

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S  
LIMITED REVIEW REPORT,  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES  
FOR THE PERIOD ENDED  
MARCH 31, 2011**

*Translated into English from the  
Original Turkish Report*

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

DRT Bağımsız Denetim ve  
Serbest Muhasebeci  
Mali Müşavirlik A.Ş.  
Sun Plaza  
Bilim Sok. No:5  
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İstanbul, Türkiye

## FİNANSBANK ANONİM ŞİRKETİ

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### INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2011

We have reviewed the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as of March 31, 2011 and the related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors, our responsibility is to issue a report based on the review performed on these financial statements.

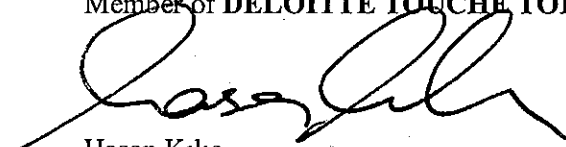
We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of 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 March 31, 2011 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 the 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 Bank'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 LIMITED**



Hasan Kılıç  
Partner

İstanbul, May 13, 2011

**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**

Genel Müdürlük  
Büyükdere Caddesi No: 129  
34394 Mecidiyeköy - İstanbul  
Tel : (0212) 318 50 00  
Faks : (0212) 318 58 50  
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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 58 50  
Web page : [www.finansbank.com.tr](http://www.finansbank.com.tr)  
E-mail address : name.surname@finansbank.com.tr

The unconsolidated financial report for the three month period, 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 FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to limited review, for the three months period are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving 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 Turkish Lira (TL)**.



Ömer  
A. Aras  
Chairman of  
the Board of  
Directors



Mustafa  
A. Aysan  
Member of the Board of  
Directors and Chairman of the  
Audit Committee

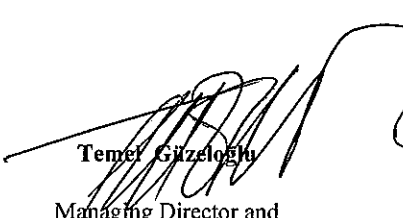


Paul Mylonas

Member of the Board of  
Directors and of the Audit  
Committee



Michail Oratis  
Member of the Board of  
Directors and of the Audit  
Committee



Temel Güzeloğlu  
Managing Director and  
Member of the  
Board of Directors



Adnan Menderes Yayla  
Executive Vice President  
Responsible of Financial Control and  
Planning



Gökhan Yücel  
Senior Vice President  
Responsible of Financial-Legal  
Reporting and Treasury Control

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

Name-Surname/Title : Gökhan Yücel  
Senior Vice President Responsible of Financial-Legal Reporting and Treasury Control  
Phone Number : (0 212) 318 55 65  
Facsimile Number : (0 212) 318 55 78

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2011**

(Amounts expressed in Thousands of Turkish Lira (TL) 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 March 31, 2011, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9.68% by NBG Finance (Dollar) PLC, 7.90% by NBGI Holdings B.V. and 5% by International Finance Corporation ("IFC").

The Bank is a National Bank of Greece S.A (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

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

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	Phd
Michail Oratis	Board Member and The Audit Committee Member	March 2, 2011	Masters
Dimitrios Anagnostopoulos	Board Member	September 24, 2009	Graduate
Edward Nassim	Board Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Paul Mylonas	Board Member and The Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeleğlu	Board Member and general Manager	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Agis Leopoulou	Board Member	April 16, 2010	Masters
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Hakan Şenünel	Executive Vice President	August 18, 2008	Graduate
Murat Şakar	Executive Vice President	August 18, 2008	Graduate
Köksal Çoban	Executive Vice President	August 18, 2008	Masters
Saruhan Doğan	Executive Vice President	October 9, 2009	Masters
Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Tunç Erdal	Executive Vice President	October 8, 2010	Graduate
Kubilay Güler	Executive Vice President	January 16, 2004	Graduate
Filiz Şafak	Executive Vice President	September 19, 2007	Graduate
Levent Yörük	Executive Vice President	February 1, 2010	Graduate
Bülent Yurdalan	Executive Vice President	March 7, 2011	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
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**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2011**

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

**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.	1,702,867	77.23%	1,702,867	-
NBG Finance (Dollar) PLC	213,430	9.68%	213,430	-
NBGI Holdings B.V.	174,195	7.90%	174,195	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, %5 of the paid-up capital is paid out as first dividend and 10% of the remaining distributable profit might be distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are 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. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of March 31, 2011, the Bank operates through 503 domestic (December 31, 2010 - 501), 1 off-shore banking (December 31, 2010 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2010 - 1) branches.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flows Statement

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

**FINANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF MARCH 31, 2011 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – ASSETS**

		Reviewed 31.03.2011			Audited 31.12.2010			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2,507,771	1,274,716	3,782,487	1,146,431	1,247,952	2,394,383
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,146,311	200,874	1,347,185	1,303,876	153,948	1,457,824
2.1	Financial assets held for trading		318,489	200,874	519,363	252,271	153,948	406,219
2.1.1	Public sector debt securities		26,781	947	27,728	9,776	4,163	13,939
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		291,708	199,927	491,635	242,495	149,785	392,280
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		827,822	-	827,822	1,051,605	-	1,051,605
2.2.1	Public sector debt securities		-	-	-	74,654	-	74,654
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		827,822	-	827,822	976,951	-	976,951
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	8,042	157,837	165,879	7,255	184,248	191,503
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	5,550,176	874,822	6,424,998	6,548,167	867,655	7,415,822
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,426,518	696,038	6,122,556	6,427,633	602,273	7,029,906
5.3	Other securities		123,658	178,784	302,442	120,534	265,382	385,916
VI.	LOANS AND RECEIVABLES	(5)	23,823,060	2,803,347	26,626,407	22,416,755	2,442,390	24,859,145
6.1	Loans and receivables		23,602,157	2,803,347	26,405,504	22,184,432	2,442,390	24,626,822
6.1.1	Loans to risk group of the Bank		48,961	30,934	79,895	36,477	36,831	73,308
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		23,553,196	2,772,413	26,325,609	22,147,955	2,405,559	24,553,514
6.2	Non-performing loans		1,787,853	-	1,787,853	1,757,762	-	1,757,762
6.3	Specific provisions (-)		1,566,950	-	1,566,950	1,525,439	-	1,525,439
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(7)	5,769	-	5,769	5,769	-	5,769
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		5,769	-	5,769	5,769	-	5,769
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		5,769	-	5,769	5,769	-	5,769
X.	INVESTMENT IN SUBSIDIARIES (Net)	(8)	351,718	-	351,718	377,044	-	377,044
10.1	Unconsolidated financial investments		336,732	-	336,732	362,058	-	362,058
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(9)	2,800	-	2,800	2,800	-	2,800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(11)	-	206	206	28,648	-	28,648
13.1	Fair value hedge		-	206	206	28,648	-	28,648
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		355,887	78	355,965	362,201	39	362,240
XV.	INTANGIBLE ASSETS (Net)		105,458	-	105,458	98,571	-	98,571
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		105,458	-	105,458	98,571	-	98,571
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(12)	-	-	-	-	-	-
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(13)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(14)	446,419	319,852	766,271	428,806	464,648	893,454
TOTAL ASSETS			34,303,411	5,631,732	39,935,143	32,726,323	5,360,880	38,087,203

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



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

**FINANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF MARCH 31, 2011 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – LIABILITIES AND EQUITY**

		Reviewed 31.03.2011			Audited 31.12.2010		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	17,614,378	6,962,006	24,576,384	18,286,960	6,143,717	24,430,677
1.1 Deposits from risk group of the Bank		233,415	368,340	601,755	381,915	166,102	548,017
1.2 Other		17,380,963	6,593,666	23,974,629	17,905,045	5,977,615	23,882,660
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	447,864	182,875	630,739	333,765	140,499	474,264
<b>III. FUNDS BORROWED</b>	(3)	382,473	2,893,832	3,276,305	370,877	3,120,048	3,490,925
<b>IV. MONEY MARKET BORROWINGS</b>		2,591,072	475,776	3,066,848	814,118	309,882	1,124,000
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	2,591,072	475,776	3,066,848	814,118	309,882	1,124,000
<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>		805,053	64,938	869,991	849,103	36,356	885,459
<b>VIII. OTHER LIABILITIES</b>	(5)	452,070	19,384	471,454	466,524	11,297	477,821
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(6)	-	23	23	-	23	23
10.1 Financial lease payables		-	204	204	-	253	253
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses ( - )		-	181	181	-	230	230
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(7)	33,500	14,721	48,221	319,785	7,000	326,785
11.1 Fair value hedge		-	14,721	14,721	250,240	7,000	257,240
11.2 Cash flow hedge		33,500	-	33,500	69,545	-	69,545
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(8)	526,996	34,678	561,674	485,904	31,215	517,119
12.1 General provisions		252,539	34,678	287,217	234,593	31,215	265,808
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		84,030	-	84,030	72,224	-	72,224
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		190,427	-	190,427	179,087	-	179,087
<b>XIII. TAX LIABILITY</b>	(9)	108,554	-	108,554	141,256	-	141,256
13.1 Current tax liability		48,465	-	48,465	65,583	-	65,583
13.2 Deferred tax liability		60,089	-	60,089	75,673	-	75,673
<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)	-	1,021,650	1,021,650	-	1,010,383	1,010,383
<b>XVI. SHAREHOLDERS' EQUITY</b>		5,329,249	(25,949)	5,303,300	5,198,286	10,205	5,208,491
16.1 Paid-in capital	(12)	2,205,000	-	2,205,000	2,205,000	-	2,205,000
16.2 Capital reserves		68,867	(25,949)	42,918	234,273	10,205	244,478
16.2.1 Share premium	(13)	665	-	665	665	-	665
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(14)	73,488	(25,949)	47,539	252,095	10,205	262,300
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 entities under common control (joint ventures)		2,689	-	2,689	2,689	-	2,689
16.2.8 Hedging funds (effective portion)		(7,975)	-	(7,975)	(21,176)	-	(21,176)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		1,844,339	-	1,844,339	1,844,339	-	1,844,339
16.3.1 Legal reserves		182,424	-	182,424	182,424	-	182,424
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1,661,915	-	1,661,915	1,661,915	-	1,661,915
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		1,211,043	-	1,211,043	914,674	-	914,674
16.4.1 Prior years' income/ (losses)		914,674	-	914,674	-	-	-
16.4.2 Current period income/ (loss)		296,369	-	296,369	914,674	-	914,674
16.5 Minority shares		-	-	-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>28,291,209</b>	<b>11,643,934</b>	<b>39,935,143</b>	<b>27,266,578</b>	<b>10,820,625</b>	<b>38,087,203</b>

