

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT ACCOUNTANTS',  
LIMITED REVIEW REPORT,  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES  
FOR THE PERIOD ENDED  
JUNE 30, 2008**

*Translated into English from the  
Original Turkish Report*

To the Board of Directors of  
Finansbank A.Ş.  
İstanbul

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT  
FOR THE PERIOD JANUARY 1 – JUNE 30, 2008**

We have reviewed the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as at June 30, 2008 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended June 30, 2008 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and 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. The 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 Banks's financial position and results of its operations in accordance with 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**

Hasan Kılıç  
Partner

Istanbul, August 14, 2008

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2008**

The Bank's;  
Address of the head office : Büyükdere Cad. No:129, 34394 Mecidiyeköy / İSTANBUL  
Phone number : (0 212) 318 50 00  
Facsimile number : (0 212) 318 55 78  
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The unconsolidated financial report for the three months, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes for the three months, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of New Turkish Lira (YTL)**.

<b>Hüsnü M. Özyeğin</b>	<b>Mustafa A. Aysan</b>	<b>Demetrios Lefakis</b>	<b>Edward Nassim</b>	<b>Sinan Şahinbaş</b>	<b>Adnan Menderes Yayla</b>	<b>Alsev Utku</b>	<b>Gökhan Yücel</b>
Chairman of Board of Directors	Member of Board of Directors and Head of Audit Committee	Member of Board of Directors and Member of Audit Committee	Member of Board of Directors and Member of Audit Committee	General Manager and Member of Board of Directors	Assistant General Manager Responsible for Financial Control and Planning	Assistant General Manager Responsible for Financial Reporting	Group Director Responsible for Financial Reporting

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Gökhan Yücel / Group Director Responsible for Financial Reporting

Phone Number : (0 212) 318 55 65

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(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )

**Finansbank Anonim Şirketi**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2008**

(Amounts expressed in Thousands of New Turkish Lira (YTL ) unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION**

**I. Explanatory note on the establishment date, nature of activities and history of the Bank**

Finansbank Anonim Şirketi (the Bank) was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990 and its Global Depository Receipts (GDRs) have been listed on the London Stock Exchange since 1998.

**II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Bank**

As of June 30, 2008, 77,15% of the Bank's shares are owned by National Bank of Greece, 7.90% by NBGI Holdings BV and 9.68% by Özyeğin family (Fiba Group).

As of August 18, 2006, Fiba Group sold 46% of the ordinary shares of Finansbank A.Ş. belonging to Fiba Holding A.Ş. and other group companies and 100 founder shares of Finansbank A.Ş. belonging to Fina Holding A.Ş. to National Bank of Greece S.A. due to the share purchase agreement signed on April 3, 2006.

National Bank of Greece S.A (NBG) was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on New York Stock Exchange since 1999. By offering services such as retail and commercial banking, assets management, intermediary services and investment banking, NBG broadens its banking network since its date of foundation.

**III. Information about the chairman and members of board of directors, members of auditor committee, general manager and executive vice presidents; any changes, and the information about the Bank shares they hold**

Name	Title	Date of Appointment	Education
Hüsni M. Özyeğin	Chairman	February 1, 1988	Masters
Dr. Ömer A. Aras	Vice Chairman	November 9, 2006	Phd
Mehmet Güleşçi	Executive Board Member	November 9, 2006	Masters
Prof Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	Phd
Demetrios Lefakis	Board Member and Audit Committee Member	April 17, 2007	Masters
Edward Nassim	Board Member and Audit Committee Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Ioannis Pechlivanidis	Board Member	November 9, 2006	Masters
Yener Dinçmen	Board Member	August 20, 2001	Masters
Sinan Şahinbaş	Board Member and General Manager	October 20, 2003	Masters
Adnan Menderes Yayla	Assistant General Manager Responsible for Financial Control and Planning	May 1, 2008	Masters
Alev Utku	Assistant General Manager Responsible for Financial Reporting	April 4, 2008	Masters
Şafak Ayışığı	Assistant General Manager Responsible for Management Reporting and General Accounting	April 4, 2008	Graduate
Bekir Dildar	Small Business Banking Assistant General Manager	September 10, 2003	Graduate
Nergiz Ayvaz	Commercial Banking Assistant General Manager	January 1, 2008	Graduate
Vedat Mungan	Corporate Banking and Investment Banking Assistant General Manager	January 1, 2008	Masters
Lale Maro	Information Technologies Assistant General Manager	October 13, 1999	Masters
Özlem Cinemre	International Relations Assistant General Manager	July 9, 1997	Graduate
Kerim Rota	Treasury Assistant General Manager	August 6, 2004	Graduate
Olçayto Onur	Legal Advisory Assistant General Manager	October 2, 1997	Masters
Murat Bayburtluoğlu	Human Relations Assistant General Manager	August 19, 2004	Graduate
Kaan Arslan	Private Banking General Manager	May 31, 2005	Masters
Temel Güzeloğlu	Consumer Banking Assistant General Manager	September 19, 2007	Masters
Kubilay Güler	Operation Assistant General Manager	January 16, 2004	Graduate
Filiz Şafak	Loans Assistant General Manager	September 19, 2007	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
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**Finansbank Anonim Şirketi**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL ) unless otherwise stated.)*

The top management listed above possesses immaterial number of shares of the Bank.

**IV Information about the persons and institutions that have qualified shares**

<b>Name Surname/Trade Name</b>	<b>Amount of Shares</b>	<b>Percentage of Shares</b>	<b>Paid-up Shares</b>	<b>Unpaid Shares</b>
National Bank of Greece S.A.	1,080,044	%77.15	1,080,044	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and Articles of Association. Accordingly, 5% of the distributable profit is provided as legal reserves, %5 of the paid capital is paid out as first dividend and 10% of the remaining distributable profit is distributed to founder shares. In addition, 10% of amount distributed to founder shares is provided as additional legal reserve.

**V. Explanations on the Bank's services and activities**

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. As of June 30, 2008, the Bank operates through 59 corporate and commercial banking (December 31, 2007 - 55), 357 retail banking (December 31, 2007 - 354), 1 off shore banking (December 31, 2007 -1) and 1 Atatürk Airport Free Trade Zone (December 31, 2007 - 1) branches.



## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flow Statement



**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**Finansbank Anonim Şirketi**

**BALANCE SHEET AS OF JUNE 30, 2008**

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

**I. BALANCE SHEET – ASSETS**

		Reviewed 30.06.2008			Audited 31.12.2007			
	Note Ref.	YTL	FC	Total	YTL	FC	Total	
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	407,234	998,795	1,406,029	274,881	938,045	1,212,926
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(2)	756,973	40,899	797,872	256,730	430	257,160
2.1	Financial assets held for trading		168,003	-	168,003	-	-	-
2.1.1	Public sector debt securities		168,003	-	168,003	-	-	-
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		203,489	-	203,489	233,748	-	233,748
2.2.1	Public sector debt securities		203,489	-	203,489	233,748	-	233,748
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Other securities		-	-	-	-	-	-
2.3	Assets on trading derivatives		385,481	40,899	426,380	22,982	430	23,412
<b>III.</b>	<b>BANKS AND OTHER FINANCIAL INSTITUTIONS</b>	(3)	12,976	388,543	401,519	109,334	571,413	680,747
<b>IV.</b>	<b>INTERBANK MONEY MARKETS</b>		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V.</b>	<b>INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)</b>	(4)	3,191,888	323,886	3,515,774	2,608,149	261,872	2,870,021
5.1	Share certificates		-	-	-	-	-	-
5.2	Public sector debt securities		3,064,808	323,886	3,388,694	2,514,408	261,872	2,776,280
5.3	Other securities		127,080	-	127,080	93,741	-	93,741
<b>VI.</b>	<b>LOANS</b>	(5)	14,137,889	2,213,052	16,350,941	12,099,784	2,074,630	14,174,414
6.1	Loans		14,137,889	2,213,052	16,350,941	12,099,784	2,074,630	14,174,414
6.1.1	Loans to risk group of the bank		-	27,310	27,310	860	24,236	25,096
6.1.2	Other		14,137,889	2,185,742	16,323,631	12,098,924	2,050,394	14,149,318
6.2	Non-performing loans		447,396	-	447,396	399,412	-	399,412
6.3	Specific provisions (-)		447,396	-	447,396	399,412	-	399,412
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII.</b>	<b>INVESTMENT SECURITIES HELD TO MATURITY (Net)</b>	(6)	-	-	-	-	-	-
8.1	Public debtor debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENT IN ASSOCIATES (Net)</b>	(7)	250	-	250	250	-	250
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		250	-	250	250	-	250
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		250	-	250	250	-	250
<b>X.</b>	<b>INVESTMENT IN SUBSIDIARIES (Net)</b>	(8)	183,062	201,928	384,990	198,570	201,928	400,498
10.1	Unconsolidated financial investments		179,826	201,928	381,754	196,590	201,928	398,518
10.2	Unconsolidated non-financial investments		3,236	-	3,236	1,980	-	1,980
<b>XI.</b>	<b>ENTITIES UNDER COMMON CONTROL (Net)</b>	(9)	-	-	-	-	-	-
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>HEDGING PURPOSE DERIVATIVES</b>	(11)	-	-	-	-	-	-
13.1	Fair value hedge		-	-	-	-	-	-
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>		342,182	15	342,197	326,314	14	326,328
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>		34,468	-	34,468	25,204	-	25,204
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		34,468	-	34,468	25,204	-	25,204
<b>XVI.</b>	<b>INVESTMENT PROPERTY (Net)</b>		-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSETS</b>	(12)	13,399	-	13,399	20,123	-	20,123
17.1	Current tax assets		13,399	-	13,399	-	-	-
17.2	Deferred tax assets		-	-	-	20,123	-	20,123
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(13)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(14)	413,660	451,851	865,511	336,129	578,511	914,640
<b>TOTAL ASSETS</b>			<b>19,493,981</b>	<b>4,618,969</b>	<b>24,112,950</b>	<b>16,255,468</b>	<b>4,626,843</b>	<b>20,882,311</b>

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**Finansbank Anonim Şirketi**

**BALANCE SHEET AS OF JUNE 30, 2008**

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

**I. BALANCE SHEET – LIABILITIES**

	Note Ref.	Reviewed 30.06.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	(1)	<b>7,521,471</b>	<b>6,480,990</b>	<b>14,002,461</b>	<b>6,815,028</b>	<b>6,142,817</b>	<b>12,957,845</b>
1.1 Deposits from risk group of the bank		38,528	757,267	795,795	300,039	617,966	918,005
1.2 Other		7,482,943	5,723,723	13,206,666	6,514,989	5,524,851	12,039,840
<b>II. LIABILITIES ON TRADING DERIVATIVES</b>	(2)	<b>813,884</b>	<b>41,107</b>	<b>854,991</b>	<b>831,226</b>	<b>2,350</b>	<b>833,576</b>
<b>III. FUNDS BORROWED</b>	(3)	<b>392,696</b>	<b>2,596,179</b>	<b>2,988,875</b>	<b>372,182</b>	<b>2,484,036</b>	<b>2,856,218</b>
<b>IV. INTERBANK MONEY MARKETS</b>		<b>1,661,059</b>	<b>54,614</b>	<b>1,715,673</b>	<b>14,970</b>	<b>19,977</b>	<b>34,947</b>
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	1,661,059	54,614	1,715,673	14,970	19,977	34,947
<b>V. SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		<b>427,698</b>	<b>40,762</b>	<b>468,460</b>	<b>432,218</b>	<b>28,569</b>	<b>460,787</b>
<b>VIII. OTHER LIABILITIES</b>	(5)	<b>541,909</b>	<b>1,813</b>	<b>543,722</b>	<b>479,711</b>	<b>1,694</b>	<b>481,405</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(6)	-	<b>22,562</b>	<b>22,562</b>	-	<b>19,349</b>	<b>19,349</b>
10.1 Financial lease payables		14	24,428	24,442	20	20,760	20,780
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses ( - )		14	1,866	1,880	20	1,411	1,431
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(7)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(8)	<b>308,038</b>	-	<b>308,038</b>	<b>352,611</b>	-	<b>352,611</b>
12.1 General provisions		143,226	-	143,226	122,759	-	122,759
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		51,613	-	51,613	60,180	-	60,180
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		113,199	-	113,199	169,672	-	169,672
<b>XIII. TAX LIABILITY</b>	(9)	<b>2,994</b>	-	<b>2,994</b>	<b>21,956</b>	-	<b>21,956</b>
13.1 Current tax liability		-	-	-	21,956	-	21,956
13.2 Deferred tax liability		2,994	-	2,994	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)</b>	(10)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(11)	-	<b>496,932</b>	<b>496,932</b>	-	<b>237,739</b>	<b>237,739</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>2,732,246</b>	<b>(24,004)</b>	<b>2,708,242</b>	<b>2,625,989</b>	<b>(111)</b>	<b>2,625,878</b>
16.1 Paid-in capital	(12)	1,400,000	-	1,400,000	1,400,000	-	1,400,000
16.2 Capital reserves		(42,362)	(24,004)	(66,366)	66,106	(111)	65,995
16.2.1 Share premium	(13)	-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(14)	(42,362)	(24,004)	(66,366)	66,106	(111)	65,995
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		1,116,386	-	1,116,386	607,157	-	607,157
16.3.1 Legal reserves		129,090	-	129,090	97,104	-	97,104
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		987,296	-	987,296	510,053	-	510,053
16.3.4 Other profit reserves		-	-	-	-	-	-
<b>16.4 Profit or loss</b>		<b>258,222</b>	-	<b>258,222</b>	<b>552,726</b>	-	<b>552,726</b>
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		258,222	-	258,222	552,726	-	552,726
16.5 Minority shares		-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>14,401,995</b>	<b>9,710,955</b>	<b>24,112,950</b>	<b>11,945,891</b>	<b>8,936,420</b>	<b>20,882,311</b>

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**Finansbank Anonim Şirketi**

**STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES**

**AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**II. STATEMENT OF OFF BALANCE SHEET ITEMS**

	Note Ref.	Reviewed 30.06.2008			Audited 31.12.2007		
		YTL	FC	TOTAL	YTL	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>20,695,810</b>	<b>21,629,332</b>	<b>42,325,142</b>	<b>18,576,196</b>	<b>18,234,616</b>	<b>36,810,812</b>
<b>I. GUARANTEES</b>	(1),(2),(3),(4)	<b>2,255,773</b>	<b>3,624,891</b>	<b>5,880,664</b>	<b>2,050,568</b>	<b>3,087,286</b>	<b>5,137,854</b>
1.1. Letters of guarantee		2,255,605	1,780,077	4,035,682	2,050,555	1,565,936	3,616,491
1.1.1. Guarantees subject to State Tender Law		151,199	-	151,199	163,816	-	163,816
1.1.2. Guarantees given for foreign trade operations		1,726,440	1,780,077	3,506,517	1,549,359	1,565,936	3,115,295
1.1.3. Other letters of guarantee		377,966	-	377,966	337,380	-	337,380
1.2. Bank loans		156	925,172	925,328	-	778,607	778,607
1.2.1. Import letter of acceptance		156	925,172	925,328	-	778,607	778,607
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		12	862,150	862,162	13	615,812	615,825
1.3.1. Documentary letters of credit		12	815,519	815,531	13	554,158	554,171
1.3.2. Other letters of credit		-	46,631	46,631	-	61,654	61,654
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	57,492	57,492	-	126,931	126,931
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>6,996,405</b>	<b>36,120</b>	<b>7,032,525</b>	<b>6,793,797</b>	<b>24,440</b>	<b>6,818,237</b>
2.1. Irrevocable commitments		6,926,841	36,120	6,962,961	6,780,494	24,440	6,804,934
2.1.1. Forward asset purchase commitments		-	-	-	-	-	-
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		13,750	-	13,750	14,950	-	14,950
2.1.4. Loan granting commitments		555,929	-	555,929	1,683,595	-	1,683,595
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		533,093	-	533,093	473,777	-	473,777
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		5,615,264	-	5,615,264	4,394,068	-	4,394,068
2.1.10. Commitments for promotions related with credit cards and banking activities		15,364	-	15,364	16,213	-	16,213
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		193,441	36,120	229,561	197,891	24,440	222,331
2.2. Revocable commitments		69,564	-	69,564	13,303	-	13,303
2.2.1. Revocable loan granting commitments		69,564	-	69,564	13,303	-	13,303
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	<b>11,443,632</b>	<b>17,968,321</b>	<b>29,411,953</b>	<b>9,731,831</b>	<b>15,122,890</b>	<b>24,854,721</b>
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		11,443,632	17,968,321	29,411,953	9,731,831	15,122,890	24,854,721
3.2.1. Forward foreign currency buy/sell transactions		569,405	3,326,325	3,895,730	562,819	2,879,088	3,441,907
3.2.1.1. Forward foreign currency transactions-buy		273,692	1,673,703	1,947,395	314,557	1,408,710	1,723,267
3.2.1.2. Forward foreign currency transactions-sell		295,713	1,652,622	1,948,335	248,262	1,470,378	1,718,640
3.2.2. Swap transactions related to foreign currency and interest rates		7,189,554	7,533,413	14,722,967	6,821,653	6,522,004	13,343,657
3.2.2.1. Foreign currency swap-buy		576,232	5,243,374	5,819,606	745,447	4,686,313	5,431,760
3.2.2.2. Foreign currency swap-sell		6,421,438	1,078,261	7,499,699	6,033,502	1,057,551	7,091,053
3.2.2.3. Interest rate swaps-buy		95,942	605,889	701,831	21,352	389,070	410,422
3.2.2.4. Interest rate swaps-sell		95,942	605,889	701,831	21,352	389,070	410,422
3.2.3. Foreign currency, interest rate and securities options		3,644,232	6,868,175	10,512,407	2,324,047	5,548,038	7,872,085
3.2.3.1. Foreign currency options-buy		1,937,964	3,324,098	5,262,062	1,161,138	2,764,781	3,925,919
3.2.3.2. Foreign currency options-sell		1,706,268	3,544,077	5,250,345	1,162,909	2,783,257	3,946,166
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		40,441	240,408	280,849	23,312	173,760	197,072
3.2.4.1. Foreign currency futures-buy		38,466	102,460	140,926	11,656	86,880	98,536
3.2.4.2. Foreign currency futures-sell		1,975	137,948	139,923	11,656	86,880	98,536
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>6,939,649</b>	<b>1,292,696</b>	<b>8,232,345</b>	<b>6,812,700</b>	<b>1,247,083</b>	<b>8,059,783</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>2,843,492</b>	<b>767,113</b>	<b>3,610,605</b>	<b>2,293,200</b>	<b>681,908</b>	<b>2,975,108</b>
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		1,875,037	482,459	2,357,496	1,413,390	404,649	1,818,039
4.3. Checks received for collection		731,369	166,980	898,349	633,939	169,268	803,207
4.4. Commercial notes received for collection		236,883	112,633	349,516	215,015	102,298	317,313
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		200	5,041	5,241	850	5,548	6,398
4.8. Custodians		3	-	3	30,006	145	30,151
<b>V. PLEDGED ITEMS</b>		<b>4,096,157</b>	<b>525,583</b>	<b>4,621,740</b>	<b>4,519,500</b>	<b>565,175</b>	<b>5,084,675</b>
5.1. Marketable securities		210,288	83,255	293,543	983,472	76,653	1,060,125
5.2. Guarantee notes		90,110	61,549	151,659	94,435	55,378	149,813
5.3. Commodity		28,493	-	28,493	28,397	-	28,397
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		-	-	-	-	-	-
5.6. Other pledged items		3,767,266	380,779	4,148,045	3,413,196	433,144	3,846,340
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>27,635,459</b>	<b>22,922,028</b>	<b>50,557,487</b>	<b>25,388,896</b>	<b>19,481,699</b>	<b>44,870,595</b>

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**Finansbank Anonim Şirketi**  
**INCOME STATEMENT FOR THE PERIOD ENDED**  
**JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**III. INCOME STATEMENT**

	Note Ref	Reviewed 01.04- 30.06.2008	Reviewed 01.01- 30.06.2008	Reviewed 01.04- 30.06.2007	Reviewed 01.01- 30.06.2007
			Total		Total
<b>I. INTEREST INCOME</b>	(1)	<b>856,014</b>	<b>1,678,169</b>	<b>668,121</b>	<b>1,322,191</b>
1.1 Interest on loans		682,696	1,336,173	550,839	1,076,627
1.2 Interest received from reserve deposits		1,484	4,024	1,232	2,629
1.3 Interest received from banks		26,821	57,220	33,171	74,250
1.4 Interest received from money market placements		65	2,915	124	1,289
1.5 Interest received from marketable securities portfolio		144,631	277,331	82,510	166,985
1.5.1 Held-for-trading financial assets		290	925	-	-
1.5.2 Financial assets at fair value through profit and loss		16,318	22,510	-	-
1.5.3 Available-for-sale financial assets		128,023	253,896	82,510	166,985
1.5.4 Investments held-to-maturity		-	-	-	-
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		317	506	245	411
<b>II. INTEREST EXPENSE</b>	(2)	<b>442,637</b>	<b>840,631</b>	<b>309,475</b>	<b>640,702</b>
2.1 Interest on deposits		353,297	684,287	237,215	488,801
2.2 Interest on funds borrowed		49,776	100,589	55,216	113,809
2.3 Interest on money market borrowings		38,966	54,625	16,635	37,256
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		598	1,130	409	836
<b>III. NET INTEREST INCOME (I - II)</b>		<b>413,377</b>	<b>837,538</b>	<b>358,646</b>	<b>681,489</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>144,061</b>	<b>269,629</b>	<b>90,389</b>	<b>179,563</b>
4.1 Fees and commissions received		159,019	297,260	106,634	208,790
4.1.1 Non-cash loans		14,031	28,570	16,334	36,076
4.1.2 Other		144,988	268,690	90,300	172,714
4.2 Fees and commissions paid		14,958	27,631	16,245	29,227
4.2.1 Non-cash loans		9	18	11	18
4.2.2 Other		14,949	27,613	16,234	29,209
<b>V. DIVIDEND INCOME</b>	(3)	<b>-</b>	<b>13,216</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	(4)	<b>(22,730)</b>	<b>(126,844)</b>	<b>(52,734)</b>	<b>(107,422)</b>
6.1 Securities trading gains/ (losses)		(46,671)	(111,648)	(84,892)	(146,902)
6.2 Foreign exchange gains/ (losses)		23,941	(15,196)	32,158	39,480
<b>VII. OTHER OPERATING INCOME</b>	(5)	<b>53,762</b>	<b>74,655</b>	<b>17,297</b>	<b>79,570</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>588,470</b>	<b>1,068,194</b>	<b>413,598</b>	<b>833,200</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>96,414</b>	<b>183,726</b>	<b>42,795</b>	<b>98,595</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(7)	<b>264,170</b>	<b>514,597</b>	<b>213,255</b>	<b>411,634</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>227,886</b>	<b>369,871</b>	<b>157,548</b>	<b>322,971</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. GAIN / (LOSS) ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	(8)	<b>227,886</b>	<b>369,871</b>	<b>157,548</b>	<b>322,971</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(44,277)</b>	<b>(111,649)</b>	<b>(16,048)</b>	<b>43,829</b>
16.1 Provision for current income taxes		11,802	(58,774)	(38,549)	6,691
16.2 Provision for deferred taxes		(56,079)	(52,875)	22,501	37,138
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(10)	<b>183,609</b>	<b>258,222</b>	<b>141,500</b>	<b>366,800</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	(8)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(10)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>183,609</b>	<b>258,222</b>	<b>141,500</b>	<b>366,800</b>
23.1 Group's profit/loss		183,609	258,222	141,500	366,800
23.2 Minority shares		-	-	-	-
Earnings per share		0.01311	0.01844	0.01011	0.02620

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )

**Finansbank Anonim Şirketi**

**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY  
FOR THE PERIOD ENDED JUNE 30, 2008**

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

**IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**

	Reviewed 01.01-30.06.2008	Reviewed 01.01-30.06.2007
<b>I.</b>		
<b>Additions to marketable securities revaluation differences for available for sale financial assets</b>	<b>(161,517)</b>	<b>1,141</b>
<b>II.</b>		
<b>Tangible assets revaluation differences</b>	<b>-</b>	<b>-</b>
<b>III.</b>		
<b>Intangible assets revaluation differences</b>	<b>-</b>	<b>-</b>
<b>IV.</b>		
<b>Foreign exchange differences for foreign currency transactions</b>	<b>-</b>	<b>-</b>
<b>V.</b>		
<b>Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)</b>	<b>-</b>	<b>-</b>
<b>VI.</b>		
<b>Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)</b>	<b>-</b>	<b>-</b>
<b>VII.</b>		
<b>The effect of corrections of errors and changes in accounting policies</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>		
<b>Other profit loss items accounted for under equity as per Turkish Accounting Standards</b>	<b>-</b>	<b>-</b>
<b>IX.</b>		
<b>Deferred tax of valuation differences</b>	<b>29,757</b>	<b>(5)</b>
<b>X.</b>		
<b>Total Net Profit/Loss accounted for under equity (I+II+...+IX)</b>	<b>(131,760)</b>	<b>1,136</b>
<b>XI.</b>		
<b>Profit/Loss</b>	<b>(601)</b>	<b>(732)</b>
1.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	(601)	(732)
1.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	-
1.3		
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
1.4		
Other	-	-
<b>XII.</b>		
<b>Total Profit/Loss accounted for in the period (X±XI)</b>	<b>(132,361)</b>	<b>404</b>

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

**Finansbank Anonim Şirketi**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2008 AND 2007**

(Amounts expressed in Thousands of New Turkish Lira (YT L) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
<b>Prior Period – 01.01.-30.06.2007</b>																			
<b>I</b>		<b>1,250,000</b>	-	-	-	53,645	-	26,683	-	740,972	-	83,383	-	-	-	-	2,154,683	-	2,154,683
<b>II.</b>																			
2.1																			
2.2																			
<b>III.</b>		<b>1,250,000</b>	-	-	-	53,645	-	26,683	-	740,972	-	83,383	-	-	-	-	2,154,683	-	2,154,683
<b>IV.</b>																			
<b>V.</b>												404					404		404
<b>VI.</b>																			
6.1																			
6.2																			
<b>VII.</b>																			
<b>VIII.</b>																			
<b>IX.</b>																			
<b>X.</b>																			
<b>XI.</b>																			
<b>XII.</b>																			
<b>XIII.</b>																			
<b>XIV.</b>		150,000						(87,500)	(62,500)										
14.1																			
14.2		150,000						(87,500)	(62,500)										
<b>XV.</b>																			
<b>XVI.</b>																			
<b>XVII.</b>																			
<b>XVIII</b>																			
<b>XIX.</b>										366,800							366,800		366,800
<b>XX.</b>						43,459		201,064	432,306	(740,972)							(64,143)		(64,143)
20.1										(64,143)							(64,143)		(64,143)
20.2						43,459		201,064	432,306	(676,829)									
20.3																			
<b>Closing Balance</b>		<b>1,400,000</b>	-	-	-	97,104	-	140,247	369,806	366,800	-	83,787	-	-	-	-	2,457,744	-	2,457,744
<b>(III+IV+V+.....+ XVIII+XIX+XX)</b>		<b>1,400,000</b>	-	-	-	97,104	-	140,247	369,806	366,800	-	83,787	-	-	-	-	2,457,744	-	2,457,744

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

**Finansbank Anonim Şirketi**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2008 AND 2007**

(Amounts expressed in Thousands of New Turkish Lira (YT L) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. valuation diff. from assets held for sale and assets from disc. op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
<b>I</b>		<b>1,400,000</b>	-	-	-	<b>97,104</b>	-	<b>510,053</b>	-	-	<b>552,726</b>	<b>65,995</b>	-	-	-	-	<b>2,625,878</b>	-	<b>2,625,878</b>
<b>II.</b>																			
<b>III.</b>																			
<b>IV.</b>																			
4.1																			
4.2																			
<b>V.</b>																			
<b>VI.</b>																			
<b>VII.</b>																			
<b>VIII.</b>																			
<b>IX.</b>																			
<b>X.</b>																			
<b>XI.</b>																			
<b>XII.</b>																			
12.1																			
12.2																			
<b>XIII.</b>																			
<b>XIV.</b>																			
<b>XV.</b>																			
<b>XVI.</b>																			
<b>XVII.</b>										<b>258,222</b>							<b>258,222</b>		<b>258,222</b>
<b>XVIII.</b>																			
18.1	(3)					<b>31,986</b>		<b>477,243</b>			<b>(552,726)</b>						<b>(43,497)</b>		<b>(43,497)</b>
18.2	(3)										<b>(43,497)</b>						<b>(43,497)</b>		<b>(43,497)</b>
18.3						<b>31,986</b>		<b>477,243</b>			<b>(509,229)</b>								
<b>Closing Balance</b>		<b>1,400,000</b>	-	-	-	<b>129,090</b>	-	<b>987,296</b>	-	<b>258,222</b>	-	<b>(66,366)</b>	-	-	-	-	<b>2,708,242</b>	-	<b>2,708,242</b>
<b>(I+II+III+.....+XVI+XVII+XVIII)</b>		<b>1,400,000</b>	-	-	-	<b>129,090</b>	-	<b>987,296</b>	-	<b>258,222</b>	-	<b>(66,366)</b>	-	-	-	-	<b>2,708,242</b>	-	<b>2,708,242</b>

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**Finansbank Anonim Şirketi**

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED JUNE 30, 2008**

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

**VI. CASH FLOW STATEMENT**

	Note Ref	Reviewed 01.01-30.06.2008	Reviewed 01.01-30.06.2007
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
1.1 <b>Operating profit before changes in operating assets and liabilities</b>		<b>(9,192)</b>	<b>827,044</b>
1.1.1 Interest received(+)		1,638,979	1,323,626
1.1.2 Interest paid (-)		(860,849)	(650,269)
1.1.3 Dividend received (+)		-	-
1.1.4 Fees and commissions received (+)		297,260	208,790
1.1.5 Other income (+)		69,064	226,349
1.1.6 Collections from previously written off loans (+)		70,400	57,850
1.1.7 Payments to personnel and service suppliers (-)		(465,006)	(345,765)
1.1.8 Taxes paid (-)		(94,272)	(274)
1.1.9 Others (+/-)		(664,768)	6,737
1.2 <b>Changes in operating assets and liabilities</b>		<b>772,202</b>	<b>(2,101,054)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(168,003)	-
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(963)	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions (+/-)		(38,136)	17,504
1.2.4 Net (increase) decrease in loans (+/-)		(2,308,154)	(1,453,885)
1.2.5 Net (increase) decrease in other assets (+/-)		197,085	(141,018)
1.2.6 Net increase (decrease) in bank deposits (+/-)		(374,239)	(878,012)
1.2.7 Net increase (decrease) in other deposits (+/-)		1,443,536	713,620
1.2.8 Net increase (decrease) in funds borrowed (+/-)		388,816	(337,228)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		1,632,260	(22,035)
I. <b>Net cash provided from / (used in) banking operations (+/-)</b>		<b>763,010</b>	<b>(1,274,010)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II. <b>Net cash provided from / (used in) investing activities (+/-)</b>		<b>(821,716)</b>	<b>(550,059)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(2,207)	(90,795)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(34,862)	(40,725)
2.4 Fixed assets sales (+)		8,603	18,164
2.5 Cash paid for purchase of financial assets available for sale (-)		(1,393,401)	(1,342,483)
2.6 Cash obtained from sale of financial assets available for sale (+)		600,151	905,780
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities(+)		-	-
2.9 Others (+/-)		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III. <b>Net cash provided from / (used in) financing activities (+/-)</b>		<b>(120,418)</b>	<b>(1,797)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		(107,640)	-
3.5 Payments for finance leases (-)		(12,778)	(1,797)
3.6 Other (+/-)		-	-
IV. <b>Effect of change in foreign exchange rates on cash and cash equivalents (+/-)</b>		<b>20,080</b>	<b>1,764</b>
V. <b>Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(159,044)</b>	<b>(1,824,102)</b>
VI. <b>Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>1,213,402</b>	<b>3,070,590</b>
VII. <b>Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>1,054,358</b>	<b>1,246,488</b>

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



**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

**1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents**

The Turkish Banking Law No 5411 is published in the Official Gazette No 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements and the related disclosures and footnotes in accordance with Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430, and other circulars, communiqués, pronouncements and declarations in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Financial statements and the related disclosures and footnotes have been presented in thousands of YTL unless otherwise specified.

