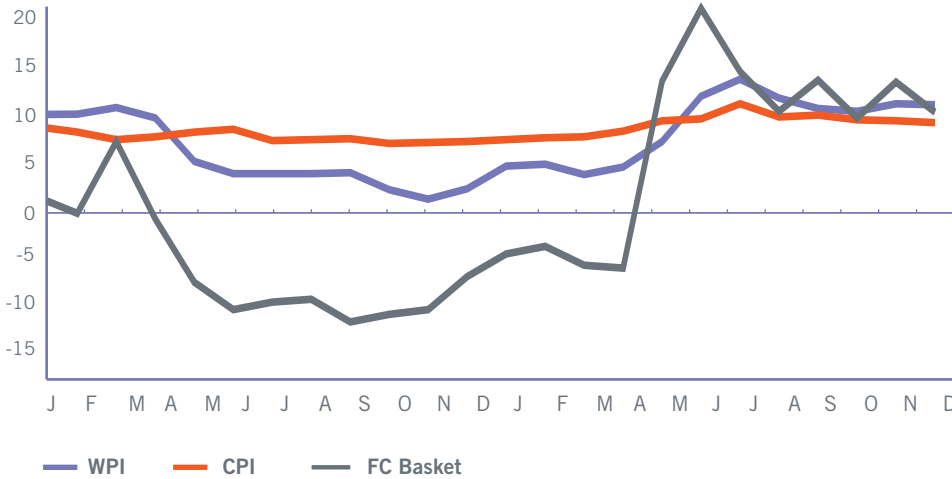


The high current account deficit will continue to be Turkey's weak spot for a little longer. As opposed to the case five years ago, Turkey is much less affected by capital outflows depending upon the changes in global risks. However, a high current deficit is more likely to amplify the effects of such volatilities and to accelerate potential deviations from macroeconomic trends.

GNP Growth by Sectors (%)



Inflation and FC Basket (Annual Changes by Month) (%)



ÇALIK YATIRIM BANKASI A.Ş. ANNUAL REPORT

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Compliance Opinion

To the General Assembly of Çalık Yatırım Bankası A.Ş.

We have been appointed to audit the annual activity report of Çalık Yatırım Bankası A.Ş. as of December 31, 2006. The Board of Directors of the Bank is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports set out by the Banking Act No: 5411. Those standards require that we planned and performed our audit to obtain reasonable assurance whether the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial position of Çalık Yatırım Bankası A.Ş. as of December 31, 2006 in accordance with the prevailing accounting principles and standards set out as per Article 40 of the Banking Act No: 5411. Financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes and it includes the Management's summary report and our audit opinion on these financial statements.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU



Hüseyin Gürer
Partner

İstanbul, March 1, 2007

INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

ÇALIK YATIRIM BANKASI A.Ş.

ÇALIKBANK SHAREHOLDING STRUCTURE

Presented below are the major shareholders and the capital structure as of 31 December 2006:

Name & Surname/Company Name	Share Amount (TRY thousand)	Share (%)	Paid Amount (TRY thousand)	Unpaid Amount (TRY thousand)
Çalık Holding	18,300	91.50	18,300	-
GAP Güneydoğu Tekstil San. ve Tic. A.Ş.	900	4.50	900	-
Ahmet Çalık	400	2.00	400	-
Mahmut Çalık	200	1.00	200	-
Ali Akbulut	200	1.00	200	-
Total	20,000	100.00	20,000	-

In the reporting period, the Bank increased its paid-in capital from TRY 13,500 thousand to TRY 20,000 thousand, up by TRY 6,500 thousand. Out of the increased capital, TRY 3,250 thousand was covered from extraordinary reserves and TRY 3,250 thousand from inflation adjustment of paid-in capital.

The capital increase has been promulgated in the issue 6689 of the Trade Registry Gazette dated 23 November 2006.

No changes occurred in the shareholding structure in 2006. The capital group that has direct or indirect control over the Bank's capital is Çalık Holding Group.

Mr. Ahmet Çalık, the chairman of the Board of Directors, holds 2% direct shareholding in the Bank's capital. Apart from Mr. Ahmet Çalık, the members of the Board of Directors, the general manager or assistant general managers have no shareholding interest in the Bank.

NAMES AND SURNAMES OF THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, GENERAL MANAGER, ASSISTANT GENERAL MANAGERS, AND HEADS OF UNITS UNDER INTERNAL SYSTEMS, THEIR YEARS IN OFFICE, AREAS OF RESPONSIBILITY, ACADEMIC BACKGROUNDS, PROFESSIONAL EXPERIENCE; TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE OF STATUTORY AUDITORS

Chairman and Members of the Board of Directors, General Manager and Assistant General Managers: names & surnames, years in office, areas of responsibility, academic backgrounds, professional experience:

Name & Surname/Title	Position Held at Çalıkbank	Years in Office	Academic Background	Professional Experience
Ahmet Çalık	Chairman of the Board	7 years	High School	26 years
Mehmet Ayhan Bolay	Vice Chairman of the Board, Member of the Audit Committee	7 years	Graduate	37 years
Mehmet Ertuğrul Gürler	Member of the Board, Member of the Audit Committee	5 years	Undergraduate	30 years
Mehmet İlhan Nebioğlu	Member of the Board	2 months	Graduate	27 years
Hasan Semih Ergür	Member of the Board, Acting General Manager	2 years	Ph.D.	23 years
Gökhan Güngör	Assistant General Manager, Treasury, Capital Markets & Financial Institutions	6 years	Graduate	16 years
Sadık Toprak	Assistant General Manager, Customer Relations	1 year	High School	26 years
Ahmet Kapıcıoğlu	Assistant General Manager, Financial Reporting and Internal Systems Coordinator	2 years	Undergraduate	12 years
Pekhan İşipek	Assistant General Manager, Commercial and Corporate Banking and Loans	6 years	Ph.D.	15 years

ÇALIK YATIRIM BANKASI A.Ş.

Notes:

1. Refers to the date M. Ayhan Bolay first became a member of the Board of Directors. (He became Vice Chairman on 08 February 2006.)
2. Refers to the date H. Semih Ergür first became Vice Chairman of the Board of Directors. (He became a member of the Board of Directors & Acting General Manager on 08 February 2006.)
3. Information provided under the heading "years in office" refers to years in the last position held.
4. Assistant General Manager Pekhan İşipek resigned as of 01 January 2007.
5. Mehmet İlhan Nebioğlu has been appointed based on the Board of Directors resolution dated 09 October 2006, number 378.

Members of the Board of Directors and Statutory Auditors are elected every year based on the relevant General Assembly resolution.

Statutory Auditors:

Fikri Erem	Statutory Auditor	4 years	Undergraduate	16 years
Bülent Aksu	Statutory Auditor	1 year	Undergraduate	11 years

ACTIVITIES OF THE CREDIT COMMITTEE AND OF THE COMMITTEES ESTABLISHED UNDER, OR TO ASSIST, THE BOARD OF DIRECTORS WITHIN THE FRAMEWORK OF RISK MANAGEMENT SYSTEMS PURSUANT TO THE REGULATION ON BANKS' INTERNAL SYSTEMS, AND THE NAMES, SURNAMES AND PRINCIPAL DUTIES OF THE HEADS AND MEMBERS OF SUCH COMMITTEES

The Audit Committee has been set up by the Board of Directors resolution dated 13 October 2006, number 380. The members of the Audit Committee are Mehmet Ayhan Bolay and Mehmet Ertuğrul Gürler, who are also members on the Board of Directors. The Audit Committee held one meeting in 2006. Attendance of the Audit Committee members to meetings is 100%.

Based on the Bank's Board of Directors resolution dated 27 December, number 388, "Senior Risk Committee", "Bank Risk Committee" and "Individual Risk Committee" have been abolished owing to the establishment of the Audit Committee, which will carry out the related duties of the committees mentioned above.

There is not an active Credit Committee at the Bank. There are no decisions made by the said Committee. The authority to extend loans at the Bank rests with the Board of Directors.

The attendance of members to Board of Directors meetings is 99%.

ÇALIK YATIRIM BANKASI A.Ş.

SUMMARY REPORT BY THE BOARD OF DIRECTORS PRESENTED TO 2006 GENERAL ASSEMBLY

Dear Shareholders,

Our Bank completed the year 2006 as a productive operating year during which company affairs were carried out as planned owing to the successful and hard work of the management staff.

1. Our net profit rose from TRY 4,120 thousand to TRY 5,198 thousand, representing 26% increase, and our asset size registered TRY 66,792 thousand.
2. Our capital adequacy ratio was 61.40%, and return on equity (ROE) was 8.56%.
3. Representing a key ratio with special importance for us, Net Fees and Commissions Income / Operating Expenses stood at 35.73%. Our target is to further increase particularly this ratio.
4. 2006 saw achievement of significant volumes in commercial loans and foreign trade transactions. Our bank offered the banking services that best fit its clients and thus grew its revenues in 2006.

Financial Statements showing the Bank's operating results for the balance sheet period 01/01/2006 – 31/12/2006, related explanations and notes therefor, Independent Auditor's Report, and Statutory Auditors' Report are presented for your perusal and approval.

We hereby submit for your assessment and approval, if so deemed by the esteemed Assembly, this Report and other reports presented to yourselves, and the acquittal of the Board of Directors. We would like to express our sincere wish that 2007 will be an even more profitable and productive year.

ON BEHALF OF ÇALIK YATIRIM BANKASI A.Ş. BOARD OF DIRECTORS



Mehmet Ayhan Bolay
Vice Chairman of the Board



Hasan Semih Ergür
Member of the Board

ÇALIK YATIRIM BANKASI A.Ş.

HUMAN RESOURCES PRACTICES

Recruitment

The Human Resources Department undertakes the background checks, interviews and overall assessment for new hires at Çalıkbank.

New hires must possess the following qualities:

- Being a citizen of the Republic of Turkey (foreigners may also be employed provided that necessary permission is obtained)
- Having completed military service for male candidates (in certain special cases, those granted deferral can also be accepted)
- Not having a disease or disability
- In principle, having completed at least high school or equivalent education for clerical and support staff and security personnel, and elementary school for service staff
- Not being convicted of an infamous crime or any act that conflicts with the principles of the banking profession
- Having successfully passed the exam to be administered, in cases where such an exam is deemed necessary to be given

Required documents for job application:

Job Application Information Sheet: This must be completed in own handwriting by the candidate.

Candidate Assessment – Pre-Screening Form: This form shall be issued by the Human Resources Department for potential employees. In the case of branches outside İstanbul, the said form shall be prepared by the relevant region or branch manager.

Documents to be provided prior to actual commencement of employment:

1. Health report
2. Original or notarized copy of the certificate evidencing education level, or a copy thereof certified by the Bank
3. Certificate evidencing discharge from, or postponement of, military obligation
4. Copy of ID certificate
5. Certificate of residence
6. 8 x passport-size colored photographs
7. Record of no convictions
8. Letters of recommendation
9. Service certificate
10. Photocopy of driver's license for drivers

Fixed-term employment contract can be concluded for any employee with whatsoever title to be employed for the Bank and such person shall be subjected to a probation period. Upon expiration of the term specified in the employment contract of an employee with whatsoever title, an assessment form will be completed by the relevant person's superior, and by way of a separate letter, the Human Resources Department will be notified on whether such person will be put on permanent staff.

Personnel employed as “interns” at the Bank will pursue employment with such title for a period of six months including the one-month probation period.

- A. Internship period can be decreased for those displaying superior performance during their employment.
- B. Those who are proven to be eligible as established in the assessment form prepared by their superiors will be put on permanent staff upon expiration of internship period.
- C. Relations with the Bank will be severed for those, for whom favorable opinions shall have not been formed during their internships.
- D. Any task assigned to an intern for training purposes shall be monitored and supervised by authorized service personnel.

ÇALIK YATIRIM BANKASI A.Ş.

It is the basic principle of the Bank to apply a maximum age of 30 rule for any inexperienced new employee to be employed.

Promotion

Promotion is advancing an employee of the Bank to the next title of authority from the corporate title of authority held. In order to be promoted, an employee must:

1. possess the required personal and professional qualifications,
2. have received a proposal from superiors suggesting that he/she has the qualities to assume the higher position,
3. have successfully passed in the proficiency testing that will be given as and when necessary.

In case of promotions, the basic considerations include, but are not limited to, actual involvement of the employee in all subjects handled by the Unit/Department he or she belongs, and acquisition of necessary knowledge through completion of on the job training. Performance assessments are also taken into account in promotion decisions.

In functional title promotions incorporating exercising of management power, priority will be given to employees possessing managerial qualities who have served in several departments.

TRANSACTIONS CARRIED OUT WITH THE BANK'S RISK GROUP

31.12.2006 (Current Period) (TRY thousand)

Bank's Risk Group*	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	-	6,269	24,856	36,653	-	-
Balance at end of period	-	-	9,672	41,766	-	-
Interest and Commission Income	-	123	3,105	804	-	-

* As defined in Article 49 of the Banking Law no. 5411, and Article 4 of the "Regulation on Loan Transactions of Banks" published in 1 November 2006.

** Leasing receivables are included in cash amounts.

31.12.2005 (Prior Period) (TRY thousand)

Bank's Risk Group*	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	-	1,535	28,944	51,760	-	-
Balance at end of period	-	6,269	24,856	36,653	-	-
Interest and Commission Income	-	93	5,812	631	-	-

* As defined in Article 49 of the Banking Law no. 5411, and Article 4 of the "Regulation on Loan Transactions of Banks" published in 1 November 2006.

** Leasing receivables are included in cash amounts.

Because the Bank is not authorized to accept deposits, there are no deposits pertaining to the risk group.

ÇALIK YATIRIM BANKASI A.Ş.

The Bank's forwards and option agreements and other similar agreements with its risk group: N/A

Relations with the risk group are carried out on an arm's length basis. The policy adopted at the Bank is to keep its assets and liabilities in such amounts so as not to remain under the control of the relevant risk group and at reasonable levels within the total balance sheet.

The Bank carries out various banking transactions with group companies. These transactions have commercial purposes, are priced in accordance with the Bank's overall pricing policy and are parallel with market prices.

Current Period (31.12.2006) (TRY thousand)	Risk Group	Total	Share %
Cash loans(*)	9,672	45,290	21.4
Non-cash loans	41,766	106,059	39.4
Total	51,438	151,349	34.0

Prior Period (31.12.2005) (TRY thousand)	Risk Group	Total	Share %
Cash loans	24,856	48,479	51.3
Non-cash loans	42,922	95,157	45.1
Total	67,778	143,636	47.2

(*) Factoring and leasing receivables included

FIELDS OF ACTIVITY IN WHICH SUPPORT SERVICES WERE PROCURED AND THE PERSONS AND COMPANIES FROM WHICH THEY WERE PROCURED PURSUANT TO THE REGULATION ON THE SUPPORT SERVICES TO BE PROCURED BY BANKS AND AUTHORIZATION OF SUPPORT SERVICE PROVIDERS

In the period ended, the Bank concluded no agreements falling under the scope of the provisions of the "Regulation on the Support Services to be Procured by Banks and Authorization of Support Service Providers".

ÇALIK YATIRIM BANKASI A.Ş.

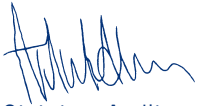
STATUTORY AUDITORS' REPORT

TO: ÇALIK YATIRIM BANKASI ANONİM ŞİRKETİ
ORDINARY GENERAL ASSEMBLY HELD ON 30 MARCH 2007

We have regularly audited the transactions and accounts of ÇALIK YATIRIM BANKASI ANONİM ŞİRKETİ for 2006 pursuant to the company's articles of association and the provision of the Turkish Commercial Code. It has been ascertained that the transactions during the reporting period have been duly carried out and recorded in accordance with applicable legislation and the provisions of the articles of association.

It has been established that the balance sheet and the income statement prepared by the Board of Directors at the end of the year conform to the company's statutory books and records.

On that basis, we hereby present the balance sheet and income statement for your acknowledgement and approval.



Statutory Auditor
Bülent Aksu



Statutory Auditor
Fikri Erem

ÇALIK YATIRIM BANKASI A.Ş.

AN ASSESSMENT BY THE AUDIT COMMITTEE OF THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS, AND THEIR ACTIVITIES IN THE REPORTING PERIOD

2006 has been a year during which organizational changes were affected and new practices were introduced in the Bank's internal control, internal audit and risk management systems.

One key change has been the establishment of the "Audit Committee". The Audit Committee has been set up in October 2006 at the Bank, with a view to assisting the Bank's Board of Directors in the performance of their monitoring and supervision activities, in line with the stipulations contained in the Banking Law no. 5411 enacted upon publication in the Official Gazette No. 25983 (bis) dated 1 November 2005.

By its decision of December 2006, the Board of Directors assigned the "Audit Committee" as the unit responsible for the Bank's "Internal Systems" based on Article 4 of the "Regulation on Banks' Internal Systems" published by the Banking Regulation and Supervision Agency on 1 November 2006. Such assignment abolished the "Executive Member" concept as used in the former regulation, which used to be fulfilled by one of the members of the Board of Directors.

The regulation setting forth the duties and responsibilities of the Audit Committee have been approved by the Board of Directors and enforced.

The "Internal Systems Group" working under the Audit Committee at the Bank comprises internal control, internal audit and risk management units. Based on an assessment of the Internal Systems Group with respect to Çalıkbank's organizational structure, physical location, balance sheet size, transaction types, transaction structures, transaction volume and existing organization, it is believed that the desired added value has been created for the Bank in 2006.

Within the framework of the provisions of the "Regulation on Banks' Internal Systems" published by the Banking Regulation and Supervision Agency on 1 November 2006, the by-law establishing the duties, responsibilities and operating principles of these units has been revised and approved by the Board of Directors.

Internal audit and internal control units base their controls and inspections on the internal systems group by-law, internal audit schedule, and processes and implementation principles applicable for control. Resulting findings are notified to the executive units that originally performed the relevant transaction. Notifications, and responses received thereto, are periodically discussed in the Audit Committee meetings and included in the Board of Directors agenda. In addition, the progress achieved in the considerations stated in these findings is followed-up and reports are updated.