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES AS OF  
MARCH 31, 2011**

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

**II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES**

				Reviewed 31.03.2011	Audited 31.12.2010				
Section 5 Part III				TL	FC	TOTAL	TL	FC	TOTAL
OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS									
A.	(I+II+III)			50,159,243	41,751,269	91,910,512	40,631,370	32,911,955	73,543,325
I.	GUARANTEES	(1). (2). (3).(4)		3,051,913	3,604,681	6,656,594	2,970,060	3,065,622	6,035,682
1.1.	Letters of guarantee			3,048,337	1,616,393	4,664,730	2,967,436	1,587,549	4,554,985
1.1.1.	Guarantees subject to State Tender Law			188,705	14,600	203,305	181,832	14,443	196,275
1.1.2.	Guarantees given for foreign trade operations			2,365,441	1,601,793	3,967,234	2,292,413	1,573,106	3,865,519
1.1.3.	Other letters of guarantee			494,191	-	494,191	493,191	-	493,191
1.2.	Bank loans			3,133	881,485	884,618	2,483	719,055	721,538
1.2.1.	Import letter of acceptance			3,133	881,485	884,618	2,483	719,055	721,538
1.2.2.	Other bank acceptances			-	-	-	-	-	-
1.3.	Letters of credit			443	1,071,948	1,072,391	141	722,709	722,850
1.3.1.	Documentary letters of credit			443	1,040,315	1,040,758	141	697,409	697,550
1.3.2.	Other letters of credit			-	31,633	31,633	-	25,300	25,300
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			-	34,855	34,855	-	36,309	36,309
1.9.	Other collaterals			-	-	-	-	-	-
II.	COMMITMENTS			17,502,890	1,294,719	18,797,609	14,538,605	510,390	15,048,995
2.1.	Irrevocable commitments			17,502,890	1,294,719	18,797,609	14,538,605	510,390	15,048,995
2.1.1.	Forward asset purchase commitments			476,495	1,289,072	1,765,567	193,664	504,197	697,861
2.1.2.	Forward deposit purchase and sales commitments			-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries			5,187	-	5,187	5,187	-	5,187
2.1.4.	Loan granting commitments			2,189,366	-	2,189,366	1,876,601	-	1,876,601
2.1.5.	Securities underwriting commitments			-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements			-	-	-	-	-	-
2.1.7.	Payment commitment for checks			762,396	-	762,396	673,661	-	673,661
2.1.8.	Tax and fund liabilities from export commitments			5,134	-	5,134	5,141	-	5,141
2.1.9.	Commitments for credit card expenditure limits			13,976,623	-	13,976,623	11,705,737	-	11,705,737
2.1.10.	Commitments for promotions related with credit cards and banking activities			25,955	-	25,955	25,298	-	25,298
2.1.11.	Receivables from short sale commitments			-	-	-	-	-	-
2.1.12.	Payables for short sale commitments			-	-	-	-	-	-
2.1.13.	Other irrevocable commitments			61,734	5,647	67,381	53,316	6,193	59,509
2.2.	Revocable commitments			-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments			-	-	-	-	-	-
2.2.2.	Other revocable commitments			-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)		29,604,440	36,851,869	66,456,309	23,122,705	29,335,943	52,458,648
3.1.	Derivative financial instruments for hedging purposes			737,785	965,008	1,702,793	6,138,670	4,126,450	10,265,120
3.1.1.	Fair value hedge			-	965,008	965,008	4,828,794	4,126,450	8,955,244
3.1.2.	Cash flow hedge			737,785	-	737,785	1,309,876	-	1,309,876
3.1.3.	Hedge of net investment in foreign operations			-	-	-	-	-	-
3.2.	Held for trading transactions			28,866,655	35,886,861	64,753,516	16,984,035	25,209,493	42,193,528
3.2.1.	Forward foreign currency buy/sell transactions			1,066,031	2,444,422	3,510,453	693,384	1,139,058	1,832,442
3.2.1.1.	Forward foreign currency transactions-buy			480,586	1,278,365	1,758,951	321,497	590,854	912,351
3.2.1.2.	Forward foreign currency transactions-sell			585,445	1,166,057	1,751,502	371,887	548,204	920,091
3.2.2.	Swap transactions related to foreign currency and interest rates			19,157,904	22,928,553	42,086,457	10,455,312	16,027,137	26,482,449
3.2.2.1.	Foreign currency swap-buy			5,512,112	11,255,071	16,767,183	4,216,018	5,773,181	9,989,199
3.2.2.2.	Foreign currency swap-sell			11,038,552	7,160,081	18,198,633	4,204,144	5,854,110	10,058,254
3.2.2.3.	Interest rate swaps-buy			1,303,620	2,187,027	3,490,647	1,017,575	2,130,353	3,147,928
3.2.2.4.	Interest rate swaps-sell			1,303,620	2,326,374	3,629,994	1,017,575	2,269,493	3,287,068
3.2.3.	Foreign currency, interest rate and securities options			8,619,342	9,978,891	18,598,233	5,828,545	7,649,636	13,478,181
3.2.3.1.	Foreign currency options-buy			4,323,155	4,908,613	9,231,768	2,977,137	3,765,395	6,742,532
3.2.3.2.	Foreign currency options-sell			4,070,587	5,070,278	9,140,865	2,855,408	3,884,241	6,719,649
3.2.3.3.	Interest rate options-buy			-	-	-	-	-	-
3.2.3.4.	Interest rate options-sell			-	-	-	-	-	-
3.2.3.5.	Securities options-buy			112,800	-	112,800	8,000	-	8,000
3.2.3.6.	Securities options-sell			112,800	-	112,800	8,000	-	8,000
3.2.4.	Foreign currency futures			23,378	417,629	441,007	6,794	368,280	375,074
3.2.4.1.	Foreign currency futures-buy			14,184	206,348	220,532	3,397	184,140	187,537
3.2.4.2.	Foreign currency futures-sell			9,194	211,281	220,475	3,397	184,140	187,537
3.2.5.	Interest rate futures			-	117,366	117,366	-	25,382	25,382
3.2.5.1.	Interest rate futures-buy			-	58,683	58,683	-	12,691	12,691
3.2.5.2.	Interest rate futures-sell			-	58,683	58,683	-	12,691	12,691
3.2.6.	Other			-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)			78,050,331	18,483,573	96,533,904	71,048,792	17,540,203	88,588,995
IV.	ITEMS HELD IN CUSTODY			1,838,900	862,312	2,701,212	2,049,039	1,038,800	3,087,839
4.1.	Assets under management			-	-	-	-	-	-
4.2.	Investment securities held in custody			559,443	495,824	1,055,267	803,002	659,386	1,462,388
4.3.	Checks received for collection			1,010,637	163,108	1,173,745	997,200	156,295	1,153,495
4.4.	Commercial notes received for collection			268,787	197,001	465,788	248,824	216,750	465,574
4.5.	Other assets received for collection			-	-	-	-	-	-
4.6.	Assets received for public offering			-	-	-	-	-	-
4.7.	Other items under custody			30	6,379	6,409	10	6,369	6,379
4.8.	Custodians			3	-	3	3	-	3
V.	PLEDGED ITEMS			76,211,431	17,621,261	93,832,692	68,999,753	16,501,403	85,501,156
5.1.	Marketable securities			211,261	346,338	557,599	282,255	189,201	471,456
5.2.	Guarantee notes			89,977	59,397	149,374	88,338	55,700	144,038
5.3.	Commodity			20,281	-	20,281	20,737	-	20,737
5.4.	Warranty			-	-	-	-	-	-
5.5.	Properties			33,438,813	6,428,207	39,867,020	30,516,561	6,003,909	36,520,470
5.6.	Other pledged items			42,451,099	10,787,319	53,238,418	38,091,862	10,252,593	48,344,455
5.7.	Pledged items-depository			-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES			-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)				128,209,574	60,234,842	188,444,416	111,680,162	50,452,158	162,132,320

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**INCOME STATEMENT FOR THE PERIOD ENDED MARCH 31, 2011**

**(STATEMENT OF INCOME/LOSS)**

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

**III. INCOME STATEMENT**

	Section 5 Part IV	Reviewed 01.01 - 31.03.2011	Reviewed 01.01 - 31.03.2010
I. INTEREST INCOME	(1)	1,005,860	887,302
1.1 Interest on loans		905,290	766,377
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		536	11,566
1.4 Interest received from money market placements		-	6,587
1.5 Interest received from marketable securities portfolio		99,840	102,494
1.5.1 Held-for-trading financial assets		855	683
1.5.2 Financial assets at fair value through profit and loss		608	2,849
1.5.3 Available-for-sale financial assets		98,377	98,962
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		-	-
1.7 Other interest income		194	278
II. INTEREST EXPENSE	(2)	442,150	338,374
2.1 Interest on deposits		377,012	304,874
2.2 Interest on funds borrowed		41,377	32,944
2.3 Interest on money market borrowings		23,590	456
2.4 Interest on securities issued		-	-
2.5 Other interest expense		171	100
III. NET INTEREST INCOME (I - II)		563,710	548,928
IV. NET FEES AND COMMISSIONS INCOME		162,325	138,905
4.1 Fees and commissions received		181,212	153,759
4.1.1 Non-cash loans		9,903	10,588
4.1.2 Other		171,309	143,171
4.2 Fees and commissions paid		18,887	14,854
4.2.1 Non-cash loans		119	116
4.2.2 Other		18,768	14,738
V. DIVIDEND INCOME	(3)	43	-
VI. NET TRADING INCOME	(4)	76,888	(127,501)
6.1 Securities trading gains/ (losses)		54,108	59,939
6.2 Gains / (losses) from financial derivatives transactions		43,231	(209,365)
6.3 Foreign exchange gains/ (losses)		(20,451)	21,925
VII. OTHER OPERATING INCOME	(5)	29,499	35,895
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		832,465	596,227
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	69,472	113,960
X. OTHER OPERATING EXPENSES (-)	(7)	388,195	306,674
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		374,798	175,593
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	374,798	175,593
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(78,429)	(30,407)
16.1 Current income tax charge		(48,465)	(66,110)
16.2 Deferred tax charge / benefit		(29,964)	35,703
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	296,369	145,186
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and entities under common control		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1 Current income tax charge		-	-
21.2 Deferred tax charge / benefit		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	296,369	145,186
23.1 Group's profit/loss		296,369	145,186
23.2 Minority shares		-	-
Earnings per share		0.01344	0.00876

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2011**

**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**

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

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

	Reviewed 01.01 - 31.03.2011	Reviewed 01.01 - 31.03.2010
I. Additions to marketable securities revaluation differences for available for sale financial assets	(255,198)	37,230
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	16,501	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit/loss items accounted for under equity as per Turkish Accounting Standards	-	-
IX. Deferred tax of valuation differences	45,548	2,645
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	(193,149)	39,875
XI. Profit/Loss	(8,411)	(20,647)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(8,411)	(20,647)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. Total Profit/Loss accounted for in the period (X±XI)	(201,560)	19,228

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

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

**FINANSBANK ANONİM ŞİRKETİ  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2011  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

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

	Paid-in Capital	Effect of Inclusion on Capital and Other Reserves	Share Premium	Share Certificate on Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase/ (Decrease)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
<b>Revised</b>																		
<b>I.</b>																		
<b>II.</b>																		
1. Beginning balance	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,892	-	-	-	-	3,627,078	-	3,627,078
2. Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>																		
New balance (H1)	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,892	-	-	-	-	3,627,078	-	3,627,078
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV.</b>																		
Increased/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>																		
Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>																		
Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>																		
Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>																		
Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>																		
Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>																		
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>																		
The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>																		
The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>																		
The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>																		
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>																		
Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>																		
Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>																		
Initiation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII.</b>																		
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX.</b>																		
Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XX.</b>																		
Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XXI.</b>																		
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XXII.</b>																		
Transfers in reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XXIII.</b>																		
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XXIV.</b>																		
20.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>1,575,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,918</b>	<b>-</b>	<b>1,127,164</b>	<b>-</b>	<b>145,186</b>	<b>650,114</b>	<b>144,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,791,492</b>	<b>-</b>	<b>3,791,492</b>
<b>(H1+IV+V+...+XVIII+XIX+XX)</b>																		

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

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

**FINANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2011**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

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

Reviewed	Paid-in Capital	Effect of Accounting on Capital and Other Reserves	Share Premium	Share Certificate in Profit	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Income/ (Loss)	Prior Period Income/ (Loss)	Marketable Securities Increase/ (Decrease)	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 Shareholders' Equity
I. Current period - 01.01.-31.03.2011	2,205,000	-	665	-	182,424	-	1,661,915	-	-	914,674	262,309	-	2,689	(211,761)	-	5,208,491	-	5,208,491
II. Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(214,761)	-	(214,761)
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201
4.1. Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201
4.2. Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1. Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2. Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Initiation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+...+XVIII+18.1+18.2+18.3)	2,205,000	-	665	-	182,424	-	1,661,915	-	296,369	914,674	47,539	-	2,689	(7,975)	-	5,303,300	-	5,303,300

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
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**FİNANSBANK ANONİM ŞİRKETİ  
NOTES TO FINANCIAL STATEMENTS  
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*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**VI. CASH FLOWS STATEMENT**

	Section VI Note 5	Reviewed 01.01- 31.03.2011	Reviewed 01.01 - 31.03.2010
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>377,003</b>	<b>666,666</b>
1.1.1 Interest received (+)		905,801	997,850
1.1.2 Interest paid (-)		(437,940)	(319,344)
1.1.3 Dividend received (+)		43	-
1.1.4 Fees and commissions received (+)		181,212	153,759
1.1.5 Other income (+)		25,873	23,337
1.1.6 Collections from previously written off loans (+)		119,403	160,852
1.1.7 Payments to personnel and service suppliers (-)		(288,562)	(230,033)
1.1.8 Taxes paid (-)		(18,569)	(18,479)
1.1.9 Others (+/-)	(1)	(110,258)	(101,276)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(559,346)</b>	<b>(1,101,632)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(13,940)	(9,767)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		184,901	256,954
1.2.3 Net (increase) decrease in due from banks (+/-)		(776,191)	-
1.2.4 Net (increase) decrease in loans (+/-)		(1,469,159)	(1,446,649)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	126,994	(127,735)
1.2.6 Net increase (decrease) in bank deposits (+/-)		243,362	283,935
1.2.7 Net increase (decrease) in other deposits (+/-)		(256,804)	(152,192)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(464,741)	118,472
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	1,866,232	(24,650)
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>(182,343)</b>	<b>(434,966)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>804,368</b>	<b>822,876</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(494)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(13,370)	(12,251)
2.4 Fixed assets sales (+)		-	3,253
2.5 Cash paid for purchase of financial assets available for sale (-)		(4,690,255)	(5,308,632)
2.6 Cash obtained from sale of financial assets available for sale (+)		5,524,036	6,158,954
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(15,549)	(18,448)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>-</b>	<b>(2,649)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	2,649
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>(34,283)</b>	<b>(11,625)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>587,742</b>	<b>373,636</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>2,579,736</b>	<b>2,940,939</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>3,167,478</b>	<b>3,314,575</b>

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

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**FINANSBANK ANONİM ŞİRKETİ  
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FOR THE PERIOD ENDED MARCH 31, 2011**

*(Amounts expressed in Thousands of Turkish Lira (TL) 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 as of December 31, 2010 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "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, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements 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 Turkish Lira unless otherwise specified.

**2. Classifications**

None.

