

**FINANSBANK ANONİM ŐİRKETİ  
AND ITS FINANCIAL SUBSIDIARIES**

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

*Translated into English from the  
Original Turkish Report*

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

**FİNANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES**

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

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended June 30, 2008 in accordance with the prevailing accounting principles and standards set out as per the Articles No: 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**

Hasan Kılıç  
Partner  
Istanbul, August 28, 2008

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

The Parent Bank's;

Address of the Head Office : Büyükdere Caddesi No:129 34394 Mecidiyeköy / İSTANBUL  
Phone number : (0212) 318 50 00  
Facsimile number : (0212) 318 55 78  
Web page : [www.finansbank.com.tr](http://www.finansbank.com.tr)  
E-mail address : name.surname@finansbank.com.tr

The consolidated financial report for the year ended 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 listed below:

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

Within the context of this financial report, the consolidated subsidiaries are as follows. There are no associates or entities under common control included in the consolidation.

**Subsidiaries**

- 1- Finans Finansal Kiralama Anonim Şirketi
- 2- Finans Yatırım Menkul Değerler Anonim Şirketi
- 3- Finans Yatırım Ortaklığı Anonim Şirketi
- 4- Finans Portföy Yönetimi Anonim Şirketi
- 5- Finans Malta Holdings Limited
- 6- Finansbank Malta Limited
- 7- Finans Emeklilik ve Hayat Anonim Şirketi

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

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

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

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

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(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

**Finansbank Anonim Şirketi**

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

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

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE PARENT BANK**

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

Finansbank Anonim Şirketi (the Bank and/or the Parent Bank) was incorporated in Istanbul on September 23, 1987. The Parent 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 Parent 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 Parent Bank's Group**

As of June 30, 2008, 77.15% of the Parent Bank's shares are owned by National Bank of Greece, %7.90'ı NBI Holdings B.V. and 9.68% by Özyeğin family (Fiba Group).

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

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

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

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

**(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**Finansbank Anonim Şirketi**

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

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

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

**IV. Information about the persons and institutions that have qualified shares in the Parent Bank**

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

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

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

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

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**Finansbank Anonim Şirketi**