**2. Other classifications**

The Bank has classified YTL 76,195 leasehold improvements in "Intangible Assets (Net)" to "Tangible Assets (Net)" in the financial statements as of December 31, 2007.

The Bank has classified YTL 4,952 appraisal expenses in "Other Operating Expenses", to "Net Fee and Commission Income" in the income statement for the period ended June 30, 2007.

The Bank has classified YTL 68,997 fees and commissions received for cash loans in "net fee and commission income" to "interest income" in the income statement for the period ended June 30, 2007.

The Bank has classified YTL 2,164 fees and commissions paid to the banks in "net fee and commission expenses" to "interest expense" in the income statement for the period ended June 30, 2007.

The Bank has classified YTL 28,112 interest income in "Interest Income from the Reserve Deposits" to "Interest Income from Banks" in the income statement for the period ended June 30, 2007.

The Bank has classified YTL 76,350 from "Other Operating Expenses" to "Current Tax Provision" in the income statement for the period ended June 30, 2007. The explanation is disclosed in section five disclosure IV.9.1.

**3. Accounting policies and valuation principles used in the preparation of the financial statements**

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333 and "Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430.

According to circular No: 2007/2 of the BRSA dated July 4, 2007, foreign currency denominated investments in subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if any. Accordingly the effect of foreign currency denominated investments to the financial statements of June 30, 2007 is YTL 7,637 and is corrected in Foreign Exchange Gain/Loss in the accompanying financial statements.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

	Period Profit/Loss
As previously reported as of June 30, 2007	359,163
Effect of change in the valuation of investments denominated in foreign currencies	7,637
As restated as of June 30, 2007	366,800

**4. Presentation of the financial statements according to the current purchasing power of the money**

The Bank's financial statements have been prepared in accordance with TAS 29 "Reporting in Hyperinflationary Economies" until December 31, 2004. By a circular declared by BRSA on April 28, 2005, it was stated that the indicators of a need for inflation accounting have been ceased and inflation accounting would not be applied starting from January 1, 2005.

**5. Explanation for Convenience Translation to English**

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.

## Finansbank Anonim Şirketi

### NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2008

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

#### II. Strategy for the use of financial instruments and the foreign currency transactions

##### 1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits and funds borrowed from international markets. The customer deposits are with fixed rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally with floating rates and are repriced at an average period of 3-6 months. The Bank diverts its placements to assets with high return, low risk and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate YTL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to YTL liquidity with long term swap transactions (fixed YTL interest rate and floating FC interest rate). Thus, the Bank generates YTL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which effect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised yearly.

The strategies for hedging exchange rate risk generated from the Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk generated from deposits with fixed or floating interest rates are explained at Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in foreign currency risk section.

##### 2. Foreign currency transactions

###### 2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of June 30, 2008 are translated to YTL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for monetary amounts, are translated into YTL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends, are as follows:

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
US Dollars	YTL 1.2237	YTL 1.1647
Euro	YTL 1.9271	YTL 1.7102

## Finansbank Anonim Şirketi

### NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2008

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

#### 2.2. Foreign exchange gains and losses included in the income statement

As of June 30, 2008 the net foreign exchange loss included in the income statement are YTL 15,196 ( June 30, 2007 - net foreign exchange gain of YTL 39,480).

#### III. Information on associates and subsidiaries

Associates and subsidiaries are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement” in the accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at their initial cost after deducting related impairment provision.

According to circular No: 2007/2 of Banking Regulation and Supervision Agency dated July 4, 2007, foreign currency denominated investments in subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if any. Accordingly; the effect of foreign currency denominated investments to the financial statements of June 30, 2007 is YTL 7,637 and is corrected in Foreign Exchange Gain/Loss in the accompanying financial statements.

#### IV. Explanations on forward, option contracts and derivative instruments

The Bank enters into forward currency agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and eurobond option, swaption, credit default swap and futures agreements.

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, forward foreign currency purchase/sale contracts, swaps, options and futures are categorized as “hedging purpose” or “trading purpose” transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are valued at fair value using the pricing models subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” and “Liabilities on Trading Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. The amounts in the balance sheet refers to the fair value of derivatives.

Fair values of forward foreign currency purchase and sales contracts, currency and interest swap transactions are calculated by using internal pricing models based on market data. The unrealized gains and losses are reflected in the income statement in the current period.

The Bank funds its long term fixed interest rate YTL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to YTL liquidity with long term swap transactions (fixed YTL interest rate and floating FC interest rate). By this transaction the Bank provides YTL fund for the long term maturity with fixed interest rate loans and avoids the interest risk .

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures and swaption transactions are valued by settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

Credit default swap transactions are valued by market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**V. Interest income and expense**

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

**VI. Fees and commission income and expense**

Fee and commission income and expenses are accounted for on an accrual basis, except for certain transactions that income is recognized immediately. Other fee and commission expenses are considered as transaction cost and included in the amortized cost by using Internal Rate of Return Method. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, are recorded as income when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved.

**VII. Financial assets**

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets At Fair Value Through Profit Or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

**1. Financial assets at fair value through profit or loss**

**1.1. Trading securities**

The Bank accounts for its trading securities at fair value. The difference between interest income that has been gained by holding the trading securities and acquisition cost and fair value of the trading securities, is reflected as interest income at income statement. If any of the these financial assets are sold before their maturity the gain or loss is realized as security trading gains / losses.

**1.2. Financial assets at fair value through profit or loss**

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. They are presented under loans, in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008, as financial assets at fair value through profit or loss and accordingly recorded at amortised cost instead of fair value as of the balance sheet date.

The Bank has government bonds in its financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recorded at cost and are followed at fair value in the following periods.

Fair value of financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**2. Investment securities available for sale**

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale are recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity net of their tax effect under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity is transferred to the income statement.

**3. Investment securities held to maturity**

The Bank does not have investment securities held to maturity in its portfolio.

**4. Loans and specific provisions**

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss, and subsequently, these loans are carried at amortized cost by using the effective interest rate method. Taxes, transaction costs and other expenses paid for the guarantees taken are not considered as part of the cost of the transactions and expensed in the related period. As of December 31, 2005 the Bank, as it is explained in the note "IV. explanations on forward, option contracts and derivative instruments", entered into swap transactions against YTL in order to hedge the possible losses which might arise from the changes in the fair value of a certain portion of its long-term loans. The Bank accounted for the hedged part of the loan portfolio at its fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement. The Bank has stopped fair value hedge accounting as of January 1, 2006.

The allowance for possible loan losses is established through a provision charged to expenses. The allowance is an estimated amount that management believes to be adequate to absorb possible future losses on existing loans that may become uncollectible with taking into account current economic conditions, quality and inherent risks in the loan portfolio and other relevant factors as well as the related legislation.

If there is evidence for the uncollectibility of loans extended, the Bank classifies related loans and advances in non performing loans and provides specific reserves in accordance with the Communiqué dated November 1, 2006 and published on the Official Gazette No 2633 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Specific provisions are charged to the statement of income in the related period.

The collections made in relation to amounts provided in the current period are offset against the "Provision for Impairment on Loans and Other Receivables" account in the income statement. The principal collections made related to the loans that were written-off or for which a provision was made in previous years are recorded under "Other Operating Income" account and interest collections are recorded under the "Interest on Loans under Follow-up" account.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**VIII. Impairment of financial assets**

If the amount computed by discounting expected future cash flows of financial asset with using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is made for impairment of the financial assets and recorded to related expense accounts.

**IX. Netting of financial instruments**

In cases where the fair values of trading securities, securities available-for-sale, securities quoted on the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

The Bank provides specific allowances for loan and other receivables in accordance with “Methods and Principles for the Determination of Loans and other Receivables to be Reserved for and Allocation of Reserves” and offset against overdue loans in the assets.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

**X. Sales and repurchase agreements and lending of securities**

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements amounted to YTL 1,721,677 as of June 30, 2008 (December 31, 2007 - YTL 37,041).

Securities that are subject to lending transactions amounted to YTL 1,920 as of June 30, 2008 (December 31, 2007 - 12,005).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under interbank money market takings in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

**XI. Assets held for sale and discontinued operations**

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset 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.

The Bank does not have assets held for sale.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

## Finansbank Anonim Şirketi

### NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2008

(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

#### XII. Goodwill and other intangible assets

The Bank's intangible assets consist of software and intangible rights.

The cost of intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The intangible assets purchased after December 31, 2004 are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 5 years for periods before 2004 while the useful life for additions after 2004 are determined as 3 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

There is no goodwill regarding the subsidiaries.

#### XIII. Tangible Assets

The cost of tangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The tangible assets purchased after December 31, 2004 are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	%2
Movables purchased and acquired under finance lease contracts	%7 - %25

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There are no purchase commitments related to the fixed assets.



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**NOTES TO FINANCIAL STATEMENTS  
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**XIV. Leasing transactions**

Fixed assets acquired under finance lease contracts are recorded under “Tangible Fixed Assets” on the asset side and under “Financial Lease Payables” on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

**XV. Provisions and contingent liabilities**

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”; provisions that were booked in the prior periods and released in the current year are recorded under “other operating income”.

**XVI. Obligations of the Bank concerning employee benefits**

Provision for employee severance benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked in the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, into the accompanying financial statements.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date

Provision for the employees’ unused vacations has been booked and reflected to the financial statements.

There are no foundations, pensions or similar associations of which the employees are members.

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**NOTES TO FINANCIAL STATEMENTS  
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**XVII. Taxation**

**1. Corporate tax**

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No. 26205 dated June 21, 2006, effective from January 1, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under current tax assets account and are deducted from the corporate taxes of the current year.

Companies file their tax returns between the 1<sup>st</sup> and the 25<sup>th</sup> day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

The provision for corporate and income taxes for the period is reflected as the “Current Tax Liability” and “Current Tax Provision” in the financial statements.

Effective from April 24, 2003, statutory income, including retained earnings from 2002 and before, is not subject to withholding tax if retained, or transferred to share capital or distributed as dividend to the full fledged taxpayer corporations. However, it is subject to withholding tax at 10% if distributed as dividend to full fledged individual taxpayers, who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers. At 23 July, 2006 that withholding tax was increased to 15% by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006 .

**2. Deferred taxes**

In accordance with TAS 12 “Income Taxes”, the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities of the Bank have been offset and presented as net in the balance sheet. Net deferred tax asset amounting to YTL 2,994 has been disclosed in the accompanying financial statements (December 31, 2007 - YTL 20,123 net deferred tax asset).

As of June 30, 2008, deferred tax expense resulting from temporary differences is YTL 52,875 (June 30, 2007- YTL 37,138 deferred tax benefit ). The deferred tax is reflected in “Deferred Tax Provision” in the accompanying income statement.

Deferred taxes and current taxes directly related to equity items are recognized and offset in related equity accounts. The deferred tax asset amounting to YTL 27,027 (December 31, 2007 – YTL 2,730) has been offset with “Securities Value Increase Fund” account under equity.

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**NOTES TO FINANCIAL STATEMENTS  
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**XVIII. Additional explanations on borrowings**

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are shown at their amortized cost by using the internal rate of return method.

The Bank has not issued convertible bonds. There are no debt instruments directly issued by the Bank. The funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

**XIX. Share issues**

The Bank has not issued any bonus shares in the current period.

**XX. Confirmed bills of exchange and acceptances**

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

**XXI. Government incentives**

As of June 30, 2008, the Bank does not have any government incentives or grants.

**XXII. Segment reporting**

In addition to corporate banking, consumer banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its consumer banking clients with demand, time deposits, also installment-based cash advance services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also provide services including trading financial instruments and treasury operations.

The calculation for the income statement of operational units designated as profit centers such as corporate and commercial banking, consumer banking, SME banking, plastic cards, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to large scale corporate multinational firms in Turkey, that have annual revenue of USD 15 million and higher, and multi-national firms operating in Turkey. The firms that have annual revenues between USD 2 millions and 15 millions are considered as "Commercial Enterprise". The Bank places importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenues between YTL 750 and YTL 5,000. The Bank offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of customers. The Private Banking Unit has been formed in 2003 and started to serve customers with high level income. Installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting the market conditions. This segment is in close relation with corporate, commercial, consumer, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

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**NOTES TO FINANCIAL STATEMENTS**

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<b>Current Period ( June 30, 2008)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Operating Income</b>	<b>847,323</b>	<b>178,344</b>	<b>42,527</b>	<b>1,068,194</b>
Other (*)	(244,818)	215	244,603	-
<b>Operating Income</b>	<b>602,505</b>	<b>178,559</b>	<b>287,130</b>	<b>1,068,194</b>
<b>Operating Profit</b>	<b>204,898</b>	<b>111,135</b>	<b>40,622</b>	<b>356,655</b>
Income From Associates	-	-	-	13,216
<b>Profit Before Tax</b>	-	-	-	<b>369,871</b>
Corporate Tax	-	-	-	(111,649)
<b>Profit After Tax</b>	-	-	-	<b>258,222</b>
Minority Shares	-	-	-	-
<b>Net Profit</b>	-	-	-	<b>258,222</b>
<b>Total Assets</b>	<b>11,603,919</b>	<b>4,676,481</b>	<b>5,900,234</b>	<b>24,112,950</b>
Segment Assets	11,603,919	4,676,481	5,900,234	22,180,634
Associates and Subsidiaries	-	-	-	385,240
Undistributed Assets	-	-	-	1,547,076
<b>Total Liabilities</b>	<b>9,038,706</b>	<b>3,757,654</b>	<b>7,199,789</b>	<b>24,112,950</b>
Segment Liabilities	9,038,706	3,757,654	7,199,789	19,996,149
Undistributed Liabilities	-	-	-	1,408,559
<b>Equity</b>	-	-	-	<b>2,708,242</b>
<b>Other Segment Accounts</b>	-	-	-	<b>110,057</b>
Capital Investments	-	-	-	76,137
Depreciation and Amortization	-	-	-	34,538
Value Decrease/Increase	-	-	-	(618)

(\*) The net operating income generated from transactions with other segments

<b>Prior Period ( June 30, 2007)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Operating Income</b>	<b>462,876</b>	<b>189,215</b>	<b>181,109</b>	<b>833,200</b>
Other (*)	(121,715)	(51,878)	173,593	-
<b>Operating Income</b>	<b>341,161</b>	<b>137,337</b>	<b>354,702</b>	<b>833,200</b>
<b>Operating Profit</b>	<b>141,188</b>	<b>140,591</b>	<b>41,192</b>	<b>322,971</b>
Income From Associates	-	-	-	-
<b>Profit Before Tax</b>	-	-	-	<b>322,971</b>
Corporate Tax	-	-	-	43,829
<b>Profit After Tax</b>	-	-	-	<b>366,800</b>
Minority Shares	-	-	-	-
<b>Net Profit</b>	-	-	-	<b>366,800</b>
<b>Other Segment Accounts</b>	-	-	-	<b>69,711</b>
Capital Investments	-	-	-	47,122
Depreciation and Amortization	-	-	-	26,160
Value Decrease/Increase	-	-	-	(3,571)

(\*) The net operating income generated from transactions with other segments

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<b>Prior Period ( December 31, 2007)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Total Assets</b>	<b>9,936,566</b>	<b>4,127,714</b>	<b>4,827,801</b>	<b>20,882,311</b>
Segment Assets	9,936,566	4,127,714	4,827,801	18,892,081
Associates and Subsidiaries	-	-	-	400,748
Undistributed Assets	-	-	-	1,589,482
<b>Total Liabilities</b>	<b>7,881,054</b>	<b>3,466,138</b>	<b>5,491,075</b>	<b>20,882,311</b>
Segment Liabilities	7,881,054	3,466,138	5,491,075	16,838,267
Undistributed Liabilities	-	-	-	1,418,166
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,625,878</b>

**XXIII. Explanations on other matters**

None.