**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, "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 regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

**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 to be used and IFRS have not been quantified in the financial statements.



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**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 bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return 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 yields are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate TL 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 TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL 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 affect 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 annually.

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 in the Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the 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 March 31, 2011 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts, are converted into TL by using foreign currency exchange rates of the Bank for the period end 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>March 31, 2011</u>	<u>December 31, 2010</u>
US Dollar	TL 1.5483	TL 1.5460
Euro	TL 2.1816	TL 2.0491

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

The net foreign exchange loss included in the income statement as of March 31, 2011 is TL 20,451 (March 31, 2010 – TL 21,925 net foreign exchange gain).

**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 unconsolidated 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 cost after deducting related impairment provision.

**IV. Explanations on forwards, option contracts and derivative instruments**

The Bank enters into forward currency purchase/sale 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 interest options, swaption, and credit default swap and futures agreements.

Besides customer deposits, the Bank funds its long term fixed interest rate TL 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 TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, derivative instruments 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 accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” and “Liabilities on Trading Derivatives” or “Assets on Hedging Purpose Derivatives” and “Liabilities on Hedging Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted for under “Securities Trading Gains/Losses”, except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account. Information on Eurobond portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2.

To avoid from the changes of deposits’ interest rates that have an average prompt of 1 month, the Bank implements cash flow risk prevention accounting policies by means of interest swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective parts are entered in the accounts, as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

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. Unrealized gains and losses are reflected in the income statement in the current period.

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 transactions are accounted for at 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 and swaption transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

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**V. Interest income and expenses**

Interest income and expenses 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 expenses**

Fees and commission income and expenses are accounted for on an accrual basis, except for certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is 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 interest income that has been gained by holding the trading securities and difference between acquisition cost and fair value of the trading securities, is presented as interest income at income statement. If any of these financial assets are sold before their maturity, the gain or loss is realized as securities 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. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan 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 fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

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

Fair value of loans that are classified as 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. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

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**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 is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity 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 are transferred to the income statement.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately realized in the income statement.

**3. Investment securities held to maturity**

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

As of October 1, 2008, due to the change of the intention, the Bank classified securities from trading portfolio and available for sale portfolio to held to maturity portfolio with the nominal values of TL 94,198 and TL 2,549,613, respectively. The intention of the Bank for holding the held to maturity portfolio has changed in 2009. As it is stated in TAS 39, paragraph 51, "while the intention or the possibility of holding the securities until the maturity changes, or when the investments become inappropriate to be classified as held to maturity, the related investments should be classified as investment securities available for sale and should be re-measured at their fair values"; the Bank classified TL 2,643,811 nominal amount of held to maturity portfolio to available for sale portfolio effective from March 31, 2009 based on the Board of Directors' decision dated April 16, 2009. Because of this classification, the Bank will not be able to classify any financial asset as held to maturity investment in 2009 and the following two years.

**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 loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "TV. Explanations on forward, option contracts and derivative instruments", the Bank enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at 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.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

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Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

In the case where there is evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific and general provision, in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 2633 and revised with the Communiqué dated March 6, 2010, published on the Official Gazette No: 27513 and the Communiqué dated January 23, 2009, published on the Official Gazette No: 2719 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Bank did not provide any specific provision for performing loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non performing loans into non performing loans as of December 31, 2010. The Bank re-started to provide specific provision for mentioned loans that are not overdue, according to the amendments on 4th article of the same communiqué as from March 1, 2011. The Bank provided 50% specific provision for the credit cards in the 3rd and 4th Group and retail loans in the 3rd Group as at December 31, 2010 in accordance with the aforementioned regulation, the Bank provided 50% specific provision for the credit cards in the 3rd and 4th Group, 20% for the retail loans in the 3rd Group and 50% for the retail loans in the 4th Group in the current period. The related provisions are accounted for in the income statement for current year. Details are explained in Section 5, Part I, Footnote 5.

The Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as "Free Reserves for Possible Loan Losses".

Except for specific provisions and free reserves for possible loan losses within the framework of the regulation referred to above, the Bank provides general loan loss provision and presents it in the liabilities as "General Provisions".

The provisions provided for loans are accounted for under "Provision for Loan Losses and Other Receivables" in the statement of income.

The collections made in relation to amounts that provision provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

**VIII. Impairment of financial assets**

If the amount computed by discounting expected future cash flows of a financial asset 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 provided 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 at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is presented on the balance sheet.

The Bank provides specific allowances for loans 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. Otherwise, no offsetting is made.

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**X. Repurchase and resale 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 as at the balance sheet date amounted to TL 3,191,988 (December 31, 2010 – TL 1,196,542).

The Bank does not have any securities that are subject to lending transactions as of March 31, 2011 (December 31, 2010 – None).

Securities purchased with a commitment to resale (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" 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 disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

**XII. Goodwill and other intangible assets**

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

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares 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 on Impairment of Assets (TAS 36) 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 associates and subsidiaries in the accompanying unconsolidated financial statements.

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**XIII. Tangible Assets**

The tangible assets 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%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

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.

**XIV. Leasing transactions**

Fixed assets acquired under finance lease contracts are presented 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.

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**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.

Provisions made during the period are recorded under "Other Operating Expenses" ; 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 for 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 for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in 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, pension funds or similar associations of which the employees are members.

**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, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

Companies file their tax returns between the 1st and the 25th 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 Charge" in the income statement.

It is not subject to withholding tax when current period profit is not distributed, but added to the capital and distributed to the fully fledged taxpayers. Profit distribution is subject to withholding tax at 15% if distributed as dividend to fully 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 by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006 and effective from July 23, 2006.

**2. Deferred taxes**

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), 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.



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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 measured at 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**

In the current period, there has been no change in the share capital of the Bank (January 1 – December 31, 2010: TL 630,000 increase in total of which TL 82,857 portion of the increase incorporated from extraordinary reserves and the remaining TL 547,143 was to be met with cash).

**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 March 31, 2011, the Bank does not have any government incentives or grants.

**XXII. Segment reporting**

In addition to corporate banking, retail 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 retail banking clients with time and demand deposits, also overdraft 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 serves in trading financial instruments and treasury operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, 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 firms that are institutional, big size, that have annual revenue of TL 100,000 and higher, and multi-national firms operating in Turkey. The firms that have annual revenues between TL 10,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives 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 TL 2,000 and TL 10,000. The Bank offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The 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 from market conditions. This segment is in close relation with corporate, commercial, retail, 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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Current Period (January 1 - March 31, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
Net Interest Income	306,459	79,338	177,913	563,710
Net Fees and Commissions Income	260,993	27,718	(126,386)	162,325
Other Operating Income and Net Trading Income	15,036	20,891	70,460	106,387
Dividend Income	-	-	43	43
<b>Operating Income</b>	<b>582,488</b>	<b>127,947</b>	<b>122,030</b>	<b>832,465</b>
Other Operating Expenses	258,456	69,629	60,110	388,195
Provision for Loan Losses and Other Receivables	40,402	2,858	26,212	69,472
<b>Profit Before Taxes</b>	<b>283,630</b>	<b>55,460</b>	<b>35,708</b>	<b>374,798</b>
Tax Charge	-	-	-	(78,429)
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296,369</b>
<b>Total Assets</b>	<b>20,969,813</b>	<b>5,799,139</b>	<b>10,467,905</b>	<b>39,935,143</b>
Segment Assets	20,969,813	5,799,139	10,467,905	37,236,857
Associates, Subsidiaries and Entities Under Common Control	-	-	-	360,287
Undistributed Assets	-	-	-	2,337,999
<b>Total Liabilities</b>	<b>14,921,736</b>	<b>8,923,235</b>	<b>8,669,869</b>	<b>39,935,143</b>
Segment Liabilities	14,921,736	8,923,235	8,669,869	32,514,840
Undistributed Liabilities	-	-	-	2,117,003
Equity	-	-	-	5,303,300
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,683</b>
Capital Expenditures	-	-	-	29,024
Depreciation and Amortization	-	-	-	28,659
Value Decrease/Increase	-	-	-	-

Prior Period (January 1 - March 31, 2010)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
Net Interest Income	245,701	74,577	228,650	548,928
Net Fees and Commissions Income	198,932	27,260	(87,287)	138,905
Other Operating Income and Net Trading Income	7,068	8,803	(107,477)	(91,606)
Dividend Income	-	-	-	-
<b>Operating Income</b>	<b>451,701</b>	<b>110,640</b>	<b>33,886</b>	<b>596,227</b>
Other Operating Expenses	200,452	63,801	42,421	306,674
Provision for Loan Losses and Other Receivables	94,438	4,998	14,524	113,960
<b>Profit Before Taxes</b>	<b>156,811</b>	<b>41,841</b>	<b>(23,059)</b>	<b>175,593</b>
Tax Charge	-	-	-	(30,407)
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,186</b>
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,833</b>
Capital Expenditures	-	-	-	34,030
Depreciation and Amortization	-	-	-	24,803
Value Decrease/Increase	-	-	-	-

Prior Period (December 31, 2010)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
<b>Total Assets</b>	<b>19,203,086</b>	<b>5,823,119</b>	<b>10,114,383</b>	<b>38,087,203</b>
Segment Assets	19,203,086	5,823,119	10,114,383	35,140,588
Associates, Subsidiaries and Entities Under Common Control	-	-	-	385,613
Undistributed Assets	-	-	-	2,561,002
<b>Total Liabilities</b>	<b>14,862,829</b>	<b>8,582,974</b>	<b>7,305,193</b>	<b>38,087,203</b>
Segment Liabilities	14,862,829	8,582,974	7,305,193	30,750,996
Undistributed Liabilities	-	-	-	2,127,716
Equity	-	-	-	5,208,491

**XXIII. Explanations on other matters**

None.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

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

As of March 31, 2011, the Bank's unconsolidated capital adequacy ratio is 16.49% (December 31, 2010 - 16.68%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 26669, 26824 and 27320 dated October 10, 2007, March 22, 2008 and August 15, 2009, respectively. 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 "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 and commitments are weighted after netting with specific provisions that are classified under liabilities 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>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	4,381,705	-	142,264	9,444,382	17,838,566	749,873	197,441
Cash on Hand	424,509	-	517	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the T.R Central Bank	2,576,948	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	116,098	-	49,407	-	-
Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	780,513	-	-	-	-	-	-
Loans and Receivables	592,688	-	25,117	9,019,323	15,929,180	749,873	197,441
Non-performing Loans (Net)	-	-	-	-	220,903	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,151	-	-
Sundry Debtors	-	-	-	-	347,731	-	-
Accrued Interest and Income	6,136	-	532	425,059	257,810	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	360,287	-	-
Tangible Assets	-	-	-	-	267,822	-	-
Other Assets	911	-	-	-	400,275	-	-
<b>Off-Balance Sheet Items</b>	935,850	-	1,647,985	211,564	7,303,400	-	-
Non-Cash Loans and Commitments	935,850	-	79,957	211,564	7,172,007	-	-
Derivative Financial Instruments	-	-	1,568,028	-	131,393	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>5,317,555</b>	<b>-</b>	<b>1,790,249</b>	<b>9,655,946</b>	<b>25,141,966</b>	<b>749,873</b>	<b>197,441</b>
<b>Total Risk-Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>358,050</b>	<b>4,827,972</b>	<b>25,141,966</b>	<b>1,124,810</b>	<b>394,882</b>

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

	Current Period	Prior Period
Value at Credit Risk	31,847,680	29,506,581
Value at Market Risk	1,918,438	1,917,300
Value at Operational Risk	4,195,358	3,805,616
Shareholders' Equity	6,260,486	5,877,201
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.49%	16.68%

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	2,205,000	2,205,000
Nominal Capital	2,205,000	2,205,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	665
Share Cancellation Profits	-	-
Legal Reserves	182,424	182,424
I. Legal Reserve (Turkish Commercial Code 466/1)	161,810	161,810
II. Legal Reserve (Turkish Commercial Code 466/2)	20,614	20,614
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,144,285	1,144,285
Reserve Allocated as per the Decision Held by the General Assembly	1,144,285	1,144,285
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	1,211,043	914,674
Current Period Profit	296,369	914,674
Prior Periods Profit	914,674	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	83,054	78,265
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	517,630
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	88,143	90,040
Prepaid Expenses (-) (*)	-	118,130
Intangible Assets (-)	105,458	98,571
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
<b>Total Core Capital</b>	<b>5,150,500</b>	<b>4,736,202</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	287,217	265,808
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	2,689	2,689
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	874,814	795,361
Securities Value Increase Fund	(11,985)	118,035
Associates and Subsidiaries	48,701	59,740
Investment Securities Available for Sale	(60,686)	58,295
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>1,152,735</b>	<b>1,181,893</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>6,303,235</b>	<b>5,918,095</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>42,749</b>	<b>40,894</b>
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	30,542	28,687
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	12,207	12,207
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,260,486</b>	<b>5,877,201</b>

(\*) According to the amendment on Communique on Equity of Banks published in the Official Gazette dated March 10, 2011 and numbered 27870, prepaid expenses are not deducted from shareholders' equity and included in the 'Other Assets' account which is in 100% risk group.