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

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

**I- CONSOLIDATED BALANCE SHEET – ASSETS**

		Reviewed 30.06.2008			Audited 31.12.2007			
	Note Ref.	YTL	FC	Total	YTL	FC	Total	
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	<b>407,288</b>	<b>998,812</b>	<b>1,406,100</b>	<b>274,892</b>	<b>938,067</b>	<b>1,212,959</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(2)	<b>792,397</b>	<b>41,225</b>	<b>833,622</b>	<b>300,033</b>	<b>850</b>	<b>300,883</b>
2.1	Financial Assets Held for Trading		203,768	-	203,768	43,303	-	43,303
2.1.1	Public Sector Debt Securities		194,245	-	194,245	556	-	556
2.1.2	Equity Securities		-	-	-	-	-	-
2.1.3	Other Securities		9,523	-	9,523	42,747	-	42,747
2.2	Financial Assets Valued at Fair Value Through Profit or Loss		203,489	-	203,489	233,748	-	233,748
2.2.1	Public Sector Debt Securities		203,489	-	203,489	233,748	-	233,748
2.2.2	Equity Securities		-	-	-	-	-	-
2.2.3	Other Securities		-	-	-	-	-	-
2.3	Trading Derivatives		<b>385,140</b>	<b>41,225</b>	<b>426,365</b>	<b>22,982</b>	<b>850</b>	<b>23,832</b>
<b>III.</b>	<b>BANKS AND OTHER FINANCIAL INSTITUTIONS</b>	(3)	<b>71,758</b>	<b>461,041</b>	<b>532,799</b>	<b>149,314</b>	<b>583,683</b>	<b>732,997</b>
<b>IV.</b>	<b>INTERBANK MONEY MARKETS</b>		<b>10,606</b>	<b>-</b>	<b>10,606</b>	<b>17,728</b>	<b>-</b>	<b>17,728</b>
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		10,606	-	10,606	17,728	-	17,728
<b>V.</b>	<b>INVESTMENT SECURITIES AVAILABLE-FOR-SALE(Net)</b>	(4)	<b>3,643,354</b>	<b>365,542</b>	<b>4,008,896</b>	<b>2,994,862</b>	<b>281,164</b>	<b>3,276,026</b>
5.1	Share Certificates		-	-	-	-	-	-
5.2	Public Sector Debt Securities		3,516,216	365,542	3,881,758	2,899,191	281,164	3,180,355
5.3	Other Securities		127,138	-	127,138	95,671	-	95,671
<b>VI.</b>	<b>LOANS</b>	(5)	<b>14,231,590</b>	<b>4,317,640</b>	<b>18,549,230</b>	<b>12,193,883</b>	<b>3,973,329</b>	<b>16,167,212</b>
6.1	Loans		14,231,590	4,317,640	18,549,230	12,193,883	3,973,329	16,167,212
6.1.1	Loans to the Risk Group of the Bank		-	-	-	-	-	-
6.1.2	Other		14,231,590	4,317,640	18,549,230	12,193,883	3,973,329	16,167,212
6.2	Loans Under Follow-Up		447,396	4,915	452,311	399,412	4,362	403,774
6.3	Specific Provisions (-)		447,396	4,915	452,311	399,412	4,362	403,774
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>INVESTMENT SECURITIES HELD TO MATURITY (Net)</b>	(6)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.1	Public Sector Debt Securities		-	-	-	-	-	-
8.2	Other Securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENT IN ASSOCIATES (Net)</b>	(7)	<b>250</b>	<b>-</b>	<b>250</b>	<b>250</b>	<b>-</b>	<b>250</b>
9.1	Equity Method Associates		-	-	-	-	-	-
9.2	Unconsolidated		250	-	250	250	-	250
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-Financial Investments		250	-	250	250	-	250
<b>X.</b>	<b>INVESTMENT IN SUBSIDIARIES (Net)</b>	(8)	<b>3,236</b>	<b>-</b>	<b>3,236</b>	<b>1,980</b>	<b>-</b>	<b>1,980</b>
10.1	Unconsolidated Financial Investments		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Investments		3,236	-	3,236	1,980	-	1,980
<b>XI.</b>	<b>ENTITIES UNDER COMMON CONTROL (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1	Equity Method Entities Under Common Control		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Investments		-	-	-	-	-	-
11.2.2	Non-Financial Investments		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	(10)	<b>287,433</b>	<b>889,183</b>	<b>1,176,616</b>	<b>308,602</b>	<b>669,883</b>	<b>978,485</b>
12.1	Financial Lease Receivables		367,364	1,032,283	1,399,647	398,518	780,250	1,178,768
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned Income (-)		79,931	143,100	223,031	89,916	110,367	200,283
<b>XIII.</b>	<b>HEDGING PURPOSE DERIVATIVES</b>	(11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Hedging of Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>		<b>355,655</b>	<b>175</b>	<b>355,830</b>	<b>340,551</b>	<b>156</b>	<b>340,707</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>		<b>46,418</b>	<b>-</b>	<b>46,418</b>	<b>36,545</b>	<b>-</b>	<b>36,545</b>
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		37,449	-	37,449	27,576	-	27,576
<b>XVI.</b>	<b>INVESTMENT PROPERTY (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>TAX ASSETS</b>	(12)	<b>13,448</b>	<b>974</b>	<b>14,422</b>	<b>24,287</b>	<b>516</b>	<b>24,803</b>
17.1	Current Tax Assets		13,399	-	13,399	-	-	-
17.2	Deferred Tax Assets		49	974	1,023	24,287	516	24,803
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(13)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18.1	Held for Sale		-	-	-	-	-	-
18.2	Discontinued Operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(14)	<b>446,527</b>	<b>491,882</b>	<b>938,409</b>	<b>367,757</b>	<b>663,439</b>	<b>1,031,196</b>
<b>TOTAL ASSETS</b>			<b>20,309,960</b>	<b>7,566,474</b>	<b>27,876,434</b>	<b>17,010,684</b>	<b>7,111,087</b>	<b>24,121,771</b>