Controls in the Bank are carried out on site, in a timely, orderly and careful manner. The audit work makes use of the information technology infrastructure. The Bank's internal control system conforms to the types and level of risks arising in relation to the nature and scope of the Bank's activities.

Significant experience has been gained and new practices have been developed particularly in "COBIT" implementations within the scope of the "Independent Information Systems" audit, a compulsory audit required by the Banking Regulation and Supervision Agency, which is performed for the first time and is currently in progress at the Bank. Results to be derived from the "Independent Information Systems" audit will be used so as to create added value for the Bank.

The Bank's risk management unit works in an extensive scope including the definition of risks, collection, measurement and analysis of risk-related data, determination of risk profile, adoption and implementation of necessary measures for optimization of existing and potential risks to which the Bank is exposed, as well as risk control.

ÇALIK YATIRIM BANKASI A.Ş.

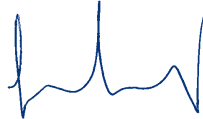
Although not imposed as a compulsory implementation by the Banking Regulation and Supervision Agency, the Bank participated in Basel II 2 Qualitative Impact Study for Turkey (QIS-TR2). Presently ongoing, the study will enable the risk management unit to gain an in-depth experience and knowledge in the transition from theory to practice, in particular. By this, the aim is to ensure that the Basel II transition process will run smoothly for the Bank.

Another consideration deemed important with respect to risk management, the Contingency Plan has been approved by the Board of Directors in 2006.

The Bank's management and relevant units effectively describe and manage all of the existing risks. The Board of Directors and the Bank's senior management are actively involved in the risk management process. Risk management policies and risk limits have been set at the Bank, and approved by the Board of Directors. All significant risks are addressed by the Bank's risk monitoring practices and reports, and the Bank's risk management policies and limits are supported by regular reporting and management information systems, which compare actual versus targeted performance.



Mehmet Ayhan Bolay
Member of the Audit Committee



Mehmet Ertuğrul Gürler
Member of the Audit Committee

ÇALIK YATIRIM BANKASI A.Ş.

AN ASSESSMENT OF THE FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

Çalıkbank raised its net profit for the period from TRY 4,210 thousand in 2005 to TRY 5,198 thousand in 2006.

The Bank's capital adequacy as at December 2006 stood at 61.40%. The Bank possesses strong equities and solvency, and no adverse changes are anticipated.

RISK MANAGEMENT POLICIES IMPLEMENTED BY TYPES OF RISKS

Çalıkbank's functional operations fall basically under commercial banking and treasury transactions categories. Revenues derived on these operations made up 91% of the total revenues in 2006.

Carried out under treasury transactions operations are interbank monetary market transactions, lending, repo, reverse repo, variable and fixed income-bearing instruments, FX, derivative instruments and trading transactions. The revenues derived on these operations constituted 18% of the total revenues in the year under review.

Commercial banking activities cover trade financing, project financing, export financing, factoring, leasing, guarantee, collateral and foreign trade transactions. 70% of the total revenues in 2006 have been generated from the transactions under this line of activities.

In terms of their relative significance, the most important risk is considered to occur in commercial banking activities due to volume and its ratio to total revenues. The aim of credit risk management at the Bank is to manage the risk that the Bank's credit portfolio might potentially be exposed to, and to maximize risk-indexed return in line with the Bank's key strategies and targets. A dynamic credit portfolio management is in place that takes into account early warning signals in credit analysis, credit allocation and extension. When extending loans, the Bank's policy is to observe 4 key principles: security, liquidity, productivity and proper distribution of loans.

Necessary documentation, responsibilities and limits have been determined with respect to management of credit risk. Specific rules have been defined for the rating, lending process, evaluation of the clients' credit worthiness and lending terms and conditions implemented at the Bank. The approach adopted by the Bank's senior management and the Board of Directors is among the key reasons of the low credit risk. Findings obtained in relation to credit risk are reported to the Board of Directors and the senior management.

Owing to the fact that the revenues derived on treasury transactions account for 18% of the Bank's total revenues and the ratio of total assets from these transactions to total asset size stands at 15%, the severity of these transactions are set as "reasonable" in risk assessment. Although the primary purpose of the Bank's treasury transactions is to offer products that are capable of responding to the needs of our client portfolio, it is targeted to contribute to profitability through transactions carried out in line with the market limits created by the Board of Directors. In the reporting period, Çalıkbank's assets arising from treasury transactions were placed in short term. The average maturity for these assets is 13 days. 7% of these assets consist of government bonds. 93% of the placements are made to banks that are deemed to enjoy high credibility. Therefore the credit risk that may arise from the establishments holding the placements are deemed low.

The short-term placements warrant low market risk resulting from the potential volatilities in financial markets.

Çalıkbank enjoys a highly liquid balance sheet structure, and is thus exposed to low liquidity risk, which describes the risk of failing to fully and timely cover cash outflows.

The interest risk, which the Bank may be exposed to due to the movements in interest rates, is also evaluated as low.

ÇALIK YATIRIM BANKASI A.Ş.

Information system backup is ensured to be taken regularly. 2006 saw the completion of the Çalıkbank Disaster Recovery Center Project. In this scope, Çalıkbank's Hotsite established in Balmumcu, İstanbul focuses on ensuring continued operation of the core staff in case of regional disasters such as hardware failures, fire, major power outages, terrorist acts, Turkish Telecom data and phone line failures, etc. The Disaster Recovery Center set in Ankara will, on the other hand, ensure continued operation by the Bank in graver disasters such as an earthquake. All corporate accesses and critical servers are simultaneously backed up at the Ankara center. Both centers house office environments designed to fulfill all technical requirements of the core staff. Based on these reasons, the Bank's operational risk is also evaluated to be low.

Reputation risk, strategy risk and other risks that might result from various transactions are also low.

As at December 2006, the Bank's capital adequacy was 61.40%. While a downward move is expected in this ratio upon inclusion of the operational risk in the computation of capital adequacy in the period to come, this is not deemed an adverse situation for the capital adequacy which stands at high levels.

INFORMATION ON WHETHER RATING WAS GRANTED BY RATING AGENCIES TO BE AUTHORIZED PURSUANT TO THE REGULATION ON THE PRINCIPLES RELATING TO AUTHORIZATION AND ACTIVITIES OF RATING AGENCIES, THE RATINGS GRANTED, IF APPLICABLE, AND THEIR CONTENTS

The Bank was not rated and no rating was granted thereto by rating agencies pursuant to the "Regulation on the Principles Relating to Authorization and Activities of Rating Agencies".

ÇALIK YATIRIM BANKASI A.Ş.

SUMMARY FINANCIAL HIGHLIGHTS FOR THE FIVE YEARS INCLUDING THE REPORTED YEAR

SUMMARY FINANCIAL HIGHLIGHTS FOR THE FIVE YEARS INCLUDING THE REPORTED YEAR

Nominal values (TRY thousand)	2006	2005	2004	2003	2002
Balance with Banks & Interbank Money Market Placements	9,375	6,178	6,490	8,889	19,372
Trading Securities (Net)	747	2,746	6,921	11,706	8,647
Loans & Factoring Receivables	43,751	44,811	39,972	26,719	3,962
Finance Lease Receivables (Net)	1,539	3,668	8,998	13,680	20,266
Shareholders' Equity	60,749	55,551	51,271	42,142	31,563
Total Assets	66,792	64,206	72,676	67,296	58,352
Guarantees and Warranties	105,718	94,781	74,143	58,034	33,640
Net Interest Income	9,962	10,850	12,189	12,769	12,568
Net Fees and Commissions Income	2,396	2,514	2,595	848	220
Net Operating Income	6,120	6,939	10,452	13,461	12,193
Gain/(Loss) on Equity Method	499	0	0	0	0
Net Monetary Position Gain/Loss	0	0	-5,858	-4,073	-6,543
Income Before Taxes	6,619	6,939	4,594	9,388	5,655
Provision for Taxes on Income	-1,421	-2,729	-1,277	-2,766	-704
Net Profit/Losses	5,198	4,210	3,317	6,622	4,951
Nominal values (USD thousand)					
Balance with Banks & Interbank Money Market Placements	6,633	4,585	4,833	6,340	11,837
Trading Securities (Net)	529	2,038	5,154	8,349	5,284
Loans & Factoring Receivables	30,957	33,256	29,766	19,056	2,421
Finance Lease Receivables (Net)	1,089	2,722	6,701	9,756	12,383
Shareholders' Equity	42,984	41,226	38,180	30,055	19,286
Total Assets	47,260	47,650	54,120	47,995	35,655
Guarantees and Warranties	74,803	70,340	55,212	41,389	20,555
Net Interest Income	7,049	8,052	9,077	9,107	7,679
Net Fees and Commissions Income	1,695	1,866	1,932	605	134
Net Operating Income	4,330	5,150	7,783	9,600	7,450
Gain/(Loss) on Equity Method	353	0	0	0	0
Net Monetary Position Gain/Loss	0	0	-4,362	-2,905	-3,998
Income Before Taxes	4,683	5,150	3,421	6,695	3,455
Provision for Taxes on Income	-1,005	-2,025	-951	-1,973	-430
Net Profit/Losses	3,678	3,124	2,470	4,723	3,025
USD 1/TRY 1	1.41329	1.34746	1.34287	1.40215	1.63659

INDEPENDENT AUDITORS' REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2006

Translated into English from the Original Turkish Report

To the Board of Directors of
Çalık Yatırım Bankası A.Ş.
İstanbul

ÇALIK YATIRIM BANKASI A.Ş.
INDEPENDENT AUDITORS' REPORT FOR THE YEAR JANUARY 1 - DECEMBER 31, 2006

We have been appointed to audit the accompanying balance sheet of Çalık Yatırım Bankası A.Ş. as at December 31, 2006, and the related statements of income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of these financial statements in accordance with the regulation on "Procedures And Principles Regarding The Accounting Practices And Documentation of Banks" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. Procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Çalık Yatırım Bankası A.Ş. as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, pronouncements in respect of accounting and financial reporting made by the BRSA.

Without qualifying our opinion we draw attention to the following matter:

- i) The Bank's majority transactions were made through the related companies (Çalık Group).

Additional Paragraph for the English Translation

The effect of the differences between the accounting principles summarized in Section 3, the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. Accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with the accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU



Hüseyin Gürer
Partner
İstanbul, February 16, 2007

ÇALIK YATIRIM BANKASI A.Ş.

THE UNCONSOLIDATED FINANCIAL REPORT OF ÇALIK YATIRIM BANKASI A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2006

Address : Eski Büyükdere Caddesi. Tekfen Tower No: 209/16
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Telephone : 0 212 339 14 14
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Web Site : <http://www.calikbank.com.tr>
E-mail Address : webmaster@calikbank.com.tr

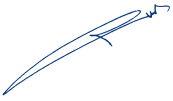
The unconsolidated financial report prepared by the Banking Regulation and Supervision Agency in line with the Communiqué on "Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures" consists of the sections listed below:

- SECTION ONE - General Information about the Bank
SECTION TWO - Unconsolidated Financial Statements of the Bank
SECTION THREE - Explanations on the Corresponding Accounting Policies Applied in the Related Period
SECTION FOUR - Information on the Financial Structure of the Bank
SECTION FIVE - Explanatory Disclosures and Footnotes on the Unconsolidated Financial Statements
SECTION SIX - Other Explanations and Footnotes
SECTION SEVEN - Independent Auditors' Report

Unless otherwise indicated, the unconsolidated financial statements, explanatory footnotes and disclosures are presented in thousands of the New Turkish Lira and have been independently audited and presented below in accordance with the Communiqué on "Banks' Accounting Practice and Maintaining Documents", Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records.

February 16, 2007

Ahmet Çalık
Chairman of the
Board of Directors



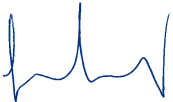
Hasan Semih Ergür
Member of the Board of Directors
and Deputy General Manager



Mehmet Ayhan Bolay
Audit Committee Member



Mehmet Ertuğrul Gürler
Audit Committee Member



Ahmet Kapıcıoğlu
Deputy General Manager in
charge of Financial Reporting



Gülay Ergüneş
General Accounting and
Internal Services Manager



Information related to the responsible personnel for any questions can be raised about financial statements:

Name-Surname/Title : Senem Saruhan / Assistant Manager
Telephone Number : 0 212 339 14 10
Fax Number : 0 212 339 14 90

ÇALIK YATIRIM BANKASI A.Ş.

THE UNCONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2006

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ÇALIK YATIRIM BANKASI A.Ş.

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ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. THE BANK'S ESTABLISHMENT DATE, BEGINNING STATUS, CHANGES IN THE EXISTING STATUS

In accordance with Article 4 of the Banking Act No: 3182, Çalık Yatırım Bankası A.Ş. was established by the Council of Ministers' decision numbered 98/11819 on September 22, 1998. The decree on the Bank's corporation charter was published in the Official Gazette numbered 23500 on October 21, 1998 and its articles of association was published in the Trade Registry Gazette on July 29, 1999.

According to the classifications of the Banking Act numbered 5411, the Bank is classified as an investment and development bank. The Bank has no authority to accept deposits.

II. EXPLANATIONS REGARDING THE BANK'S SHAREHOLDING STRUCTURE, SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY, COLLECTIVELY OR INDIVIDUALLY, THE MANAGING AND CONTROLLING POWER AND CHANGES IN CURRENT YEAR, IF ANY, AND EXPLANATIONS ON THE CONTROLLING GROUP OF THE BANK

The shareholding structure of Çalık Yatırım Bankası A.Ş. as of December 31, 2006 is as follows:

Name Surname/Commercial Name	Share Amount	Share Ratio	Paid Share	Unpaid Share
Çalık Holding	18,300	91.50	18,300	-
GAP Güneydoğu Tekstil San. ve Tic. A.Ş.	900	4.50	900	-
Ahmet Çalık	400	2.00	400	-
Mahmut Çalık	200	1.00	200	-
Ali Akbulut	200	1.00	200	-
Total	20,000	100.00	20,000	-

There has been an increase of 6,500 TRY in the Bank's capital on November 2006. The capital increase has been covered by the extraordinary reserves and other capital reserves. There has been no change on the shareholding structure of the Bank.

The direct or indirect dominant shareholder of the Bank's Capital is the Çalık Holding Group.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

III. EXPLANATIONS REGARDING THE CHAIRMAN AND THE MEMBERS OF BOARD OF DIRECTORS, AUDIT COMMITTEE, GENERAL MANAGERS AND ASSISTANTS AND THEIR SHARES IN THE PARENT BANK

Title	Name Surname	Academic Background	Experience
Chairman of the Board of Directors	Ahmet Çalık	High school	26
Vice Chairman of the Board of Directors	Mehmet Ayhan Bolay	Master's Degree	37
Members of the Board of Directors	Mehmet Ertuğrul Gürler	Under Graduate	30
	Mehmet İlhan Nebioğlu	Master's Degree	27
	Hasan Semih Ergür	Doctorate	23
General Manager (Deputy):	Hasan Semih Ergür	Doctorate	23
Assistant General Managers:	Ahmet Kapıcıoğlu	Under Graduate	12
	Pekhan İşıpek (*)	Doctorate	15
	Gökhan Güngör	Master's Degree	16
	Sadık Toprak	High school	26
Auditors Committee:	Fikri Erem	Under Graduate	16
	Bülent Aksu	Under Graduate	11

(*) Assistant General Manager Pekhan İşıpek has resigned as of January 1, 2007.

Changes in the Bank's management, top executive management and auditors in 2006:

Changes in the Board of Directors in 2006;

Mehmet İlhan Nebioğlu has been promoted.

Haluk Recai Ulusoy has resigned.

Changes in Top Management in 2006;

Sadık Toprak has been promoted.

Pekhan İşıpek has resigned as of January 1, 2007.

Chairman of the Board of Directors, Ahmet Çalık, has 2% of direct share in the Bank's capital.

Other people mentioned above have no shares in the Bank's capital.

IV. INFORMATION ON THE PEOPLE AND INSTITUTIONS THAT HAVE QUALIFIED SHARES:

Name Surname/Commercial Name	Share Amount	Share Ratio	Paid Share	Unpaid Share
Çalık Holding A.Ş.	18,300	91.5	18,300	-
Ahmet Çalık	400	2	400	-

V. SUMMARY ON THE BANK'S FUNCTIONS AND AREAS OF ACTIVITY

The purpose of the establishment of the Bank is to provide investment banking services including investments, project finance and securities transactions in accordance with the relevant legislation and the Banking Act. Project finance, factoring, financial leasing, securities, loan financing, consulting and other financial serves are amongst the products which can be offered by the Bank.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

The Bank has informed the Banking Regulation and Supervision Agency of the operations it undertakes in accordance with the permitted activities set out in the Article 4 of the Bank Act no: 5411 through a Board of Directors resolution dated December 26, 2005 and numbered 332 which are listed below.

Granting any sort of loan, either cash or non-cash

Carrying out any type of payment and collection transactions, including cash and deposit payment and fund transfer transactions, correspondent bank transactions, or use of check accounts,

Purchasing transactions of commercial bills,

Safe-keeping services,

Carrying out foreign exchange transactions, trading of money market instruments, trading of precious metals and stones and safekeeping such,

Trading and intermediation of forward, future and option contracts, simple or complex financial instruments which involve multiple derivative instruments, based on economic and financial indicators, capital market instruments, goods, precious metals and foreign exchange.

Purchase and sale of capital market instruments and repurchasing or re-sale commitments,

Intermediation for issuance or public offering of capital market instruments

Transactions for trading previously issued capital market instruments for intermediation purposes,

Guarantee transactions like undertaking guarantees and other liabilities in favor of other persons,

Investment counseling services,

Portfolio operation and management,

Primary market dealing for purchase-sales transactions within the framework of liabilities assumed by contracts signed with Treasury Undersecretariat and/or Central Bank and associations of institutions,

Factoring and forfeiting transactions,

Intermediating fund purchase-sale transactions in the inter-bank market,

Financial leasing services,

Insurance agency and individual private pension fund services,

Other activities to be determined by the Board.