**Finansbank Anonim Şirketi**

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations related to Capital adequacy ratio**

The Bank's unconsolidated capital adequacy ratio is 13.04% as of June 30, 2008 (December 31, 2007 - 12.99%).

**1. Risk measurement methods in the calculation of capital adequacy ratio**

Capital adequacy ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 26333, dated November 1, 2006 and " Regulation on to Make Changes of Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 26669, dated October 10, 2007 . For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks " and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

In the calculation of their risk-based values, non-cash loans are weighted after netting off specific provisions that are classified under respective offsetting accounts and calculated based on the "Regulation on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted again and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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**Unconsolidated capital adequacy ratio**

	0%	10%	20%	50%	100%	150%	200%
<b>Risk Weighted Assets, Liabilities and Non-Cash Loans</b>							
<b>Balance Sheet Items (Net)</b>	<b>1,720,810</b>	-	<b>323,362</b>	<b>5,221,631</b>	<b>12,201,233</b>	<b>184,080</b>	<b>11,546</b>
Cash on Hand	220,533	-	427	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	521,055	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	-	-	322,235	-	78,584	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	648,214	-	-	-	-	-	-
Loans	298,449	-	-	5,168,616	10,437,518	184,080	11,546
Loans under Follow-Up (Net)	-	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	490,207	-	-
Accrued Interest and Income	18,484	-	700	53,015	177,121	-	-
Investments in Associates, Subsidiaries and Entities	-	-	-	-	-	-	-
Under Common Control (Net)	-	-	-	-	385,240	-	-
Tangible Assets (Net)	-	-	-	-	342,197	-	-
Other Assets	14,075	-	-	-	290,366	-	-
<b>Off-Balance Sheet Items</b>	<b>51,153</b>	-	<b>454,936</b>	<b>319,053</b>	<b>4,778,030</b>	-	-
Non-Cash Loans and Commitments	51,153	-	-	319,053	4,731,883	-	-
Derivative Financial Instruments	-	-	454,936	-	46,147	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>1,771,963</b>	-	<b>778,298</b>	<b>5,540,684</b>	<b>16,979,263</b>	<b>184,080</b>	<b>11,546</b>
<b>Total Risk-Weighted Assets</b>	-	-	<b>155,660</b>	<b>2,770,342</b>	<b>16,979,263</b>	<b>276,120</b>	<b>23,092</b>

**Summary information related to unconsolidated capital adequacy ratio**

	Current Period	Prior Period
Value at Credit Risk	20,204,477	18,272,288
Value at Market Risk	1,670,713	1,405,338
Value at Operational Risk	2,698,723	2,084,276
Shareholders' Equity	3,203,400	2,827,904
Shareholders' Equity/(VaCR+VaMR+VaOR)x100	13.04%	12.99%

VACR : Value at Credit Risk

VAMR : Value at Market Risk

VAOR : Value at Operational Risk

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**Components of shareholders' equity items**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	1,400,000	1,400,000
Nominal Capital	1,400,000	1,400,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	129,090	97,104
I. Legal Reserve (Turkish Commercial Code 466/1)	111,171	83,536
II. Legal Reserve (Turkish Commercial Code 466/2)	17,919	13,568
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	617,490	140,247
Reserve Allocated as per the Decision Held by the General Assembly	617,490	140,247
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	258,222	552,726
Current Period Profit	258,222	552,726
Prior Periods Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	41,922	69,439
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	369,806	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
<b>Total Core Capital</b>	<b>2,816,530</b>	<b>2,629,322</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	143,226	122,759
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	475,735	232,940
Securities Value Increase Fund	(95,448)	27,628
Associates and Subsidiaries	23,794	31,392
Investment Securities Available for Sale	(119,242)	(3,764)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>523,513</b>	<b>383,327</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>3,340,043</b>	<b>3,012,649</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>136,643</b>	<b>184,745</b>
Leasehold Improvements (-)	-	76,195
Prepaid Expenses (-)	73,765	57,951
Intangible Assets (-)	34,468	25,204
Deferred Tax Asset Exceeding 10% of Core Capital	-	-
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	26,979	23,942
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years After Foreclosure	1,431	1,453
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,203,400</b>	<b>2,827,904</b>



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**II . Information on Market Risk**

The Bank has established market risk operations and has taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on "Banks' Internal Control and Risk Management Systems" and the Regulation on "Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with 'Historical Simulation method. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and difference analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

**Information on market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	95,557
(II) Capital Obligation against Specific Risks - Standard Method	21,472
(III) Capital Obligation against Currency Risk - Standard Method	15,174
(IV) Capital Obligation against Commodity Risks - Standard Method	-
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,454
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	133,657
<b>(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)</b>	<b>1,670,713</b>

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### NOTES TO FINANCIAL STATEMENTS

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#### III. Explanations related to Foreign Currency Exchange Rate Risk

**1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily**

As of June 30, 2008, the net foreign currency exposure of the Bank is YTL 265,311 short (December 31, 2007 –YTL 111,015 short) resulting from on balance sheet short position amounting to YTL 4,196,038 (December 31, 2007 –YTL 3,659,633 short) and long off balance sheet position amounting to YTL 3,930,727 (December 31, 2007 –YTL 3,548,618 long). The long off balance sheet position amounting to YTL 4,165,113 is related with the FC/YTL swap transactions performed with banks and customers. The Bank performs these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with “Regulations on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

**2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

**3. Bank’s spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate at the date of the balance sheet YTL 1.2237

Euro purchase rate at the date of the balance sheet YTL 1.9271

<u>Date</u>	<u>US Dollars</u>	<u>Euro</u>
June 30, 2008	YTL 1.2237	YTL 1.9271
June 27, 2008	YTL 1.2095	YTL 1.8981
June 26, 2008	YTL 1.2182	YTL 1.8977
June 25, 2008	YTL 1.2250	YTL 1.9063
June 24, 2008	YTL 1.2209	YTL 1.8964
June 23, 2008	YTL 1.2166	YTL 1.8962

**4. The basic arithmetical average of the Bank’s foreign exchange bid rate for the last thirty days**

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for June 2008 are YTL 1.2278 and 1.9080; respectively.

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**NOTES TO FINANCIAL STATEMENTS**

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**5. Information on the foreign currency exchange rate risk of the bank**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>YEN</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	55,310	937,105	51	6,329	998,795
Due From Banks and Other Financial Institutions	91,339	207,318	332	89,554	388,543
Financial Assets at Fair Value through Profit/Loss <sup>(****)</sup>	-	40,132	-	-	40,132
Interbank Money Market Placements	-	-	-	-	-
Securities Available-for-Sale	52,220	271,666	-	-	323,886
Loans <sup>(**)</sup>	1,200,927	1,880,102	23,425	30,484	3,134,938
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	201,928	-	-	-	201,928
Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Held for Hedging	-	-	-	-	-
Tangible Assets	-	-	-	15	15
Intangible Assets	-	-	-	-	-
Other Assets <sup>(***)</sup>	12,687	437,987	-	10	450,684
<b>Total Assets</b>	<b>1,614,411</b>	<b>3,774,310</b>	<b>23,808</b>	<b>126,392</b>	<b>5,538,921</b>
<b>Liabilities</b>					
Bank Deposits	216,835	547,979	17	3,723	768,554
Foreign Currency Deposits	1,701,441	3,920,560	2,385	88,050	5,712,436
Money Market Borrowings	-	54,614	-	-	54,614
Funds Provided from Other Financial Institutions	70,220	3,022,487	404	-	3,093,111
Securities Issued	-	-	-	-	-
Sundry Creditors	13,526	26,056	11	1,169	40,762
Derivative Fin. Liabilities Held for Hedging	-	-	-	-	-
Other Liabilities	23,177	42,275	-	30	65,482
<b>Total Liabilities</b>	<b>2,025,199</b>	<b>7,613,971</b>	<b>2,817</b>	<b>92,972</b>	<b>9,734,959</b>
<b>Net Balance Sheet Position</b>	<b>(410,788)</b>	<b>(3,839,661)</b>	<b>20,991</b>	<b>33,420</b>	<b>(4,196,038)</b>
<b>Net Off-Balance Sheet Position</b>	<b>476,136</b>	<b>3,426,608</b>	<b>(7,567)</b>	<b>35,550</b>	<b>3,930,727</b>
Financial Derivative Assets	1,921,307	8,670,443	23,743	334,031	10,949,524
Financial Derivative Liabilities	1,445,171	5,243,835	31,310	298,481	7,018,797
Non-Cash Loans <sup>(*)</sup>	1,030,827	2,315,086	5,659	273,319	3,624,891
<b>Prior Period</b>					
Total Assets	1,598,791	3,609,647	6,466	60,910	5,275,814
Total Liabilities	1,710,303	7,111,146	4,463	109,535	8,935,447
<b>Net Balance Sheet Position</b>	<b>(111,512)</b>	<b>(3,501,499)</b>	<b>2,003</b>	<b>(48,625)</b>	<b>(3,659,633)</b>
<b>Net Off-Balance Sheet Position</b>	<b>254,198</b>	<b>3,228,616</b>	<b>2,685</b>	<b>63,119</b>	<b>3,548,618</b>
Financial Derivative Assets	1,559,138	7,326,636	39,001	410,979	9,335,754
Financial Derivative Liabilities	1,304,940	4,098,020	36,316	347,860	5,787,136
Non-Cash Loans <sup>(*)</sup>	858,482	1,958,275	4,349	266,180	3,087,286

(\*) Does not affect net off balance sheet position.

(\*\*) Includes foreign currency indexed loans amounting to YTL 921,886 (December 31, 2007 – YTL 650,146) that are classified as YTL on the balance sheet.

(\*\*\*) Does not include the prepaid expenses amounting to YTL 1,167 that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006.

(\*\*\*\*) Accrued foreign exchange income and expenses on derivative transactions amounting to YTL 767, are excluded.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS  
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**IV. Explanations related to Interest Rate Risk**

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

The assets and liabilities of the Bank carry a positive interest yield, assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

Besides customer deposits, the Bank funds its long term fixed interest rate YTL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to YTL liquidity with long term swap transactions (fixed YTL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with YTL but also hedges itself from interest rate and maturity risk.

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**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**

*(Based on repricing dates)*

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	664,014	-	-	-	-	742,015	1,406,029
Due form Banks and Other Financial Institutions	161,918	1,028	9,892	-	-	228,681	401,519
Financial Assets at Fair Value Through Profit/Loss	5,794	63,261	5,570	357,669	-	365,578	797,872
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	620,547	1,316,544	360,030	1,091,573	-	127,080	3,515,774
Loans	4,198,485	2,132,895	4,704,825	4,034,351	1,280,385	-	16,350,941
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	1,640,815	1,640,815
<b>Total Assets</b>	<b>5,650,758</b>	<b>3,513,728</b>	<b>5,080,317</b>	<b>5,483,593</b>	<b>1,280,385</b>	<b>3,104,169</b>	<b>24,112,950</b>
<b>Liabilities</b>							
Bank Deposits	806,447	-	308,532	-	-	28,336	1,143,315
Other Deposits	8,819,826	2,042,164	122,859	5,945	8,394	1,859,958	12,859,146
Money Market Borrowings	1,715,360	313	-	-	-	-	1,715,673
Sundry Creditors	-	-	-	-	-	468,460	468,460
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	74,149	119,542	1,596,118	1,446,057	249,941	-	3,485,807
Other Liabilities	103,354	373,469	13,906	10,686	-	3,939,134	4,440,549
<b>Total Liabilities</b>	<b>11,519,136</b>	<b>2,535,488</b>	<b>2,041,415</b>	<b>1,462,688</b>	<b>258,335</b>	<b>6,295,888</b>	<b>24,112,950</b>
On Balance Sheet Long Position	-	978,240	3,038,902	4,020,905	1,022,050	-	9,060,097
On Balance Sheet Short Position	(5,868,378)	-	-	-	-	(3,191,719)	(9,060,097)
Off-Balance Sheet Long Position	-	-	1,154	-	-	-	1,154
Off-Balance Sheet Short Position	(97,688)	(321,516)	-	-	-	-	(419,204)
<b>Total Position</b>	<b>(5,966,066)</b>	<b>656,724</b>	<b>3,040,056</b>	<b>4,020,905</b>	<b>1,022,050</b>	<b>(3,191,719)</b>	<b>(418,050)</b>

(\*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 865,511, tangible assets amounting to YTL 342,197, intangible assets amounting to YTL 34,468, associates and subsidiaries amounting to YTL 385,240, tax asset amounting to YTL 13,399; and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to YTL 2,708,242, other liabilities amounting to YTL 543,722, provisions amounting to YTL 308,038, trading derivative financial liabilities amounting to YTL 376,138 and deferred tax liability amounting to YTL 2,994.

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**Average interest rates applied to monetary financial instruments**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>YTL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.00	-	12.18
Due form Banks and Other Financial Institutions	4.17	2.76	-	17.65
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	5.88	9.45	-	17.28
Loans	6.75	5.95	3.17	22.40(*)
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4.10	3.98	-	19.15
Other Deposits	3.50	3.25	-	16.75
Money Market Borrowings	-	1.90	-	18.58
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.29	5.44	-	12.26

(\*) The yield of loans is 18.09% excluding credit cards.

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**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**

*(Based on repricing dates)*

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey Due form Banks and Other Financial Institutions	625,372	-	-	-	-	587,554	1,212,926
Financial Assets at Fair Value Through Profit/Loss	833	1,399	74,763	158,985	-	21,180	257,160
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	850,110	1,268,111	209,182	448,877	-	93,741	2,870,021
Loans	1,803,224	5,464,877	2,961,364	2,417,580	1,527,369	-	14,174,414
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	1,687,043	1,687,043
<b>Total Assets</b>	<b>3,840,067</b>	<b>6,739,605</b>	<b>3,254,264</b>	<b>3,025,442</b>	<b>1,527,369</b>	<b>2,495,564</b>	<b>20,882,311</b>
<b>Liabilities</b>							
Bank Deposits	756,949	665,016	61,693	-	-	44,938	1,528,596
Other Deposits	7,240,937	2,044,569	293,287	4,062	11,537	1,834,857	11,429,249
Money Market Borrowings	34,853	94	-	-	-	-	34,947
Sundry Creditors	-	-	-	-	-	460,787	460,787
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	35,957	91,671	1,221,507	1,376,716	368,106	-	3,093,957
Other Liabilities	159,605	593,637	12,593	5,134	176	3,563,630	4,334,775
<b>Total Liabilities</b>	<b>8,228,301</b>	<b>3,394,987</b>	<b>1,589,080</b>	<b>1,385,912</b>	<b>379,819</b>	<b>5,904,212</b>	<b>20,882,311</b>
On Balance Sheet Long Position	-	3,344,618	1,665,184	1,639,530	1,147,550	-	7,796,882
On Balance Sheet Short Position	(4,388,234)	-	-	-	-	(3,408,648)	(7,796,882)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(156,759)	(587,841)	(4,966)	-	-	-	(749,566)
<b>Total Position</b>	<b>(4,544,993)</b>	<b>2,756,777</b>	<b>1,660,218</b>	<b>1,639,530</b>	<b>1,147,550</b>	<b>(3,408,648)</b>	<b>(749,566)</b>

(\*)“Other Assets” in “Non Interest Bearing” column include other assets amounting to YTL 914,640, tangible assets amounting to YTL 326,328, intangible assets amounting to YTL 25,204, associates and subsidiaries amounting to YTL 400,748, deferred tax amounting to YTL 20,123 and “Other Liabilities” in the “Non Interest Bearing” column includes shareholders’ equity amounting to YTL 2,625,878, other liabilities amounting to YTL 481,405, provisions amounting to YTL 352,611, trading derivative financial liabilities amounting to YTL 81,780 and tax liability amounting to YTL 21,956.