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



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

**Finansbank Anonim Şirketi**

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

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

**I- CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY**

	Note Ref.	Reviewed 30.06.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	(1)	<b>7,944,664</b>	<b>8,440,132</b>	<b>16,384,796</b>	<b>7,210,053</b>	<b>7,853,269</b>	<b>15,063,322</b>
1.1 Deposits from the Risk Group of the Bank		20,112	319,223	339,335	2,175	580,961	583,136
1.2 Other		7,924,552	8,120,909	16,045,461	7,207,878	7,272,308	14,480,186
<b>II. TRADING DERIVATIVES</b>	(2)	<b>811,531</b>	<b>42,856</b>	<b>854,387</b>	<b>822,032</b>	<b>2,671</b>	<b>824,703</b>
<b>III. FUNDS BORROWED</b>	(3)	<b>478,218</b>	<b>3,519,891</b>	<b>3,998,109</b>	<b>465,968</b>	<b>3,204,703</b>	<b>3,670,671</b>
<b>IV. INTERBANK MONEY MARKETS</b>		<b>1,662,844</b>	<b>54,614</b>	<b>1,717,458</b>	<b>32,031</b>	<b>19,977</b>	<b>52,008</b>
4.1 Interbank Money Markets Takings		1,590	-	1,590	2,500	-	2,500
4.2 Istanbul Stock Exchange Money Markets Takings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements	(4)	1,661,254	54,614	1,715,868	29,531	19,977	49,508
<b>V. SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		<b>432,950</b>	<b>81,813</b>	<b>514,763</b>	<b>438,873</b>	<b>92,201</b>	<b>531,074</b>
<b>VIII. OTHER LIABILITIES</b>	(5)	<b>558,712</b>	<b>12,777</b>	<b>571,489</b>	<b>489,246</b>	<b>22,078</b>	<b>511,324</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	-	-	-
<b>DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(8)	<b>336,324</b>	-	<b>336,324</b>	<b>375,444</b>	-	<b>375,444</b>
12.1 General Provisions		143,226	-	143,226	122,759	-	122,759
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Termination Benefits		54,657	-	54,657	65,424	-	65,424
12.4 Insurance Technical Provisions(Net)		16,812	-	16,812	624	-	624
12.5 Other Provisions		121,629	-	121,629	186,637	-	186,637
<b>XIII. TAX LIABILITIES</b>	(9)	<b>3,944</b>	<b>6,877</b>	<b>10,821</b>	<b>26,062</b>	<b>7,198</b>	<b>33,260</b>
13.1 Current Tax Liability		368	6,877	7,245	22,669	7,198	29,867
13.2 Deferred Tax Liability		3,576	-	3,576	3,393	-	3,393
<b>XIV. PAYABLES RELATED TO ASSET HELD FOR SALE</b>	(10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(11)	-	496,932	496,932	-	237,739	237,739
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>3,015,569</b>	<b>(24,214)</b>	<b>2,991,355</b>	<b>2,822,791</b>	<b>(565)</b>	<b>2,822,226</b>
16.1 Paid-In Capital	(12)	1,400,000	-	1,400,000	1,400,000	-	1,400,000
16.2 Capital Reserves		(88,979)	(24,214)	(113,193)	(3,113)	(565)	(3,678)
16.2.1 Share Premium	(13)	-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund	(14)	(88,979)	(24,214)	(113,193)	(3,113)	(565)	(3,678)
16.2.4 Revaluation Fund on Tangible Assets		-	-	-	-	-	-
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Differences		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		-	-	-	-	-	-
16.3 Profit Reserves		1,164,872	-	1,164,872	664,108	-	664,108
16.3.1 Legal Reserves		142,859	-	142,859	107,179	-	107,179
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1,022,013	-	1,022,013	556,929	-	556,929
16.3.4 Other Profit Reserves		-	-	-	-	-	-
<b>16.4 Profit or Loss</b>		<b>419,106</b>	-	<b>419,106</b>	<b>648,760</b>	-	<b>648,760</b>
16.4.1 Prior Years' Profits or Losses		104,499	-	104,499	40,026	-	40,026
16.4.2 Current Year Profit or Loss		314,607	-	314,607	608,734	-	608,734
16.5 Minority Shares		120,570	-	120,570	113,036	-	113,036
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,244,756</b>	<b>12,631,678</b>	<b>27,876,434</b>	<b>12,682,500</b>	<b>11,439,271</b>	<b>24,121,771</b>