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET

THOUSAND NEW TURKISH LIRA							
ASSETS	Footnote	Audited Current Period (31/12/2006)			Audited Prior Period (31/12/2005)		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	190		982	84		
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	747	0	747	2,740	6	2,746
2.1 Trading financial assets		747	0	747	2,740	0	2,740
2.1.1 Public sector debt securities		747	0	747	2,740	0	2,740
2.1.2 Share certificates		0	0	0	0	0	0
2.1.3 Other marketable securities		0	0	0	0	0	0
2.2 Financial assets at fair value through profit and loss		0	0	0	0	0	0
2.2.1 Public sector debt securities		0	0	0	0	0	0
2.2.2 Share certificates		0	0	0	0	0	0
2.2.3 Other marketable securities		0	0	0	0	0	0
2.3 Derivative financial assets held for trading		0	0	0	0	6	6
III. BANKS AND OTHER FINANCIAL INSTITUTIONS	(3)	7,713	1,662	9,375	3,826	2,352	6,178
IV. MONEY MARKET PLACEMENTS		0	0	0	0	0	0
4.1 Interbank money market placements		0	0	0	0	0	0
4.2 Istanbul Stock Exchange money market placements		0	0	0	0	0	0
4.3 Receivables from reverse repurchase agreements		0	0	0	0	0	0
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	0	0	0	0	0	0
5.1 Share certificates		0	0	0	0	0	0
5.2 Public sector debt securities		0	0	0	0	0	0
5.3 Other marketable securities		0	0	0	0	0	0
VI. LOANS	(5)	38,440	2,590	41,030	39,931	0	39,931
6.1 Loans		38,440	2,590	41,030	39,390	0	39,390
6.2 Non-performing loans		310	0	310	1,056	0	1,056
6.3 Specific provisions (-)		(310)	0	(310)	(515)	0	(515)
VII. FACTORING RECEIVABLES		2,721	0	2,721	4,880	0	4,880
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	0	0	0	0	0	0
8.1 Public sector debt securities		0	0	0	0	0	0
8.2 Other marketable securities		0	0	0	0	0	0
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	9,020	0	9,020	4,376	0	4,376
9.1 Consolidated under equity method		9,020	0	9,020	0	0	0
9.2 Unconsolidated associates		0	0	0	4,376	0	4,376
9.2.1 Financial investments		0	0	0	4,376	0	4,376
9.2.2 Non-financial investments		0	0	0	0	0	0
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	0	0	0	0	0	0
10.1 Unconsolidated financial subsidiaries		0	0	0	0	0	0
10.2 Unconsolidated non-financial subsidiaries		0	0	0	0	0	0
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	0	0	0	0	0	0
11.1 Consolidated under equity method		0	0	0	0	0	0
11.2 Unconsolidated		0	0	0	0	0	0
11.2.1 Financial subsidiaries		0	0	0	0	0	0
11.2.2 Non-financial subsidiaries		0	0	0	0	0	0
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	878	661	1,539	209	3,459	3,668
12.1 Finance lease receivables		1,177	677	1,854	259	3,543	3,802
12.2 Operating lease receivables		0	0	0	0	0	0
12.3 Other		0	0	0	0	0	0
12.4 Unearned income (-)		(299)	(16)	(315)	(50)	(84)	(134)
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	0	0	0	0	0	0
13.1 Fair value hedge		0	0	0	0	0	0
13.2 Cash flow hedge		0	0	0	0	0	0
13.3 Hedge of net investment risks in foreign operations		0	0	0	0	0	0
XIV. TANGIBLE ASSETS (Net)	(12)	791	0	791	1,009	0	1,009
XV. INTANGIBLE ASSETS (Net)	(13)	86	0	86	125	0	125
15.1 Goodwill		0	0	0	0	0	0
15.2 Other		86	0	86	125	0	125
XVI. TAX ASSET	(14)	31	0	31	29	0	29
16.1 Current tax asset		0	0	0	0	0	0
16.2 Deferred tax asset		31	0	31	29	0	29
XVII. ASSETS HELD FOR SALE (Net)	(15)	0	0	0	0	0	0
XVIII. OTHER ASSETS	(16)	443	27	470	541	25	566
ASSET TOTAL		61,060	5,732	66,792	57,750	6,456	64,206

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET

THOUSAND NEW TURKISH LIRA							
LIABILITIES	Footnote	Audited Current Period (31/12/2006)			Audited Prior Period (31/12/2005)		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	0	0	0	0	0	0
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	0	0	0	0	0	0
III. FUNDS BORROWED	(3)	0	3,090	3,090	1,002	3,234	4,236
IV. MONEY MARKET BALANCES		190	0	190	864	0	864
4.1 Interbank money market takings		0	0	0	0	0	0
4.2 Istanbul Stock Exchange money market takings		0	0	0	0	0	0
4.3 Funds provided under repurchase agreements		190	0	190	864	0	864
V. MARKETABLE SECURITIES ISSUED (Net)		0	0	0	0	0	0
5.1 Bills		0	0	0	0	0	0
5.2 Asset backed securities		0	0	0	0	0	0
5.3 Bonds		0	0	0	0	0	0
VI. FUNDS		0	0	0	0	0	0
VII. SUNDRY CREDITORS		418	727	1,145	294	1,508	1,802
VIII. OTHER LIABILITIES	(4)	457	116	573	431	0	431
IX. FACTORING PAYABLES		0	0	0	0	0	0
X. FINANCE LEASE PAYABLES (Net)	(5)	0	0	0	0	0	0
10.1 Finance lease payables		0	0	0	0	0	0
10.2 Operating lease payables		0	0	0	0	0	0
10.3 Other		0	0	0	0	0	0
10.4 Deferred finance lease expenses (-)		0	0	0	0	0	0
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	0	0	0	0	0	0
11.1 Fair value hedge		0	0	0	0	0	0
11.2 Cash flow hedge		0	0	0	0	0	0
11.3 Hedge of net investment in foreign operations		0	0	0	0	0	0
XII. PROVISIONS	(7)	712	0	712	508	0	508
12.1 General loan loss provisions		461	0	461	360	0	360
12.2 Restructuring provisions		0	0	0	0	0	0
12.3 Reserve for employee benefits		58	0	58	125	0	125
12.4 Insurance technical reserves (Net)		0	0	0	0	0	0
12.5 Other provisions		193	0	193	23	0	23
XIV. TAX LIABILITY	(8)	333	0	333	814	0	814
14.1 Current tax liability		333	0	333	814	0	814
14.2 Deferred tax liability		0	0	0	0	0	0
XV. PAYABLES RELATED TO ASSETS HELD FOR SALE	(9)	0	0	0	0	0	0
XIII. SUBORDINATED LOANS	(10)	0	0	0	0	0	0
XVI. SHAREHOLDERS' EQUITY	(11)	60,749	0	60,749	55,551	0	55,551
16.1 Paid-in capital		20,000	0	20,000	13,500	0	13,500
16.2 Capital Reserves		20,153	0	20,153	23,403	0	23,403
16.2.1 Share premium		0	0	0	0	0	0
16.2.2 Share cancellation profits		0	0	0	0	0	0
16.2.3 Marketable securities value increase fund		0	0	0	0	0	0
16.2.4 Tangible assets revaluation reserve		0	0	0	0	0	0
16.2.5 Intangible assets revaluation reserve		0	0	0	0	0	0
16.2.6 Bonus shares obtained from associates, subsidiaries and jointly controlled entities		0	0	0	0	0	0
16.2.7 Hedging funds (Effective portion)		0	0	0	0	0	0
16.2.8 Value increase on assets held for resale		0	0	0	0	0	0
16.2.9 Other capital reserves		20,153	0	20,153	23,403	0	23,403
16.3 Profit reserves		15,414	0	15,414	14,368	0	14,368
16.3.1 Legal reserves		1,761	0	1,761	1,546	0	1,546
16.3.2 Status reserves		0	0	0	0	0	0
16.3.3 Extraordinary reserves		13,653	0	13,653	12,822	0	12,822
16.3.4 Other profit reserves		0	0	0	0	0	0
16.4 Profit or loss		5,182	0	5,182	4,280	0	4,280
16.4.1 Prior year income/loss		(16)	0	(16)	70	0	70
16.4.2 Current year income/loss		5,198	0	5,198	4,210	0	4,210
TOTAL LIABILITIES		62,859	3,933	66,792	59,464	4,742	64,206

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

THOUSAND NEW TURKISH LIRA

	Footnote	Audited Current Period (31/12/2006)			Audited Prior Period (31/12/2005)		
		TRY	FC	Total	TRY	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		48,994	57,065	106,059	27,310	84,130	111,440
I. GUARANTEES	(1), (3)	48,653	57,065	105,718	26,934	67,847	94,781
1.1. Letters of guarantee		48,653	33,989	82,642	26,934	51,768	78,702
1.1.1. Guarantees subject to State Tender Law		0	0	0	0	0	0
1.1.2. Guarantees given for foreign trade operations		0	0	0	0	0	0
1.1.3. Other letters of guarantee		48,653	33,989	82,642	26,934	51,768	78,702
1.2. Bank loans		0	3,986	3,986	0	4,568	4,568
1.2.1. Import letter of acceptance		0	3,986	3,986	0	4,568	4,568
1.2.2. Other bank acceptances		0	0	0	0	0	0
1.3. Letters of credit		0	19,090	19,090	0	11,511	11,511
1.3.1. Documentary letters of credit		0	19,090	19,090	0	11,511	11,511
1.3.2. Other letters of credit		0	0	0	0	0	0
1.4. Refinancing given as guarantee		0	0	0	0	0	0
1.5. Endorsements		0	0	0	0	0	0
1.5.1. Endorsements to the Central Bank of Turkey		0	0	0	0	0	0
1.5.2. Other endorsements		0	0	0	0	0	0
1.6. Securities issue purchase guarantees		0	0	0	0	0	0
1.7. Factoring guarantees		0	0	0	0	0	0
1.8. Other guarantees		0	0	0	0	0	0
1.9. Other collaterals		0	0	0	0	0	0
II. COMMITMENTS	(1), (3)	341	0	341	376	0	376
2.1. Irrevocable commitments		341	0	341	376	0	376
2.1.1. Forward asset purchase commitments		0	0	0	0	0	0
2.1.2. Forward deposit purchase and sales commitments		0	0	0	0	0	0
2.1.3. Share capital commitment to associates and subsidiaries		0	0	0	0	0	0
2.1.4. Loan granting commitments		0	0	0	0	0	0
2.1.5. Securities underwriting commitments		0	0	0	0	0	0
2.1.6. Commitments for reserve deposit requirements		0	0	0	0	0	0
2.1.7. Payment commitment for checks		341	0	341	376	0	376
2.1.8. Tax and fund liabilities from export commitments		0	0	0	0	0	0
2.1.9. Commitments for credit card expenditure limits		0	0	0	0	0	0
2.1.10. Receivables from short sale commitments		0	0	0	0	0	0
2.1.11. Payables for short sale commitments		0	0	0	0	0	0
2.1.12. Other irrevocable commitments		0	0	0	0	0	0
2.2. Revocable commitments		0	0	0	0	0	0
2.2.1. Revocable loan granting commitments		0	0	0	0	0	0
2.2.2. Other revocable commitments		0	0	0	0	0	0
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	0	0	0	0	16,283	16,283
3.1. Derivative financial instruments for hedging purposes		0	0	0	0	0	0
3.1.1. Fair value hedge		0	0	0	0	0	0
3.1.2. Cash flow hedge		0	0	0	0	0	0
3.1.3. Hedge of net investment in foreign operations		0	0	0	0	0	0
3.2. Held for trading transactions		0	0	0	0	16,283	16,283
3.2.1. Forward foreign currency buy/sell transactions		0	0	0	0	5,423	5,423
3.2.1.1. Forward foreign currency transactions-buy		0	0	0	0	2,701	2,701
3.2.1.2. Forward foreign currency transactions-sell		0	0	0	0	2,722	2,722
3.2.2. Swap transactions related to FC and interest rates		0	0	0	0	10,860	10,860
3.2.2.1. Foreign currency swap-buy		0	0	0	0	5,445	5,445
3.2.2.2. Foreign currency swap-sell		0	0	0	0	5,415	5,415
3.2.2.3. Interest rate swaps-buy		0	0	0	0	0	0
3.2.2.4. Interest rate swaps-sell		0	0	0	0	0	0

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

THOUSAND NEW TURKISH LIRA						
Footnote	Audited Current Period (31/12/2006)			Audited Prior Period (31/12/2005)		
	TRY	FC	Total	TRY	FC	Total
3.2.3 Foreign currency, interest rate and securities options	0	0	0	0	0	0
3.2.3.1 Foreign currency options-buy	0	0	0	0	0	0
3.2.3.2 Foreign currency options-sell	0	0	0	0	0	0
3.2.3.3 Interest rate options-buy	0	0	0	0	0	0
3.2.3.4 Interest rate options-sell	0	0	0	0	0	0
3.2.3.5 Securities options-buy	0	0	0	0	0	0
3.2.3.6 Securities options-sell	0	0	0	0	0	0
3.2.4 Foreign currency futures	0	0	0	0	0	0
3.2.4.1 Foreign currency futures-buy	0	0	0	0	0	0
3.2.4.2 Foreign currency futures-sell	0	0	0	0	0	0
3.2.5 Interest rate futures	0	0	0	0	0	0
3.2.5.1 Interest rate futures-buy	0	0	0	0	0	0
3.2.5.2 Interest rate futures-sell	0	0	0	0	0	0
3.2.6 Other	0	0	0	0	0	0
B. CUSTODY AND PLEDGED ITEMS(IV+V+VI)	47,149	18,810	65,959	15,165	1,591	16,756
IV. ITEMS HELD IN CUSTODY	18,597	2,060	20,657	15,165	1,591	16,756
4.1. Assets under management	0	0	0	0	0	0
4.2. Investment securities held in custody	0	0	0	0	0	0
4.3. Checks received for collection	18,597	2,060	20,657	15,165	1,591	16,756
4.4. Commercial notes received for collection	0	0	0	0	0	0
4.5. Other assets received for collection	0	0	0	0	0	0
4.6. Assets received for public offering	0	0	0	0	0	0
4.7. Other items under custody	0	0	0	0	0	0
4.8. Custodians	0	0	0	0	0	0
V. PLEDGED ITEMS	28,552	16,750	45,302	0	0	0
5.1. Marketable securities	0	0	0	0	0	0
5.2. Guarantee notes	28,177	16,750	44,927	0	0	0
5.3. Commodity	0	0	0	0	0	0
5.4. Warranty	0	0	0	0	0	0
5.5. Properties	375	0	375	0	0	0
5.6. Other pledged items	0	0	0	0	0	0
5.7. Pledged items-depository	0	0	0	0	0	0
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	0	0	0	0	0	0
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)	96,143	75,875	172,018	42,475	85,721	128,196

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED INTEREST INCOME

THOUSAND NEW TURKISH LIRA			
INCOME AND EXPENSE ACCOUNT	Footnote	Audited Current Period (01/01/2006-31/12/2006)	Audited Prior Period (01/01/2005-31/12/2005)
I. INTEREST INCOME	(1)	10,266	11,187
1.1 Interest on loans		7,548	10,166
1.2 Interest received from reserve deposits		17	15
1.3 Interest received from banks		1,353	226
1.4 Interest received from money market placements		764	92
1.5 Interest received from marketable securities portfolio		301	443
1.5.1 Held-for-trading financial assets		301	443
1.5.2 Financial assets at fair value through profit and loss		0	0
1.5.3 Available-for-sale financial assets		0	0
1.5.4 Investments held-to-maturity		0	0
1.6 Finance lease Income		281	245
1.7 Other interest income		2	0
II. INTEREST EXPENSE	(2)	(304)	(337)
2.1 Interest on deposits		0	0
2.3 Interest on funds borrowed		(255)	(217)
2.4 Interest on money market borrowings		0	0
2.5 Interest on securities issued		0	0
2.6 Other interest expense		(49)	(120)
III. NET INTEREST INCOME (I - II)		9,962	10,850
IV. NET FEES AND COMMISSIONS INCOME		2,396	2,514
4.1 Fees and commissions received		2,421	2,539
4.1.1 Cash loans		267	259
4.1.2 Non-cash loans		1,513	1,393
4.1.3 Other		641	887
4.2 Fees and commissions paid		(25)	(25)
4.2.1 Cash loans		0	0
4.2.2 Non-cash loans		0	0
4.2.3 Other		(25)	(25)
V. DIVIDEND INCOME	(3)	0	0
VI. NET TRADING INCOME	(4)	38	673
6.1 Profit/losses on trading account securities		56	158
6.2 Foreign exchange gains/losses		(18)	515
VII. OTHER OPERATING INCOME	(5)	1,824	28
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		14,220	14,065
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	(101)	(1,794)
X. OTHER OPERATING EXPENSES (-)	(7)	(7,999)	(5,332)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		6,120	6,939
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		0	0
XIII. GAIN/(LOSS) ON EQUITY METHOD		499	0
XIV. NET MONETARY POSITION INCOME/(LOSS)		0	0
XV. INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII)	(8)	6,619	6,939
XVI. PROVISION FOR TAXES ON INCOME (±)	(9)	(1,421)	(2,729)
16.1 Provision for current income taxes		(1,423)	(2,753)
16.2 Provision for deferred taxes		2	24
XVII. NET OPERATING INCOME AFTER TAXES (XV±XVI)	(10)	5,198	4,210
17.1 Discontinued Operations		0	0
17.2 Other		0	0
XVIII. NET PROFIT/(LOSS)	(11)	5,198	4,210