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**II . Information on Market Risk**

The Bank has established market risk operations and has taken the necessary measures 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 variation 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”.

**Value at market risk**

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	99,720
(II) Capital Obligation against Specific Risks – Standard Method	16,766
(III) Capital Obligation against Currency Risk – Standard Method	15,132
(IV) Capital Obligation against Commodity Risks - Standard Method	13,136
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	8,721
(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+VII)	153,475
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,918,438

**III. Explanations Related to the Operational Risk**

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2010, 2009 and 2008) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of March 31, 2011, the value at operational risk is amounting to TL 4,195,358 (December 31, 2010 - TL 3,805,616).

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**IV. 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 March 31, 2011, the net foreign currency exposure of the Bank is TL 504,646 short position (December 31, 2010 –TL 422,094 short) resulting from on balance sheet short position amounting to TL 4,563,997 (December 31, 2010 –TL 4,152,684 short) and off balance sheet long position amounting to TL 4,059,351 (December 31, 2010 –TL 3,730,590 long). The long off balance sheet position amounting to TL 4,094,990 (December 31, 2010 – TL 3,747,117) is related with the FC/TL swap transactions performed with banks and customers. The Bank used these transactions to manage the 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	TL 1.5483
Euro purchase rate at the date of the balance sheet	TL 2.1816

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 31, 2011	TL 1.5483	TL 2.1816
March 30, 2011	TL 1.5549	TL 2.1929
March 29, 2011	TL 1.5485	TL 2.1763
March 28, 2011	TL 1.5433	TL 2.1842
March 25, 2011	TL 1.5470	TL 2.1843
March 24, 2011	TL 1.5543	TL 2.2022

- 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 March 2011 are TL 1.5747 and TL 2.2026; respectively.

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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>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	70,280	1,140,813	99	63,524	1,274,716
Due From Banks	31,428	114,706	6,726	4,977	157,837
Financial Assets at Fair Value through Profit/Loss <sup>(4)</sup>	5,455	177,930	-	-	183,385
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	88,791	786,031	-	-	874,822
Loans and Receivables <sup>(2)</sup>	1,732,555	2,335,906	89,904	85,548	4,243,913
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	90	116	-	-	206
Tangible Assets	-	-	-	78	78
Intangible Assets	-	-	-	-	-
Other Assets <sup>(3)</sup>	57,214	262,474	22	14	319,724
<b>Total Assets</b>	<b>1,985,813</b>	<b>4,817,976</b>	<b>96,751</b>	<b>154,141</b>	<b>7,054,681</b>
<b>Liabilities</b>					
Bank Deposits	56,473	219,797	571	12,668	289,509
Foreign Currency Deposits	2,562,615	3,993,956	1,069	114,857	6,672,497
Money Market Borrowings	71,395	404,381	-	-	475,776
Funds Borrowed	1,067,120	2,848,362	-	-	3,915,482
Securities Issued	-	-	-	-	-
Sundry Creditors	23,079	41,107	32	720	64,938
Derivative Fin. Liabilities for Hedging Purposes	233	14,488	-	-	14,721
Other Liabilities <sup>(5)</sup>	8,651	177,051	-	53	185,755
<b>Total Liabilities</b>	<b>3,789,566</b>	<b>7,699,142</b>	<b>1,672</b>	<b>128,298</b>	<b>11,618,678</b>
<b>Net Balance Sheet Position</b>	<b>(1,803,753)</b>	<b>(2,881,166)</b>	<b>95,079</b>	<b>25,843</b>	<b>(4,563,997)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,683,625</b>	<b>2,487,449</b>	<b>(94,294)</b>	<b>(17,429)</b>	<b>4,059,351</b>
Financial Derivative Assets	4,544,227	15,413,588	152,862	919,796	21,030,473
Financial Derivative Liabilities	2,860,602	12,926,139	247,156	937,225	16,971,122
Non-Cash Loans <sup>(1)</sup>	896,673	2,484,646	1,560	221,801	3,604,680
<b>Prior Period</b>					
Total Assets	1,742,877	4,641,426	102,469	129,712	6,616,484
Total Liabilities	3,469,588	7,196,993	721	101,866	10,769,168
<b>Net Balance Sheet Position</b>	<b>(1,726,711)</b>	<b>(2,555,567)</b>	<b>101,748</b>	<b>27,846</b>	<b>(4,152,684)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,524,949</b>	<b>2,329,951</b>	<b>(105,196)</b>	<b>(19,114)</b>	<b>3,730,590</b>
Financial Derivative Assets	3,619,417	12,267,859	31,888	796,631	16,715,795
Financial Derivative Liabilities	2,094,468	9,937,908	137,084	815,745	12,985,205
Non-Cash Loans <sup>(1)</sup>	768,047	2,055,034	1,520	241,021	3,065,622

<sup>(1)</sup> Does not affect net off balance sheet position.

<sup>(2)</sup> Includes foreign currency-indexed loans amounting to TL 1,440,566 (December 31, 2010 – TL 1,266,015) that are classified as TL on the balance sheet.

<sup>(3)</sup> Does not include the prepaid expenses amounting to TL 128 (December 31, 2010 – TL 835) that are classified as FC on the balance sheet in accordance with the communique issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

<sup>(4)</sup> Does not include foreign exchange income accruals amounting to TL 17,489 (December 31, 2010 – TL 9,576).

<sup>(5)</sup> Foreign exchange expense accruals amounting to TL 16,527 (December 31, 2010 – TL 10,037) on derivative transactions and the general loan loss provisions amounting to TL 34,678 (December 31, 2010 – TL 31,215) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Chart of Accounts are excluded.



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**V. 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 TL 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 TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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

*(Based on reprising dates)*

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	3,782,487	3,782,487
Due from Banks	4,375	-	-	-	-	161,504	165,879
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	36,150	105,660	118,082	265,648	547,351	274,500	1,347,391
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	2,081,419	757,944	767,881	1,807,820	895,757	114,177	6,424,998
Loans and Receivables	6,805,306	3,135,594	7,533,582	7,449,553	1,481,470	220,902	26,626,407
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	305,235	-	-	-	-	1,282,746	1,587,981
<b>Total Assets</b>	<b>9,232,485</b>	<b>3,999,198</b>	<b>8,419,545</b>	<b>9,523,021</b>	<b>2,924,578</b>	<b>5,836,316</b>	<b>39,935,143</b>
<b>Liabilities</b>							
Bank Deposits	551,904	39,663	2,037	-	-	32,498	626,102
Other Deposits	14,312,655	6,752,097	708,087	24,217	-	2,153,226	23,950,282
Funds Borrowed	1,292,439	2,032,019	729,590	178,417	65,490	-	4,297,955
Money Market Borrowings	3,066,668	180	-	-	-	-	3,066,848
Securities Issued	-	-	-	-	-	-	-
Sundry Creditors	29,275	-	-	-	-	840,716	869,991
Other Liabilities <sup>(*)</sup>	55,030	41,747	121,055	244,083	26,647	6,635,403	7,123,965
<b>Total Liabilities</b>	<b>19,307,971</b>	<b>8,865,706</b>	<b>1,560,769</b>	<b>446,717</b>	<b>92,137</b>	<b>9,661,843</b>	<b>39,935,143</b>
On Balance Sheet Long Position	-	-	6,858,776	9,076,304	2,832,441	-	18,818,428
On Balance Sheet Short Position	(10,075,486)	(4,866,508)	-	-	-	(3,825,527)	(18,818,428)
Off-Balance Sheet Long Position	(19,007)	35,613	(91,248)	(181,798)	(14,758)	-	(271,198)
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>(10,094,493)</b>	<b>(4,830,895)</b>	<b>6,767,528</b>	<b>8,894,506</b>	<b>2,817,683</b>	<b>(3,825,527)</b>	<b>(271,198)</b>

<sup>(\*)</sup> "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 461,036, tangible assets amounting to TL 355,965, intangible assets amounting to TL 105,458, associates, subsidiaries and entities under common control amounting to TL 360,287; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,303,300, other liabilities amounting to TL 471,454, provisions amounting to TL 561,674, tax liability amounting to TL 108,554 and part of trading derivative financial liabilities amounting to TL 190,421.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 206.

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

	EUR	USD	JPY	TL
Current Period	%	%	%	%
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8.58
Financial Assets at Fair Value Through Profit/Loss	5.18	7.77	-	10.72
Money Market Placements	-	-	-	6.50
Investment Securities Available for Sale	5.06	7.35	-	9.09
Loans and Other Receivables	5.00	4.27	5.25	15.95 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	3.20	1.59	-	6.77
Other Deposits	3.28	3.26	0.25	7.98
Money Market Borrowings	-	-	-	6.24
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	1.86	2.83	-	10.46

<sup>(\*)</sup> The yield of loans is 12.62% excluding credit cards.

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

*(Based on repricing dates)*

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	2,394,383	2,394,383
Due from Banks	-	-	4,322	-	-	187,181	191,503
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	127,893	163,654	127,804	269,756	622,135	175,230	1,486,472
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,091,722	522,390	2,128,227	2,522,191	1,030,969	120,323	7,415,822
Loans and Receivables	6,912,599	2,797,910	6,870,101	6,800,339	1,341,823	136,373	24,859,145
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	447,538	-	-	-	-	1,292,340	1,739,878
<b>Total Assets</b>	<b>8,579,752</b>	<b>3,483,954</b>	<b>9,130,454</b>	<b>9,592,286</b>	<b>2,994,927</b>	<b>4,305,830</b>	<b>38,087,203</b>
<b>Liabilities</b>							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	15,025,151	5,937,152	371,419	27,177	-	2,190,944	23,551,843
Funds Borrowed	131,408	2,276,102	1,849,645	182,760	61,393	-	4,501,308
Money Market Borrowings	1,123,958	42	-	-	-	-	1,124,000
Securities Issued	-	-	-	-	-	-	-
Sundry Creditors	15,076	-	-	-	-	870,383	885,459
Other Liabilities	18,483	49,925	173,280	348,923	49,385	6,505,763	7,145,759
<b>Total Liabilities</b>	<b>17,079,947</b>	<b>8,352,242</b>	<b>2,396,591</b>	<b>558,860</b>	<b>110,778</b>	<b>9,588,785</b>	<b>38,087,203</b>
On Balance Sheet Long Position	-	-	6,733,863	9,033,426	2,884,149	-	18,651,438
On Balance Sheet Short Position	(8,500,195)	(4,868,288)	-	-	-	(5,282,955)	(18,651,438)
Off-Balance Sheet Long Position	34,550	79,703	-	-	-	-	114,253
Off-Balance Sheet Short Position	-	-	(147,163)	(315,453)	(45,913)	-	(508,529)
<b>Total Position</b>	<b>(8,465,645)</b>	<b>(4,788,585)</b>	<b>6,586,700</b>	<b>8,717,973</b>	<b>2,838,236</b>	<b>(5,282,955)</b>	<b>(394,276)</b>

<sup>(\*)</sup> "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 445,916, tangible assets amounting to TL 362,240, intangible assets amounting to TL 98,571, associates and subsidiaries amounting to TL 385,613 and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,208,491, other liabilities amounting to TL 477,821, provisions amounting to TL 517,119, tax liability amounting to TL 141,256 and part of trading derivative financial liabilities amounting to TL 161,076.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

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

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8.58
Financial Assets at Fair Value Through Profit/Loss	5.87	7.51	-	13.41
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Receivables	4.96	4.20	5.23	17.19 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.54
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	1.81	2.96	-	11.18

<sup>(\*)</sup> The yield of loans is 12.81% excluding credit cards.

**VI. Explanations related to Liquidity Risk**

- 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 collateral to create liquidity in the event of a possible liquidity crisis 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.

- 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.

- 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 9% (December 31, 2010 – 6%) of the balance sheet is allocated as cash balances.