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

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

**Finansbank Anonim Şirketi**

**CONSOLIDATED STATEMENT OF CONTINGENCIES AND COMMITMENTS**

**AS OF JUNE 30, 2008**

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

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

	Note Ref.	Reviewed 30.06.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
<b>A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>20,608,493</b>	<b>21,630,554</b>	<b>42,239,047</b>	<b>18,450,148</b>	<b>17,627,530</b>	<b>36,077,678</b>
<b>I. GUARANTEES</b>	(1), (2), (3), (4)	<b>2,255,773</b>	<b>3,624,891</b>	<b>5,880,664</b>	<b>2,050,568</b>	<b>3,087,286</b>	<b>5,137,854</b>
1.1 Letters of Guarantee		2,255,605	1,780,077	4,035,682	2,050,555	1,565,936	3,616,491
1.1.1 Guarantees Subject to State Tender Law		151,199	-	151,199	163,816	-	163,816
1.1.2 Guarantees Given for Foreign Trade Operations		1,726,440	1,780,077	3,506,517	1,549,359	1,565,936	3,115,295
1.1.3 Other Letters of Guarantee		377,966	-	377,966	337,380	-	337,380
1.2 Bank Acceptances		156	925,172	925,328	-	778,607	778,607
1.2.1 Import Letter of Acceptances		156	925,172	925,328	-	778,607	778,607
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credits		12	862,150	862,162	13	615,812	615,825
1.3.1 Documentary Letters of Credit		12	815,519	815,531	13	554,158	554,171
1.3.2 Other Letters of Credit		-	46,631	46,631	-	61,654	61,654
1.4 Guaranteed Prefinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsement		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Collaterals		-	57,492	57,492	-	126,931	126,931
1.9 Other Sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>6,996,405</b>	<b>36,120</b>	<b>7,032,525</b>	<b>6,794,152</b>	<b>24,440</b>	<b>6,818,592</b>
2.1 Irrevocable Commitments		6,926,841	36,120	6,962,961	6,780,849	24,440	6,805,289
2.1.1 Asset Purchase Commitments		-	-	-	-	-	-
2.1.2 Deposit Purchase And Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitment to Associates and Subsidiaries		13,750	-	13,750	14,950	-	14,950
2.1.4 Loan Granting Commitments		555,929	-	555,929	1,683,595	-	1,683,595
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Check Payments		533,093	-	533,093	473,777	-	473,777
2.1.8 Tax and Fund Obligations from Export Commitments		0	-	0	-	-	-
2.1.9 Commitments for Credit Card Expenditure Limits		5,615,264	-	5,615,264	4,394,068	-	4,394,068
2.1.10 Commitments for Promotions Related with Credit Cards and Banking Activities		15,364	-	15,364	16,213	-	16,213
2.1.11 Receivables from Short Sale Commitments		0	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments		0	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		193,441	36,120	229,561	198,246	24,440	222,686
2.2 Revocable Commitments		69,564	-	69,564	13,303	-	13,303
2.2.1 Revocable Loan Granting Commitments		69,564	-	69,564	13,303	-	13,303
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	<b>11,356,315</b>	<b>17,969,543</b>	<b>29,325,858</b>	<b>9,605,428</b>	<b>14,515,804</b>	<b>24,121,232</b>
3.1 Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedging of Net Investments in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		11,356,315	17,969,543	29,325,858	9,605,428	14,515,804	24,121,232
3.2.1 Forward Foreign Currency Purchases / Sales		566,534	3,348,297	3,914,831	420,088	2,696,521	3,116,609
3.2.1.1 Forward Foreign Currency Purchases		270,832	1,685,741	1,956,573	265,370	1,295,169	1,560,539
3.2.1.2 Forward Foreign Currency Sales		295,702	1,662,556	1,958,258	154,718	1,401,352	1,556,070
3.2.2 Currency and Interest Rate Swaps		7,105,108	7,512,663	14,617,771	6,837,981	6,097,485	12,935,466
3.2.2.1 Currency Swap-Purchases		491,786	5,274,345	5,766,131	761,775	4,466,433	5,228,208
3.2.2.2 Currency Swap-Sales		6,421,438	1,026,540	7,447,978	6,033,502	852,912	6,886,414
3.2.2.3 Interest Rate Swap-Purchases		95,942	605,889	701,831	21,352	389,070	410,422
3.2.2.4 Interest Rate Swap-Sales		95,942	605,889	701,831	21,352	389,070	410,422
3.2.3 Currency, Interest Rates and Securities Options		3,644,232	6,868,175	10,512,407	2,324,047	5,548,038	7,872,085
3.2.3.1 Currency Options-Purchase		1,937,964	3,324,098	5,262,062	1,161,138	2,764,781	3,925,919
3.2.3.2 Currency Options-Sales		1,706,268	3,544,077	5,250,345	1,162,909	2,783,257	3,946,166
3.2.3.3 Interest Rate Options-Purchase		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5 Securities Options-Purchase		-	-	-	-	-	-
3.2.3.6 Securities Options-Sales		-	-	-	-	-	-
3.2.4 Currency Futures		40,441	240,408	280,849	23,312	173,760	197,072
3.2.4.1 Currency Futures-Purchase		38,466	102,460	140,926	11,656	86,880	98,536
3.2.4.2 Currency Futures-Sales		1,975	137,948	139,923	11,656	86,880	98,536
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchase		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>7,173,462</b>	<b>1,295,755</b>	<b>8,469,217</b>	<b>7,078,210</b>	<b>1,248,566</b>	<b>8,326,776</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>3,077,305</b>	<b>770,172</b>	<b>3,847,477</b>	<b>2,558,710</b>	<b>683,391</b>	<b>3,242,101</b>
4.1 Customers' Securities Held		126,055	0	126,055	14,640	-	14,640
4.2 Investment Securities Held in Custody		1,875,037	485,518	2,360,555	1,469,541	406,067	1,875,608
4.3 Checks Received For Collection		731,369	166,980	898,349	633,939	169,268	803,207
4.4 Commercial Notes Received for Collection		236,883	112,633	349,516	215,015	102,298	317,313
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Asset Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		107,958	5,041	112,999	195,569	5,613	201,182
4.8 Custodians		3	-	3	30,006	145	30,151
<b>V. PLEDGED ITEMS</b>		<b>4,096,157</b>	<b>525,583</b>	<b>4,621,740</b>	<b>4,519,500</b>	<b>565,175</b>	<b>5,084,675</b>
5.1 Securities		210,288	83,255	293,543	983,472	76,653	1,060,125
5.2 Guarantee Notes		90,110	61,549	151,659	94,435	55,378	149,813
5.3 Commodities		28,493	-	28,493	28,397	-	28,397
5.4 Warranties		-	-	-	-	-	-
5.5 Real Estates		-	-	-	-	-	-
5.6 Other Pledged Items		3,767,266	380,779	4,148,045	3,413,196	433,144	3,846,340
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>27,781,955</b>	<b>22,926,309</b>	<b>50,708,264</b>	<b>25,528,358</b>	<b>18,876,096</b>	<b>44,404,454</b>