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

THOUSAND NEW TURKISH LIRA

	Footnote	Paid-in Capital	Effect of Inflation Accounting on Capital and Capital Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves
CHANGES IN SHAREHOLDER'S EQUITY						
PRIOR PERIOD						
(01/01/2005 - 31/12/2005)						
Audited						
I. Beginning Balance		13,500	26,113	0	0	1,546
II. Corrections according to TAS 8		0	0	0	0	0
2.1 The effect of corrections of errors		0	0	0	0	0
2.2 The effects of changes in accounting policy.		0	0	0	0	0
III. New Balance (I+II)		13,500	26,113	0	0	1,546
Changes in period						
IV. Increase/Decrease related to merger		0	0	0	0	0
V. Investments securities available for sale		0	0	0	0	0
VI. Hedging Transactions		0	0	0	0	0
6.1 Cash-flow hedge		0	0	0	0	0
6.2 Transfer to hedge of net investment in foreign operations		0	0	0	0	0
VII. Investments securities available for sale		0	0	0	0	0
VIII. Hedging transactions		0	0	0	0	0
8.1 Cash-flow hedge		0	0	0	0	0
8.2 Hedge of net investment in foreign operations		0	0	0	0	0
IX. Period net income/(loss)		0	0	0	0	0
X. Profit distribution		0	0	0	0	0
10.1 Dividends distributed		0	0	0	0	0
10.2 Transfers to reserves		0	0	0	0	0
10.3 Other		0	0	0	0	0
XI. Capital increase		0	(2,710)	0	0	0
11.1 Cash		0	0	0	0	0
11.2 Tangible assets value increase in revaluation fund		0	0	0	0	0
11.3 Bonus shares from associates, subsidiaries and jointly controlled entities		0	0	0	0	0
11.4 Marketable securities value increase fund		0	0	0	0	0
11.5 Inflation adjustment to paid-in capital		0	0	0	0	0
11.6 Issuance of share certificates		0	0	0	0	0
11.7 Foreign exchange differences		0	0	0	0	0
11.8 Other		0	(2,710)	0	0	0
XII. The disposal of assets		0	0	0	0	0
XIII. The reclassification of assets		0	0	0	0	0
XIV. Primary subordinated loans		0	0	0	0	0
XV. Secondary subordinated loans		0	0	0	0	0
XVI. The effect of change in associate's equity		0	0	0	0	0
Closing Balance (III+IV+.....+XIV+XV+XVI)		13,500	23,403	0	0	1,546
CURRENT PERIOD						
(01/01/2006 - 31/12/2006)						
Audited						
I. Prior Period Balance		13,500	23,403	0	0	1,546
Changes in Period						
II. Increase/Decrease related to merger		0	0	0	0	0
III. Investments securities available for sale		0	0	0	0	0
IV. Hedging Transactions		0	0	0	0	0
4.1 Cash-flow hedge		0	0	0	0	0
4.2 Transfer to hedge of net investment in foreign operations		0	0	0	0	0
V. Investments securities available for sale		0	0	0	0	0
VI. Hedging transactions		0	0	0	0	0
6.1 Cash-flow hedge		0	0	0	0	0
6.2 Hedge of net investment in foreign operations		0	0	0	0	0
VII. Period net income/(loss)		0	0	0	0	0
VIII. Profit distribution		0	0	0	0	215
8.1 Dividends distributed		0	0	0	0	0
8.2 Transfers to reserves		0	0	0	0	215
8.3 Other		0	0	0	0	0
IX. Capital increase		6,500	(3,250)	0	0	0
9.1 Cash		0	0	0	0	0
9.2 Tangible assets value increase in revaluation fund		0	0	0	0	0
9.3 Bonus shares from associates, subsidiaries and jointly controlled entities		0	0	0	0	0
9.4 Marketable securities value increase fund		0	0	0	0	0
9.5 Inflation adjustment to paid-in capital		3,250	(3,250)	0	0	0
9.6 Issuance of share certificates		0	0	0	0	0
9.7 Foreign exchange differences		0	0	0	0	0
9.8 Other		3,250	0	0	0	0
X. The disposal of assets		0	0	0	0	0
XI. The reclassification of assets		0	0	0	0	0
XII. Primary subordinated loans		0	0	0	0	0
XIII. Secondary subordinated loans		0	0	0	0	0
XIV. The effect of change in associate's equity		0	0	0	0	0
Closing Balance (III+IV+.....+XIV+XV+XVI)		20,000	20,153	0	0	1,761

The accompanying notes are an integral part of these balance sheets.

Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/Loss	Prior Period Net Profit/Loss	Revaluation Fund	Value Increase Fund Revaluation Fund	Marketable Securities Revaluation Fund	Total Equity
0	12,822	0	3,317	(6,027)	0	0	0	51,271
0	0	0	0	70	0	0	0	70
0	0	0	0	0	0	0	0	0
0	0	0	0	70	0	0	0	70
0	12,822	0	3,317	(5,957)	0	0	0	51,341
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	4,210	0	0	0	0	4,210
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(3,317)	6,027	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(3,317)	6,027	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	12,822	0	4,210	70	0	0	0	55,551
0	12,822	0	4,210	70	0	0	0	55,551
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	5,198	0	0	0	0	5,198
0	4,081	0	(4,210)	(86)	0	0	0	0
0	0	0	0	0	0	0	0	0
0	4,081	0	(4,210)	(86)	0	0	0	0
0	0	0	0	0	0	0	0	0
0	(3,250)	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	(3,250)	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	13,653	0	5,198	(16)	0	0	0	60,749

ÇALIK YATIRIM BANKASI A.Ş.

UNCONSOLIDATED CASH FLOW TABLE

THOUSAND NEW TURKISH LIRA			
	Footnote	Audited Current Period (01/01/2006-31/12/2006)	Audited Prior Period (01/01/2005-31/12/2005)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	5,111	5,646
1.1.1	Interest received	10,096	11,187
1.1.2	Interest paid	(223)	(337)
1.1.3	Dividend received	499	0
1.1.4	Fees and commissions received	2,421	2,514
1.1.5	Other income	1,824	186
1.1.6	Collections from previously written off loans	0	0
1.1.7	Payments to personnel and service suppliers	(3,363)	(2,588)
1.1.8	Taxes paid	(2,054)	(3,450)
1.1.9	Others (1)	(4,089)	(1,866)
1.2	Changes in operating assets and liabilities	2,809	(6,770)
1.2.1	Net (increase) decrease in financial assets	1,999	4,214
1.2.2	Net (increase) decrease in financial assets at fair value through profit or loss	0	0
1.2.3	Net (increase) decrease in due from banks and other financial institutions	136	0
1.2.4	Net (increase) decrease in loans	3,271	835
1.2.5	Net (increase) decrease in other assets	96	189
1.2.6	Net increase (decrease) in bank deposits	0	0
1.2.7	Net increase (decrease) in other deposits	0	0
1.2.8	Net increase (decrease) in funds borrowed	(1,901)	(2,777)
1.2.9	Net increase (decrease) in matured payables	(470)	0
1.2.10	Net increase (decrease) in other liabilities (1)	(322)	(9,231)
I.	Net cash provided from banking operations	7,920	(1,124)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(4,272)	(48)
2.1	Cash paid for purchase of entities under common control, associates and subsidiaries	(4,144)	0
2.2	Cash obtained from sale of entities under common control, associates and subsidiaries	0	0
2.3	Fixed assets purchases	(128)	(194)
2.4	Fixed assets sales	0	146
2.5	Cash paid for purchase of financial assets available for sale	0	0
2.6	Cash obtained from sale of financial assets available for sale	0	0
2.7	Cash paid for purchase of investment securities	0	0
2.8	Cash obtained from sale of investment securities	0	0
2.9	Others (1)	0	0
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	0	0
3.1	Cash obtained from funds borrowed and securities issued	0	0
3.2	Cash used for repayment of funds borrowed and securities issued	0	0
3.3	Capital increase	0	0
3.4	Dividends paid	0	0
3.5	Payments for finance leases	0	0
3.6	Other (1)	0	0
IV.	Effect of change in foreign exchange rate on cash and cash equivalents (1)	(18)	515
V.	Net increase/(decrease) in cash and cash equivalents	3,630	(657)
VI.	Cash and cash equivalents at beginning of the period	6,458	7,115
VII.	Cash and cash equivalents at end of the period	10,088	6,458

The accompanying notes are an integral part of these balance sheets.

ÇALIK YATIRIM BANKASI A.Ş.

PROFIT DISTRIBUTION TABLE

THOUSAND NEW TURKISH LIRA		
	Audited Current Period (01/01/2006-31/12/2006)	Audited Prior Period (01/01/2005-31/12/2005)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	6,619	7,049
1.2 TAXES AND DUTIES PAYABLE (-)	1,423	2,753
1.2.1 Corporate Tax (Income Tax)	1,421	2,753
1.2.2 Income Withholding Tax	0	0
1.2.3 Other Taxes and Duties	2	0
A. NET INCOME FOR THE YEAR (1.1-1.2)	5,196	4,296
1.3 PRIOR YEARS LOSSES (-)	16	0
1.4 FIRST LEGAL RESERVES (-)	259	215
1.5 OTHER STATUTORY RESERVES (-)	0	0
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	4,921	4,081
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	0	0
1.6.1 To owners of ordinary shares	0	0
1.6.2 To owners of preferred shares	0	0
1.6.3 To owners of preferred shares (preemptive rights)	0	0
1.6.4 To profit sharing bonds	0	0
1.6.5 To holders of profit and loss sharing certificates	0	0
1.7 DIVIDENDS TO PERSONNEL (-)	0	0
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	0	0
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	0	0
1.9.1 To owners of ordinary shares	0	0
1.9.2 To owners of preferred shares	0	0
1.9.3 To owners of preferred shares (preemptive rights)	0	0
1.9.4 To profit sharing bonds	0	0
1.9.5 To holders of profit and loss sharing certificates	0	0
1.10 SECOND LEGAL RESERVES (-)	0	0
1.11 STATUTORY RESERVES (-)	0	0
1.12 GENERAL RESERVES	0	4,081
1.13 OTHER RESERVES	0	0
1.14 SPECIAL FUNDS	0	0
II. DISTRIBUTION OF RESERVES	0	0
2.1 APPROPRIATED RESERVES	0	0
2.2 SECOND LEGAL RESERVES (-)	0	0
2.3 DIVIDENDS TO SHAREHOLDERS (-)	0	0
2.3.1 To owners of ordinary shares	0	0
2.3.2 To owners of preferred shares	0	0
2.3.3 To owners of preferred shares (preemptive rights)	0	0
2.3.4 To profit sharing bonds	0	0
2.3.5 To holders of profit and loss sharing certificates	0	0
2.4 DIVIDENDS TO PERSONNEL (-)	0	0
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	0	0
III. EARNINGS PER SHARE	0	0
3.1 TO OWNERS OF ORDINARY SHARES	0.26	0.32
3.2 TO OWNERS OF ORDINARY SHARES (%)	25.98	31.82
3.3 TO OWNERS OF PRIVILEGED SHARES	0	0
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	0	0
IV. DIVIDEND PER SHARE	0	0
4.1 TO OWNERS OF ORDINARY SHARES	0	0
4.2 TO OWNERS OF ORDINARY SHARES (%)	0	0
4.3 TO OWNERS OF PRIVILEGED SHARES	0	0
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	0	0

Note: Board of directors is authorized for the profit distribution in the current period. General Meeting of the Bank was not held as of the financial Statements' preparation date.

(*) The amount is shown at other liabilities and tax line is deferred tax provision.

(**) Includes information on the approved profit distribution table in the general meeting held on March 31, 2005.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

1.1 Presentation of Financial Statements:

Under Article 37 of the Banking Act numbered 5411, banks are required to implement uniform chart of accounts in their accounting system in compliance with the procedures and principles to be established by the Banking Regulation and Supervision Agency ("BRSA") on the basis of international standards in consultation with the association of banks and Turkish Accounting Standards Board; to account for their all transactions in an accurate manner; and to prepare their financial reports in a form and content that would meet the need for attaining information in an understanding, reliable, comparative, fair and timely manner which would allow appropriate auditing, analysis and interpretation.

Banks are not permitted to close their statutory and auxiliary books, records and balance sheets unless with a reconciliation of accounts with their branches, domestic and foreign correspondents.

The Bank prepares its statutory records, financial statements and its documents in accordance with the Turkish Accounting Standards, Turkish Financial Reporting Standards and with Regulation on "Procedures and Principles of Accounting Practices and Documentation of the Banks".

Amounts given in the financial statements, as well as explanations and footnotes related with, are shown in One Thousand New Turkish Lira unless otherwise indicated.

1.1.1 Accounting Policies Used:

The prior period financial statements are restated as described below, in line with the principles of Turkish Accounting Standards No: 1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on June 1, 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting procedures issued by the BRSA. The adjustments to the prior period profits are summarized below:

Explanation (Thousand TRY)	Profit for the year 2005	Prior years profit/(loss)	Shareholder's Equity
Before TFRS	4,296	-	55,567
Benefit provided for employees	(110)	88	(22)
Deferred tax	24	(18)	6
Total Adjustments	(86)	70	(16)
After TFRS	4,210	70	55,551

Other than the above mentioned adjustments, the Bank has made the below accounting policy changing on its current financial statements:

a) In prior period, Çalık-Şeker Konsorsiyum Yatırım A.Ş. was recognized in the Bank's financial statements under the cost method however, it has been recognized under the equity method from September 2006.

1.2 Accounting Principles:

The accompanying financial statements have been prepared based on the Bank's statutory books. The Bank has recognized its inflation accounting restatements to its statutory records as of January 1, 2004 in accordance with the Law No: 5024 amending the Tax Procedure Law. As of December 31, 2003, the financial statements were prepared based on the historical cost, except for the revaluation of fixed assets and include inflation accounting adjustments and related classifications as per "Financial Reporting in Hyperinflationary Economies" ("TAS 14") before December 31, 2004.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

1.2.1 Inflation Accounting:

The accompanying financial statements have been adjusted in accordance with TAS 14 requiring that in hyperinflationary periods financial statements must be expressed in the purchasing power of money as at the balance sheet date. To adjust the effects of changes in the purchasing power of money from the financial statements, all financial statements prepared before 31 December 2004 are restated for the effects of inflation.

TAS 14 states that if the indicators of a hyperinflationary economy cease to exist, financial institutions do not have to prepare their financial statements in accordance with the inflation accounting since the hyperinflationary period is over.

As stated by the BRSA's circular dated April 28, 2005 and numbered 2, the indicators of hyperinflationary period are no longer valid, and as explained in the BRSA resolution dated April 21, 2005 and numbered 1623 the inflation accounting is revoked after January 1, 2005 and banks' obligation to prepare their financial statements according to this regulation is no longer in effect.

Primary indicators pertinent to the subject matter are as given below;

- a) As of January, 2005, deposits in New Turkish Lira constituted the major part of total deposits in the banking sector data and deposits in foreign currency exhibited a downward trend;
- b) As of January, 2005, loans in New Turkish Lira constituted the major part of total loans in the banking sector data and loans in foreign currency exhibited a downward trend;
- c) Prices for short-term transactions generally set without imposing carrying charge;
- d) Issue of Government Domestic Borrowing Instruments for cash is made without using the price index;
- e) Increases in Wholesale Product Index ("WPI") announced by the Turkish State Institute of Statistics ("SIS") decrease down the defined limits.

"Inflation Adjustment Difference on Paid Capital" account is transferred to the "Other Capital Reserves" account after December 31, 2004. Inflation adjustment differences on other equity and balance sheet accounts are recorded on the related accounts.

II. EXPLANATIONS ON USAGE STRATEGY OF FINANCIAL ASSETS AND FOREIGN CURRENCY TRANSACTIONS

The main sources of the Bank are mainly composed of equities. The financial balances are monitored frequently and both constant and variable interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during the budgeting process and positions are taken accordingly.

Due to the great majority of the credits extended by the Bank have the flexibility of reflecting the changes in market interest rates to customers, the interest rate risk is kept at a minimum level.

The Bank's liquidity is monitored periodically. Moreover, the need of liquidity in foreign currencies is safeguarded by monetary swaps.

Commercial placements are managed by means of a high return and low risk assets considering the international and domestic economic expectations, market conditions, the creditors' expectations and their tendencies, interest-liquidity and other similar factors. Precautionary principle is adopted in the placement decisions.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

The movements of foreign exchange rates in the market, the interest rate and the prices are monitored instantaneously. When taking positions, the Bank's unique operating and control limits are followed effectively as well as the statutory limits. No permission is granted for rate overdrafts.

A stable foreign exchange position strategy is used and current foreign exchange position is monitored considering a specific foreign currency basket.

The foreign exchange gains and losses on foreign currency transactions are accounted for in the period the transaction takes place. Foreign exchange assets and liabilities are translated to the New Turkish Lira using the foreign exchange bid rate as of the balance sheet date, and the resulting gains and losses are recorded in foreign exchange gains or losses.

III. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

The Bank's derivative instruments mainly consist of swaps, forward foreign currency buy/sell transactions.

The Bank has no derivative hedging transactions as of the balance sheet date.

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are carried at fair value and they are accounted for, considering the current principle amount, using the effective interest rate (the ratio that equalizes the present value of future cash flows of financial assets and liabilities to the current net book value) and accrual basis of accounting.

According to the related legislation, interest accruals and discounts of non-performing loans and other receivables are reversed and those amounts are excluded from the interest income until they are collected.

V. EXPLANATIONS ON FEES AND COMMISSIONS INCOME AND EXPENSES

Fees for various banking services and associates dividend income are recorded as an income in the period in which they are collected and other income accounts are recorded as an income by using the accrual method.

VI. EXPLANATIONS AND DISCLOSURES ON FINANCIAL ASSETS

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments constitute the basis of the Bank's trading activities and operations. Risks related to these activities form a significant part among the total risks the Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects.

Financial assets mainly form the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or from the Bank. Settlement date accounting requires (a) the recognition of the asset when acquired by the entity, and (b) derecognizing of the asset on the date settled by the entity; and recognition of gain or loss on disposal at the same day. In the application of settlement date accounting, similarly to the assets that the entity settles, the entity recognizes the changes that occur in the fair value of the asset between the commercial transaction date and settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received between the trade date and the settlement date are accounted for in the same way as the acquired assets.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

Fair value differences are not accounted for assets presented at cost or amortized cost; gain or loss of financial assets at fair value through profit and loss are reflected in the statement of income; gain or loss of available for sale assets are accounted in the shareholders' equity.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with a maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. Book values of these assets approximate their fair values.

Marketable Securities

The Bank classifies its marketable securities into three groups:

Financial assets at fair value through profit and loss: These transactions are classified into two categories; (i) trading securities for the purposes of short term profit taking through sale or to be repurchased in the near future. (ii) financial assets classified at inception as financial assets at fair value through profit or loss by the Bank. The Bank uses such classification when it is permitted or it enables a better appropriate disclosure.

In this category, trading securities are initially recognized at cost and measured at fair value on the financial statements. Fair values of securities that are traded in an active market are determined based on the quoted prices or current market prices.