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

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un- allocated <sup>(*)</sup>	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	3,782,487	-	-	-	-	-	-	3,782,487
Due from Banks	161,504	4,375	-	-	-	-	-	165,879
Financial Assets at Fair Value Through Profit/Loss (**)	-	46,979	103,484	260,927	385,531	550,470	-	1,347,391
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	114,178	1,150	71	126,028	3,304,451	2,879,120	-	6,424,998
Loans and Receivables	-	6,749,379	2,943,860	7,437,963	7,702,998	1,571,305	220,902	26,626,407
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	494,674	-	-	130,065	-	963,242	1,587,981
<b>Total Assets</b>	<b>4,058,169</b>	<b>7,296,557</b>	<b>3,047,416</b>	<b>7,824,918</b>	<b>11,523,045</b>	<b>5,000,895</b>	<b>1,184,144</b>	<b>39,935,143</b>
<b>Liabilities</b>								
Bank Deposits	32,498	551,904	39,663	2,037	-	-	-	626,102
Other Deposits	2,153,226	14,312,655	6,752,097	708,087	24,217	-	-	23,950,282
Funds Borrowed	-	393,709	521,846	1,964,662	1,134,233	283,505	-	4,297,955
Money Market Borrowings	-	3,066,668	180	-	-	-	-	3,066,848
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	869,991	-	-	-	-	-	869,991
Other Liabilities <sup>(*)</sup>	-	530,106	55,206	225,444	399,587	30,584	5,883,038	7,123,965
<b>Total Liabilities</b>	<b>2,185,724</b>	<b>19,725,033</b>	<b>7,368,992</b>	<b>2,900,230</b>	<b>1,558,037</b>	<b>314,089</b>	<b>5,883,038</b>	<b>39,935,143</b>
<b>Liquidity Gap</b>	<b>1,872,445</b>	<b>(12,428,476)</b>	<b>(4,321,576)</b>	<b>4,924,688</b>	<b>9,965,008</b>	<b>4,686,806</b>	<b>(4,698,894)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	2,701,887	7,609,243	2,879,227	7,101,167	11,833,998	4,860,754	1,100,927	38,087,203
Total Liabilities	2,212,639	18,394,019	6,844,877	2,761,403	1,776,107	330,023	5,768,135	38,087,203
<b>Net Liquidity Gap</b>	<b>489,248</b>	<b>(10,784,776)</b>	<b>(3,965,650)</b>	<b>4,339,764</b>	<b>10,057,891</b>	<b>4,530,731</b>	<b>(4,667,208)</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 on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 5,303,300, unallocated provisions amounting to TL 519,644 and 60,089 TL of deferred tax amount.

(\*\*) This line also includes derivative financial assets hedging purposes amounting to TL 206.

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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	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	223,002	144,131	222,979	177,028
T.R. Central Bank	2,284,255	1,073,206	923,452	1,045,395
Others	514	57,379	-	25,529
<b>Total</b>	<b>2,507,771</b>	<b>1,274,716</b>	<b>1,146,431</b>	<b>1,247,952</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2,284,255	292,693	923,452	285,108
Restricted Time Deposits	-	780,513	-	760,287
<b>Total</b>	<b>2,284,255</b>	<b>1,073,206</b>	<b>923,452</b>	<b>1,045,395</b>

The compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 12% depending on the maturity of deposits (December 31, 2010 – 5.5%) and the compulsory rates for the foreign currency liabilities are 11% (December 31, 2010 – 11%).

As effective from October 1, 2010, interest payment for reserve deposits has been annulled by the Central Bank of Turkey in accordance with the “Legislation on Amendment to the Notification on Reserve Deposits” No.2010/9, dated September 23, 2010.

**2. Further information on financial assets at fair value through profit/loss**

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

None (December 31, 2010 – None).

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

None (December 31, 2010 – None).

**c) Assets on trading derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	33,135	-	13,823	-
Swap Transactions	257,967	47,342	228,564	39,662
Futures Transactions	-	3,964	-	1,488
Options	606	134,127	108	105,945
Other	-	14,494	-	2,690
<b>Total</b>	<b>291,708</b>	<b>199,927</b>	<b>242,495</b>	<b>149,785</b>

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**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	8,029	20	7,242	27
Foreign	13	157,817	13	184,221
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>8,042</b>	<b>157,837</b>	<b>7,255</b>	<b>184,248</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	64,345	46,091	-	-
USA and Canada	35,330	84,998	49,407	49,600
OECD Countries <sup>(*)</sup>	8,264	2,945	-	-
Off-shore Banking Regions	-	-	-	-
Other	484	600	-	-
<b>Total</b>	<b>108,423</b>	<b>134,634</b>	<b>49,407</b>	<b>49,600</b>

<sup>(\*)</sup> Includes OECD countries other than the EU countries, USA and Canada.

<sup>(\*\*)</sup> Includes blocked placements at foreign banks amounting to TL 49,407 (December 31, 2010 - TL 49,600) for the syndication and securitization loans received.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	820,970	-	329,900	-
Other	-	-	-	-
<b>Total</b>	<b>820,970</b>	<b>-</b>	<b>329,900</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	2,605,330	586,668	824,370	372,172
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2,605,330</b>	<b>586,668</b>	<b>824,370</b>	<b>372,172</b>

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**c) Investment securities available for sale**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt securities</b>	<b>6,382,296</b>	<b>7,295,504</b>
Quoted on a stock exchange <sup>(*)</sup>	6,247,611	7,032,244
Unquoted on a stock exchange	134,685	263,260
<b>Share certificates</b>	<b>114,737</b>	<b>120,971</b>
Quoted on a stock exchange <sup>(**)</sup>	114,737	120,971
Unquoted on a stock exchange	-	-
<b>Impairment provision(-)</b>	<b>(72,035)</b>	<b>(653)</b>
<b>Total</b>	<b>6,424,998</b>	<b>7,415,822</b>

<sup>(\*)</sup>The Eurobond Portfolio amounting to TL 534,539 (December 31, 2010 – TL 192,007) which has been accounted for as investment securities available for sale has been designated to the fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

<sup>(\*\*)</sup> Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 102,113 (December 31, 2010 – TL 113,339).

**5. Information related to loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(*)</sup>	46,598	-	42,042	-
<b>Total</b>	<b>46,598</b>	<b>-</b>	<b>42,042</b>	<b>-</b>

<sup>(\*)</sup> Includes the advances given to the bank personnel.

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

<b>Cash Loans<sup>(*)</sup></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>25,911,822</b>	<b>152,150</b>	<b>877,323</b>	<b>292,031</b>
Discount Notes	189,723	-	537	-
Export Loans	847,643	11,696	91,216	2,524
Import Loans	-	-	-	-
Loans Given to Financial Sector	314,587	-	-	-
International Loans	66,868	-	-	-
Retail Loans	9,728,758	-	290,793	120,992
Credit Cards	6,758,347	-	166,629	40,191
Precious Metals Loans	-	-	-	-
Other	8,005,896	140,454	328,148	128,324
<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>25,911,822</b>	<b>152,150</b>	<b>877,323</b>	<b>292,031</b>

<sup>(\*)</sup>The loans amounting to TL 827,822 (December 31, 2010 – TL 976,951) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

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c) Loans according to their maturity structure

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Short-term Loans</b>	<b>12,480,851</b>	<b>-</b>	<b>166,629</b>	<b>40,190</b>
Non-specialized Loans	12,480,851	-	166,629	40,190
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>13,430,971</b>	<b>152,150</b>	<b>710,694</b>	<b>251,841</b>
Non-specialized Loans	13,430,971	152,150	710,694	251,841
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>25,911,822</b>	<b>152,150</b>	<b>877,323</b>	<b>292,031</b>

(\*)The loans amounting to TL 827,822 (December 31, 2010 – TL 976,951) are disclosed as “Loans at Fair Value Through Profit/Loss in the financial statements.



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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-TL</b>	<b>122,960</b>	<b>9,042,947</b>	<b>9,165,907</b>	<b>345,144</b>
Housing Loans	1,740	6,032,814	6,034,554	312,540
Automobile Loans	1,329	197,283	198,612	3,958
Personal Need Loans	115,825	2,812,850	2,928,675	28,646
Other	4,066	-	4,066	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>185,663</b>	<b>185,663</b>	<b>72,865</b>
Housing Loans	-	170,005	170,005	68,780
Automobile Loans	-	1,257	1,257	267
Personal Need Loans	-	14,401	14,401	3,818
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>6,495,866</b>	<b>197,334</b>	<b>6,693,200</b>	<b>122,936</b>
Installment	2,989,626	197,334	3,186,960	58,549
Non- Installment	3,506,240	-	3,506,240	64,387
<b>Individual Credit Cards-FC</b>	<b>2,534</b>	<b>-</b>	<b>2,534</b>	<b>19</b>
Installment	-	-	-	-
Non- Installment	2,534	-	2,534	19
<b>Personnel Loans-TL</b>	<b>2,430</b>	<b>15,632</b>	<b>18,062</b>	<b>91</b>
Housing Loans	-	1,093	1,093	4
Automobile Loans	-	175	175	-
Personal Need Loans	2,430	14,364	16,794	87
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	15	15	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>25,466</b>	<b>-</b>	<b>25,466</b>	<b>-</b>
Installment	12,848	-	12,848	-
Non-Installment	12,618	-	12,618	-
<b>Personnel Credit Cards-FC</b>	<b>62</b>	<b>-</b>	<b>62</b>	<b>-</b>
With Installment	-	-	-	-
Without Installment	62	-	62	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>341,954</b>	<b>-</b>	<b>341,954</b>	<b>10,842</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,991,272</b>	<b>9,441,591</b>	<b>16,432,863</b>	<b>551,897</b>

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Commercial Loans with Installment Facility</b>				
- TL	261,496	2,741,332	3,002,828	48,951
Real Estate Loans	20	162,207	162,227	6,402
Automobile Loans	5,585	306,015	311,600	6,481
Personal Need Loans	255,891	2,273,110	2,529,001	36,068
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	36,677	579,499	616,176	39,625
Real Estate Loans	-	15,433	15,433	1,810
Automobile Loans	415	57,460	57,875	3,978
Personal Need Loans	36,262	506,606	542,868	33,837
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC</b>	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards -TL</b>	118,129	107	118,236	2,164
Installment	34,577	107	34,684	635
Non-Installment	83,552	-	83,552	1,529
<b>Corporate Credit Cards -FC</b>	546	-	546	4
With Installment	-	-	-	-
Without Installment	546	-	546	4
<b>Overdraft Accounts-TL (Legal Entities)</b>	167,781	-	167,781	8
<b>Overdraft Accounts-FC (Legal Entities)</b>	-	-	-	-
<b>Total</b>	<b>584,629</b>	<b>3,320,938</b>	<b>3,905,567</b>	<b>90,752</b>

**f) Loans according to borrowers (\*)**

	Current Period	Prior Period
Public	108,890	88,515
Private	27,124,436	25,515,258
<b>Total</b>	<b>27,233,326</b>	<b>25,603,773</b>

(\*) The loans amounting to TL 827,822 (December 31, 2010 – TL 976,951) are disclosed as “Loans at Fair Value Through Profit/Loss” in the financial statements.

**g) Domestic and foreign loans (\*)**

	Current Period	Prior Period
Domestic Loans	27,166,458	25,568,106
Foreign Loans	66,868	35,667
<b>Total</b>	<b>27,233,326</b>	<b>25,603,773</b>

(\*) The loans amounting to TL 827,822 (December 31, 2010 – TL 976,951) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

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

	Current Period	Prior Period
Loans Granted to Subsidiaries and Associates	48,961	44,247
Loans Granted to Subsidiaries and Associates	-	-
	48,961	44,247

**i) Specific provisions for loans**

	Current Period	Prior Period
<b>Specific Provisions</b>		
Loans and Receivables with Limited Collectability	88,694	121,658
Loans and Receivables with Doubtful Collectability	208,247	235,475
Uncollectible Loans and Receivables	1,270,009	1,168,306
<b>Total</b>	<b>1,566,950</b>	<b>1,525,439</b>

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	1,804	8,653	67,641
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,804	8,653	67,641
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008

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**j.2) Movement of non-performing loans**

	<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>limited</b>	<b>doubtful</b>	<b>Uncollectible loans</b>
	<b>collectability</b>	<b>collectability</b>	<b>and receivables</b>
<b>Prior Period End Balance</b>	<b>218,237</b>	<b>348,387</b>	<b>1,191,138</b>
Additions (+)	147,801	3,451	-
Transfers from Other Categories of Non- Performing Loans (+)	-	165,023	139,362
Transfers to Other Categories of Non- Performing Loans (-)	165,023	139,362	-
Collections (-)	18,730	41,940	58,733
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>1,758</b>
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	392
Credit Cards	-	-	1,366
Others	-	-	-
<b>Current Period End Balance</b>	<b>182,285</b>	<b>335,559</b>	<b>1,270,009</b>
Specific Provision (-) <sup>(*)</sup>	88,694	208,247	1,270,009
<b>Net Balances on Balance Sheet</b>	<b>93,591</b>	<b>127,312</b>	<b>-</b>

<sup>(\*)</sup> As of December 31, 2010, the Bank provides 50% specific provisions for the III. Group and IV. Group credit cards and for the consumer loans that are in III. Group; whereas as of March 31, 2011, the Bank provides 50% specific provisions for the III. Group and IV. Group credit cards, 20% specific provisions for the consumer loans that are in III. Group and 50% specific provisions for the consumer loans that are in IV. Group. Withstanding this change, in the current period, TL 76,808 less amount of specific provisions are provided in comparison to the prior period.

**j.3) Information on foreign currency non-performing loans and other receivables**

None. (December 31, 2010 - 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 collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>93,591</b>	<b>127,312</b>	<b>-</b>
Loans to Real Persons and Legal Entities (Gross)	182,285	334,884	1,262,660
Specific provision (-)	(88,694)	(207,572)	(1,262,660)
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	675	7,349
Specific provision (-)	-	(675)	(7,349)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>96,579</b>	<b>112,912</b>	<b>22,832</b>
Loans to Real Persons and Legal Entities (Gross)	218,237	347,516	1,183,789
Specific provision (-)	(121,658)	(234,604)	(1,160,957)
Loans to Real Persons and Legal Entities (Net)	96,579	112,912	22,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	871	7,349
Specific provision (-)	-	(871)	(7,349)
Other Loans and Receivables (Net)	-	-	-

**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 cannot 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) Write-off policy:**

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

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

None (December 31, 2010 – None).