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**Average interest rates applied to monetary financial instruments**

<b>Prior Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>Yen %</b>	<b>YTL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	-	11.81
Due from Banks and Other Financial Institutions	3.04	4.39	-	15.96
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	5.95	10.55	-	18.60
Loans	7.01	7.26	2.84	23.30(*)
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4.67	5.17	-	15.98
Other Deposits	4.26	5.05	-	17.38
Money Market Borrowings	-	4.59	-	15.78
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.11	6.76	-	12.82

(\*) The yield of loans is 18.84% excluding credit cards.



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### NOTES TO FINANCIAL STATEMENTS

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#### V. Explanations related to liquidity risk

**1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Bank. List of available limits, instruments and securities which can be used as a collateral to create liquidity in the event of a possible liquidity crises is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

**2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any**

Bank's payments, assets and liabilities match with the interest rates.

**3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

In order to meet urgent liquidity needs 6 % of the balance sheet is allocated as cash balances.

**4. Evaluation of the Bank's cash flows and their resources**

Cash flows of the Bank mainly consist of New Turkish Liras, US Dollars and Euros.

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**NOTES TO FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2008**

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**5. Presentation of assets and liabilities according to their remaining maturities**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Un- allocated<sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	742,015	664,014	-	-	-	-	-	1,406,029
Due from Banks and Other Financial Institutions	228,681	161,918	1,028	9,892	-	-	-	401,519
Financial Assets at Fair Value Through Profit/Loss	-	246,048	109,572	5,289	426,813	10,150	-	797,872
Interbank Money Markets	-	-	-	-	-	-	-	-
Securities Available for Sale	123,314	34,745	109,395	139,489	2,492,352	612,713	3,766	3,515,774
Loans	-	4,210,184	2,152,602	4,752,202	4,112,581	1,123,372	-	16,350,941
Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	747,527	-	13,399	43,544	-	836,345	1,640,815
<b>Total Assets</b>	<b>1,094,010</b>	<b>6,064,436</b>	<b>2,372,597</b>	<b>4,920,271</b>	<b>7,075,290</b>	<b>1,746,235</b>	<b>840,111</b>	<b>24,112,950</b>
<b>Liabilities</b>								
Bank Deposits	28,336	806,447	-	308,532	-	-	-	1,143,315
Other Deposits	1,859,958	8,819,826	2,042,164	122,859	5,945	8,394	-	12,859,146
Funds Provided from Other Financial Institutions	-	74,149	157,783	1,466,099	1,537,835	249,941	-	3,485,807
Interbank Money Markets	-	1,715,360	313	-	-	-	-	1,715,673
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	468,460	-	-	-	-	-	468,460
Other Liabilities	-	842,887	548,724	18,883	10,781	-	3,019,274	4,440,549
<b>Total Liability</b>	<b>1,888,294</b>	<b>12,727,129</b>	<b>2,748,984</b>	<b>1,916,373</b>	<b>1,554,561</b>	<b>258,335</b>	<b>3,019,274</b>	<b>24,112,950</b>
<b>Liquidity Gap</b>	<b>(794,284)</b>	<b>(6,662,693)</b>	<b>(376,387)</b>	<b>3,003,898</b>	<b>5,520,729</b>	<b>1,487,900</b>	<b>(2,179,163)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	783,575	4,198,734	3,804,370	4,054,606	4,952,159	2,274,344	814,523	20,882,311
Total Liabilities	1,879,795	9,019,987	2,830,323	1,932,237	1,881,584	391,895	2,946,490	20,882,311
<b>Net Liquidity Gap</b>	<b>(1,096,220)</b>	<b>(4,821,253)</b>	<b>974,047</b>	<b>2,122,369</b>	<b>3,070,575</b>	<b>1,882,449</b>	<b>(2,131,967)</b>	<b>-</b>

(\*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted at stock exchange, office supply inventory, and prepaid expenses are classified in this column.

Unallocated other liabilities column includes shareholders' equity amounting to YTL 2,708,242 , deferred tax liability amounting to YTL 2,994 and unallocated provisions amounting to YTL 308,038.

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**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS**

**1.a) Cash and balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	115,486	105,031	95,034	97,375
Central Bank of Turkey	291,732	893,337	179,796	840,076
Others	16	427	51	594
<b>Total</b>	<b>407,234</b>	<b>998,795</b>	<b>274,881</b>	<b>938,045</b>

**b) Balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	291,732	245,123	179,796	232,203
Restricted Time Deposits	-	648,214	-	607,873
<b>Total</b>	<b>291,732</b>	<b>893,337</b>	<b>179,796</b>	<b>840,076</b>

According to the 2005/1 numbered announcement of the Central Bank of Turkey, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve at 6% of the liabilities in Turkish Lira and 8% restricted and 3% unrestricted for liabilities in US Dollars and Euros. The Central Bank of Turkey makes interest payments on a quarterly basis. The interest rates given by the Central Bank of Turkey are 12.18 % for YTL, 1% for USD and 1.8% for Euro as of June 30, 2008.

**2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)**

**a) Trading securities given as collateral or blocked**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	-	-	205,711	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>205,711</b>	<b>-</b>

Amount of the financial assets at fair value through profit and loss is YTL 203,489 (December 31, 2007- YTL 233,748) and all of the portfolio is kept as unrestricted (December 31, 2007 – YTL 28,037) . As of December 31, 2007 YTL 205,711 is kept as collateral.

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**b) Trading securities subject to repurchase agreements**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds (*)	310,243	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>310,243</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) Government bond that is subject to repurchase agreements amounting to YTL 201,741 is disclosed in financial assets at fair value through profit or loss at financial statements and The government bond that is subject to repurchase agreements amounting to YTL 108,502 is disclosed in trading securities at financial statements.

**c) Positive differences on trading derivative instruments**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	3,992	-	7,653	-
Swap Transactions	380,042	768	14,602	5
Futures	-	303	-	158
Options	574	39,828	-	267
Other	873	-	727	-
<b>Total</b>	<b>385,481</b>	<b>40,899</b>	<b>22,982</b>	<b>430</b>

**3. a) Banks and other financial institutions**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Domestic	4,097	24,534	7,229	75,500
Foreign	8,879	364,009	102,105	495,913
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>12,976</b>	<b>388,543</b>	<b>109,334</b>	<b>571,413</b>

**4. Information on investment securities available for sale**

**a) Investment securities available-for-sale given as collateral or blocked:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	603,957	8,834	598,722	25,004
Other	-	-	-	-
<b>Total</b>	<b>603,957</b>	<b>8,834</b>	<b>598,722</b>	<b>25,004</b>

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**b) Investment securities available for sale subject to repurchase agreements:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	1,236,187	-	13,927	-
Treasury bills	117,170	-	-	-
Other debt securities	-	58,077	-	23,114
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,353,357</b>	<b>58,077</b>	<b>13,927</b>	<b>23,114</b>

**c) Investment securities available for sale**

	Current Period	Prior Period
<b>Debt securities</b>	<b>3,478,875</b>	<b>2,777,600</b>
Quoted on a stock exchange	3,368,229	2,620,576
Unquoted on a stock exchange(*)	110,646	157,024
<b>Share certificates</b>	<b>134,151</b>	<b>94,229</b>
Quoted on a stock exchange	130,385	90,463
Unquoted on a stock exchange	3,766	3,766
<b>Impairment provision(-)</b>	<b>(97,252)</b>	<b>(1,808)</b>
<b>Total</b>	<b>3,515,774</b>	<b>2,870,021</b>

(\*) Debt securities that are not quoted include "credit linked notes" amounting to YTL 108,170 (December 31, 2007 – YTL 133,893) and YTL 2,476 (December 31, 2007 – YTL 23,131) government bonds of foreign countries .

**5. Information related to loans**

**a) Information on all types of loans and advances given to shareholders and employees of the Bank**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	28,919	-	26,490	-
<b>Total</b>	<b>28,919</b>	<b>-</b>	<b>26,490</b>	<b>-</b>

(\*) Includes the advances given to the bank personnel.

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**b) Information on the first and second group loans and other receivables including rescheduled or restructured loans**

<b>Cash Loans</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Non-specialized Loans</b>	<b>15,817,833</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>
Discount Notes	77,962	-	-	-
Export Loans	1,125,393	-	-	-
Import Loans	2,661	-	-	-
Loans Given to Financial Sector	270,854	-	-	-
International Loans	31,612	-	-	-
Consumer Loans (*)	5,075,238	-	-	-
Credit Cards	3,093,444	-	-	-
Precious Metals Loans (Gold etc.)	-	-	-	-
Other	6,140,669	-	505,840	27,268
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15,817,833</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>

(\*) The mortgage loans amounting to YTL 2,859,199 which are classified in consumer loans as per the balance sheet structure, are valued as fair value through profit/loss. As of June 30, 2008 the fair value loss of these mortgage loans is amounting to YTL 176,072.

**c) Loans according to their maturity structure:**

<b>Cash Loans</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Short-term Loans</b>	<b>8,301,449</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-specialized Loans	8,301,449	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>7,516,384</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>
Non-specialized Loans	7,516,384	-	505,840	27,268
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>15,817,833</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>

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**d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Consumer Loans-YTL</b>	<b>90,645</b>	<b>4,646,527</b>	<b>4,737,172</b>	<b>28,135</b>
Real Estate Loans	1,041	3,322,782	3,323,823	14,036
Automobile Loans	5,240	441,720	446,960	4,586
General Purpose Loans	84,364	882,025	966,389	9,513
Other	-	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>760</b>	<b>187,230</b>	<b>187,990</b>	<b>6,758</b>
Real Estate Loans	275	162,765	163,040	5,278
Automobile Loans	145	12,078	12,223	791
General Purpose Loans	340	12,387	12,727	689
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-YTL</b>	<b>2,977,249</b>	<b>11,546</b>	<b>2,988,795</b>	<b>64,600</b>
Installment	1,055,865	11,546	1,067,411	23,071
Non- Installment	1,921,384	-	1,921,384	41,529
<b>Individual Credit Cards-FC</b>	<b>2,457</b>	<b>-</b>	<b>2,457</b>	<b>53</b>
Installment	-	-	-	-
Non- Installment	2,457	-	2,457	53
<b>Personnel Loans-YTL</b>	<b>1,746</b>	<b>10,761</b>	<b>12,507</b>	<b>97</b>
Real Estate Loans	-	1,767	1,767	13
Automobile Loans	39	166	205	1
General Purpose Loans	1,707	8,828	10,535	83
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-YTL</b>	<b>15,212</b>	<b>-</b>	<b>15,212</b>	<b>329</b>
Installment	6,576	-	6,576	142
Non-Installment	8,636	-	8,636	187
<b>Personnel Credit Cards-FC</b>	<b>74</b>	<b>-</b>	<b>74</b>	<b>2</b>
Installment	-	-	-	-
Non-Installment	74	-	74	2
<b>Overdraft Accounts-YTL (Real Persons)</b>	<b>99,511</b>	<b>-</b>	<b>99,511</b>	<b>3,068</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,187,654</b>	<b>4,856,064</b>	<b>8,043,718</b>	<b>103,042</b>

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**e) Information on commercial loans with installments and corporate credit cards**

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>	<b>Interest and Income Accruals</b>
<b>Commercial Loans with Installment Facility – YTL</b>	<b>234,455</b>	<b>1,815,462</b>	<b>2,049,917</b>	<b>40,602</b>
Real Estate Loans	120	141,126	141,246	1,463
Automobile Loans	7,297	711,011	718,308	15,245
General Purpose Loans	227,038	963,325	1,190,363	23,894
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	<b>37,043</b>	<b>301,248</b>	<b>338,291</b>	<b>16,209</b>
Real Estate Loans	-	24,970	24,970	926
Automobile Loans	743	62,532	63,275	4,341
General Purpose Loans	36,300	213,746	250,046	10,942
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards –YTL</b>	<b>21,012</b>	<b>-</b>	<b>21,012</b>	<b>454</b>
Installment	5,613	-	5,613	121
Non-Installment	15,399	-	15,399	333
<b>Corporate Credit Cards –FC</b>	<b>446</b>	<b>-</b>	<b>446</b>	<b>10</b>
With Installment	-	-	-	-
Without Installment	446	-	446	10
<b>Deposit Accounts-YTL (Legal Entities)</b>	<b>110,126</b>	<b>-</b>	<b>110,126</b>	<b>8</b>
<b>Deposit Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>403,082</b>	<b>2,116,710</b>	<b>2,519,792</b>	<b>57,283</b>

**f) Loans according to borrowers**

	<b>Current Period</b>	<b>Prior Period</b>
Public	-	-
Private	16,350,941	14,174,414
<b>Total</b>	<b>16,350,941</b>	<b>14,174,414</b>

**g) Domestic and foreign loans**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	16,319,329	14,141,753
Foreign Loans	31,612	32,661
<b>Total</b>	<b>16,350,941</b>	<b>14,174,414</b>



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**h) Loans granted to subsidiaries and associates**

	<b>Current Period</b>	<b>Prior Period</b>
Direct Loans Granted To Subsidiaries And Associates	-	-
Indirect Loans Granted To Subsidiaries And Associates	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**i) Specific provisions for loans**

<b>Specific Provisions</b>	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectibility	99,717	87,903
Loans and Receivables with Doubtful Collectibility	150,683	128,754
Uncollectible Loans and Receivables	196,996	182,755
<b>Total</b>	<b>447,396</b>	<b>399,412</b>

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

**j.1) Non-performing loans and other receivables restructured or rescheduled:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	1,690	5,591	20,943
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,690	5,591	20,943
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	505	7,456	15,530
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	505	7,456	15,530

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**j.2) Movement of loans under follow-up**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and</b>	<b>Loans and</b>	
	<b>receivables with</b>	<b>receivables with</b>	<b>Uncollectible loans</b>
	<b>limited</b>	<b>doubtful</b>	<b>and receivables</b>
	<b>collectibility</b>	<b>collectibility</b>	
<b>Prior Period End Balance</b>	<b>87,903</b>	<b>128,754</b>	<b>182,755</b>
Additions (+)	194,564	-	28,683
Transfers from Other Categories of Loans under Follow-up (+)	-	143,123	108,527
Transfers to Other Categories of Loans under Follow-up (-)	143,123	108,527	-
Collections (-)	39,627	12,667	18,106
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>104,863</b>
Corporate and Commercial Loans	-	-	61,487
Consumer Loans	-	-	5,970
Credit Cards	-	-	37,406
Others	-	-	-
<b>Current Period End Balance</b>	<b>99,717</b>	<b>150,683</b>	<b>196,996</b>
Specific Provision (-)	99,717	150,683	196,996
<b>Net Balances on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>

**j.3) Information on foreign currency loans and other receivables under follow-up**

None.