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

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

**Finansbank Anonim Şirketi**

**CONSOLIDATED INCOME STATEMENT  
FOR PERIOD ENDED JUNE 30, 2008**

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

**IV. CONSOLIDATED INCOME STATEMENT**

		Reviewed 01.04- 30.06.2008	Reviewed 01.01- 30.06.2008	Reviewed 01.04- 30.06.2007	Reviewed 01.01- 30.06.2007	
		Note Ref	Total	Total	Total	
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>945,532</b>	<b>1,859,043</b>	<b>751,875</b>	<b>1,483,598</b>
1.1	Interest on loans		720,865	1,413,720	581,052	1,132,271
1.2	Interest received from reserve deposits		2,025	4,973	1,232	2,629
1.3	Interest received from banks		23,466	52,738	33,405	75,799
1.4	Interest received from money market placements		963	4,265	1,414	4,034
1.5	Interest received from marketable securities portfolio		162,439	310,526	109,501	220,159
1.5.1	Held-for-trading financial assets		544	1,492	287	287
1.5.2	Financial assets at fair value through profit and loss		16,318	22,510	-	-
1.5.3	Available-for-sale financial assets		145,577	286,524	109,214	219,872
1.5.4	Investments held-to-maturity		-	-	-	-
1.6	Finance lease income		35,318	71,486	24,928	47,537
1.7	Other interest income		456	1,335	343	1,169
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	<b>492,504</b>	<b>945,145</b>	<b>357,338</b>	<b>721,916</b>
2.1	Interest on deposits		387,031	755,459	276,718	556,099
2.2	Interest on funds borrowed		66,416	134,913	63,972	128,537
2.3	Interest on money market borrowings		38,968	54,659	16,645	37,275
2.4	Interest on securities issued		-	-	-	-
2.5	Other interest expense		89	114	3	5
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>453,028</b>	<b>913,898</b>	<b>394,537</b>	<b>761,682</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>159,525</b>	<b>297,010</b>	<b>100,598</b>	<b>200,410</b>
4.1	Fees and commissions received		184,447	346,447	118,572	232,017
4.1.1	Non-cash loans		14,031	28,570	16,334	36,076
4.1.2	Other		170,416	317,877	102,238	195,941
4.2	Fees and commissions paid		24,922	49,437	17,974	31,607
4.2.1	Non-cash loans		70	114	94	174
4.2.2	Other		24,852	49,323	17,880	31,433
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>267</b>	<b>267</b>	<b>-</b>	<b>322</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	(4)	<b>(33,365)</b>	<b>(113,361)</b>	<b>(60,057)</b>	<b>(122,850)</b>
6.1	Securities trading gains/ (losses)		(47,220)	(119,176)	(84,392)	(152,796)
6.2	Foreign exchange gains/ (losses)		13,855	5,815	24,335	29,946
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>56,062</b>	<b>84,918</b>	<b>22,364</b>	<b>68,815</b>
<b>VIII.</b>	<b>NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>635,517</b>	<b>1,182,732</b>	<b>457,442</b>	<b>908,379</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>99,862</b>	<b>189,676</b>	<b>45,887</b>	<b>101,850</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(7)	<b>285,053</b>	<b>555,167</b>	<b>232,350</b>	<b>446,567</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>250,602</b>	<b>437,889</b>	<b>179,205</b>	<b>359,962</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XIII.</b>	<b>GAIN / (LOSS) ON EQUITY METHOD</b>		-	-	-	-
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	(8)	<b>250,602</b>	<b>437,889</b>	<b>179,205</b>	<b>359,962</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(46,669)</b>	<b>(114,789)</b>	<b>(18,797)</b>	<b>40,238</b>
16.1	Provision for current income taxes		10,064	(61,722)	(41,087)	2,536
16.2	Provision for deferred taxes		(56,733)	(53,067)	22,290	37,702
<b>XVII.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(10)	<b>203,933</b>	<b>323,100</b>	<b>160,408</b>	<b>400,200</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
18.3	Income on other discontinued operations		-	-	-	-
<b>XIX.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
<b>XX.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	(8)	-	-	-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(9)	-	-	-	-
21.1	Provision for current income taxes		-	-	-	-
21.2	Provision for deferred taxes		-	-	-	-
<b>XXII.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(10)	-	-	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>203,933</b>	<b>323,100</b>	<b>160,408</b>	<b>400,200</b>
23.1	Group's profit/loss		198,768	314,607	155,847	390,934
23.2	Minority shares		5,165	8,493	4,561	9,266
	Earnings per share		0.0142	0.0225	0.0111	0.0279