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**7. Investments in associates (Net) :**

**7.1. Investments in associates:**

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Gelişen Bilgi Teknolojileri A.Ş. <sup>(*)</sup>	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM) <sup>(**)</sup>	Istanbul/Turkey	9.23%	9.23%
Garanti Fonu İşletme ve Araştırma A.Ş. <sup>(*)</sup>	Istanbul/Turkey	2.00%	2.00%

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
429	425	-	2	-	(5)	356	-
21,011	15,865	6,792	912	-	1,465	1,067	-
144,691	135,825	3,090	900	-	2,721	4,321	-

<sup>(\*)</sup> Current period information is obtained from financial statements as of March 31, 2011, prior period profit and loss information is obtained from financial statements as of December 31, 2010.

<sup>(\*\*)</sup> Current period information is obtained from financial statements as of December 31, 2010, prior period profit and loss information is obtained from financial statements as of December 31, 2009.

**7.2. Movements of investments in associates**

	Current Period	Prior Period
Balance at the Beginning of Period	5,769	6,016
Movements During the Period	-	(247)
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(247) <sup>(*)</sup>
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	5,769	5,769
Capital Commitments	2,000	2,000
Share Percentage at the End of the Period (%)	-	-

<sup>(\*)</sup> The amount represents the Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

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**7.3. Sectoral distribution of associates**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	5,769	5,769
<b>Total</b>	<b>5,769</b>	<b>5,769</b>

**7.4. Quoted Associates**

None (December 31, 2010 - None).

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

	Current Period	Prior Period
Valued at Cost	5,769	5,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
<b>Total</b>	<b>5,769</b>	<b>5,769</b>

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

None.

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

None.

**8. Investments in subsidiaries (Net)**

**a) Information on the unconsolidated subsidiaries**

Title					Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)	
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş					Istanbul/Turkey	99.91%	99.91%	
Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	
(*)	22,334	18,855	17,674	-	-	454	1,752	-

(\*) Current period information is obtained from financial statements as of March 31, 2011, prior period profit and loss information is obtained from financial statements as of December 31, 2010.

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

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

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	73.24 <sup>(*)</sup>	73.24 <sup>(*)</sup>
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

<sup>(\*)</sup>The share of the Bank is 10.01%, the remaining 63.23% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value <sup>(***)</sup>
1. <sup>(*)</sup>	202,930	109,949	12,663	2,071	33	6,002	15,430	-
2. <sup>(**)</sup>	1,633,371	393,037	830	8,216	-	7,845	35,817	369,150
3. <sup>(**)</sup>	21,946	21,444	57	-	-	1,224	729	18,720
4. <sup>(*)</sup>	21,404	19,675	395	397	5	1,937	7,403	-
5. <sup>(*)</sup>	116,875	47,827	2,085	547	(186)	1,133	9,493	-
6. <sup>(*)</sup>	2,732	2,625	228	49	-	(331)	(1,302)	-
7. <sup>(*)</sup>	284,367	12,777	799	5,602	-	825	3,252	-

<sup>(\*)</sup>Current period information represents March 31, 2011 figures, and prior period profit/loss amounts represent December 31, 2010 figures as per the financial statements prepared in accordance with BRSA regulations.

<sup>(\*\*)</sup>Current period information represents March 31, 2011 figures, and prior period profit/loss amounts represent December 31, 2010 figures prepared in accordance with CMB's Communique No: XI/29 accounting principles.

<sup>(\*\*\*)</sup>Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

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

	Current Period	Prior Period
Balance at the Beginning of the Period	362,058	222,588
Movements during the period	(25,326)	139,470
Purchases	494 <sup>(1)</sup>	1,063 <sup>(2)</sup>
Bonus Shares Received	-	42,901 <sup>(3)</sup>
Dividends from Current Year Profit	-	-
Sales	-	(1,858) <sup>(4)</sup>
Revaluation Increase	(25,820)	97,364
Impairment Provision	-	-
Balance at the End of the Period	336,732	362,058
Capital Commitments	3,188	3,188
Share Percentage at the end of the Period (%)	-	-

<sup>(1)</sup> Purchases in the current period include shares received of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. from ISE.

<sup>(2)</sup> Purchases in the prior period include the participation into the capital of Bank's subsidiary Finans Emeklilik ve Hayat A.Ş. amounting to TL 1,063.

<sup>(3)</sup> Purchases in the prior period include bonus shares received from the Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 5,750 and Finans Yatırım Menkul Değerler A.Ş. amounting to TL 37,151.

<sup>(4)</sup> Disposal in the prior period amount include disposal of the shares of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. The Bank had sales profit amounting to TL 806.



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

	Current Period	Prior Period
Banks	-	-
Insurance Companies	36,812	36,812
Factoring Companies	10,000	10,000
Leasing Companies	188,488	213,737
Finance Companies	5,000	5,000
Other Subsidiaries	96,432	96,509
<b>Total</b>	<b>336,732</b>	<b>362,058</b>

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

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	202,199	227,524
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>202,199</b>	<b>227,524</b>

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

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşınma ve Güvenlik Hizmetleri A.Ş. (*)	33.33%	33.33%	8,919	6,429	2,298	1,566	2,371

(\*) Current period information represents March 31, 2011 figures, prior period information is obtained from the financial statements from December 31, 2010.

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

None (December 31, 2010 - None).

**11. Information on hedging purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	206	28,648	-
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>-</b>	<b>206</b>	<b>28,648</b>	<b>-</b>

(\*) Derivative financial instruments held for the fair value hedge purposes include swaps. TL 206 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of March 31, 2011, whereas TL 28,648 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities as of December 31, 2010.

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**12. Information on tax asset**

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 9.1.4.

As of March 31, 2011, the Bank has TL 285,817 current tax liabilities (December 31, 2010- TL 237,352) and TL 237,352 prepaid taxes (December 31, 2010- TL 171,769) which are netted-off in the accompanying financial statements.

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

None (December 31, 2010- None).

**14. Information on other assets**

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

	Current Period	Prior Period
Collateral Given for Derivative Transactions	319,529	461,851
Assets Held for Resale (net)	130,065	126,914
Cheques Receivables from Other Banks	109,432	107,964
Other Prepaid Expenses	118,337	94,988
Sundry Debtors	28,199	37,636
Prepaid Rent Expenses	18,190	16,317
Advances Given	5,941	7,004
Prepaid Agency Commissions	5,009	6,825
Other	31,569	33,955
<b>Total</b>	<b>766,271</b>	<b>893,454</b>

**14.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:**

Details of the other assets are described in the 14.1 section of disclosure.

**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:

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	1,506	-
Trading Securities	42	6	179	21
Fin. Assets at Fair Value through Profit or Loss	-	-	4,763	-
Assets on Trading Derivatives	291,708	199,927	242,495	149,785
Banks	323	52	234	88
Investments Securities Available for Sale	72,331	20,382	212,090	37,666
Loans and Receivables	365,694	16,845	383,989	11,683
Derivative Financial Instruments Held for Hedging Purposes	-	206	28,648	-
Other Accruals	-	-	-	-
<b>Total</b>	<b>730,098</b>	<b>237,418</b>	<b>873,904</b>	<b>199,243</b>

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SECTION FIVE

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
Saving Deposits	532,326	-	1,252,709	8,449,051	381,315	122,591	531	17,392	10,755,915
Foreign Currency Deposits	722,978	-	1,274,890	4,016,200	357,770	198,795	41,608	6,278	6,618,519
Residents in Turkey	691,756	-	1,226,700	3,930,525	343,434	138,800	41,608	6,245	6,379,068
Residents Abroad	31,222	-	48,190	85,675	14,336	59,995	-	33	239,451
Public Sector Deposits	123,485	-	18,003	97,108	3,578	-	-	-	242,174
Commercial Deposits	729,765	-	1,237,420	2,918,871	409,747	280,046	6	-	5,575,855
Other Ins. Deposits	12,479	-	147,279	508,373	33,200	2,509	-	-	703,840
Precious Metal Deposits	32,193	-	21,786	-	-	-	-	-	53,979
Bank Deposits	32,498	-	398,078	167,734	25,754	-	2,038	-	626,102
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,537	-	337,473	-	-	-	2,038	-	341,048
Foreign Banks	21,854	-	60,605	167,734	25,754	-	-	-	275,947
Participation Banks	9,107	-	-	-	-	-	-	-	9,107
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,185,724</b>	<b>-</b>	<b>4,350,165</b>	<b>16,157,337</b>	<b>1,211,364</b>	<b>603,941</b>	<b>44,183</b>	<b>23,670</b>	<b>24,576,384</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
Saving Deposits	536,016	-	2,364,956	7,187,597	391,409	76,414	578	17,464	10,574,434
Foreign Currency Deposits	742,863	-	1,655,260	2,881,865	323,061	97,259	27,704	6,274	5,734,286
Residents in Turkey	719,772	-	1,613,733	2,751,876	312,103	61,016	27,704	6,241	5,492,445
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
Public Sector Deposits	95,468	-	4,119	156,406	76	-	-	-	256,069
Commercial Deposits	791,666	-	1,448,001	3,462,470	464,583	89,611	-	-	6,256,331
Other Ins. Deposits	12,807	-	32,172	558,049	101,454	1,810	-	-	706,292
Precious Metal Deposits	12,124	-	12,307	-	-	-	-	-	24,431
Bank Deposits	21,695	-	245,036	436,324	171,673	4,106	-	-	878,834
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,212,639</b>	<b>-</b>	<b>5,761,851</b>	<b>14,682,711</b>	<b>1,452,256</b>	<b>269,200</b>	<b>28,282</b>	<b>23,738</b>	<b>24,430,677</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 Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,398,037	3,428,021	7,356,752	7,143,571
Foreign Currency Savings Deposits	613,491	629,713	2,859,533	2,815,867
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>4,011,528</b>	<b>4,057,734</b>	<b>10,216,285</b>	<b>9,959,438</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	9,719	11,423
<b>Total</b>	<b>9,719</b>	<b>11,423</b>

**2. Information on trading purpose derivatives**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	25,742	-	22,897	-
Swaps	421,515	38,905	310,760	36,332
Futures	-	4,152	-	2,753
Options	607	125,608	108	98,978
Other	-	14,210	-	2,436
<b>Total</b>	<b>447,864</b>	<b>182,875</b>	<b>333,765</b>	<b>140,499</b>

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**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	82,457	89,567	70,861	87,789
Foreign Bank, Institutions and Funds	300,016	2,804,265	300,016	3,032,259
<b>Total</b>	<b>382,473</b>	<b>2,893,832</b>	<b>370,877</b>	<b>3,120,048</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	82,457	982,617	70,861	1,035,335
Medium and Long-Term	300,016	1,911,215	300,016	2,084,713
<b>Total</b>	<b>382,473</b>	<b>2,893,832</b>	<b>370,877</b>	<b>3,120,048</b>

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

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 SPE's. Loan amounting to USD 110 million with 5 year maturity was paid back on March 24, 2011.

As of December 2, 2010, in accordance with the Board of Directors' decision dated November 25, 2010 numbered 240, the Parent Bank received a syndication loan amounting to USD 333 million and EUR 352 million with floating interest rate and 1 year maturity.

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

As March 31, 2011, the Bank's liabilities comprise; 62% deposits (December 31, 2010 – 64%), 11% funds borrowed (December 31, 2010 –12%) and 8% funds provided under repurchase agreements (December 31, 2010 – 3%).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>2,586,582</b>	-	<b>807,415</b>	-
Financial institutions and organizations	2,570,853	-	790,285	-
Other institutions and organizations	3,592	-	5,736	-
Real persons	12,137	-	11,394	-
<b>From foreign transactions</b>	<b>4,490</b>	<b>475,776</b>	<b>6,703</b>	<b>309,882</b>
Financial institutions and organizations	-	475,776	-	309,882
Other institutions and organizations	4,490	-	6,703	-
Real persons	-	-	-	-
<b>Total</b>	<b>2,591,072</b>	<b>475,776</b>	<b>814,118</b>	<b>309,882</b>

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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. (December 31, 2010 - does not exceed).

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 flow of the Bank are the main criteria which are taken into consideration 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 (December 31, 2010- None).

6.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	180	20	207	19
Between 1-4 years	24	3	46	4
More than 4 years	-	-	-	-
<b>Total</b>	<b>204</b>	<b>23</b>	<b>253</b>	<b>23</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 (December 31, 2010- None).

7. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge <sup>(*)</sup>	-	14,721	250,240	7,000
Cash Flow Hedge <sup>(**)</sup>	33,500	-	69,545	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>33,500</b>	<b>14,721</b>	<b>319,785</b>	<b>7,000</b>

<sup>(\*)</sup> Derivative financial instruments for hedging purposes include swaps. As of March 31, 2011, TL 14,721 (December 31, 2010 – 7,000) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio. As of December 31, 2010, TL 250,240 represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

<sup>(\*\*)</sup> Represents the mark to market effects of derivatives which are the hedging instruments of deposits' cash flow risk.