The difference between initial cost and fair value of financial assets at fair value through profit and loss is reflected to the interest income or impairment on marketable securities accounts. Interest income and dividends from financial assets at fair value through profit and loss are reflected in the interest income and dividend income.

Held to maturity investments, financial assets available for sale and loans: Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability. This portfolio excludes loans and receivables. After initial recognition, held to maturity investments are measured at amortized cost by using the effective interest rate less impairment losses, if any.

Interests received from held to maturity investments are recorded as an interest income in the income statement. Dividends from held to maturity investments are booked as a dividend income in the income statement.

Available for sale financial assets: These assets are initially recognized at cost including the transaction costs. Interest income related to securities with fixed and variable interest under available for sale financial assets are recorded in the interest income. After initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss arising from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. At disposal of available for sale financial assets, value increases/decreases recorded in the securities value increase fund under equity are transferred to the income statement.

Loans

Loans are financial assets, which are not traded, with fixed payment terms.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

Loans are initially recognized at cost and measured at amortized cost by using the effective interest rate. The duties, charges and other expenses paid for the collaterals obtained against loans are accepted as transaction costs and reflected to customers.

Foreign currency indexed loans, are converted into the New Turkish Lira (TRY) from the foreign currency rate as of the opening date and followed in TRY accounts. Repayments are measured at the foreign currency rate on the payment date, the foreign currency gains and losses are reflected to the statement of income.

Provision is set for the doubtful loans and the amount is charged in the current period's income statement as well as their classification into the non-performing loans as per the related regulations.

The collections made related to loans including those on non-performing loans for which provision is made in the current period are recorded in the "Provision for Loans and Other Receivables" and "Interest Received from Non-performing Loans" account.

Releases of loan loss provisions are recorded by reversing the provisions booked during the year and the collections made related to loan losses previously accounted for are recorded to collections related to the prior period expenses.

VII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the Bank reviews the carrying amounts of its financial asset or group of financial assets whether there is an objective indication that those assets have suffered an impairment loss. If to find out such indication exists, the Bank determines the related impairment amount.

A financial asset or a group of financial asset is subject to impairment loss only if there is an objective indication that the occurrence of one or more than one event ("loss event") subsequent to the initial recognition of that asset has an effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group.

VIII. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, financial assets and liabilities are not offset.

IX. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES

Funds provided under repurchase agreements are accounted for under the "332-Funds Provided under Repurchase Agreements-TRY" and "333-Funds Provided under Repurchase Agreements-FC" accounts.

All of the repurchase agreements of the Bank are based on the short-term government bonds. In parallel with the classification of financial instruments, securities subject to repurchase agreements are classified as financial assets carried at fair value in profit or loss, available for sale or held to maturity. Income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement.

Receivables from reverse repurchase agreements are recorded in the "Receivables from Reverse Repurchase Agreements" account in the balance sheet.

X. EXPLANATIONS ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets held for sale are measured at the lower of the assets' carrying amount and fair value less costs to sell. Held for sale assets are presented separately in the financial statements.

An asset can only be classified as held for sale when the sale is highly probable, experienced quite often and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

plan by the management regarding the sale of the asset to be disposed (or disposal group), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or disposal group) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. Various circumstances and conditions could extend the completion period of the sale more than one year.

If such delay happened due to the circumstances and conditions beyond the control of the Bank and if there is enough evidence that the sale plan of the related asset (or disposal group) of the Bank is still in process, the delay in the sale process does not prevent the classification of the asset (or disposal group) as an asset held for sale.

As of December 31, 2006, the Bank has no assets held for sale or discontinued operations.

A discontinued operation is a division that is either disposed or held for sale. Results of discontinued operations are included separately in the income statement.

XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the unconsolidated financial statements of the Bank.

Other intangible assets' adjusted values (before 31 December 2004) are amortized over their expected economic life. Estimated residual amount of intangible assets is calculated at least once a year whether to determine if there is any impairment.

The economic life of other intangible fixed assets are determined to the extent within the limits set out by the Ministry of Finance and depreciated over the amortization rate used for the assets' economic life.

Other intangible assets of the Bank also comprise of outsourced software in non-cash rights. As of the balance sheet date, all software are outsourced and the Bank has no continuing or under development software in the current period.

XII. EXPLANATIONS ON TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated using the straight-line method. Before January 1, 2004 prior year rates in use were applied to the tangible fixed assets which are among the assets of the Bank. After that date, the economic life of the fixed assets are determined according to the set limits by the Ministry of Finance and depreciated over the amortization rate used for the assets' the economic life.

As of the balance sheet date, for fixed assets that are presented less than one financial period in the asset column are depreciated over the related year amortization rate covering the time of the fixed assets presenting the Company's assets.

Regular maintenance and repair expenditures for tangible fixed assets are recorded as an expense.

XIII. EXPLANATIONS ON LEASING TRANSACTIONS

The Bank has the authority to perform leasing transactions as a lessee as of the balance sheet date since it is classified as a Development and Investment Bank. The Bank has leasing agreements as a lessee as of the balance sheet date.

The Bank as a Lessee

Assets held under finance leases are carried at fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in profit

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

or loss in accordance with the Bank's general policy on borrowing costs. Tangible fixed assets acquired by financial leases are amortized using the useful lives of the asset.

XIV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES

Provision should be recognized in the financial statements when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

As of the balance sheet date, the Bank has no present obligation which is a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

According to the information provided from the Bank's attorneys, there are no trials against the Bank as of the balance sheet date.

XV. EXPLANATIONS ON EMPLOYEE BENEFITS LIABILITIES

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Bank. The amount payable is calculated based on the employment period and the final salary paid or using the retirement pay ceiling.

The provision is calculated by estimating the present value of the future probable obligation of the Bank and its subsidiaries or associates arising from the retirement of employees.

The Bank has no termination pay or termination indemnity obligations arising from the service of employees with specific contracts exceeding in 12 months as of the balance sheet date.

The Bank employees are not members of any kind of organization or association.

XVI. EXPLANATIONS ON TAXATION

The Bank has financial leasing operations under Article 11 of the Regulation on "Establishment and Operations of the Financial Leasing Companies" published in the Official Gazette No: 21212 on April 28, 1992. Within this context, the Bank performs financial leasing operations based on its investment incentive certificate and also utilizes and registers on its behalf for the financial leasing transactions of its customers with investment incentives covering a part of investment. The Bank is entitled to an investment allowance due to investment expenses incurred in accordance with its investment incentive certificate.

Additionally corporate tax liability provision for the results of current period activities is provided in case where a tax base is appropriate after deducting investment incentives over the accounting profit.

Income tax charge is the sum of current tax and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is also associated directly with equity.

Current taxes payable and advance taxes are offset since they relate to each other. Deferred tax assets and liabilities are also offset.

The Bank has adjusted its statutory financial statements as per the inflation accounting as of January 1, 2004 in accordance with the Law No: 5024.

Some modifications have been made in the tax legislation with Law 4842 published in the Official Gazette number 25088 on April 24, 2003. Under these modifications, investment and development banks, which are not allowed to accept deposit, are allowed to deduct loan loss provisions from the tax base in accordance with item 2 of the Article 20 of the Banking Act and the amendment introduced by Article 35 of the Law No: 4842.

XVII. ADDITIONAL EXPLANATIONS ON BORROWING

The Bank did not issue any convertible bonds (bonds convertible into stock).

The Bank did not issue any debt securities (borrowing instruments).

All other borrowing costs are recorded to statement of income in the period they occurred.

XVIII. EXPLANATIONS ON SHARE CERTIFICATES

The Bank's share capital has increased by 6,500 TRY 13,500 thousand, from TRY 13,500 thousand to TRY 20,000 thousand in the current year. TRY 3,250 thousand of the increased capital is transferred from extraordinary reserves and TRY 3,250 thousand from the inflation adjusted paid capital. This capital increase is announced in the Trade Registry Gazette numbered 6689 dated November 23, 2006.

The Bank has no subsequent dividend announcement as of the report date. Transaction costs for issuing stocks are accounted for as expenditure. Profit distribution decision will be taken by the Bank's first General Assembly after the balance sheet date.

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XIX. EXPLANATIONS ON ACCEPTANCES

Acceptances are realized simultaneously with the payment dates of the customers and they are presented in the off-balance sheet accounts. There are no acceptances shown as liabilities against the assets.

XX. EXPLANATIONS ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Bank as of the balance sheet date.

XXI. EXPLANATIONS ON SEGMENT REPORTING

The Bank primarily engages in investment banking in accordance with its mission.

No explanation or disclosure is made since segment reporting will be applied for the financial statements issued after June 30, 2007 in accordance with the provisional Article 28 of Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

XXII. EXPLANATIONS ON OTHER MATTERS

No other explanation is required other than the above accounting policies.

Explanation for the convenience English translation

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the financial statements.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. EXPLANATIONS RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO

The Bank's capital adequacy ratio as of December 31, 2006 is 61.40%.

Method used for risk measurement in determining the capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the provisions of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks " published in the Official Gazette No: 26333 on November 1, 2006. Standard method is used in the calculation of market risk included in capital adequacy standard ratio calculation.

	Risk Weight			
	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans				
Balance Sheet Items (Net)	1,013	9,375	165	45,876
Cash	564	-	-	-
Matured Marketable Securities	-	-	-	-
Due From Central Bank of Turkey	161	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	9,363	-	-
Interbank Money Market Placements	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-
Reserve Deposits	257	-	-	-
Loans	-	-	165	43,079
Non-performing loans (Net)	-	-	-	-
Financial Lease Receivables	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-
Held to Maturity Investments	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-
Sundry Debtors	-	-	-	28
Interest and Income Accruals	-	12	-	528
Subsidiaries, Associates and Entities Under Common Control (Net)	-	-	-	-
Tangible Assets	-	-	-	547
Other Assets	31	-	-	1,694
Off-Balance Sheet Items	-	38,053	12,181	10,591
Guarantees and Commitments	-	38,053	12,181	10,591
Derivative Financial Instruments	-	-	-	-
Non Risk Weighted Accounts	-	-	-	-
Total Risk Weighted Assets	1,013	47,428	12,346	56,467

Summary information related to the capital adequacy ratio:

	31.12.2006
Total Risk Weighted Assets (TRWA)	72,125
Amount Subject to Market Risk (ASMR)	11,900
Amount Subject to Operational Risk (ASOR)	-
Shareholders' Equity	51,593
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	61.40%

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Information related to the components of shareholders' equity:

	31.12.2006
CORE CAPITAL	
Paid-in capital	20,000
Nominal capital	20,000
Capital commitments (-)	-
Other capital reserves	20,153
Share issue premiums	-
Share cancellation profits	-
Legal reserves	1,761
First legal reserve (Turkish Commercial Code 466/1)	1,761
Second legal reserve (Turkish Commercial Code 466/2)	-
Other legal reserve per special legislation	-
Statutory reserves	-
Extraordinary reserves	13,653
Reserves allocated by the General Assembly	13,653
Retained earnings	-
Accumulated losses	-
Foreign currency share capital exchange difference	-
Inflation Adjustment Effect of Legal Reserves, Statutory Reserves and Extraordinary Reserves	-
Profit	5,311
Current period profit	5,198
Prior years' profits	113
Provision for possible losses up to 25% of the Core Capital	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-
Primary subordinated loans up to 15% of the Core Capital	-
Losses that cannot be covered by reserves (-)	129
Net current period loss	-
Prior years' losses	129
Leasehold improvements (-)	244
Prepaid expenses (-)	267
Intangible assets (-)	86
Deferred tax asset exceeding 10% of the Core Capital	-
Excess amount in the Article 56, Clause 3 of the Banking Act	-
Total Core Capital	60,749
SUPPLEMENTARY CAPITAL	
General Loan Loss Reserves	461
45% of the revaluation reserve for movable fixed assets	-
45% of the revaluation reserve for properties	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-
Primary subordinated loans excluded in the calculation of the Core Capital	-
Secondary subordinated loans	-
Marketable securities value increase fund	-
Associates and subsidiaries	-
Available for sale securities	-
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-
Total Supplementary Capital	461

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TIER III CAPITAL	-
CAPITAL	61,210
DEDUCTIONS FROM THE CAPITAL	9,617
Amounts related to investments in financial companies whose main activities are money and capital markets, insurance and that operate with licenses provided in accordance with special laws and financial entities accounted for under the equity method but not consolidated	-
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than Ten percent of capital which exceed the Ten Percent of Bank's Core and Supplementary Capital	9,020
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-
Loans granted being non-compliant with Articles 50 and 51 of the Banking Act	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to Article 57 of the Banking Act and have not been disposed yet after 5 years of acquisition	-
Other	-
Total Shareholders' Equity	51,593

The current period capital adequacy table is prepared as per the BRSA's Communiqué on

"Measurement and Assessment of Capital Adequacy of Banks" published on November 1, 2006. Since new capital adequacy table is not comparative with the prior period, the prior period capital adequacy table is not presented above. As of December 31, 2005, the capital adequacy standard ratio prepared as per the prevailing BRSA Communiqué as of December 31, 2005 was 77.47%.

II. EXPLANATIONS RELATED TO CREDIT RISK

1. The credit allocation is performed on a debtor and a debtor group basis within the limits. Loan limits on a debtor or a debtor group and sectors basis loan units are made for each loan given. No geographical limiting is applied.

Loan allocation and limits on the daily transactions are determined on the Bank's procedures of the loans. Related reviews are made on a daily basis. Loan intensity related to the off-balance sheet loans are observed and evaluated at the weekly Active-Passive Committee meetings.

2. There are no control limits over the positions on forwards, options and similar other agreements. Credit risks for these instruments are managed together with potential risks from credit risk market fluctuations.

3. Whenever the Bank faces a notable credit risk, forward transactions, option agreements and similar transactions are entered into by using rights, fulfillment of the contract or selling in order to reduce the risk level in a short period of time.

4. The compensated non-cash loans are evaluated at the same risk weight as the non-performing loans.

5. The Bank has no lending and banking transactions in foreign countries. The Bank is not an active participant in the international banking market.

6.1 The share of the Bank from its receivables from its top 100 cash loan customers in its total cash loan portfolio is:

As of the balance sheet date, the Bank has 37 corporate cash loan customers in total but has no retail loan customers. As of the balance sheet date, the receivables from its 37 corporate customers consist of 100% of its cash loans in total.

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6.2 The share of the Bank from its receivables from its top 100 non-cash loan customers in its total non-cash loan portfolio is:

As of the balance sheet date, the Bank has 35 non-cash loan customers in total but has no retail loan customers. As of the balance sheet date, the receivables from its 35 non-cash loan customers consist of 100% of its cash loans in total.

6.3 The share of the Bank from its receivables from its top 100 non-cash and cash loan customers in its total off-balance sheet and balance sheet assets is:

As of the balance sheet date, receivables from 100 cash loan customers consist of 66% of its balance sheet amount in total.

As of the balance sheet date, receivables from 100 non-cash loan customers consist of 100% of its off-balance sheet amount in total.

7. The Bank calculated the general loan loss provision of TRY 461 thousand (TRY 354 for 1.st group cash loans and TRY 107 for non-cash loans) in accordance with the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”.

Information according to geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Equity Investments (***)	Net Income/Loss
Current Period					
Domestic	50,591	3,021	105,718	-	5,198
European Union Countries	7,097	2,713	-	-	-
OECD Countries (*)	84	377	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities					
Under Common Control	-	-	-	9,020	-
Unallocated Assets/Liabilities (**)	-	60,681	-	-	-
Total	57,772	66,792	105,718	9,020	5,198
Prior Period					
Domestic	59,365	4,179	74,165	4,376	4,210
European Union Countries	22	1,717	-	-	-
OECD Countries (*)	23	1,714	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	420	-	-	-	-
Other Countries	-	1,029	20,616	-	-
Associates, Subsidiaries and Entities Under					
Common Control	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	55,567	-	-	-
Total	59,830	64,206	94,781	4,376	4,210

(*) OECD countries other than the USA and Canada, and EU countries.

(**) Assets and liabilities that cannot be allocated on a consistent base.

(***) Fixed capital investment amounts are presented in the capital investment column and they are not shown under the 'Assets' column.

Information on cash loans according to sectors:

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	31.12.2006				31.12.2005			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	1,062	3	-	-	961	2	-	-
Farming and Raising Livestock	1,062	3	-	-	961	2	-	-
Forestry, Wood and Paper	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Manufacturing	4,585	11	-	-	6,816	15	-	-
Mining and Quarry	-	-	-	-	-	-	-	-
Production	4,585	11	-	-	6,816	15	-	-
Electricity, Gas and Water	-	-	-	-	-	-	-	-
Construction	5,136	12	-	-	11,575	26	-	-
Services	30,264	74	2,590	100	24,918	57	-	-
Wholesale and Retail Trade	3,588	9	2,590	100	15,040	34	-	-
Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Communication	1,281	3	-	-	764	2	-	-
Financial Institutions	24,557	60	-	-	8,984	21	-	-
Real Estate and Renting Services	838	2	-	-	130	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	114	-	-	-	-	-	-	-
Total (*)	41,161	100	2,590	100	44,270	100	-	-

(*) Factoring receivables are included.

III. EXPLANATIONS RELATED TO MARKET RISK

According to the Bank's risk management procedures, certain transactions are undertaken in order to hedge market risk. These transactions enable the Bank to maintain a balance FX position collateralized its loans and improve its liquidity.

Market risk is calculated on a monthly basis using the standard method and included to the capital adequacy ratio. The Board of Directors ensures that the Bank's internal control and risk management is working effectively. Changes are reviewed and evaluated on a monthly basis.

The distribution of the Bank's portfolio based on maturity and instruments and the conditions of the market are considered by the upper management continuously. The Bank's upper management is informed on all of the treasury transactions performed and, if needed, fund management strategy is renewed by the upper management according to the market conditions. In addition to these, all transactions are controlled by the Risk Management and Internal Control Departments.

The table below shows the detail for calculation of the market risk in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued in the Official Gazette No: 26333 on November 1, 2006.