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

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

**Finansbank Anonim Şirketi**

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

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

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

	Reviewed 01.01-30.06.2008	Reviewed 01.01-30.06.2007
<b>I.</b>		
Additions to marketable securities revaluation differences for available for sale financial assets	(138,619)	1,942
<b>II.</b>		
Tangible assets revaluation differences	-	-
<b>III.</b>		
Intangible assets revaluation differences	-	-
<b>IV.</b>		
Foreign exchange differences for foreign currency transactions	-	-
<b>V.</b>		
Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
<b>VI.</b>		
Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
<b>VII.</b>		
The effect of corrections of errors and changes in accounting policies	-	-
<b>VIII.</b>		
Other profit loss items accounted for under equity as per Turkish Accounting Standards	-	-
<b>IX.</b>		
Deferred tax of valuation differences	29,705	(553)
<b>X.</b>		
<b>Total Net Profit/Loss accounted for under equity (I+II+...+IX)</b>	<b>(108,914)</b>	<b>1,389</b>
<b>XI.</b>		
<b>Profit/Loss</b>		
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(601)	(732)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(601)	(732)
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
<b>XII.</b>		
<b>Total Profit/Loss accounted for in the Period (X±XI)</b>	<b>(109,915)</b>	<b>657</b>

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



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ORIGINALLY ISSUED IN TURKISH)

Finansbank Anonim Şirketi

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED JUNE 30, 2008 AND 2007

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Reviewed														Acc. valuation diff. from assets held for sale and assets from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity	
	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share premium	Share cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds					
<b>I</b>	<b>Current Period – 01.01.-30.06.2008</b>	<b>1,400,000</b>	-	-	-	107,179	-	556,929	-	-	648,760	(3,678)	-	-	-	-	-	2,709,190	113,036	2,822,226
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II.</b>	<b>Increase/Decrease related to merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Marketable securities valuation differences</b>	-	-	-	-	-	-	-	-	-	-	(109,515)	-	-	-	-	-	(109,515)	-	(109,515)
<b>IV.</b>	<b>Hedging Funds (Effective Portion)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Tangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Intangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Foreign exchange differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>The disposal of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>The reclassification of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>The effect of change in associate's equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Capital increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Share issue</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Share cancellation profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Inflation adjustment to paid-in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Other (*)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(959)
<b>XVII.</b>	<b>Period net income/(loss)</b>	-	-	-	-	-	-	-	-	314,607	-	-	-	-	-	-	-	314,607	8,493	323,100
<b>XVIII.</b>	<b>Profit distribution</b>	-	-	-	-	35,680	-	465,084	-	-	(544,261)	-	-	-	-	-	-	(43,497)	-	(43,497)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	(43,497)	-	-	-	-	-	-	(43,497)	-	(43,497)
18.2	Transfers to reserves	-	-	-	-	35,680	-	465,084	-	-	(500,764)	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Closing Balance (I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+ XIII)</b>	<b>1,400,000</b>	-	-	-	142,859	-	1,022,013	-	314,607	104,499	(113,193)	-	-	-	-	-	2,872,026	120,570	2,991,355

(\*) Includes the share increase of the Group on Finans Invest Trust from 75.98% to 81.12%.

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

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

**Finansbank Anonim Şirketi**

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

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

**VI. CONSOLIDATED CASH FLOW STATEMENT**

	Note Ref	Reviewed 01.01-30.06.2008	Reviewed 01.01-30.06.2007
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>91,378</b>	<b>778,363</b>
1.1.1 Interest received(+)		1,823,100	1,398,963
1.1.2 Interest paid (-)		(965,113)	721,078
1.1.3 Dividend received (+)		267	-
1.1.4 Fees and commissions received (+)		346,447	303,294
1.1.5 Other income (+)		79,042	246,452
1.1.6 Collections from previously written off loans (+)		70,400	57,957
1.1.7 Payments to personnel and service suppliers (-)		(506,261)	363,351
1.1.8 Taxes paid (-)		(94,273)	44,770
1.1.9 Others (+/-)		(662,231)	(99,104)
<b>1.2 Changes in operating assets and liabilities</b>		<b>865,458</b>	<b>(2,325,488)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(159,422)	(17,293)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(108)	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions (+/-)		(36,324)	17,141
1.2.4 Net (increase) decrease in loans (+/-)		(2,689,807)	(1,765,519)
1.2.5 Net (increase) decrease in other assets (+/-)		242,903	(321,166)
1.2.6 Net increase (decrease) in bank deposits (+/-)		(379,746)	(1,111,414)
1.2.7 Net increase (decrease) in other deposits (+/-)		1,731,843	986,454
1.2.8 Net increase (decrease) in funds borrowed (+/-)		577,415	(163,140)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		1,578,704	49,449
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>956,836</b>	<b>(1,547,125)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(940,566)</b>	<b>(592,959)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(1,256)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(35,248)	40,722
2.4 Fixed assets sales (+)		8,603	18,255
2.5 Cash paid for purchase of financial assets available for sale (-)		(1,512,816)	1,686,574
2.6 Cash obtained from sale of financial assets available for sale (+)		600,151	1,116,082
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities(+)		-	-
2.9 Others (+/-)		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>(123,631)</b>	<b>(64,143)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		(107,640)	64,143
3.5 Payments for finance leases (-)		(15,991)	-
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents (+/-)</b>		<b>20,083</b>	<b>2,111</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(87,278)</b>	<b>(2,202,113)</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>1,283,265</b>	<b>3,143,504</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>1,195,987</b>	<b>941,388</b>

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

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

**Finansbank Anonim Şirketi**

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

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

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

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

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

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

**2. Other classifications**

The Bank has classified YTL 76,723 leasehold improvements in "Intangible Assets (Net)" to "Tangible Assets (Net)" in the financial statements as of December 31, 2007.