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**8. Information on provisions**

**8.1. Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	202,737	187,721
Provisions for Loans and Receivables in Group II	18,037	20,179
Provisions for Non - Cash Loans	38,835	31,959
Other	27,608	25,949
<b>Total</b>	<b>287,217</b>	<b>265,808</b>

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	9,069	8,859

(\*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

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

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 66,138 (December 31,2010 - TL 67,931).

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

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

As of March 31, 2011, TL 26,305 (December 31, 2010 - TL 25,086) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2011, the Bank accrued TL 15,695 (December 31, 2010 - TL 13,990), for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2011, TL 42,030 (December 31, 2010- TL 33,148) 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**

	Current Period 01.01-31.03.2011	Prior Period 01.01-31.03.2010
As of January 1	25,086	19,686
Service Cost	2,103	1,386
Interest Cost	691	521
Paid during the period	(1,575)	(1,306)
<b>Total</b>	<b>26,305</b>	<b>20,287</b>

**8.5. Information on other provisions**

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

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	83,054	78,265

As of March 31, 2011, the Bank has provided provision for possible losses that could arise for loans in the watch list, considering their recovery rates.

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**8.5.2 Information on other provisions**

Apart from the information provided in 8.3 and 8.5.1, the other provisions are given below as follows:

	<b>Current</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	16,161	15,147
Other Provisions	25,074	17,744
<b>Total</b>	<b>41,235</b>	<b>32,891</b>

**9. Taxation**

**9.1. Current taxes**

**9.1.1. Current tax liability**

As of March 31, 2011, the Bank has current tax liability of TL 285,817 (December 31, 2010 - TL 237,352) and advance taxes of TL 237,352 (December 31, 2010 - TL 171,769). The current tax liability and advance taxes are presented in net in the accompanying financial statements.

**9.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	48,465	65,583
Banking and Insurance Transaction Tax (BITT)	19,045	21,061
Taxation on Securities Income	17,001	17,026
Taxation on Real Estates Income	1,552	1,028
Other	9,403	11,935
<b>Total</b>	<b>95,466</b>	<b>116,633</b>

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

**9.1.3. Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	4,887	4,405
Social Security Premiums - Employer Share	5,217	4,735
Unemployment Insurance - Employee Share	344	309
Unemployment Insurance - Employer Share	687	619
<b>Total</b>	<b>11,135</b>	<b>10,068</b>



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**9.1.4. Information on deferred tax liabilities**

As of March 31, 2011, deferred tax liability amounting to TL 60,089 has been disclosed in the accompanying financial statements (December 31, 2010 - TL 75,673).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other. As of March 31, 2011 the Bank has presented the net amount of deferred tax asset TL 54,709 (December 31, 2010 -TL 46,994) and deferred tax liability of TL 114,798 (December 31, 2010 - TL 122,667) 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 liability amounting to TL 11,469 (December 31, 2010 -TL 34,079 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	March 31, 2011	Dec. 31, 2010	March 31, 2011	Dec. 31, 2010
Reserve for Employee Benefits	84,030	72,224	16,806	14,445
The differences between carrying and taxable amounts of financial assets	173,345	147,597	34,669	29,519
Other	16,171	15,150	3,234	3,030
<b>Deferred Tax Asset</b>			<b>54,709</b>	<b>46,994</b>
The differences between carrying and taxable amounts of tangible assets	(86,727)	(85,998)	(17,345)	(17,200)
The differences between carrying and taxable amounts of financial assets	(423,625)	(456,987)	(84,725)	(91,397)
Other	(63,640)	(70,350)	(12,728)	(14,070)
<b>Deferred Tax Liability</b>			<b>(114,798)</b>	<b>(122,667)</b>
<b>Deferred Tax Asset / (Liability). Net</b>			<b>(60,089)</b>	<b>(75,673)</b>
	Current Period		Prior Period	
	01.01-31.03.2011		01.01-31.03.2010	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(75,673)		(83,168)	
Deferred Tax (Charge) / Benefit	(29,964)		35,703	
Deferred Tax Items accounted for under the equity	45,548		2,645	
<b>Deferred Tax Asset/ (Liability) as of March. 31, 2011 (Net)</b>	<b>(60,089)</b>		<b>(44,820)</b>	

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

None (December 31, 2010 – None).

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**11. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,021,650	-	1,010,383
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,021,650</b>	<b>-</b>	<b>1,010,383</b>

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5<sup>th</sup> year. In addition, interest is paid every six months and capital payment will be realized at maturity. The subordinated loan amounting to USD 325 million which was received in 2008 is closed in the prior period to be used in capital increase.

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

**12.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,205,000	2,205,000
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	2,205,000	6,000,000

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

None (December 31, 2010 – None).

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

None (December 31, 2010 – None).

**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, all of the capital is fully paid-in.

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**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 (December 31, 2010 – None).

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

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these regulations, after deducting the statutory and fiscal obligations of the Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital is distributed to shareholders as first dividend and 10 % of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

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

Due to the Bank's capital increase as of December 13, 2010, common stock issue premiums amounted to TL 665 (December 31, 2010 – TL 665).

**14. Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	108,225	-	132,756	-
Valuation Difference	108,225	-	132,756	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(34,737)	(25,949)	119,339	10,205
Valuation Difference	(34,737)	(25,949)	119,339	10,205
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>73,488</b>	<b>(25,949)</b>	<b>252,095</b>	<b>10,205</b>

**15. Accrued interest and expenses**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	89,646	16,751	98,355	11,470
Derivative Financial Liabilities Held for Trading	447,864	182,875	333,765	140,499
Funds Borrowed	1,316	24,363	1,344	21,169
Money Market Borrowings	1,416	502	505	182
Derivative Financial Liabilities Held for Hedging Purposes	33,500	14,720	319,785	7,000
Other Accruals	35,186	23	31,951	16
<b>Total</b>	<b>608,928</b>	<b>239,234</b>	<b>785,705</b>	<b>180,336</b>

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**SECTION FIVE**

**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**

	Current Period	Prior Period
Letters of Guarantee in FC	1,616,393	1,587,549
Letters of Guarantee in TL	3,048,337	2,967,436
Letters of Credit	1,072,391	722,850
Bank Loans	884,618	721,538
Other Guarantees	34,855	36,309
<b>Total</b>	<b>6,656,594</b>	<b>6,035,682</b>

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

Specific provision is provided for the non-cash loans amounting to TL 66,138 (December 31, 2010 - TL 67,931) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	328,883	288,152
Final Letters of Guarantee	3,340,434	3,282,473
Advance Letters of Guarantee	167,866	168,008
Letters of Guarantee Given to Customs Offices	203,304	196,275
Other Letters of Guarantee	624,243	620,077
<b>Total</b>	<b>4,664,730</b>	<b>4,554,985</b>

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

	Current Period	Prior Period
<b>Non-Cash Loans granted for Obtaining Cash</b>		
Loans	350,361	360,270
Less Than or Equal to One Year with Original Maturity	24,123	33,954
More Than One Year with Original Maturity	326,238	326,316
<b>Other Non-Cash Loans</b>	<b>6,306,233</b>	<b>5,675,412</b>
<b>Total</b>	<b>6,656,594</b>	<b>6,035,682</b>

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>30,733</b>	<b>1.01</b>	<b>74,707</b>	<b>2.09</b>	<b>40,653</b>	<b>1.37</b>	<b>40,086</b>	<b>1.32</b>
Farming and Raising Livestock	9,136	0.30	51,025	1.43	8,038	0.27	17,072	0.56
Forestry	20,915	0.69	23,588	0.66	32,136	1.08	21,906	0.72
Fishing	682	0.02	94	0.00	479	0.02	1,108	0.04
<b>Manufacturing</b>	<b>499,648</b>	<b>16.37</b>	<b>1,708,196</b>	<b>47.86</b>	<b>532,675</b>	<b>17.94</b>	<b>1,510,731</b>	<b>49.87</b>
Mining and Quarrying	30,247	0.99	28,793	0.81	29,259	0.99	29,691	0.98
Production	460,613	15.09	1,619,171	45.36	493,786	16.63	1,440,143	47.54
Electricity, gas and water	8,788	0.29	60,232	1.69	9,630	0.32	40,897	1.35
<b>Construction</b>	<b>654,184</b>	<b>21.44</b>	<b>470,850</b>	<b>13.19</b>	<b>609,769</b>	<b>20.53</b>	<b>428,401</b>	<b>14.14</b>
<b>Services</b>	<b>1,579,325</b>	<b>51.75</b>	<b>1,222,073</b>	<b>34.22</b>	<b>1,504,363</b>	<b>50.65</b>	<b>952,094</b>	<b>31.43</b>
Wholesale and Retail Trade	994,138	32.57	702,667	19.68	947,724	31.91	517,521	17.08
Hotel, Food and Beverage Services	15,272	0.50	10,054	0.28	19,334	0.65	7,703	0.25
Transportation&Communication	64,444	2.11	67,629	1.89	59,724	2.01	65,323	2.16
Financial Institutions	328,055	10.75	379,593	10.63	310,366	10.45	315,626	10.42
Real Estate and Renting Services	8,494	0.28	594	0.02	8,492	0.29	603	0.02
Self Employment Services	154,674	5.07	57,223	1.60	148,569	5.00	43,239	1.43
Educational Services	2,886	0.09	92	0.00	2,667	0.09	92	0.00
Health and Social Services	11,362	0.37	4,221	0.12	7,487	0.25	1,987	0.07
<b>Other (*)</b>	<b>288,023</b>	<b>9.44</b>	<b>94,000</b>	<b>2.63</b>	<b>282,600</b>	<b>9.51</b>	<b>98,001</b>	<b>3.24</b>
<b>Total</b>	<b>3,051,913</b>	<b>100.00</b>	<b>3,569,826</b>	<b>100.00</b>	<b>2,970,060</b>	<b>100.00</b>	<b>3,029,313</b>	<b>100.00</b>

(\*) Does not include "Other Guarantees" amounting to TL 34,855 (December 31, 2010 - TL 36,309).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	2,894,091	1,480,963	124,617	99,048
Bills of Exchange and Acceptances	3,133	873,388	-	7,972
Letters of Credit	443	1,064,324	-	7,622
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	34,855	-	-
<b>Non-cash Loans</b>	<b>2,897,667</b>	<b>3,453,530</b>	<b>124,617</b>	<b>114,642</b>

(\*) Does not include non-cash loans amounting to TL 66,138, for which provision is provided, but which are not indemnified and not liquidated yet.

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**5. Information on derivative financial instruments**

	Current Period	Prior Period
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>59,281,076</b>	<b>36,431,011</b>
Forward transactions <sup>(*)</sup>	5,276,020	2,530,303
Swap transactions	34,965,816	20,047,453
Futures transactions	441,007	375,074
Option transactions	18,598,233	13,478,181
<b>Interest Related Derivative Transactions (II)</b>	<b>7,238,007</b>	<b>6,460,378</b>
Forward rate transactions	-	-
Interest rate swap transactions	7,120,641	6,434,996
Interest option transactions	-	-
Futures interest transactions	117,366	25,382
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>66,519,083</b>	<b>42,891,389</b>
<b>Types of hedging transactions</b>		
Fair value hedges	965,008	8,955,244
Cash flow hedges	737,785	1,309,876
Net investment hedges	-	-
<b>B.Total Hedging Related Derivatives</b>	<b>1,702,793</b>	<b>10,265,120</b>
<b>Total Derivative Transactions (A+B)</b>	<b>68,221,876</b>	<b>53,156,509</b>

<sup>(\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of March 31, 2011, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy <sup>(**)</sup>	Forward Sell <sup>(**)</sup>	Swap Buy <sup>(*)</sup>	Swap Sell <sup>(*)</sup>	Option Buy	Option Sell	Future Buy	Future Sell
<b>Current Period</b>								
TL	709,055	833,471	7,184,624	12,711,065	4,435,955	4,183,387	14,184	9,194
USD	715,702	1,301,144	11,647,566	8,558,738	2,788,502	2,938,854	261,819	266,752
EURO	948,780	343,028	2,198,118	1,105,649	1,395,200	1,409,797	2,127	2,127
Other	267,744	157,096	78,920	304,572	724,911	721,627	1,085	1,085
<b>Total</b>	<b>2,641,281</b>	<b>2,634,739</b>	<b>21,109,228</b>	<b>22,680,024</b>	<b>9,344,568</b>	<b>9,253,665</b>	<b>279,215</b>	<b>279,158</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments accounted for under Commitments

	Forward Buy <sup>(**)</sup>	Forward Sell <sup>(**)</sup>	Swap Buy <sup>(*)</sup>	Swap Sell <sup>(*)</sup>	Option Buy	Option Sell	Future Buy	Future Sell
<b>Prior Period</b>								
TL	388,533	498,515	5,888,531	10,705,451	2,985,137	2,843,408	3,397	3,397
USD	368,915	482,100	9,633,611	7,328,889	2,069,610	2,070,336	195,723	195,723
EURO	350,882	150,472	2,158,073	710,303	1,109,354	1,232,585	1,108	1,108
Other	152,990	137,896	89,098	233,613	586,431	581,320	-	-
<b>Total</b>	<b>1,261,320</b>	<b>1,268,983</b>	<b>17,769,313</b>	<b>18,978,256</b>	<b>6,750,532</b>	<b>6,727,649</b>	<b>200,228</b>	<b>200,228</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of March 31, 2011, the Bank has no derivative transactions for hedge of net investment.