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a) Information related to market risk:

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	4
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	948
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk – Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	952
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	11,900

b) Average market risk table calculated at month-ends during the period:

	31.12.2006			31.12.2005		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	8	18	1	10	36	2
Common Stock Risk	-	-	-			
Currency Risk	658	1,141	88	275	650	37
Commodity Risk	-	-	-			
Settlement Risk	-	-	-			
Option Risk	-	-	-			
Total Value Subject to Risk	8,320	14,488	1,113	3,563	8,575	488

IV. EXPLANATIONS RELATED TO OPERATIONAL RISK

Operational risk will be calculated as of June 30, 2007 in accordance with Article 28 (a) of the Communiqué on "Disclosure of Financial Statements by the Banks and the Related Foot-notes and Explanations", published in the Official Gazette No: 26430 on February 10, 2006.

V. EXPLANATIONS RELATED TO CURRENCY RISK

1. Due to the uncertainties and changes experienced in the markets, no short or long position is followed, and therefore, no currency risks are assumed. However, potential currency risks are followed up daily, the exchange rate risk within the scope of the standard method are calculated weekly and monthly, in the exchange risk table, and the results are reported to the official authorities and the Bank's upper management. As a part of the general market risk, the exchange rate risk is taken into account in the calculation of the Capital Sufficiency Standard Rate.

There are limits that Board of Directors of the Bank has determined for position.

2. Foreign currency borrowing instruments and foreign currency net investments are not material enough to be hedged by derivative instruments.

3. Foreign currency risk policy:

As for the foreign currency risk, no open positions are assumed, and when any currency risks from the customer transactions arise, counter positions are assumed avoiding any currency risks.

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4. Announced USD and Euro exchange buying rates of the Bank as of the balance sheet date and the previous five working days are as follows:

	USD	EURO
29.12.2006	1.41329	1.86271
28.12.2006	1.42590	1.87120
27.12.2006	1.42616	1.87597
26.12.2006	1.42662	1.87272
25.12.2006	1.42870	1.87488
22.12.2006	1.42785	1.88477

5. The simple arithmetic averages of USD and Euro exchange buying rates of the Bank for the thirty days before the financial statement date are as follows:

1 US Dollar	1.43223
1 Euro	1.89183

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Information on the foreign currency risk of the Bank:

31.12.2006	EURO	USD	Yen	CHF	Other FC	Total
Assets						
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	36	736	-	10	10	792
Due from Other Banks and Financial Institutions	39	1,498	43	41	41	1,662
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-
Loans (*)	2,623	1,031	-	-	-	3,654
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Other Assets (**)	191	118	-	379	-	688
Total Assets	2,889	3,383	43	430	51	6,796
Liabilities						
Bank Deposits	-	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	(2,713)	-	-	(377)	-	(3,090)
Marketable Securities Issued	-	-	-	-	-	-
Sundry Creditors	(2)	(720)	-	(1)	(4)	(727)
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-	-
Other Liabilities	-	(116)	-	-	-	(116)
Total Liabilities	(2,715)	(836)	-	(378)	(4)	(3,933)
Net Balance Sheet Position	174	2,547	43	52	47	2,863
Net Off-Balance Sheet Position						
Financial Derivative Assets	-	-	-	-	-	-
Financial Derivative Liabilities	-	-	-	-	-	-
Non-Cash Loans (***)	(14,194)	(42,471)	(367)	(32)	(1)	(57,065)
31.12.2005						
Total Assets	1,748	3,353	7	1,757	11	6,876
Total Liabilities	(1,719)	(1,304)	-	(1,716)	(3)	(4,742)
Net Balance Sheet Position	29	2,049	7	41	8	2,134
Net Off-Balance Sheet Position	2,723	(2,714)	-	-	-	9
Financial Derivative Assets	5,445	2,701	-	-	-	8,146
Financial Derivative Liabilities	(2,722)	(5,415)	-	-	-	(8,137)
Non-Cash Loans (**)	(6,079)	(61,747)	-	(21)	-	(67,847)

(*) TRY 1,048 thousand of foreign currency indexed loan principle and TRY 16 thousand of discount are included.

(**) TRY 945 thousand of Other Asset amount consists of TRY 654 thousand of financial leasing receivables and TRY 7 thousand of income discount. Also, TRY 0 of "Derivative Financial Instruments Income Discounts" under assets is not included in the financial statements (2005; TRY 6).

(***) Non-Cash loans are not included in the "Net Off-Balance Sheet Position" total.

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VI. EXPLANATIONS RELATED TO INTEREST RATE RISK

1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank. General and specific interest rate risk tables in the standard method, including assets and liabilities, are taken into account in the determination of the Capital Adequacy Standard Ratio and to calculate the overall interest rate risk of the Bank.

2. The Bank management applies no limits to the daily interest rate. There is always a positive spread between the liability cost and asset income in the interest rate applied.

3. The Bank's interest rate risk is not material enough to take the necessary actions for fair value hedge in the current year. Effect of the interest rate risk on the net profit or equity of the Bank is not expected for future periods.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

31.12.2006	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non- interest bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	419	-	-	-	-	563	982
Due From Other Banks and Financial Institutions	8,984	-	-	-	-	391	9,375
Financial Assets at Fair Value Through Profit and Loss	-	292	-	455	-	-	747
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-
Loans	36,964	6,246	541	-	-	-	43,751
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	243	458	93	146	598	10,399	11,937
Total Assets	46,610	6,996	634	601	598	11,353	66,792
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	(190)	-	-	-	-	-	(190)
Sundry Creditors	-	-	-	-	-	(1,145)	(1,145)
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	(191)	(2,899)	-	-	-	-	(3,090)
Other Liabilities	-	-	-	-	-	(62,367)	(62,367)
Total Liabilities	(381)	(2,899)	-	-	-	(63,512)	(66,792)
Balance Sheet Long Position	46,229	4,097	634	601	598	-	52,159
Balance Sheet Short Position	-	-	-	-	-	(52,159)	(52,159)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	46,229	4,097	634	601	598	(52,159)	-

(*) Follow-up Loans (net), subsidiaries, sundry creditors, financial leasing receivables, tangible assets, intangible assets are shown at the asset line.

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

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Average interest rates applied to monetary financial instruments:

31.12.2006	EURO %	USD %	CHF %	TRY %
Assets				
Cash (Cash In Vault, Foreign Currency Cash, Money In Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	-	-	-	-
Due From Other Banks And Financial Institutions	-	5.19	-	18.68
Financial Assets At Fair Value Through Profit And Loss	-	-	-	18.91
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-
Loans	8.55	13.59	-	21.32
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	-	-	-	14.71
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.00	-	3.99	-

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31.12.2005	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non- interest bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	554	-	-	-	-	144	698
Due From Other Banks and Financial Institutions	6,116	-	-	-	-	62	6,178
Financial Assets at Fair Value Through Profit and Loss	6	-	288	2,452	-	-	2,746
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-
Loans	37,759	5,530	464	517	-	-	44,270
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	318	674	735	1,371	555	6,661	10,314
Total Assets	44,753	6,204	1,487	4,340	555	6,867	64,206
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	(864)	-	-	-	-	-	(864)
Sundry Creditors	(147)	(304)	(335)	(439)	-	(577)	(1,802)
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	(1,163)	(350)	(444)	(930)	(1,349)	-	(4,236)
Other Liabilities	(42)	-	(602)	-	-	(56,660)	(57,304)
Total Liabilities	(2,216)	(654)	(1,381)	(1,369)	(1,349)	(57,237)	(64,206)
Balance Sheet Long Position	42,537	5,550	106	2,971	-	-	51,164
Balance Sheet Short Position	-	-	-	-	(794)	(50,370)	(51,164)
Off-Balance Sheet Long Position	-	-	-	-	-	9	9
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	42,537	5,550	106	2,971	(794)	(50,361)	9

(*) Loans under follow-up (net), subsidiaries, financial leasing receivables, miscellaneous receivables, property, plant and equipment, intangible assets and other assets are presented under the Other Assets column.

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	EURO %	USD %	CHF %	TRY %
31.12.2005				
Assets				
Cash (Cash In Vault, Foreign Currency Cash, Money In Transit, Cherubs Purchased) And Balances With The Central Bank Of Turkey	-	-	-	-
Due From Other Banks And Financial Institutions	-	4.20	-	14.73
Financial Assets At Fair Value Through Profit And Loss	-	-	-	14.13
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-
Loans	-	11.39	-	21.25
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	-	-	-	8.27
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.05	5.75	3.74	13.95

VII. EXPLANATIONS RELATED TO LIQUIDITY RISK

1. The source of the Bank's liquidity risk is that possibility of withdrawal of cash outflows before maturity. The Bank Management does not impose any limits on the fund sources to be used in case of immediate need for liquidity and to settle the maturing liabilities.
2. The Bank is highly sensitive about having appropriate interest rates between its assets and liabilities. It is frequently measured using the ratio of asset income and liability cost analysis reports and they are closely reviewed and evaluated.
3. The Bank provides its short term liquidity need from its own resources. Long term liquidity needs, on the other hand, is expected to be covered by the capital increase. In addition, the interbank market sources will also be used, when available. As of the balance sheet date, the Bank is liquid and excess liquidity is sold in the market and this has a positive effect on the profitability of the Bank.
4. The Bank has no risks related to the cash flow amounts and sources. Amount, resource and maturity analysis of the cash flows are presented in the below table:

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Presentation of assets and liabilities according to their remaining maturities:

31.12.2006	Demand (*)	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed (**)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	613	369	-	-	-	-	-	982
Due from Other Banks and Financial Institutions	391	8,984	-	-	-	-	-	9,375
Financial Assets at Fair Value Through Profit and Loss	-	-	292	-	455	-	-	747
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	-	-	-
Loans	-	36,964	6,246	541	-	-	-	43,751
Held-To-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (***)	176	244	459	93	146	598	10,221	11,937
Total Assets	1,180	46,561	6,997	634	601	598	10,221	66,792
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	(191)	(2,899)	-	-	-	-	(3,090)
Money Market Borrowings	-	(190)	-	-	-	-	-	(190)
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	(1,145)	-	-	-	-	-	-	(1,145)
Other Liabilities (****)	(212)	(766)	(121)	-	-	-	(61,268)	(62,367)
Total Liabilities	(1,357)	(1,147)	(3,020)	-	-	-	(61,268)	(66,792)
Liquidity Gap	(177)	45,414	3,977	634	601	598	(51,047)	-
31.12.2005								
Total Assets	521	44,768	6,204	1,487	4,340	555	6,331	64,206
Total Liabilities	(790)	(2,604)	(654)	(1,382)	(1,369)	(1,348)	(56,059)	(64,206)
Liquidity Gap	(269)	42,164	5,550	105	2,971	(793)	(49,728)	-

(*) Demand Column includes sundry receivables and sundry liabilities except cash and cash equivalents, demand banking deposits and prepaid expenses.

(**) Undistributed column includes tangible assets, subsidiaries, prepaid expenses and other assets which are not shown anywhere in asset sides, at the liabilities equities and provisions (without corporate tax provision) are shown.

(***) Other asset line includes follow-up loans (net), sundry debtors, tangible assets, intangible assets, subsidiaries, leasing receivables and other assets.

(****) Other liabilities line includes tax payables, expense accruals, temporary accounts, equity and other liabilities.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

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VIII. EXPLANATIONS RELATED TO PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

The table below presents the carrying and fair value of the financial assets and liabilities that cannot be carried at fair value in the Bank's financial statements.

	Carrying Value		Fair Value	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Financial Assets (*)				
Money Market Placements	-	-	-	-
Due From Other Banks and Financial Institutions	9,375	6,178	9,375	6,178
Available-For-Sale Financial Assets	-	-	-	-
Held-To-Maturity Investments	-	-	-	-
Loans	43,751	44,811	43,751	44,811
Financial Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds Provided From Other Financial Institutions	3,090	4,236	3,090	4,236
Marketable Securities Issued	-	-	-	-
Sundry creditors	1,145	1,802	1,145	1,802

IX. EXPLANATIONS RELATED TO TRANSACTIONS MADE ON BEHALF OF OTHERS AND FIDUCIARY TRANSACTIONS

1. The Bank retains customer government bonds at free deposits of the Turkish Republic

Central Bank and credit guarantees and cheques received from its customers are also physically kept.

2. The Bank has no any fiduciary transactions.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS RELATED TO ASSETS

1. Information on Cash and Balances with the Central Bank of Turkey:

1.1. Information on cash and balances with the Central Bank of Turkey:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	141	422	33	60
Balances with the Central Bank of Turkey	49	370	51	554
Other	-	-	-	-
Total	190	792	84	614

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

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1.2. Information related to the account of the Central Bank of Turkey:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	49	-	51	-
Unrestricted Time Deposit	-	113	-	161
Restricted Time Deposit	-	257	-	393
Total	49	370	51	554

2. Additional information about financial assets at fair value through profit and loss

2.1. Marketable securities held for trading

2.1.1. Information on financial assets at fair value through profit and loss subject to repurchase agreements and blocked/given as a collateral:

	31.12.2006		31.12.2005	
	FC	TRY	FC	TRY
Stocks	-	-	-	-
Bills, bonds and other marketable securities	548	-	1,869	-
Other	-	-	-	-
Total	548	-	1,869	-

2.1.2. Securities subject to repurchase agreements:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Public sector debt securities	199	-	871	-
Other public debt securities	-	-	-	-
Bank bonds and bank guarantee bonds	-	-	-	-
Marketable securities based on value	-	-	-	-
Other	-	-	-	-
Total	199	-	871	-

2.2. Information on financial assets carried at fair value through profit and loss

2.2.1. Financial assets carried at fair value through profit and loss blocked or given as a collateral:

In the current period, there are no financial assets carried at fair value through profit and loss blocked or given as a collateral. (2005: None)

2.2.2. Financial assets carried at fair value through profit or loss that are subject to repurchase agreements:

In the current period, there are no financial assets carried at fair value through profit and loss that are subject to repurchase agreements. (2005: None)

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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2.3. Positive Difference table for held for trading derivative financial assets:

As of the balance sheet date, the Bank has no derivative financial assets.

Held for Trading Derivative Financial Assets	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	6
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	-	6

3. Information on Banks and Other Financial Institutions:

3.1. Information on banks and other financial institutions:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Banks	7,713	1,662	3,826	2,352
Domestic	702	1,492	3,826	1,887
Foreign	7,011	170	-	465
Branches and head office abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	7,713	1,662	3,826	2,352

3.2. Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	7,098	22	-	-
USA and Canada	-	420	-	-
OECD Countries*	83	23	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	7,181	465	-	-

(*) OECD countries other than the USA and Canada and European Union countries.

4. Additional Information about Available-for-Sale Assets:

4.1. Main types of financial assets available-for-sale:

As of the balance sheet date, the Bank has no financial assets available-for-sale. (2005: None)

4.2. Information on financial assets available-for-sale:

As of the balance sheet date, the Bank has no financial assets available-for-sale. (2005: None)

4.3. Information on available for sale assets blocked or given as a collateral:

As of the balance sheet date, the Bank has no financial assets available-for-sale. (2005: None)

4.4. Information on available for sale assets subject to repurchase agreements:

As of the balance sheet date, the Bank has no financial assets available-for-sale. (2005: None)

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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5. Information on Loans

5.1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	31.12.2006		31.12.2005	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	661	4,690	3,460	4,514
Corporate shareholders	661	4,682	3,460	4,506
Real person shareholders	-	8	-	8
Indirect loans granted to shareholders	9,011	37,076	21,396	38,408
Loans granted to employees	-	-	-	-
Total	9,672	41,766	24,856	42,922

Financial leasing receivables are included.

5.2. Information on the first and second group loans and other receivables including restructured or rescheduled loans and other receivables:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Follow-up	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	41,030	-	-	-
Discount notes	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	24,557	-	-	-
Foreign loans	-	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	16,473	-	-	-
Specialized loans	-	-	-	-
Other receivables (*)	2,721	-	-	-
Total	43,751	-	-	-

(*) Factoring receivables amounting to TRY 2,721 are included in the "Other" line.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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5.3. Cash Loans according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Follow-up	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	41,161	-	-	-
Non-specialized loans	38,440	-	-	-
Specialized loans	-	-	-	-
Other receivables	2,721	-	-	-
Medium and Long-term loans	2,590	-	-	-
Non-specialized loans	2,590	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	43,751	-	-	-

(*) Factoring receivables amounting to TRY 2,721 are included in the "Other receivables" line.

5.4. Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

As of the balance sheet date, there are no consumer loans, individual credit cards, personnel loans and credit cards given to personnel. (2005: None)

5.5. Information on commercial loans with installments and corporate credit cards:

As of the balance sheet date, there are no commercial loans with installments and corporate credit cards. (2005: None)

5.6. Loans according to borrowers:

	31.12.2006	31.12.2005
Public	-	-
Private	43,751	44,811
Total (*)	43,751	44,811

(*) Factoring receivables are included.

5.7. Domestic and foreign loans:

	31.12.2006	31.12.2005
Domestic loans	43,751	44,811
Foreign loans	-	-
Total	43,751	44,811

(*) Factoring receivables are included.

5.8. Loans granted to subsidiaries and associates:

As of the balance sheet date, there are no loans granted to subsidiaries or associates. (2005: None)

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NOTES TO THE FINANCIAL STATEMENTS

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5.9. Specific provisions provided against loans:

	31.12.2006	31.12.2005
Loans and receivables with limited collectibility	-	500
Loans and receivables with doubtful collectibility	-	-
Uncollectible loans and receivables	310	15
Total	310	515

5.10. Information on non-performing loans (Net)

5.10.1 Information on loans and other receivables included in the restructured or rescheduled non-performing loans:

As of the balance sheet date, there are no loans or other receivables included in the restructured or rescheduled non-performing loans. (2005: None)

5.10.2. The movement of total non-performing receivables:

	III. Group	IV. Group	V. Group
Loans and receivables with limited collectibility	Loans and		
receivables with doubtful collectibility			
Uncollectible loans and receivables			
Prior period end balance	1,041	-	15
Additions (+)	-	30	-
Transfers from other categories of non-performing loans (+)	-	976	295
Transfers to other categories of non-performing loans (-)	(976)	(295)	-
Collections (-)	(65)	(711)	-
Write-offs (-)	-	-	-
Current period end balance	-	-	310
Specific provision (-)	-	-	(310)
Net Balances on Balance Sheet	-	-	-

5.10.3. Information on foreign currency non-performing loans:

As of the balance sheet date, there are no foreign currency non-performing loans. (2005: None)

5.11. Main guidelines of liquidating non-performing loans and other receivables:

The Bank is required to provide a provision amount for its liquidating loans in accordance with the Communiqué on "Determining the Nature of Loans and Other Receivables and Procedures and Principles Set out for Loans and Other Receivables by Banks". The Bank keeps its records in line with the related legislation.