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

The Bank has classified YTL 71,271 fees and commissions received for cash loans in "net fee and commission income" to "interest income" in the income statement for the period ended June 30, 2007.

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

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

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

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

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333 and "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.



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**Finansbank Anonim Şirketi**

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

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

The Group's consolidated financial statements have been prepared in accordance with TAS 29 "Reporting in Hyperinflationary Economies" until December 31, 2004. By a circular declared by the BRSA on April 28, 2005, it was stated that the indicators leading to comply with inflation accounting is no longer applicable and therefore, inflation accounting would not be applied starting from January 1, 2005.

**Explanation for Convenience Translation to English**

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

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

**Finansbank Anonim Şirketi**

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

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

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

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

The major funding sources of the Parent Bank are customer deposits and funds borrowed from international markets. The customer deposits are with fixed rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally with floating rates and are repriced at an average period of 3-6 months. The Parent Bank channels its placements to assets with high return, low risk and sufficient collaterals. The Parent 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 Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

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

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

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

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

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

**Finansbank Anonim Şirketi**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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*(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)*

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

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

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

As of June 30, 2008 the net foreign exchange loss included in the income statement are YTL 5,815 (June 30, 2007 - net foreign exchange gain of YTL 29,946).

**2.3. Foreign subsidiaries**

The assets and liabilities of consolidated foreign subsidiaries are translated to New Turkish Lira using the Parent Bank’s period end closing foreign exchange rates at the balance sheet date and income statements are translated using the Parent Bank’s annual average exchange rates. Translation differences resulting from the translation of income statements of the consolidated subsidiaries are reflected in “Securities Value Increase Fund” in the accompanying consolidated financial statements. The aforementioned translation gain is YTL 5,794 as of June 30, 2008 (December 31, 2007 – YTL 3,512 translation loss).

The effective portion of foreign currency differences stems from foreign investment and corresponding designated funding is recorded in “hedging reserves” under shareholders’ equity in compliance with the “net investment hedging”.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Thousands of New Turkish Lira (YTL) unless otherwise stated.)

**III. Presentation of information regarding the consolidated subsidiaries**

The accompanying consolidated financial statements are prepared in accordance with TAS 27 “Consolidated and Separate Financial Statements”.

The subsidiaries and associates included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
				June 30, 2008	December 31, 2007
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Turkey	Brokerage	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Turkey	Asset Management	100.00	100.00
3.	Finansbank Malta Limited	Malta	Banking	100.00	100.00
4.	Finans Malta Holdings Limited	Malta	Holding	100.00	100.00
5.	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Turkey	Investment Trust	81.12	75.98
6.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Leasing	59.24	59.24
7.	Finans Emeklilik ve Hayat A.Ş.	Turkey	Private Pension and Insurance	99.99	99.99

Subsidiaries which are incorporated in Turkey, maintain their books of account and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Capital Markets Board regulations, Turkish Commercial Code and Financial Leasing Law and the foreign subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and associates and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of June 30, 2008, December 31, 2007 and June 30, 2007.

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**Finansbank Anonim Şirketi**

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

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

**1. Subsidiaries**

As of June 30, 2008, December 31, 2007 and June 30, 2007 financial subsidiaries are fully consolidated and intercompany transactions and balances, including intercompany profits and losses are eliminated.

**2. Associates**

The Parent Bank does not have any associates or entities under common control that are consolidated in the accompanying financial statements.

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

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

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

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

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

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

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

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

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**Finansbank Anonim Şirketi**

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

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**V. Interest income and expense**

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

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

Fees and commissions income and expenses are accounted for on an accrual basis, except for certain transactions that income is recognized immediately. Other fee and commission expenses are considered as transaction cost and included in the amortised cost by using internal rate of return method. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, are recorded as income when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved. Dividend income from subsidiaries are eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

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

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

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

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

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

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

**2. Investment securities available for sale**

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

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale are recognized in the income statement whereas gains and losses

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arising from the change in the fair values of such securities are reflected in equity net of their tax effect under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity is transferred to the income statement.

**3. Investment securities held to maturity**

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

**4. Loans and specific provisions**

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

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

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

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

**VIII. Impairment of financial assets**

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

**IX. Netting of financial instruments**

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

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

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

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

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

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

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

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

**XI. Asset 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 Group does not have any assets held for sale.

A discontinued operation is a part of the Group’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group does not have any discontinued operation.