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

None. (December 31, 2010 – 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</b>	<b>April 2011</b>	<b>FITCH</b>	<b>January 2011</b>	<b>CI</b>	<b>November 2010</b>
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-term TL	BBB-	Financial strength at local	BBB+
Financial Strength	C-	Short-term TL	F3	market	3
		Long-term National	AAA	Support	
		Individual	C		
		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	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	486,953	10,501	388,470	13,898
Medium and Long-Term Loans	365,153	19,124	335,856	13,392
Non-Performing Loans	23,559	-	14,761	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>875,665</b>	<b>29,625</b>	<b>739,087</b>	<b>27,290</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	8,514	-
Domestic Banks	33	3	2,265	8
Foreign Banks	235	265	346	433
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>268</b>	<b>268</b>	<b>11,125</b>	<b>441</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	732	123	675	8
Financial Assets at FVTPL	608	-	2,849	-
Investment Securities Available for Sale	85,181	13,196	90,350	8,612
Investment Securities Held to Maturity	-	-	-	-
<b>Total</b>	<b>86,521</b>	<b>13,319</b>	<b>93,874</b>	<b>8,620</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	565	1,047



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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	10,356	31,021	10,056	22,888
T.R. Central Bank	-	-	-	-
Domestic Banks	1,401	413	1,073	332
Foreign Banks	8,955	30,608	8,983	22,556
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>10,356</b>	<b>31,021</b>	<b>10,056</b>	<b>22,888</b>

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	10,745	3,343

**c) Information on interest expense paid to securities issued:**

None (March 31, 2010 – None).

**d) Information on maturity structure of interest expenses on deposits**

Account	Current Period						Time Deposits	
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
<b>Turkish Lira</b>								
Bank Deposits	-	5,473	2,298	-	-	48	-	7,819
Saving Deposits	1	35,395	162,643	7,461	1,985	281	-	207,766
Public Sector Deposits	-	102	2,485	16	-	-	-	2,603
Commercial Deposits	1	23,370	62,809	6,938	4,460	-	-	97,578
Other Deposits	-	690	10,855	906	47	-	-	12,498
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>65,030</b>	<b>241,090</b>	<b>15,321</b>	<b>6,492</b>	<b>329</b>	<b>-</b>	<b>328,264</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	1	10,249	30,923	2,881	954	326	48	45,382
Bank Deposits	32	1,684	1,271	311	-	-	-	3,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	68	-	-	-	-	-	68
<b>Total</b>	<b>33</b>	<b>12,001</b>	<b>32,194</b>	<b>3,192</b>	<b>954</b>	<b>326</b>	<b>48</b>	<b>48,748</b>
<b>Grand Total</b>	<b>35</b>	<b>77,031</b>	<b>273,284</b>	<b>18,513</b>	<b>7,446</b>	<b>655</b>	<b>48</b>	<b>377,012</b>

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**Information on maturity structure of interest expense on deposits**

Prior Period	Time Deposits						Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	2,448	1,020	259	255	5	-	3,987
Saving Deposits	46	48,020	127,868	2,302	857	271	-	179,364
Public Sector Deposits	-	62	170	1	-	-	-	233
Commercial Deposits	11	17,868	55,869	4,571	228	-	-	78,547
Other Deposits	-	705	5,183	2,375	35	-	-	8,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	57	69,103	190,110	9,508	1,375	276	-	270,429
Foreign Currency								
Foreign Currency Deposits	5	9,293	18,625	1,041	1,147	128	80	30,319
Bank Deposits	27	686	221	70	-	3,122	-	4,126
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	32	9,979	18,846	1,111	1,147	3,250	80	34,445
Grand Total	89	79,082	208,956	10,619	2,522	3,526	80	304,874

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements <sup>(*)</sup>	22,567	1,023	398	58

<sup>(\*)</sup> Disclosed in "Interest on Money Market Transactions".

f) **Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	28	88

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

None (March 31, 2010 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	37	-
Other	6	-
<b>Total</b>	<b>43</b>	<b>-</b>

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

	Current Period	Prior Period
<b>Trading Income</b>	<b>1,784,991</b>	<b>1,189,348</b>
Gains on Capital Market Operations	78,343	67,044
Derivative Financial Instruments	583,858	286,634
Foreign Exchange Gains	1,122,790	835,670
<b>Trading Loss (-)</b>	<b>1,708,103</b>	<b>1,316,849</b>
Losses on Capital Market Operations	24,235	7,105
Derivative Financial Instruments	540,627	495,999
Foreign Exchange Losses	1,143,241	813,745
<b>Net Trading Income/Loss</b>	<b>76,888</b>	<b>(127,501)</b>

**5. Information on other operating income**

The Bank recorded the current year collections from loans written off in the prior period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

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

	Current Period	Prior Period
<b>Specific Provisions For Loans and Other Receivables</b>	<b>43,259</b>	<b>93,645</b>
Loans and Receivables in Group III	2,449	48,735
Loans and Receivables in Group IV	5,749	9,656
Loans and Receivables in Group V	35,061	35,254
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>21,409</b>	<b>8,609</b>
<b>Provision Expenses for Possible Losses</b>	<b>4,789</b>	<b>11,459</b>
<b>Impairment Losses on Securities</b>	<b>15</b>	<b>11</b>
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	15	11
<b>Impairment Losses on Associates, Subsidiaries and</b>		
<b>Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>-</b>	<b>236</b>
<b>Total</b>	<b>69,472</b>	<b>113,960</b>

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**7. Information on other operating expenses**

	Current Period	Prior Period
Personnel costs	166,773	134,475
Reserve for employee termination benefits	1,219	601
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	19,645	18,125
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	8,661	6,241
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	-	-
Depreciation on assets to be disposed	353	437
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	128,594	106,016
Operational lease related expenses	27,677	22,435
Repair and maintenance expenses	11,252	8,477
Advertisement expenses	15,232	17,450
Other expenses	74,433	57,654
Losses on sales of assets	184	104
Other	62,766	40,675
<b>Total</b>	<b>388,195</b>	<b>306,674</b>

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

For the period ended at March 31, 2011, net interest income of TL 563,710 (March 31, 2010 – TL 548,928), net fees and commission income of TL 162,325 (March 31, 2010 – TL 138,905) and other operating income of TL 29,499 (March 31, 2010 – TL 35,895) constitute an important part of the 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 March 31, 2011, the Bank recorded tax charge of TL 48,465 (March 31, 2010 – TL 66,110) and a deferred tax charge of TL 29,964 (March 31, 2010 – TL 35,703 deferred tax benefit).

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

None (March 31, 2010 – None).

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

Net profit of the Bank from continued operations is TL 296,369 (March 31, 2010 – TL 145,186).

**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 (March 31, 2010 – None).

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- 11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.**
- 11.3. There are no profit or loss attributable to minority shares.**
- 11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.**
- 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**

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded to the "Others" line under "Fees and Commissions Received" account, while fees and commissions given to credit cards are recorded to the "Others" line under "Fees and Commissions Paid" account by the Bank.

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**SECTION FIVE**

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

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

	Current Period	Prior Period
	January 1, 2011	January 1, 2010
<b>Cash</b>	<b>425,536</b>	<b>298,023</b>
Cash in TL	222,979	168,903
Cash in Foreign Currencies	177,028	126,837
Other	25,529	2,283
<b>Cash Equivalents</b>	<b>2,154,200</b>	<b>2,642,916</b>
Balances with the T.R. Central Bank	1,968,847	1,494,358
Banks	191,503	1,157,033
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(1,828)	(8,475)
<b>Cash and Cash Equivalents</b>	<b>2,579,736</b>	<b>2,940,939</b>

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

	Current Period	Prior Period
	March 31, 2011	March 31, 2010
<b>Cash</b>	<b>425,026</b>	<b>286,499</b>
Cash in TL	223,002	172,438
Cash in Foreign Currencies	144,131	109,173
Other	57,893	4,888
<b>Cash Equivalents</b>	<b>2,742,452</b>	<b>3,028,076</b>
Balances with the T.R. Central Bank	2,576,948	1,296,931
Banks	165,879	739,886
Money Market Placements	-	1,000,181
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(375)	(8,922)
<b>Cash and Cash Equivalents</b>	<b>3,167,478</b>	<b>3,314,575</b>

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

Foreign bank balances include TL 49,406 (December 31, 2010- TL 49,600) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

**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**

**VI. 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 March 31, 2011, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 601,755 (December 31, 2010 - TL 548,017), TL 79,895 (December 31, 2010 - TL 73,308) and TL 62,088 (December 31, 2010 - TL 94,712), respectively.

**Current Period**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	44,247	45,916	-	48,794	29,061	2
Balance at the End of the Period	48,961	50,101	-	11,985	30,934	2
Interest and Commission Income	565	10	-	4	535	-

**Prior Period**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Cash	Non-Cash	Cash		Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	5,874	14,627	-	11,745	30,632	22,740
Balance at the End of the Period	44,247	45,916	-	48,794	29,061	2
Interest and Commission Income	1,047	9	-	2	492	-

(\*) 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**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	447,922	349,531	1,707	1,116,699	98,338	57,558
Balance at the End of the Period	577,506	447,922	1,739	1,707	22,510	98,388
Interest on deposits	7,139	3,343	-	888	645	998

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

<sup>(\*\*)</sup> 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**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	-	817,073	105,265	246,559	273,419
End of the Period	-	-	533,266	817,073	151,879	246,559
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-

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

<sup>(\*\*)</sup> Includes the derivative transactions between the Bank's indirect subsidiaries.

<sup>(\*\*\*)</sup> Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

**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.

**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 March 31, 2011, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2010 - 0.3%), the deposits represented 2.4% of the Bank's total deposits (December 31, 2010 - 2.2%) and derivative transactions represented 2.0% of the Bank's total derivative transactions (December 31, 2010 - 3.9%).



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**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 March 31, 2011, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 23 (December 31, 2010 - TL 23) relating with finance lease agreements.

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

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.3% share holding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from NBG is explained under Section 5, Part II., Footnote 11.

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**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**

**1.1. In the ordinary General Assembly meeting dated April 19, 2011, the profit distribution for the year 2010 is decided as follows:**

**Profit distribution table for the year 2010:**

<b>Current period income/ (loss)</b>	<b>914,674</b>
A – First Legal Reserves (Turkish Commercial Code 466/1) %5	(45,733)
B – First Dividend to Shareholders	(110,250)
C – Founder Share Owners	(75,869)
D – Second Legal Reserves	(7,587)
E – Fixed Asset Sale Gains Fund	(980)
F – Extraordinary Reserves	(674,255)

The first dividend to shareholders amounting to TL 110,250 is decided to be distributed as bonus shares until June 30, 2011. In addition, TL 53,886 of extraordinary shares that corresponds to prior period rights of founder share owners is decided to be distributed, 10% of this amount, TL 5,388 is decided to be allocated as second legal reserves, and the Board of Directors is authorised in utilization of reserves.

In accordance with the Board of Directors' decision dated May 12, 2011, the Bank has decided to increase its paid-in capital from TL 2,205,000 to TL 2,320,000 by TL 115,000 through bonus issues within the capital ceiling of TL 6,000,000. According to the Board of Directors' decision, TL 110,250 portion of the increase is to be incorporated from first dividends of 2010 profit; and the remaining TL 4,750 is to be met from extraordinary reserves.

**1.2. Required reserve ratios on TL liabilities set out as per "Communiqué on Amendment to the Communiqué on Reserve Requirements" No. 2011/6 published in the repeated Official Gazette No: 27913 dated April 22, 2011 are as follows.**

	<b>TL Required Reserve Ratios</b>
Demand deposits, notice deposits and private current accounts	16
Deposits/participation accounts up to 1-month maturity (including 1 month)	16
Deposits/participation accounts up to 3-month maturity (including 3 months)	13
Deposits/participation accounts up to 6-month maturity (including 6 months)	9
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Liabilities other than deposits/participation funds	13
Special fund pools	Ratios for corresponding maturities

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	<b>FX Required Reserve Ratios</b>
FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities	12
FX deposits/ FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts	11
FX Special fund pools	Ratios for corresponding maturities
Other FX liabilities up to 1-year maturity (including 1-year)	12
Other FX liabilities up to 3-year maturity (including 3-year)	11.5
Other FX liabilities longer than 3-year maturity	11

- 1.3. The Bank has issued bonds of 500 million USD nominal value with 5 years maturity and 5.5% fixed interest rate in foreign markets as of May 11, 2011.

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

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.

3. **Other matters**

None.

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**SECTION SEVEN**

**INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on the Independent Auditor's Limited Review Report**

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated May 13, 2011 is presented preceding the financial statements.

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

None (December 31, 2010 – None).