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**j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful	Uncollectible loans and receivables
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	99,717	150,683	196,996
Specific provision (-)	99,717	150,683	196,996
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	87,903	128,754	182,755
Specific provision (-)	87,903	128,754	182,755
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	-	-	-

**k) Liquidation policies for uncollectible loans and other receivables:**

For the unrecoverable non performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this can not be possible than the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures does not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

**l) Explanations on write-off policy:**

In compliance with the "Procedure for Write Off and Procedures for Delayed Receivables" unrecoverable non performing loans with 100% provision and with no collateral that are deemed as uncollectible are written off with the Board of Directors' decision, according to legal policies and Bank's policies.

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**6. Information on investment securities held-to-maturity**

**6.1. Information on securities subject to repurchase agreement and given as collateral or blocked**

**6.1.1. Information on securities subject to repurchase agreement**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	-	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Bank	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

**6.1.2. Information on securities given as collateral or blocked**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Bills	-	-	-	-
Bonds and Similar Marketable Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

**6.2. Information on accounts in which government securities held-to-maturity are reflected**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	-	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
<b>Total</b>	-	-	-	-

**6.3. Information on investment securities held-to-maturity**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
<b>Debt Securities</b>				
Quoted on Stock Exchange	-	-	-	-
Non-Quoted on Stock Exchange	-	-	-	-
<b>Impairment (-)</b>	-	-	-	-
<b>Total</b>	-	-	-	-

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**6.4. Information on the movement of the investment securities held-to-maturity during the period**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance in the Beginning of the Period</b>	-	-
Foreign Exchange Differences	-	-
Purchases	-	-
Redemptions	-	-
<b>Impairment (-)</b>	-	-
<b>Balance at the End of the Period</b>	-	-

**7. Investments in associates**

**7.1. Investments in associates**

<b>Description</b>	<b>Adress (City/ Country)</b>	<b>Bank's Share-If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
Gelişen İşletmeler Piyasaları A.Ş. (GİP)	İstanbul/Turkey	5%	5%

Gelişen İşletmeler Piyasaları (GİP), operates as an organized securities market for companies unquoted on a stock exchange.

<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value</b>
6,863	6,748	3	583	1	452	662	-

(\*) Current period information is obtained from financial statements as of June 30, 2008, prior period profit and loss information is obtained from financial statements as of December 31, 2007.

**7.2. Movements of investments in associates**

	<b>Current Period</b>	<b>Prior Period</b>
Balance at the Beginning of Period	<b>250</b>	<b>250</b>
<b>Movements During the Period</b>	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at the End of the Period</b>	<b>250</b>	<b>250</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the End of the Period (%)</b>	<b>%5</b>	<b>%5</b>

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**7.3. Sectoral distribution of associates**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	250	250
<b>Total</b>	<b>250</b>	<b>250</b>

**7.4. Quoted Associates**

None.

**7.5. Valuation methods of investments in associates**

	<b>Current Period</b>	<b>Prior Period</b>
Valued at Cost	250	250
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
<b>Total</b>	<b>250</b>	<b>250</b>

**7.6. Investments in associates sold during the current period**

None.

**7.7. Investments in associates acquired during the current period**

None.

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**8. Investments in subsidiaries**

**a) Information on the unconsolidated subsidiaries:**

<b>Subsidiary</b>	<b>Address (City/Country)</b>	<b>Bank's Share – If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş	İstanbul/Turkey	99.80	99.80

<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value</b>
5,881	4,455	4,670	-	-	(354)	960	-

Current period information represents June 30, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures prepared in accordance with BRSA regulations.

**b) Information on the consolidated subsidiaries:**

**b.1) Information on the consolidated subsidiaries**

<b>Subsidiary</b>	<b>Address (City/Country)</b>	<b>Bank's Share – If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
1. Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51.06	59.24
3. Finans Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	81.12	75.98
4. Finans Malta Holdings Ltd.	Sliema/Malta	100.00	100.00
5. Finans Portföy Yönetimi A.Ş	İstanbul/Turkey	0.001	100.00
6. Finans Emeklilik ve Hayat A.Ş.	İstanbul/Turkey	99.99	99.99

Information on subsidiaries in the order presented in table above:

	<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value</b>
1. (*)	66,932	45,857	11,024	2,496	336	(93)	7,254	-
2. (**)	1,377,763	272,349	1,155	2,010	-	12,043	50,415	244,500
3. (**)	21,845	21,658	24	-	-	(6,539)	3,466	15,900
4. (*)	211,984	211,967	-	-	-	-	(14)	-
5. (*)	18,676	15,683	452	277	21	2,820	3,527	-
6. (*)	25,760	6,963	1,742	714	231	(1,846)	(1,179)	-

(\*) Current period information represents June 30, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures prepared in accordance with BRSA regulations.

(\*\*) Current period information represents March 31, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures prepared in accordance with CMB's Communique No: XI/29 accounting principles.

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**b.2) Movement of investments in subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>398,518</b>	<b>318,810</b>
<b>Movements during the Period</b>	<b>(16,764)</b>	<b>79,708</b>
Purchases	951 (***)	100,795 (*)
Bonus Shares Received		1,026 (**)
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	(17,772)	(28,871)
Impairment Provision (+)	57	6,758
<b>Balance at the End of the Period</b>	<b>381,754</b>	<b>398,518</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the end of the Period (%)</b>	-	-

(\*) The Bank has increased "paid in capital" of Finans Malta Holdings Ltd., in which the Bank owns 100 % of shares, by 50.000.000 Euro and this amount has been fully paid in cash by the Bank. The Bank invested YTL10,000 in Finans Emeklilik and Hayat A.Ş.

(\*\*) Includes the free shares received from Bank's subsidiary Finans Yatırım Ortaklığı A.Ş.

(\*\*\*) Includes YTL 951 share purchase of Finans Yatırım Ortaklığı A.Ş.

**b.3) Sectoral distribution of subsidiaries:**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	10,000	10,000
Factoring Companies	-	-
Leasing Companies	111,626	127,139
Finance Companies	-	-
Other Subsidiaries	260,128	261,379
<b>Total</b>	<b>381,754</b>	<b>398,518</b>

**b.4) Quoted subsidiaries within the context of consolidation:**

	<b>Current Period</b>	<b>Prior Period</b>
Quoted on Domestic Stock Exchanges	124,451	141,272
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>124,451</b>	<b>141,272</b>

**9. Investments in entities under common control:**

None.

**10. Information on financial lease receivables (Net):**

None.



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**11. Information on hedging purpose derivatives:**

None.

**12. Information on tax asset:**

According to the related regulations there is no calculated deferred tax asset. The detail of the deferred tax is given in the 9'th disclosure of explanations and disclosures related to liability accounts.

As of June 30, 2008, the Bank has current tax liability of YTL 18,396 (December 31, 2007 - YTL 127,554) and advance taxes of YTL 31,795 (December 31, 2007 - YTL 105,598). The Bank has netted the current tax liability and advance taxes in the accompanying financial statements.

**13. Information on assets held for sale and discontinued operations:**

None.

**14. Information on other assets:**

**14.1. Information on prepaid expense, tax and similar items**

	<b>Current Period</b>	<b>Prior Period</b>
Collateral given for derivative financial assets	431,176	570,863
Cheques of other banks	195,545	171,018
Sundry Debtors	59,028	47,765
Other Prepaid Expenses	54,194	37,067
Assets to be Disposed	43,544	34,122
Prepaid Rent Expenses	12,250	11,018
Prepaid Agency Commissions	7,321	9,866
Advances Given	3,821	2,045
Other	58,632	30,876
<b>Total</b>	<b>865,511</b>	<b>914,640</b>

**14.2. Other assets do not exceed 10% of total assets excluding the off-balance sheet items.**

**15. Accrued interest and income**

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows.

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
Central Bank of Turkey	13,760	2,040	13,251	4,248
Fin. Assets Held for Trading	327	-	-	-
Fin. Assets at Fair Value through Profit or Loss	-	-	14,329	-
Trading Derivatives	385,481	40,899	22,982	430
Banks and Other Financial Institutions	84	616	840	1,941
Interbank Money Markets	-	-	-	-
Financial Assets- Available for Sale	161,974	467	190,728	6,529
Loans	201,197	22,557	127,474	23,469
Investments Held to Maturity	-	-	-	-
Other Accruals	9,066	-	2,144	-
<b>Total</b>	<b>771,889</b>	<b>66,579</b>	<b>371,748</b>	<b>36,617</b>

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**II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES**

**1. Information on maturity structure of deposits**

**Current Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
<b>Saving Deposits</b>	<b>278,042</b>	-	<b>2,661,354</b>	<b>2,319,765</b>	<b>67,648</b>	<b>17,565</b>	<b>5,465</b>	<b>3,362</b>	<b>5,353,201</b>
<b>Foreign Currency Deposits</b>	<b>821,152</b>	-	<b>2,706,154</b>	<b>1,798,145</b>	<b>298,408</b>	<b>73,436</b>	<b>3,069</b>	<b>12,072</b>	<b>5,712,436</b>
Residents in Turkey	796,825	-	2,640,425	1,743,686	282,921	69,582	2,019	11,265	5,546,723
Residents Abroad	24,327	-	65,729	54,459	15,487	3,854	1,050	807	165,713
<b>Public Sector Deposits</b>	<b>173,014</b>	-	<b>5,843</b>	<b>4,566</b>	<b>1,030</b>	-	-	-	<b>184,453</b>
<b>Commercial Deposits</b>	<b>571,706</b>	-	<b>830,201</b>	<b>122,283</b>	<b>26,331</b>	<b>1,906</b>	<b>546</b>	-	<b>1,552,973</b>
<b>Other Ins. Deposits</b>	<b>16,044</b>	-	<b>23,467</b>	<b>15,277</b>	<b>1,258</b>	<b>37</b>	-	-	<b>56,083</b>
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	<b>28,336</b>	-	<b>805,441</b>	<b>1,006</b>	-	<b>1,030</b>	<b>307,502</b>	-	<b>1,143,315</b>
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	13,339	-	358,225	1,006	-	1,030	-	-	373,600
Foreign Banks	14,997	-	447,216	-	-	-	307,502	-	769,715
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,888,294</b>	-	<b>7,032,460</b>	<b>4,261,042</b>	<b>394,675</b>	<b>93,974</b>	<b>316,582</b>	<b>15,434</b>	<b>14,002,461</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
<b>Saving Deposits</b>	<b>287,559</b>	-	<b>2,052,883</b>	<b>1,887,869</b>	<b>325,198</b>	<b>22,136</b>	<b>5,519</b>	<b>64</b>	<b>4,581,228</b>
<b>Foreign Currency Deposits</b>	<b>938,818</b>	-	<b>2,268,116</b>	<b>1,499,270</b>	<b>443,383</b>	<b>221,273</b>	<b>4,035</b>	<b>11,535</b>	<b>5,386,430</b>
Residents in Turkey	914,518	-	2,199,899	1,451,675	430,056	219,522	3,121	10,889	5,229,680
Residents Abroad	24,300	-	68,217	47,595	13,327	1,751	914	646	156,750
<b>Public Sector Deposits</b>	<b>10,890</b>	-	<b>7,551</b>	<b>2,698</b>	<b>47</b>	-	-	-	<b>21,186</b>
<b>Commercial Deposits</b>	<b>577,155</b>	-	<b>402,578</b>	<b>140,289</b>	<b>108,414</b>	<b>156,850</b>	<b>503</b>	-	<b>1,385,789</b>
<b>Other Ins. Deposits</b>	<b>20,435</b>	-	<b>15,208</b>	<b>7,746</b>	<b>11,074</b>	<b>153</b>	-	-	<b>54,616</b>
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	<b>44,938</b>	-	<b>520,395</b>	<b>356,218</b>	<b>236,555</b>	<b>316,581</b>	<b>53,909</b>	-	<b>1,528,596</b>
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,135	-	128,142	-	-	4,200	-	-	161,477
Foreign Banks	15,803	-	392,253	356,218	236,555	312,381	53,909	-	1,367,119
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,879,795</b>	-	<b>5,266,731</b>	<b>3,894,090</b>	<b>1,124,671</b>	<b>716,993</b>	<b>63,966</b>	<b>11,599</b>	<b>12,957,845</b>

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**1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit**

	Covered by		Exceeding the	
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2,400,437	2,072,013	2,952,764	2,509,215
Foreign Currency Savings Deposits	777,027	744,647	2,964,998	2,559,632
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>3,177,464</b>	<b>2,816,660</b>	<b>5,917,762</b>	<b>5,068,847</b>

**1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.**

**1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	6,579	7,617
<b>Total</b>	<b>6,579</b>	<b>7,617</b>

**2. Information on trading purpose derivatives**

**a) Negative value of trading purpose derivatives**

Trading purpose derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	5,079	-	3,924	-
Swaps	803,901	-	827,284	1,084
Futures	-	1,358	-	1,266
Options	723	39,749	-	-
Other	4,181	-	18	-
<b>Total</b>	<b>813,884</b>	<b>41,107</b>	<b>831,226</b>	<b>2,350</b>

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**3. a) Information on banks and other financial institutions**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	75,553	113,864	56,593	94,352
Foreign Bank, Institutions and Funds	317,143	2,482,315	315,589	2,389,684
<b>Total</b>	<b>392,696</b>	<b>2,596,179</b>	<b>372,182</b>	<b>2,484,036</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	75,553	861,349	54,666	126,137
Medium and Long-Term	317,143	1,734,830	317,516	2,357,899
<b>Total</b>	<b>392,696</b>	<b>2,596,179</b>	<b>372,182</b>	<b>2,484,036</b>

In accordance with the Board of Directors' decision dated November 12, 2004 numbered 189, via special purpose entities (SPE's), the Bank obtained a securitization loan from abroad on November 23, 2004 with five years maturity, quarterly fixed rate interest payment and no principal payment for two years amounting to USD 125 million. And similarly on March 15, 2005 with the Board of Directors' decision dated February 23, 2005 numbered 41, the Bank obtained another securitization loan from abroad amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years.

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via an SPE.

As of March 31, 2006, with the Board of Directors' decision dated March 27, 2006 numbered 68, the Bank received a loan of YTL 300,000 with fixed interest rate and 5 years maturity.

As of December 14, 2006, with the Board of Directors' decision dated November 30, 2006 numbered 279, a syndication loan of USD 700 million with three years maturity and quarterly interest payment with floating interest rate was obtained from a banking consortium for export financing.

As of December 19, 2007 with the Board of Directors' Decision dated November 9, 2007 numbered 315 a syndication loan of USD 425 million with one year maturity, was obtained from a banking consortium coordinated by Landesbank Baden-Württemberg London Branch and organized by The Bank of New York for export financing .

**c) Additional information on concentrations of the Bank's liabilities**

As of June 30, 2008, the Bank's liabilities comprise; 58% deposits (December 31, 2007 – 62%), 14% funds borrowed (December 31, 2007 – 15%) and 7% funds provided under repurchase agreements (December 31, 2007 – 0.2%).

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**4. Information on funds provided under repurchase agreements:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
<b>From domestic transactions</b>	<b>1,660,824</b>	-	<b>14,781</b>	-
Financial institutions and organizations	1,647,250	-	-	-
Other institutions and organizations	1,923	-	2,717	-
Real persons	11,651	-	12,064	-
<b>From foreign transactions</b>	<b>235</b>	<b>54,614</b>	<b>189</b>	<b>19,977</b>
Financial institutions and organizations	-	54,614	-	19,977
Other institutions and organizations	231	-	189	-
Real persons	4	-	-	-
<b>Total</b>	<b>1,661,059</b>	<b>54,614</b>	<b>14,970</b>	<b>19,977</b>

**5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet**

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items.