The Bank has booked a provision amount of TRY 310 thousand for its non-performing loans and other receivables.

6. Information on Held-to-Maturity Investments (Net):

6.1. Information on held-to-maturity investments:

The Bank has no held-to-maturity investments as of December 31, 2006 and December 31, 2005.

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NOTES TO THE FINANCIAL STATEMENTS

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6.2. Information on held-to-maturity investments blocked or given as a collateral that are subject to repurchase agreements:

The Bank has no held to maturity investments blocked or given as a collateral as of December 31, 2006 and December 31, 2005.

6.3. Information on held to maturity government bonds:

The Bank has no held to maturity government bonds as of December 31, 2006 and December 31, 2005.

6.4. Movement of held-to-maturity investments during the period:

The Bank has no held to maturity investments as of December 31, 2006 and December 31, 2005.

7. Information on Associates (Net):

7.1. Information on the unconsolidated associates:

Agromarket Tic. ve Elektronik Hiz. Pazarlama A.Ş. was liquidated providing 100% of provision amount in the December 31, 2005 financial statements. The liquidation process was finalized in accordance with the decision made by the extraordinary BOD meeting on December 25, 2006 and it was closed on December 28, 2006. After the liquidation process, the Bank has excluded Agromarket Tic. ve Elektronik Hiz. Pazarlama A.Ş. from its assets as of December 29, 2006.

7.1.1. Information on the unconsolidated associates:

Name	Address (City/ Country)	Bank's share rate-Vote rate if different (%)	Bank and Risk Group Share Rate (%)
1 Çalık-Şeker Konsorsiyum A.Ş.	Istanbul / Turkey	24%	66%

7.1.2. Information on the unconsolidated associates:

	Total Assets	Equity	Total Fixed Assets	Interest Income	Marketable Securities Income	Current Period Profit/Loss	Previous Period Profit/Loss	Fair Value
Çalık-Şeker Konsorsiyum A.Ş. (*)	1,161,781	62,358	17,419	22,180	-	5,591	(2,731)	-

(*) Taken from the audited consolidated financial statements as of September 30, 2006. The US Dollar amounts in the related report are included to the table with their exchanged TRY amounts from the September 30, 2006 cash-desk rate.

7.1.3. Information on the reasons for not being consolidated of the unconsolidated associates and the method used to recognize the associates into the unconsolidated financial statements:

The main objective of foundation of the Bank's financial associate, Çalık-Şeker Konsorsiyum Yatırım A.Ş., is the acquisition of Banka Kombetare Tregtare (Banka Kombetare) in Albania from the Saving Deposit Insurance Fund. The transactions for the sale are completed by the Saving Deposit Insurance Fund and Albania's approval was taken on June 9, 2006. The financial statements of the associate Bank prepared prior to acquisition were recognized using the cost method however, as of the acquisition date, the associate Bank's financial statements prepared subsequent to the acquisition are recognized using the equity method.

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The parent bank is required to prepare consolidated financial statements in accordance with the Communiqué on "Preparation of Consolidated Financial Statements by The Banks" published in the Official Gazette dated November 8, 2006. Article 3 of the same communiqué defines "the parent bank" as a Turkish resident Bank having subsidiaries/entities under common control of which the group companies' financial statements are consolidated by the parent bank. The Bank is not required to prepare consolidated financial statements since it has no subsidiaries or companies under common control other than Çalık-Şeker Konsorsiyum Yatırım A.Ş. which has 24% of participation with a significant influence but no control over the Bank.

7.2. Information on the consolidated associates:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

7.2.1. Information of investments on the consolidated associates:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

7.2.2. Sectoral information on the consolidated associates and their related carrying amounts:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

7.2.3. Information on the consolidated associates listed on the stock market:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

7.2.4. Information on the consolidated associates disposed of during the current period:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

7.2.5. Information on the consolidated associates acquired in the current period:

The Bank has no consolidated associates as of December 31, 2006 and December 31, 2005.

8. Information on Subsidiaries (Net):

8.1. Information on the unconsolidated subsidiaries:

The Bank has no unconsolidated subsidiaries as of December 31, 2006 and December 31, 2005.

8.2. Information on the evaluation of investments in consolidated subsidiaries:

The Bank has no consolidated subsidiaries as of December 31, 2006 and December 31, 2005.

8.3. Sectoral information on the consolidated subsidiaries and their related carrying amounts:

The Bank has no consolidated subsidiaries as of December 31, 2006 and December 31, 2005.

8.4. Information on the consolidated subsidiaries listed on the stock market:

The Bank has no consolidated subsidiaries as of December 31, 2006 and December 31, 2005.

9. Information on Subsidiaries (Net):

9.1. Apart from the other obligations, the Bank's share in capital obligations for entities under common control or for other entrepreneurs and the group share to the capital obligations for the other partnerships of the entities under common control:

Apart from the other obligations, the Bank has no shares related to the capital obligations for entities under common control or for other common entrepreneurs and to the capital obligations for the other partnerships of the entities under common control.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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9.2. Information on entities under common control:

The Bank has no entities under common control (2005: None).

9.3. Information on the reasons for not being consolidated of unconsolidated entities under common control and the method used to record the entities under common control to the unconsolidated financial statements:

The Bank has no entities under common control (2005: None).

10. Information on Finance Lease Receivables (Net):

10.1. Maturities of investments on financial leases:

	31.12.2006		31.12.2005	
	Gross	Net	Gross	Net
Less than 1 year	1,110	941	3,235	3,115
Between 1-4 years	744	598	567	553
More than 4 years	-	-	-	-
Total	1,854	1,539	3,802	3,668

10.2 Information on finance lease investments (Net):

	31.12.2006	31.12.2005
Gross finance lease investments	1,854	3,802
Unearned financial income from financial lease (-)	(315)	(134)
Financial lease amount cancelled(-)	-	-
Net finance lease investment	1,539	3,668

11. Information on Derivative Financial Assets for Hedging Purposes:

The Bank has no derivative financial assets for hedging purposes as of the balance sheet date (2005: None).

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12. Information on Tangible Fixed Assets:

		Leasehold Improvements	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Fixed Assets	Total
Cost:							
Balance at the End of Prior Period							
Cost at the beginning of the period	01.01.2005	700	659	290	614	11	2,274
Acquisitions		26	41	89	7	-	163
Disposals (-)		-	(16)	(129)	-	-	(145)
Cost at the end of the period	31.12.2005	726	684	250	621	11	2,292
Balance at the End of Current Period							
Cost at the beginning of the period	01.01.2006	726	684	250	621	11	2,292
Acquisitions		-	94	-	8	2	104
Disposals (-)		-	-	-	-	-	-
Cost at the end of the period	31.12.2006	726	778	250	629	13	2,396
Depreciation:							
Prior year beginning							
Accumulated depreciation at the period beginning	01.01.2005	277	464	170	191	11	1,113
Depreciation charge (net)		101	58	(85)	96	-	170
Accumulated depreciation at the period end	31.12.2005	378	522	85	287	11	1,283
Prior year end							
Accumulated depreciation at the period beginning	01.01.2006	378	522	85	287	11	1,283
Depreciation charge (net)		103	71	50	98	-	322
Accumulated depreciation at the period end	31.12.2006	481	593	135	385	11	1,605
Net							
Prior year closing balance net book value	31.12.2005	348	162	165	334	-	1,009
Prior year closing balance net book value	31.12.2006	245	185	115	244	2	791

The Bank has no collaterals, mortgages or any similar encumbrances on its tangible fixed assets.

Tangible Fixed Assets	Economic Useful Life
Vehicles	5
Furniture and fixture	5
Computing machinery	4-5
Other office machinery	4-8
Other machinery	3-8
Leasehold improvements	Leasing Period

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12.1. If the impairment amount recognized or reversed for an individual asset during the current period is material for overall financial statements;

12.1.1. Events and conditions that cause in the recognition or reversal of an impairment:

The Bank has no impairment amount recognized or reversed for an individual asset during the current period as of the balance sheet date (2005: None).

12.1.2. Impairment amount recognized or reversed in the financial statements:

The Bank has no impairment amount recognized or reversed for an individual asset during the current period as of the balance sheet date (2005: None).

13. Information on Intangible Assets (Net):

13.1. Useful life, depreciation rates and methods used:

Useful life of other intangible assets are determined by the Bank management in accordance with the limits set out by the Ministry of Finance and depreciated using the amortization rate determined based on the economic useful life. Amortization periods are between 3 to 15 years.

13.2. Movement Table consisting of the information between the beginning and ending of the period:

Cost:		Rights	Total
Prior Period End			
Cost at the beginning of the period	01.01.2005	1,648	1,648
Acquisitions		30	30
Disposals (-)		-	-
Cost at the end of the period	31.12.2005	1,678	1,678
Current Period End			
Cost at the beginning of the period	01.01.2006	1,678	1,678
Acquisitions		24	24
Disposals (-)		-	-
Cost at the end of the period	31.12.2006	1,702	1,702
Depreciation:			
Prior year beginning			
Accumulated depreciation at the period beginning	01.01.2005	1,461	1,461
Amortization Value (net)		92	92
Accumulated depreciation at the period end	31.12.2005	1,553	1,553
Prior year end			
Accumulated depreciation at the period beginning	01.01.2006	1,553	1,553
Amortization Value (net)		63	63
Accumulated depreciation at the period end	31.12.2006	1,616	1,616
Net			
Prior year closing balance net book value	31.12.2005	125	125
Current year closing balance net book value	31.12.2006	86	86

13.3. The carrying value, description and remaining useful life of intangible fixed assets that are material for the overall financial statements, if any;

As of the balance sheet date, the Bank has no intangible fixed assets that are material for the overall financial statements (2005: None.).

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13.4. Information on the intangible fixed assets carried at fair value at the initial recognition that are acquired under government incentives, if any;

As of the balance sheet date, the Bank has no intangible fixed assets acquired under government incentives. (2005: None.)

13.5. The carrying value of intangible fixed assets pledged or having a limited usage:

As of the balance sheet date, the Bank has no intangible fixed assets pledged or having a limited usage (2005: None).

13.6. Commitment amounts given for the acquisition of tangible fixed assets:

As of the balance sheet date, the Bank has no commitment amounts given for the acquisition of tangible fixed assets (2005: None).

13.7. Information on goodwill:

As of the balance sheet date, the Bank has no goodwill amount recognized in the accompanying financial statements. (2005: None.)

14. Explanations on Deferred Tax Assets:

14.1. Deferred tax asset amounts reflected in the balance sheet as of deductible temporary differences, financial loss and tax deductions and exceptions:

The Bank has calculated and reflected the deferred tax assets and liabilities upon the differences from "timing differences" between accounting policies and valuation principles used and tax regulations in its accompanying financial statements.

The Bank has calculated TRY 31 thousand of deferred tax asset amount and recognized the related amount in its accompanying financial statements (2005: TRY 29 thousand).

15. Explanations on Held for Trading Fixed Assets:

As of the balance sheet date, the Bank has no held for trading fixed assets (2005: None).

16. Explanations on other assets:

16.1. Information on pre-paid expense, tax and similar transactions:

Prepaid expenses comprise of rent, insurance, consultant and print expenses.

There is a treasury bond/bill withholding amount to be deducted from the pre-paid taxes account (2005: None).

16.2. Names and amounts of at least 20% of sub-accounts, if other assets of balance sheet items other than contingencies and commitments exceeding 10% of the total balance sheet:

Other assets of balance sheet items other than contingencies and commitments do not exceed 10% of the total balance sheet (2005: None).

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on deposits:

1.1. Information on maturity structure of deposits:

The Bank has no authorization for the deposit transactions.

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1.2. Information on saving deposits:

Information on the saving deposits under the deposit insurance scope exceeding the deposit insurance limits:

The Bank has no authorization for the deposit transactions.

1.2.2. Whether the saving deposits attributable to the Bank's Turkey branch of which its head office is located abroad are covered by means of insurance in the head office's country:

The Bank has no authorization for the deposit transactions.

1.2.3. Saving deposits out of deposit insurance scope:

The Bank has no authorization for the deposit transactions.

Information on derivative financial liabilities held for trading:

2.1. Negative differences table related to derivative financial liabilities held-for-trading:

As of the balance sheet date, the Bank has no negative differences related to the derivative financial liabilities held-for-trading (2005: None).

3. Information on banks and other financial institutions:

3.1. Information on banks and other financial institutions:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Loans from the Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	-	-	1,002	-
From Foreign Banks, Institutions and Funds	-	3,090	-	3,234
Total	-	3,090	1,002	3,234

3.2. Maturity analysis of borrowings:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Short-term	-	-	1,002	-
Medium and long-term	-	3,090	-	3,234
Total	-	3,090	1,002	3,234

3.3. Additional explanation related to the concentrations of the Bank's major liabilities:

The Bank has no authorization for the deposit transactions and its liabilities are mostly from domestic and foreign funds and loans (2005: None).

4. Names and amounts of at least 20% of sub-accounts, if other liabilities of balance sheet items other than off-balance sheet commitments exceeding 10% of the total balance sheet:

Other liabilities of balance sheet items do not exceed 10% of the total balance sheet (2005: None).

5. Explanations on financial lease obligations (Net):

The Bank has no financial lease obligations (2005: None).

6. Information on derivative financial liabilities for hedging purposes:

As of the balance sheet date, the Bank has no derivative financial liabilities for hedging purposes (2005: None).

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7. Information on provisions:

7.1. Information on general provisions:

	31.12.2006	31.12.2005
General Provisions	461	360
Provisions for First Group Loans and Receivables	354	265
Provisions for Second Group Loans and Receivables	-	-
Provisions for non-Cash Loans	107	95

7.2. Foreign exchange losses and provisions on foreign currency indexed loans and finance lease receivables:

The Bank has TRY 23 thousand of foreign exchange losses and provisions on the foreign currency indexed loans as of the balance sheet date.

7.3. Information on the specific provisions provided for un-indemnified non-cash loans:

The bank has TRY 1 thousand of specific provisions provided for un-indemnified non-cash loans for cheque sheets as of the balance sheet date.

Information on other provisions

7.4.1. Information on provisions for possible losses:

	31.12.2006	31.12.2005
Provision for possible losses	-	22

7.5 Information on the excess items resulting from other provisions exceeding 10% of the total provision amount:

Other provisions consist of TRY 193 thousand of incentive payment provisions.

8. Information on taxes payable:

8.1 Information on tax provisions:

The Bank has TRY 121 thousand of corporate tax provision calculated over its taxable income subject to corporate tax in 2006 (2005: TRY 602 thousand).

8.2. Information on taxes payable:

	31.12.2006	31.12.2005
Corporate Taxes Payable	121	602
Taxation of Securities	-	1
Property Tax	-	-
Banking Insurance Transaction Tax (BITT)	55	65
Foreign Exchange Transaction Tax	9	5
Value Added Tax Payable	6	1
Other	109	109
Total	300	783

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8.3. Information on premiums:

	31.12.2006	31.12.2005
Social Security Premiums-Employee	12	12
Social Security Premiums-Employer	16	16
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	1	1
Unemployment Insurance-Employer	2	2
Other	2	-
Total	33	31

9. Information on liabilities regarding non- current assets held for sale:

As of the balance sheet date, the Bank has no liabilities regarding non- current assets held for sale (2005: None).

10. Explanations on the number, maturity, interest rate of subordinated loans the Bank uses and the institution that the loan was borrowed from, and details on the conversion option, if any:

As of the balance sheet date, the Bank has no subordinated loans (2005: None).

11. Information on Shareholders' Equity:

11.1. Presentation of Paid-in capital:

	31.12.2006	31.12.2005
Common stock	20,000	13,500
Preferred stock	-	-

11.2. Paid in capital amount and registered share capital system used by the Bank:

The Bank is not subject to a registered share capital system (2005: None).

11.3 Information on the capital increase during the current period, sources and shares of increase:

Increase Date	Increase Amount	Cash	Profit Reserves of Increase	Capital Reserves of Increase
20.11.2006	6,500	-	3,250	3,250

According to the Extraordinary BOD minute dated November 17, 2006, The Bank has increased its capital amount by TRY 6,500 thousand. TRY 3,250 thousand of this amount is from capital reserves and the other TRY 3,250 thousand is from the extraordinary reserves. After the capital increase, the Bank's paid capital has increased from TRY 13,500 thousand to TRY 20,000 thousand. Capital shares have not been changed.

11.4. Information on the capital reserves added to the capital during the current period:

Marketable securities valuation increase fund	Tangible and intangible fixed assets revaluation increase	Associates, subsidiaries and entities under common control non-paid-up share	Other
-	-	-	3,250

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11.5. Capital commitments related to the prior fiscal year and the following interim period-end, main purpose of these commitments and estimated resources to meet these commitments:

The Bank has no capital commitments in the prior fiscal year and the following interim period-end.

11.6. Indicators of the Bank's income, profitability and liquidity for prior periods and possible effects of these future assumptions to be made considering the uncertainty of these indicators on the Bank's equity:

As the Bank is liquid and most of its assets are short term investments, such as; placements in the money market, short term loans and securities enable the Bank to gain interests from such banking transactions as earnings and also provide those funds profit realization for the new placements in the short term both in domestic and international markets with better conditions.

11.7. Information on preferred shares:

The Bank has no capital preferred shares representing the capital (2005: None).

11.8. Information on marketable securities value increase fund:

As of the balance sheet date, the Bank has no marketable securities value increase fund. (2005: None).

12. Information on minority rights:

The Bank has no minority rights in the unconsolidated financial statements (2005: None).

13. Information on various liabilities:

The amount TRY 1,145 thousand of various liabilities account contains TRY 1,059 thousand of customer accounts balances and TRY 86 thousand of others.