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

Interest rate and cash flows of the Bank are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

**6.1. Changes in agreements and further commitments arising**

No changes have been made to the leasing agreements in the current period.

**6.2. Financial Lease Payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	16,565	15,291	15,078	14,039
Between 1-4 years	7,874	7,268	3,224	3,002
More than 4 years	3	3	2,478	2,308
<b>Total</b>	<b>24,442</b>	<b>22,562</b>	<b>20,780</b>	<b>19,349</b>

**6.3. Information on operational lease**

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

**6.4. Information on "Sale -and- lease back" agreements**

The Bank does not have any sale and lease back transactions in the current period.

**7. Information on liabilities arising from hedging purpose derivatives**

None.

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**8. Information on provisions**

**8.1. Information on general provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisions for Loans and Receivables in Group I	106,040	84,892
Provisions for Loans and Receivables in Group II	2,806	2,600
Provisions for Non - Cash Loans	16,916	15,120
Other	17,464	20,147
<b>Total</b>	<b>143,226</b>	<b>122,759</b>

**8.2. Provision for currency exchange gain/loss on foreign currency indexed loans**

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	23,853	48,927

(\*) Netted against loans in assets.

**8.3. Specific provisions for non cash loans that are not indemnified and converted into cash**

	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectibility	15,096	6,240
Loans and Receivables with Doubtful Collectibility	8,860	7,092
Uncollectible Loans and Receivables	16,759	19,683
<b>Total</b>	<b>40,715</b>	<b>33,015</b>

**8.4 Information on employee termination benefits and unused vacation accrual**

Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected this accompanying financial statements.

As of June 30, 2008, YTL 15,626 (December 31, 2007 - YTL 14,335) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2008, the Bank provided a reserve of YTL 11,432 (December 31, 2007 - YTL 9,034) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2008, YTL 24,555 (December 31, 2007 - YTL 36,811) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

**8.4.1 Movement of employee termination benefits**

	<b>Current Period</b>	<b>Prior Period</b>
As of January 1	14,335	12,482
Benefits paid	(1,077)	(2,189)
Arising during the period	2,368	4,042
<b>Total</b>	<b>15,626</b>	<b>14,335</b>

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**8.5. Information on other provisions**

**8.5.1. Information on free reserves for possible loan losses**

	<b>Current Period</b>	<b>Prior Period</b>
Free Reserves for Possible Loan Losses	41,922	69,439

As of June 30, 2008 the Bank has provided YTL 41,922 provision (December 31, 2007 - YTL 69,439) for possible losses that could arise for loans in the watch list, considering their recovery rates.

**8.5.2. Information on other provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	18,646	22,538
Other Provisions	11,916	44,680
<b>Total</b>	<b>30,562</b>	<b>67,218</b>

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#### 9. Taxation

##### 9.1. Current taxes

##### 9.1.1. Current tax liability

As of June 30, 2008, the Bank has current tax liability of YTL 18,396 (December 31, 2007 - YTL 127,554) and advance taxes of YTL 31,795 (December 31, 2007 - YTL 105,598). The Bank has netted the current tax liability and advance taxes in the accompanying financial statements.

##### 9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	-	21,956
Banking and Insurance Transaction Tax (BITT)	16,447	14,569
Taxation on Securities Income	5,354	3,359
Foreign Exchange Transaction Tax	-	1,390
Taxation on Real Estates Income	657	574
Other	24,420	22,367
<b>Total</b>	<b>46,878</b>	<b>64,215</b>

The corporate tax payable balance is shown in the "Current Tax Liabilities" account by netting with prepaid taxes and taxes other than on income in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

##### 9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	3,241	2,938
Social Security Premiums - Employer Share	4,601	4,163
Unemployment Insurance - Employee Share	228	207
Unemployment Insurance - Employer Share	456	414
<b>Total</b>	<b>8,526</b>	<b>7,722</b>

#### 9.2. Information on deferred tax liabilities

According to the related regulations calculated deferred tax liability is amounting to YTL 2,994 ( December 31,2007 – YTL 20,123 deferred tax asset).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other.

The Bank has deferred tax liability of YTL 74,060 (December 31, 2007 –YTL 12,738) and deferred tax asset of YTL 71,066 (December 31, 2007 –YTL 32,861) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to YTL 27,027 (December 31, 2007 –YTL 2,730) "Securities Value Increase Fund" account in the equity.



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**10. Information on payables related to assets held for sale**

None.

**11. Information on subordinated loans**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	496,932	-	237,739
<b>Total</b>	<b>-</b>	<b>496,932</b>	<b>-</b>	<b>237,739</b>

The Bank obtained a subordinated loan on October 7, 2004 from international markets via special purpose entities (SPE's) with leadership of an international investment bank with ten years maturity, semi annual interest payments and principal payment at the maturity amounting to USD 200 million. The interest rate of this loan is 9% and there is a repayment option at the end of the 5th year.

The Bank has signed an agreement with its main shareholder National Bank of Greece S.A. on April 24, 2008 for a subordinated loan amounting to total USD 650 million. The loan consist of 3 tranches of USD 200 million, USD 250 million and USD 200 million. The first tranche of USD 200 million was taken on April 29, 2008 .The maturity of the loan is 10 years beginning from the value date of each tranche. For each tranche a repayment option at the end of the 5th year is available. While interest payments are semi annually, the principle payment is at the maturity.

**12. Information on shareholder's equity**

**12.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	1,400,000	1,400,000
Preferred Stock	-	-

**12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital**

Capital System	Paid-in Capital	Ceiling
Registered Capital System	1,400,000	3,000,000

**12.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period**

Date of Increase	Amount of Increase	Cash	Reserves	Revaluation Fund
-	-	-	-	-

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**12.4. Information on share capital increases from revaluation funds**

Revaluation of Securities	Revaluation of Tangible and Intangible Assets	Associates, Subsidiaries and Entities Under Common Control Bonus Shares Sales Profit	Other
-	-	-	-

**12.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments**

The Bank does not have any capital commitment, the capital is fully paid-in.

**12.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity**

None.

**12.7. Information on the privileges given to stocks representing the capital**

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to valid legal regulations and Articles of Association. Accordingly, 5% of the distributable profit is provided as legal reserves, %5 of the paid capital is paid out as first dividend and 10% of the remaining distributable profit is distributed to founder shares. In addition, 10% of amount distributed to founder shares is provided as additional legal reserve.

**13. Common stock issue premiums, shares and equity instruments**

	Current Period	Prior Period
Number of Shares (in Thousands)	14,000,000	14,000,000
Preferred Stocks	-	-
Common Stock Issue Premium	-	-
Common Stock Cancelling Profit	-	-
Other Equity Instruments	-	-
<b>Total Common Stock Issued</b>	<b>14,000,000</b>	<b>14,000,000</b>

**14. Securities value increase fund**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
<b>Associates, Subsidiaries and Entities under Common Control</b>	<b>52,876</b>	-	<b>69,759</b>	-
Valuation Difference	52,876	-	69,759	-
Foreign Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>(95,238)</b>	<b>(24,004)</b>	<b>(3,653)</b>	<b>(111)</b>
Valuation Difference	(95,238)	(24,004)	(3,653)	(111)
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>(42,362)</b>	<b>(24,004)</b>	<b>66,106</b>	<b>(111)</b>

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**15. Accrued interest and expenses**

The details of accrued interest and expenses allocated to the related items on the liabilities side of the balance sheet are as follows.

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
Deposits	51,220	19,308	68,157	27,142
Funds Borrowed	4,537	20,693	2,516	19,680
Interbank Money Markets	868	31	27	194
Other accruals	16,063	2	15,311	2
<b>Total</b>	<b>72,688</b>	<b>40,034</b>	<b>86,011</b>	<b>47,018</b>

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**III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS**

**1. Information related to off-balance sheet contingencies**

**1.1. Type and amount of irrevocable commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee in FC	1,780,077	1,565,936
Letters of Guarantee in YTL	2,255,605	2,050,555
Letters of Credit	862,162	615,825
Bills of Exchange and Acceptances	925,328	778,607
Other Guarantees	57,492	126,931
<b>Total</b>	<b>5,880,664</b>	<b>5,137,854</b>

**1.2. Type and amount of possible losses from off-balance sheet items included below**

100% specific provision is provided for the non-cash loans amounting to YTL 40,715 (December 31, 2007-33,015) followed in the off-balance sheet that are not indemnified and not liquidated.

**1.3. Final guarantees, provisional guarantees, sureties and similar transactions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	252,201	196,511
Final Letters of Guarantee	2,679,844	2,320,070
Advance Letters of Guarantee	290,142	294,544
Letters of Guarantee Given to Customs Offices	164,772	174,791
Other Letters of Guarantee	648,723	630,575
<b>Total</b>	<b>4,035,682</b>	<b>3,616,491</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash</b>		
<b>Loans</b>	<b>530,256</b>	<b>546,694</b>
With Original Maturity of 1 Year or Less than 1 Year	15,801	6,198
With Original Maturity of More Than 1 Year	514,455	540,496
<b>Other Non-Cash Loans</b>	<b>5,350,408</b>	<b>4,591,160</b>
<b>Total</b>	<b>5,880,664</b>	<b>5,137,854</b>

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**3. Information on risk concentration in sector terms in non-cash loans**

	Current Period				Prior Period			
	YTL	%	FC	%	YTL	%	FC	%
<b>Agricultural</b>	<b>28,859</b>	<b>1.28</b>	<b>77,527</b>	<b>2.17</b>	<b>19,474</b>	<b>0.95</b>	<b>74,534</b>	<b>2.52</b>
Farming and Raising Livestock	7,363	0.33	11,751	0.33	5,258	0.26	9,723	0.33
Forestry	21,284	0.94	64,249	1.80	14,078	0.69	63,742	2.15
Fishing	212	0.01	1,527	0.04	138	0.01	1,069	0.04
<b>Manufacturing</b>	<b>456,196</b>	<b>20.22</b>	<b>1,901,211</b>	<b>53.29</b>	<b>442,831</b>	<b>21.60</b>	<b>1,489,590</b>	<b>50.32</b>
Mining and Quarrying	25,892	1.15	25,940	0.73	24,996	1.22	21,218	0.72
Production	405,175	17.96	1,847,208	51.78	392,436	19.14	1,432,414	48.39
Electricity, gas and water	25,129	1.11	28,063	0.79	25,399	1.24	35,958	1.21
<b>Construction</b>	<b>525,130</b>	<b>23.28</b>	<b>423,903</b>	<b>11.88</b>	<b>504,445</b>	<b>24.60</b>	<b>353,601</b>	<b>11.94</b>
<b>Services</b>	<b>1,057,282</b>	<b>46.87</b>	<b>1,039,858</b>	<b>29.15</b>	<b>1,003,017</b>	<b>48.91</b>	<b>941,433</b>	<b>31.80</b>
Wholesale and Retail Trade	740,163	32.81	486,824	13.65	676,058	32.97	451,654	15.26
Hotel, Food and Beverage								
Services	5,922	0.26	16,311	0.46	5,785	0.28	10,344	0.35
Transportation&Communication	55,548	2.46	65,697	1.84	59,000	2.88	77,844	2.63
Financial Institutions	126,771	5.62	390,508	10.95	123,704	6.03	310,515	10.49
Real Estate and Renting Services	441	0.02	326	0.01	2,523	0.12	1,271	0.04
Self Employment Services	121,545	5.39	79,543	2.23	129,036	6.29	88,924	3.00
Educational Services	510	0.02	67	0.00	534	0.03	6	0.00
Health and Social Services	6,382	0.28	582	0.02	6,377	0.31	875	0.03
<b>Other (*)</b>	<b>188,306</b>	<b>8.35</b>	<b>124,900</b>	<b>3.50</b>	<b>80,801</b>	<b>3.94</b>	<b>101,197</b>	<b>3.42</b>
<b>Total</b>	<b>2,255,773</b>	<b>100.00</b>	<b>3,567,399</b>	<b>100.00</b>	<b>2,050,568</b>	<b>100.00</b>	<b>2,960,355</b>	<b>100.00</b>

(\*)Does not include "Other Guarantees" amounting to YTL 57,492 (December 31, 2007- YTL 126,931).

**4. Information on non-cash loans classified in first and second groups (\*)**

	I. Group		II. Group	
	YTL	FC	YTL	FC
Letters of Guarantee	2,180,506	1,646,729	62,140	107,611
Bill of Exchange and Acceptances	156	908,482	-	14,686
Letters of Credit	12	857,825	-	4,310
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	57,492	-	-
<b>Non-cash Loans</b>	<b>2,180,674</b>	<b>3,470,528</b>	<b>62,140</b>	<b>126,607</b>

(\*) Does not include 100% provisioned non-cash loans amounting to YTL 40,715 that are not indemnified and not liquidated.

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**5. Information related to derivative financial instruments**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>28,008,291</b>	<b>24,033,877</b>
Forward transactions	3,895,730	3,441,907
Swap transactions	13,319,305	12,522,813
Futures transactions	280,849	197,072
Option transactions	10,512,407	7,872,085
<b>Interest Related Derivative Transactions (II)</b>	<b>1,403,662</b>	<b>820,844</b>
Forward rate transactions	-	-
Interest rate swap transactions	1,403,662	820,844
Interest option transactions	-	-
Futures interest transactions	-	-
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>29,411,953</b>	<b>24,854,721</b>
<b>Types of hedging transactions</b>		
Fair value hedges	-	-
Cash flow hedges	-	-
Net investment hedges	-	-
<b>B. Total Hedging Related Derivatives</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>29,411,953</b>	<b>24,854,721</b>

As of June 30, 2008 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their YTL equivalents:

	<b>Forward Buy</b>	<b>Forward Sell</b>	<b>Swap Buy</b>	<b>Swap Sell</b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
<b>YTL</b>	273,692	295,713	672,174	6,517,380	1,937,964	1,706,268	38,466	1,975
<b>USD</b>	882,867	994,856	5,356,984	1,536,388	2,328,132	2,574,643	102,460	137,948
<b>EURO</b>	513,225	426,990	460,996	96,775	947,086	921,407	-	-
<b>OTHER</b>	277,611	230,776	31,283	50,987	48,880	48,027	-	-
<b>Total</b>	<b>1,947,395</b>	<b>1,948,335</b>	<b>6,521,437</b>	<b>8,201,530</b>	<b>5,262,062</b>	<b>5,250,345</b>	<b>140,926</b>	<b>139,923</b>
<b>Prior Period</b>								
<b>YTL</b>	314,557	248,262	766,799	6,054,854	1,161,138	1,162,909	11,656	11,656
<b>USD</b>	626,814	905,456	4,770,844	1,243,841	1,842,098	1,861,843	86,880	86,880
<b>EURO</b>	633,621	433,852	232,341	180,180	693,176	690,908	-	-
<b>OTHER</b>	148,275	131,070	72,198	22,600	229,507	230,506	-	-
<b>Total</b>	<b>1,723,267</b>	<b>1,718,640</b>	<b>5,842,182</b>	<b>7,501,475</b>	<b>3,925,919</b>	<b>3,946,166</b>	<b>98,536</b>	<b>98,536</b>

As of June 30, 2008, the Bank has no derivatives for cash flow hedges.

As of June 30, 2008, the Bank has no derivatives for hedge of net investment in foreign operations.

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**6. Information on contingent liabilities and assets**

None.

**7. Information on the services in the name and account of third parties**

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

**8. Information on the Bank's rating by international rating institutions**

<b>MOODY'S December 2007</b>		<b>FITCH December 2007</b>		<b>CI December 2007</b>	
Long Term Deposit Rating (FC)	B1	Long –Term Foreign Curr.	BB	Long – Term Foreign Curr.	BB-
Long-Term Deposit Rating (YTL)	A3	Short-Term Foreign Curr.	B	Short Term Foreign Curr.	B
Short-Term Deposit Rating (YTL)	Prime-2	Long-term YTL	BBB-	Financial Strength	BBB+
Financial Strength	C-	Short-term YTL	F3	Support	2
Outlook	Stable	Long-term National	AAA	Outlook	Stable
		Outlook	Stable		
		Individual	C/D		
		Support	3T		

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**SECTION FIVE**

**IV. EXPLANATIONS ON DISCLOSURES RELATED TO THE INCOME STATEMENT**

**1. a) Information on interest income received from loans**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest on loans(*)				
Short Term Loans	671,572	36,748	553,808	39,648
Medium and Long-term Loans	579,186	40,277	408,139	63,473
Loans Under Follow-up	8,390	-	8,317	3,242
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,259,148</b>	<b>77,025</b>	<b>970,264</b>	<b>106,363</b>

(\*) Includes fees and commissions obtained from cash loans amounting to YTL 81,127 (June 30, 2007 - YTL 68,997).

**b) Information on interest income from banks**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	26,854	1,509	21,251	6,861
Domestic Banks	3,153	283	885	122
Foreign Banks	10,566	14,855	26,039	19,092
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>40,573</b>	<b>16,647</b>	<b>48,175</b>	<b>26,075</b>

**c) Information on interest income from securities portfolio**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	925	-	-	-
Financial Assets at FVTPL	22,510	-	-	-
Financial Assets Available for Sale	241,282	12,614	150,996	15,989
Investments Held to Maturity	-	-	-	-
<b>Total</b>	<b>264,717</b>	<b>12,614</b>	<b>150,996</b>	<b>15,989</b>

**d) Information on interest income received from associates and subsidiaries**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Received from Associates and Subsidiaries	-	-	-	-



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**2. a) Information on interest expense related to funds borrowed**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	4,464	1,511	3,885	1,647
Foreign Banks	19,464	75,150	22,976	85,301
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>23,928</b>	<b>76,661</b>	<b>26,861</b>	<b>86,948</b>

(\*) Includes fees and commissions expenses paid for borrowings amounting to YTL 3,320 (June 30, 2007 - YTL 2,164)

**b) Information on interest expense paid to associates and subsidiaries**

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	272	366

**c) Information on interest expense paid to securities issued: None.**

**d) Information on maturity structure of interest expenses on deposits (Current Period)**

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>New Turkish Lira</b>								
Bank Deposits	-	20,412	57	-	57	361	-	20,887
Saving Deposits	28	203,584	200,916	11,367	1,593	197	-	417,685
Public Sector Deposits	2	459	299	12	-	-	-	772
Commercial Deposits	11	92,145	15,540	6,099	1,776	43	-	115,614
Other Deposits	3	7,970	1,668	419	7	-	-	10,067
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>44</b>	<b>324,570</b>	<b>218,480</b>	<b>17,897</b>	<b>3,433</b>	<b>601</b>	<b>-</b>	<b>565,025</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	12	48,397	37,638	9,320	4,772	145	572	100,856
Bank Deposits	506	10,785	-	-	-	7,115	-	18,406
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>518</b>	<b>59,182</b>	<b>37,638</b>	<b>9,320</b>	<b>4,772</b>	<b>7,260</b>	<b>572</b>	<b>119,262</b>
<b>Grand Total</b>	<b>562</b>	<b>383,752</b>	<b>256,118</b>	<b>27,217</b>	<b>8,205</b>	<b>7,861</b>	<b>572</b>	<b>684,287</b>

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**Information on maturity structure of interest expense on deposits (Prior Period)**

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>New Turkish Lira</b>								
Bank Deposits	-	10,613	-	-	2,123	1,004	-	13,740
Saving Deposits	14	165,614	137,874	8,056	750	312	-	312,620
Public Sector Deposits	2	192	165	4	-	-	-	363
Commercial Deposits	17	51,568	10,503	1,423	130	76	-	63,717
Other Deposits	2	3,515	1,076	512	2	-	-	5,107
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35</b>	<b>231,502</b>	<b>149,618</b>	<b>9,995</b>	<b>3,005</b>	<b>1,392</b>	<b>-</b>	<b>395,547</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	120	58,633	25,063	3,961	2,167	144	420	90,508
Bank Deposits	381	521	-	1,844	-	-	-	2,746
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>501</b>	<b>59,154</b>	<b>25,063</b>	<b>5,805</b>	<b>2,167</b>	<b>144</b>	<b>420</b>	<b>93,254</b>
<b>Grand Total</b>	<b>536</b>	<b>290,656</b>	<b>174,681</b>	<b>15,800</b>	<b>5,172</b>	<b>1,536</b>	<b>420</b>	<b>488,801</b>

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**e) Information on Interest expense on repurchase agreements**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expense on Repurchase Agreements(*)	54,199	426	36,282	968

(\*) Disclosed in "Interest on Money Market Transactions"

**f) Information on finance lease expense**

	Current Period	Prior Period
Finance Lease Expenses	1,130	836

**g) Information on interest expense on factoring payables**

None.

**3. Information on dividend income**

	Current Period	Prior Period
Trading Securities	-	-
Fair Value Through Profit/Loss	-	-
Investment Securities Available for Sale	-	-
Other (*)	13,216	-
<b>Total</b>	<b>13,216</b>	<b>-</b>

(\*) Dividend income consists of bonus shares gained from Finans Finansal Kiralama A.Ş. in the current period.

**4. Information on trading income/loss**

	Current Period	Prior Period
<b>Income</b>	<b>3,809,109</b>	<b>886,091</b>
Income on Capital Market Operations	773,344	338,004
Derivative Financial Instruments	744,830	313,478
Other	28,514	24,526
Foreign Exchange Gain	3,035,765	548,087
<b>Loss (-)</b>	<b>3,935,953</b>	<b>993,513</b>
Losses on Capital Market Operations	884,992	484,906
Derivative Financial Instruments	847,838	472,820
Other	37,154	12,086
Foreign Exchange Loss	3,050,961	508,607
<b>Net Trading Income/Loss</b>	<b>(126,844)</b>	<b>(107,422)</b>

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**5. Information on other operating income**

Bank has been recorded the current year collections from loans written off in the previous period, portfolio management fee and commissions and expense provision at “Other Operating Income” accounts.

**6. Provision for losses on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>152,847</b>	<b>69,304</b>
Loans and Receivables in Group III	51,411	17,965
Loans and Receivables in Group IV	34,597	21,870
Loans and Receivables in Group V	66,839	29,469
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>23,149</b>	<b>12,484</b>
<b>Provision for Free Reserves on Possible Losses</b>	<b>-</b>	<b>-</b>
<b>Impairment Losses on Securities</b>	<b>-</b>	<b>-</b>
Financial assets at fair value through profit or loss	-	-
Financial Assets - Available for sale	-	-
<b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Held-to-maturity investment securities	-	-
<b>Other(*)</b>	<b>7,730</b>	<b>16,807</b>
<b>Total</b>	<b>183,726</b>	<b>98,595</b>

(\*) Includes specific provisions amounting to YTL 7,700 (June 30, 2007 - YTL 16,807 ) for the non-cash loans that are not indemnified and not liquidated.

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**7. Information on other operating expense**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	233,039	189,408
Reserve for employee termination benefits	1,291	2,000
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation expenses of tangible assets	28,130	15,402
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization expenses of intangible assets	5,695	9,894
Impairment losses on investments subject to equity method of accounting	-	-
Impairment losses on assets to be disposed	16	34
Depreciation on assets to be disposed	713	865
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	222,110	178,541
Operational lease related expenses	33,790	25,954
Repair and Maintenance expenses	9,888	8,039
Advertisement expenses	28,415	20,939
Other expenses	150,017	123,609
Losses on sales of assets	25	1
Other	23,578	15,489
<b>Total</b>	<b>514,597</b>	<b>411,634</b>

**8. Information on profit/loss from continued and discontinued operations before taxes**

For the period ended June 30, 2008, net interest income of YTL 837,538 (June 30, 2007 – YTL 681,489), net fees and commission income of YTL 269,629 (June 30, 2007 – YTL 179,563) and other operating income of YTL 74,655 (June 30, 2007 – YTL 79,570) constitute an important part of the period income.

**9. Explanations on tax provision for continued and discontinued operations**

**9.1. Current period taxation benefit or charge and deferred tax benefit or charge**

As of June 30, 2008, the Bank recorded current tax expense of YTL 58,774 (June 30, 2007 – YTL 6,691 benefit) and a deferred tax expense of YTL 52,875 (June 30, 2007 – YTL 37,138 benefit). The detail of the current tax charge is as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Provision	19,893	69,659
Adjustment to Prior Period Corporate Taxes	38,881(*)	(76,350)**)
<b>Total</b>	<b>58,774</b>	<b>(6,691)</b>

(\*) The Bank has applied for the settlement of the lawsuit filed against the tax authority by renouncing the total amount of YTL 121,739 for the overpaid tax due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income base, in line with Article 3 of Tax Law No 5736. The application for the settlement of the previously filed lawsuit has been made to be able to use 65 percent of losses realized amounting to YTL 363,733 due to inflation accounting as previous year losses and deduct the amount from the previous year

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corporate tax base. The tax amount of YTL 38,881 paid to the tax authority due to the settlement has been accounted for under “current tax charge” in the accompanying financial statements at June 30, 2008.

(\*\*) Due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income in 2004 calendar year the Bank filed a lawsuit demanding the cancellation and redemption of the additional tax paid resulted in favor of the Bank. Hence, as of June 30, 2007 YTL 76,350 has been offset against the taxes that would be paid and accounted for under “current tax charge” account.

**9.2. Explanations on operating profit/loss after taxes**

None.

**10. Explanations on net profit/(loss) from continued and discontinued operations:**

The net profit of the bank from continued operations is YTL 258,222 (June 30, 2007- YTL 366,800).

**11. Explanations on net income/loss for the period**

**11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period**

None.

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

None.

**11.3. Profit or loss attributable to minority shares**

None.

**11.4. Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods**

None.

**12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement**

Other fee and commission income include, credit card fee and commissions amounting to YTL 181,710 (June 30, 2007 – YTL 114,357), transfer commissions amounting to YTL 11,773 (June 30, 2007 YTL 10,524) and insurance commissions amounting to YTL 12,557 (June 30, 2007 – YTL 8,099).

Other fee and commission expenses include credit card fees and commissions amounting to YTL 23,828 (June 30 , 2007 – YTL 19,805).

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**SECTION FIVE**

**V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOW STATEMENT**

**1. Information regarding the balances of cash and cash equivalents at the beginning of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01.2008</b>	<b>01.01.2007</b>
<b>Cash</b>	<b>193,054</b>	<b>148,561</b>
Cash in YTL	95,034	74,789
Cash in Foreign Currency	97,375	73,628
Other	645	144
<b>Cash Equivalents</b>	<b>1,020,348</b>	<b>2,922,029</b>
Balances with the Central Bank of Turkey	394,500	796,296
Banks and Other Financial Institutions	677,968	2,191,310
Interbank Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(8,955)	(9,055)
Less: Restricted Cash and Cash Equivalents	(43,165)	(56,522)
<b>Cash and Cash Equivalents</b>	<b>1,213,402</b>	<b>3,070,590</b>

**2. Information regarding the balances of cash and cash equivalents at the end of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30.06.2008</b>	<b>30.06.2007</b>
<b>Cash</b>	<b>220,960</b>	<b>147,341</b>
Cash in YTL	115,486	64,397
Cash in Foreign Currency	105,031	82,481
Other	443	463
<b>Cash Equivalents</b>	<b>833,398</b>	<b>1,099,147</b>
Balances with the Central Bank of Turkey	521,055	415,871
Banks and Other Financial Institutions	400,819	731,713
Interbank Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(9,892)	-
Less: Restricted Cash and Cash Equivalents	(78,584)	(48,437)
<b>Cash and Cash Equivalents</b>	<b>1,054,358</b>	<b>1,246,488</b>

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**3. Restricted cash and cash equivalents due to legal requirements or other reasons**

Restricted cash and cash equivalents include YTL 78,584 (June 30, 2007- YTL 48,437) of cash at foreign banks held for transactions made for foreign money and capital markets and borrowings from foreign markets which are not ready to daily use.

**4. Additional information**

**4.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment**

None.



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**SECTION FIVE**

**VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP**

**1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

- 1.1. As of June 30, 2008, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to YTL 795,795 (December 31, 2007-YTL 918,005 ), YTL 27,310 (December 31, 2007-YTL 25,096 YTL) and YTL 5,069 (December 31, 2007- YTL 5,822), respectively.

**Current Period**

<b>Bank's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	860	5,822	-	-	24,236	-
Balance at the End of the Period	-	5,069	-	-	27,310	-
Interest and Commission Income	-	9	-	-	965	-

**Prior Period**

<b>Bank's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	6,706	-	-	26,324	-
Balance at the End of the Period	860	5,822	-	-	24,236	-
Interest and Commission Income	-	-	-	-	882	-

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Includes the loans given to the Bank's indirect subsidiaries.

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**1.2. Information on deposits held by the Bank's risk group**

<b>Bank's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Deposits</b>						
Balance at the Beginning of the Period	35,959	29,204	583,136	1,742,968	298,910	1,686
Balance at the End of the Period	47,990	35,959	339,182	583,136	408,623	298,910
Interest on deposits	272	366	16,874	5,012	8,063	608

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Includes the deposits taken to the Bank's indirect subsidiaries.

**1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group**

<b>Bank's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	47,848	654,886	-	1,113,528	600,999
End of the Period	2,515	-	67,415	654,886	320,667	1,113,528
Total Income/Loss (***)	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss (***)	-	-	-	-	-	-

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Includes the derivative transactions between the Bank's indirect subsidiaries.

(\*\*\*) Profit and loss amounts of transactions for trading purposes can not be diversified in total profit and loss accounts.

The Bank has signed an agreement with its main shareholder National Bank of Greece S.A. on April 24, 2008 for a subordinated loan amounting to total USD 650 million. The loan consist of 3 tranches of USD 200 million, USD 250 million and USD 200 million. The first tranche of USD 200 million was received on April 29, 2008. The maturity of the loan is 10 years beginning from the value date of each tranche. For each tranche a repayment option at the end of the 5th year is available. While interest payments are semi annually, the principle payment is at the maturity.

**2. Disclosures of transactions with the Bank's risk group**

**2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

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AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other**

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of June 30, 2008, cash loans of the risk group represented 0.17% of the Bank's total cash loans and the deposits represented 5.68% of the Bank's total deposits.

**2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts**

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. as of June 30, 2008, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to YTL 22,562 (December 31, 2007 - YTL 19,349 ) relating with finance lease agreements.

The Bank invests certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, consultancy and improvement services.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2008**

*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

**I. Other explanations related to the Bank's operations**

**1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements**

As of July 25, 2008 the bank has increased the paid capital from YTL 1,400,000 to YTL 1,500,000 by the bonus issue amounting to YTL 100,000 (at the rate of 7,143 %) of which YTL 70,000 was incorporated from the first dividend from the year 2007 profit distribution and YTL 30,000 from the extraordinary reserves.

As of resolution of Board of Directors at August 7, 2008, the Bank decided to participate Finans Factoring Hizmetleri A.Ş. amounting to YTL 9,999 over YTL 10,000 total capital by committing to paying in cash.

**2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would effect decision making process of users**

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

**SECTION SEVEN**

**INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT**

**I. Explanations on the Independent Accountants' Limited Review Report**

The unconsolidated financial statements of the Bank were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent accountants' limited review report dated August 14, 2008 is presented preceding the financial statements.

**II. Explanations on the notes prepared by Independent Auditors**

None.