III.EXPLANATIONS RELATED TO THE OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

1. Information on off-balance sheet liabilities:

1.1. Nature and amount of irrevocable loan commitments:

The Bank has no off-balance sheet liabilities other than the ones stated below (2005: None).

1.2. Nature and amount of possible losses and commitments from off-balance sheet items, included below mentioned:

1.2.1. Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

As of December 31, 2006, the Bank has TRY 3,986 thousand of acceptances and TRY 19,090 thousand of letters of credit.

1.2.2. Definite, temporary guarantees, surety ships, and similar transactions:

As of December 31, 2006, the Bank has TRY 82,642 thousand total of letters of guarantee, of which TRY 2,373 thousand of this amount is temporary letters of guarantee, TRY 63,145 thousand of is definite letters of guarantee, TRY 9,557 thousand of is customs letters of guarantee, TRY 1,030 thousand of is advance letters of guarantee and TRY 6,537 thousand of is letters of guarantee for cash loans given.

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1.3. Total amount of non-cash loans:

1.3.1. Total amount of non-cash loans:

	31.12.2006	31.12.2005
Non-cash loans given for cash loans	6,537	943
With maturity of 1 year or less than 1 year	6,537	943
With maturity of more than 1 year	-	-
Other non-cash loans	99,181	93,838
Total	105,718	94,781

1.3.2. Information on sectoral risk breakdown of non-cash loans:

	31.12.2006				31.12.2005			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Manufacturing	13,828	28	30,086	53	2,964	11	20,434	30
Mining	-	-	-	-	-	-	-	-
Production	11,828	24	30,051	53	2,964	11	20,434	30
Electric, gas and water	2,000	4	35	-	-	-	-	-
Construction	6	-	8,268	14	6	-	11,304	17
Services	34,809	72	18,711	33	23,889	89	36,109	53
Wholesale and retail trade	17,040	35	16,351	29	19,675	73	6,979	10
Hotel, food and beverage services	-	-	-	-	-	-	-	-
Transportation and telecommunication	-	-	-	-	-	-	40	-
Financial institutions	17,764	37	2,318	4	4,214	16	29,090	43
Real estate and renting services	5	-	42	-	-	-	-	-
Self-employment services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Other	10	-	-	-	75	-	-	-
Total	48,653	100	57,065	100	26,934	100	67,847	100

1.3.3. Information on 1st and 2nd Group non-cash loans:

	1st Group		IInd Group	
	TRY	FC	TRY	FC
Non-cash loans	48,653	57,065	-	-
Letters of guarantee	48,653	33,989	-	-
Bank acceptances	-	3,986	-	-
Letters of credit	-	19,090	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-
Total	48,653	57,065	-	-

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2. Information related to derivative financial instruments:

	31.12.2006	31.12.2005
Types of trading transactions		
Foreign currency related derivative transactions (I):	-	16,283
Forward transactions	-	5,423
Swap transactions	-	10,860
Futures transactions	-	-
Option transactions	-	-
Interest related derivative transactions (II) :	-	-
Forward rate transactions	-	-
Interest rate swap transactions	-	-
Interest option transactions	-	-
Futures interest transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total trading derivative transactions (I+II+III)	-	16,283
Types of hedging transactions	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Net investment hedges	-	-
B. Total derivative transactions for hedging purposes	-	-
Total Derivative Transactions (A+B)	-	16,283

3. Explanations on contingent liabilities and assets:

If performance condition for the contingent liabilities is highly probable and can be measured reliably, provision for contingent liabilities is allocated, if performance condition for the contingent liabilities is not highly probable and cannot be measured reliably, this liability is disclosed in the financial statements.

Within this context, since the Bank's associate Çalık-Şeker Konsorsiyum owns 60% of Tregtare Bank in Albania, the Bank has agreements with its other partners, IFC (International Finance Corporation) and EBRD (European Bank for Reconstruction and Development). Considering the fact that performance conditions attributable to the related agreements depend on various issues, performance conditions are thought to be unlikely or less and it is disclosed in the financial statements accordingly.

The Bank has no contingent assets (2005: None).

4. Custodian and intermediary services:

The Bank does not provide any custodian or intermediary services. (2005: None).

IV. EXPLANATIONS RELATED TO THE INCOME STATEMENT

1.1. Information on interest on loans:

	Group I		Group II	
	TRY	FC	TRY	FC
Interest on loans	7,380	168	-	-
Short-term loans	7,380	-	-	-
Medium and long-term loans	-	168	-	-
Interest on non-performing loans	-	-	-	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	7,380	168	-	-

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1.2. Information on interest received from banks:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	5	-	3
Domestic banks	714	83	184	19
Foreign banks	529	22	7	13
Branches and head office abroad	-	-	-	-
Total	1,243	110	191	35

1.3. Interest received from marketable securities portfolio:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Trading securities	301	-	443	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	-	-	-	-
Held-to-maturity securities	-	-	-	-
Total	301	-	443	-

1.4. Information on interest income received from associates and subsidiaries:

	31.12.2006	31.12.2005
Interest received from associates and subsidiaries	-	-

2. Information on Interest Paid

2.1. Information on interest on funds borrowed:

	31.12.2006		31.12.2005	
	TRY	FC	TRY	FC
Banks	17	238	16	201
The Central Bank of Turkey	-	-	-	-
Domestic banks	17	11	16	46
Foreign banks	-	227	-	155
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	17	238	16	201

2.2. Information on interest expense to associates and subsidiaries:

	31.12.2006	31.12.2005
Interest expense to associates and subsidiaries (*)	22	18

(*) All of the amount is related to the repurchase agreement expenses.

2.3. Information on interest expense to marketable securities issued:

The Bank has no marketable securities issued (2005: None).

2.4. Distribution of interest expense on deposits based on maturity of deposits:

The Bank has no authorization to accept deposits.

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3. Information on dividend income:

The Bank has no dividend income (2005: None).

4. Information on net trading income:

	31.12.2006	31.12.2005
	TRY	TRY
Income	790,794	208,470
Profit on capital market operations	822	180
Profit on derivative financial instruments	815	-
Other	7	180
Foreign exchange gains	789,972	208,290
Losses (-)	(790,756)	(207,797)
Losses on capital market operations	(766)	(22)
Losses on derivative financial instruments	(763)	-
Other	(3)	(22)
Foreign exchange losses	(789,990)	(207,775)

5. Information on other operating income:

The Bank has an amount of TRY 1,824 thousand from its other operations.

Other Operating Income consists of TRY 84 thousand of consultancy income, TRY 136 thousand of foreign exchange indexed loans-principle exchange difference income and TRY 1,604 thousand of the reversal amount of prior year provisions.

The Bank has no income from extraordinary issues (2005: None).

6. Impairment expenses of banks for loans and other receivables:

	31.12.2006	31.12.2005
Specific provisions for loans and other receivables	-	500
III. Group Loans and Receivables	-	500
IV. Group Loans and Receivables	-	-
V. Group Loans and Receivables	-	-
General loan loss provision expenses	101	1
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense	-	1,293
Associates	-	1,293
Subsidiaries	-	-
Entities under common control	-	-
Investments held to maturity	-	-
Other	-	-
Total	101	1,794

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7. Information on other operating expenses:

	31.12.2006	31.12.2005
Personnel expenses	3,363	2,588
Reserve for employee termination benefits	17	110
Bank social aid provision fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	219	201
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	166	194
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	1,916	1,857
Rent expenses	426	416
Maintenance expenses	183	164
Advertisement expenses	93	218
Other expenses	1,214	1,059
Loss on sales of assets	-	-
Other	2,318	382
Total	7,999	5,332

8. Information on profit or loss before tax:

8.1. Profit and loss from associates and subsidiaries:

Accompanying financial statements do not include any profit or loss from associates or subsidiaries (2005: None).

8.2. Information on the interest on profit and loss from investments in associates under equity method and its disclosure as an individual item in the income statement:

The Bank has TRY 499 thousand of income from the investments in associates under the equity method.

9. Information on tax provision:

9.1. Information on current tax income or expense and deferred tax charge or benefit:

As of December 31, 2006, current tax expense is TRY 1,423 thousand and deferred tax charge is TRY 2 thousand.

9.2. Information on deferred tax charge on temporary differences:

Deferred tax charge on temporary differences is TRY 31 thousand (2005: TRY 29 thousand).

9.3. Information on deferred tax benefit or charge for temporary differences, on carried forward tax losses or tax exemptions or deductions:

Deferred tax benefit for temporary differences is TRY 2 thousand (2005: TRY 24 thousand).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

10. Information on net operating income after taxes:

Net operating income after taxes for the year 2006 is TRY 5,198 thousand. (2005: TRY 4,210 thousand).

11. Information on net income/loss for the period:

11.1. Nature and amount of certain income and expense items from ordinary operations are disclosed if disclosure for nature, amount and recurrence rate of such items is required for the complete understanding of the Bank's performance for the period:

The Bank has no recurring profit or loss account that would materially affect its performance.

11.2. Effect of changes in accounting estimates in the income statement for the current period and, if any, for the subsequent periods:

No change in accounting estimates in the income statement.

11.3. Information on profit and loss of minority rights:

The accompanying financial statements do not contain profit or loss from minority rights (2005: None).

12. If "other" accounts in the income statement are more than 10% of total income statement, at least 20% of these accounts are shown in the subsidiary accounts:

Detailed information on "other" expenses is stated in Section V, Part IV and disclosure 7.

13. Information on profit and loss of unconsolidated associates and subsidiaries:

Unconsolidated Associates and Subsidiaries	31.12.2006 Profit/ Loss	31.12.2005 Profit/Loss
Çalık-Şeker Konsorsiyum A.Ş.	5,591 (**)	(404) (*)

(*) It is related to the unconsolidated non-audited financial statements prepared in accordance with the Tax Procedure Law.

(**) Taken from the consolidated financial statements of Çalık Şeker Konsorsiyum as of September 30, 2006 prepared in accordance with IFRS.

V. EXPLANATIONS RELATED TO STATEMENT OF SHAREHOLDERS' EQUITY MOVEMENT

1. Information on the adjustments related with the Accounting Standards of Financial Instruments in the current period

1.1. Increase after the revaluation of available for sale investments

No amount is recorded to the shareholders' equity after the revaluation of Available for sale investments (2005: None).

1.2. Information on the increases on the cash flow hedged items

1.2.1. Information on the cash flow hedged item at the beginning and end of the period and confirmation

There are no cash flow hedged items (2005: None).

1.2.2. If gain or loss attributable to a derivative or non-derivative financial asset or liability designated as a hedge item is recognized in equity for cash flow hedges, the amount recognized in the current period

There are no cash flow hedges (2005: None).

1.3. Information on the foreign exchange gain/(loss) in the beginning and end of the period

There are no foreign exchange gain/(loss) in shareholders equity (2005: None).

ÇALIK YATIRIM BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

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2. Information on the adjustments related with the Accounting Standards of Financial Instruments in the current period

2.1. Information about financial assets available for sale:

If gain or loss arising from remeasurement of fair value of available for sale investments (except for hedged items) is recognized in equity, no amount is taken from equity and in the net profit/loss (2005: None).

2.2. Information on cash flow hedging items:

With respect to cash flow hedges, there is no financial asset or liability which is designated as hedging instrument and any resulting gain or loss which is recognized under equity, and then taken from equity to profit and loss account. (2005: None)

3. Information on dividends:

3.1. Dividends disclosed subsequent to the balance sheet date prior to the announcement of the financial statements:

As of the report date, the Bank made no disclosures on dividends (2005: None).

3.2. Dividends per share proposed subsequent to the balance sheet date:

The Bank's Regular Board of Directors Meeting in 2005 was held on March 31, 2006.

As of the Regular Board of Directors Meeting decision, out of the net profit TRY 4,296 thousand from 2005 activities before the Turkish Accounting Standards adjustments, TRY 215 thousand was transferred to legal reserves and the remaining TRY 4,081 thousand was transferred to extraordinary reserves. The meeting which was going to be held in 2006 is not made as of the report date therefore, decision on dividends will be made in the Bank's Board of Directors.

3.3. Suggestion which made by board of directors about dividends paid term and reason of unpaid dividend.

Stated above 3.2. disclosures

4. Amounts transferred to legal reserves:

There is a transferred amount from retained earnings to legal reserves amounting to TRY 215 thousand in the current account.

VI. EXPLANATIONS RELATED TO STATEMENT OF CASH FLOWS

1. The effects of other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:

"Other" item amounting to TRY 4,089 thousand in "Operating profit before changes in operating assets and liabilities" consists of other expenses except for personnel expenses, leasing expenses, employee termination benefits provisions, depreciation expenses, taxes paid, fees and commissions paid, the effect of foreign currency fluctuations on cash and cash equivalents and un realized income/loss of the non-monetary items.

"Net increase/decrease in other liabilities" totaling TRY 322 thousand in "Changes in operating assets and liabilities" consists of changes in sundry creditors, other liabilities and interbank money market operations.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

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2. Information on cash flow generated from associates, subsidiaries and other investments:

	31.12.2006	31.12.2005
Cash and Cash Equivalents	-	-
Loans Given	-	-
Other Assets	-	-
Other Funds from Financial Institutions	-	-
Other Liabilities	-	-
Goodwill	-	-
Total Purchase Amount	(4,144)	-
Exchange Difference Gain	-	-
Acquisition Cost	-	-
Amount of Cash and Cash Equivalents of acquisition	-	-
Cash outflow by Acquisition	-	-

3. Information on dispose of associates, subsidiaries and other enterprises:

There are no associates, subsidiaries and other enterprises to be disposed of in the current period (2005: None).

4. Cash and cash equivalents at the beginning of the period:

	01.01.2006	01.01.2005
Cash	305	625
Cash and Foreign Currency	93	314
Central Bank	212	311
Cash Equivalents	6,153	6,490
Banks and Other Financial Institutions	6,153	3,990
Money Markets	-	2,500
Total	6,458	7,115

5. Cash and cash equivalents at the end of the period:

	31.12.2006	31.12.2005
Cash	725	305
Cash and Foreign Currency	564	93
Central Bank	161	212
Cash Equivalents	9,363	6,153
Banks and Other Financial Institutions	9,363	6,153
Money Markets	-	-
Total	10,088	6,458

6. Restricted cash and cash equivalents of the Bank or consolidated partners of the Bank at hand due to legal restrictions and other issues:

There are no restricted cash and cash equivalents of the Bank at hand due to the legal restrictions and other issues of the Bank or consolidated partners of the Bank (2005: None).

7. Additional information related to financial position and liquidity of the bank

7.1. Restrictions on the use of any unused financial borrowing facility utilized in the banking operations and unpaid capital commitments

There are no restrictions on the use of any unused financial borrowing facility utilized in the banking operations and unpaid capital commitments (2005: None).

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7.2. Apart from the cash flows needed to maintain ordinary operations of the Bank, total of cash indicating the increase in the operational capacity of the Bank.

Cash flows that are needed to maintain ordinary operations of the Bank are followed on a daily basis and cash flows indicating the increase in the operational capacity of the Bank is reviewed (2005: None).

VII. EXPLANATIONS ON THE RISK GROUP OF THE BANK

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

1.1. 31.12.2006 (Current period)

Risk Group of the Bank (*)	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables (**)						
Balance at beginning of period	-	6,269	24,856	36,653	-	-
Balance at end of period	-	-	9,672	41,766	-	-
Interest and commission income	-	123	3,105	804	-	-

(*) Defined in article 49 of the Banking Act numbered 5411 and Article 4 of the Communiqué "Banking loan transactions" published at November 1, 2006.

(**) Financial leasing receivables are included in cash amounts.

1.2. 31.12.2005 (Prior Period)

Risk Group of the Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables (*)						
Balance at beginning of period	-	1,535	28,944	51,760	-	-
Balance at end of period	-	6,269	24,856	36,653	-	-
Interest and commission income	-	93	5,812	631	-	-

(*) Financial leasing receivables are included in cash amounts.

1.3.1. Information on deposits of the risk group of the bank:

The Bank has no authority to accept deposits.

1.3.2. Information the Bank's derivative transactions with the risk group of the Bank such as; forwards, futures, option contracts:

The Bank has no derivative transactions with the risk group of the Bank (2005: None.).

2. Related to the risk group of the Bank

2.1. Regardless of any transactions between related parties, the relations of the Bank with entities within the risk group of the Bank and its related parties:

For the relations with the risk group, normal bank-client relationships and market conditions are taken into consideration within the limits of the Banking Act.

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(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

2.2. In addition to the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

The Bank has various banking transactions with the group companies. These transactions are for trading purposes and are priced with market prices according to the Bank's general pricing policies.

31.12.2006 (current period)	Risk Group	Total	% Compared to the Amounts in the Financial statements
Cash loans (*)	9,672	45,290	21.4%
Non-cash loans	41,766	106,059	39.4%
Total	51,438	151,349	34.0%

31.12.2005 (prior period)	Risk Group	Total	% Compared to the Amounts in the Financial statements
Cash loans	24,856	48,479	51.3%
Non-cash loans	42,922	95,157	45.1%
Total	67,778	143,636	47.2%

(*) Factoring and financial lease receivables are included.

VIII. EXPLANATIONS ON THE BANK'S DOMESTIC BRANCHES, AGENCIES AND BRANCHES ABROAD AND OFF-SHORE BRANCHES

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Number	Employees
Domestic Branches	1	30

As of the balance sheet date, the Bank has no domestic branches other than the Main Branch. The Bank has no abroad branches and off-shore branches.

2. Explanations on the bank's openings or closings of a branch or an agency or changing its organization considerably:

The Bank has no transactions for any of the Bank's Openings or Closings of a Branch or an Agency or changing its organization considerably

SECTION SIX

OTHER EXPLANATIONS AND FOOTNOTES

I. OTHER EXPLANATIONS RELATED TO THE OPERATIONS OF THE BANK

There are no significant matters, material disclosures or footnotes related to the operations of the Bank that have not been stated in the above sections (2005: None.).

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

The financial statements of the Bank were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as of and period ended December 31, 2006 (Member of Deloitte Touche Tohmatsu).

The Independent Auditor's Report is presented in the beginning of the financial statement disclosures.

II. OTHER EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITORS

There are no significant matters, material disclosures or footnotes related to the operations of the Bank that have not been stated in the above sections.

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