**XII. Goodwill and other intangible assets**

Group’s intangible assets consist of softwares , intangible rights and goodwill.

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

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

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

The difference between the acquisition cost of the subsidiaries and the net assets of the subsidiaries less impairment, if any, is represented as goodwill. An assessment for impairment is conducted for each balance sheet date, if there are any instances and changes indicating that the carrying amount of the goodwill would not be realized.



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**XIII. Tangible assets**

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

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

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

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

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

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

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

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

There are no purchase commitments related to the fixed assets.

**XIV. Leasing transactions**

Fixed assets acquired under finance lease contracts are recorded under "Tangible Fixed Assets" in the assets and under "Financial Lease Payables" in the liabilities 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 gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities as "Lessor" are stated under the finance lease receivables. The difference between the total of rent payments and the cost of the related fixed assets is reflected to the "unearned income" account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

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**XV. Provisions and contingencies**

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 Parent Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

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

**XVI. Obligations of the Group concerning employee rights**

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 Group 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 Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked in the Group.

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

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

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

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

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**XVII. Taxation**

**1. Corporate tax**

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

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

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

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

**2. Deferred taxes**

In accordance with TAS 12 “Income Taxes”, the Group 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.

Consolidated subsidiaries’ deferred tax assets and liabilities at their financial statements have been offset and the balance of net deferred tax asset is disclosed as YTL 1,023 (December 31,2007 – YTL 24,803), and the net deferred tax liability as YTL 3,576 (December 31,2007 –YTL 3,393).

As of June 30, 2008, deferred tax benefit resulting from temporary differences is YTL 53,067 (June 30, 2007- YTL 37,702 deferred tax charge). The deferred tax is reflected in “Deferred Tax Provision” in the accompanying income statement.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts. The deferred tax liability amounting to YTL 30,253 (December 31,2007 – YTL 1,149 – deferred tax asset) has been offset with “Securities Value Increase Fund” account under equity.

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**XVIII. Additional explanations on borrowings**

The Group generates funds from domestic and foreign sources whenever required. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are shown at their amortised cost by using the internal rate of return method.

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

**XIX. Shares and share issuances**

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

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

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

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

**XXI. Government incentives**

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

**XXII. Segment reporting**

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

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

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

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

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

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<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Operating Income</b>	<b>847,323</b>	<b>211,715</b>	<b>123,694</b>	<b>1,182,732</b>
Other (*)	(244,818)	215	244,603	-
<b>Operating Income</b>	<b>602,505</b>	<b>211,930</b>	<b>368,297</b>	<b>1,182,732</b>
<b>Operating Profit</b>	<b>204,898</b>	<b>144,506</b>	<b>88,485</b>	<b>437,889</b>
Income from Subsidiaries	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>437,889</b>
Corporate Tax	-	-	-	(114,789)
<b>Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>314,607</b>
Minority Rights	-	-	-	8,493
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,100</b>
<b>Total Assets</b>	<b>11,603,919</b>	<b>8,146,743</b>	<b>6,546,632</b>	<b>27,876,434</b>
Segment Assets	11,603,919	8,146,743	6,546,632	26,297,294
Associates and Subsidiaries	-	-	-	3,486
Undistributed Assets	-	-	-	1,575,654
<b>Total Liabilities</b>	<b>9,038,706</b>	<b>5,057,561</b>	<b>9,355,415</b>	<b>27,876,434</b>
Segment Liabilities	9,038,706	5,057,561	9,355,415	23,451,682
Undistributed Liabilities	-	-	-	1,433,397
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,991,355</b>
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,574</b>
Capital Investment	-	-	-	76,521
Depreciation and Amortization	-	-	-	35,671
Impairment	-	-	-	(618)

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

<b>Prior Period ( June 30, 2007)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Operating Income</b>	<b>462,876</b>	<b>189,215</b>	<b>256,288</b>	<b>908,379</b>
Other (*)	(121,715)	(51,878)	173,593	-
<b>Operating Income</b>	<b>341,161</b>	<b>137,337</b>	<b>429,881</b>	<b>908,379</b>
<b>Operating Profit</b>	<b>141,187</b>	<b>140,591</b>	<b>78,184</b>	<b>359,962</b>
Income From Associates	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,962</b>
Corporate Tax	-	-	-	40,238
<b>Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>390,934</b>
Minority Shares	-	-	-	9,266
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,200</b>
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,428</b>
Capital Investments	-	-	-	47,122
Depreciation and Amortization	-	-	-	26,911
Value Decrease/Increase	-	-	-	(3,571)

<b>Prior Period ( December 31, 2007)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>Total Assets</b>	<b>9,936,566</b>	<b>6,125,412</b>	<b>6,459,009</b>	<b>24,121,771</b>
Segment Assets	9,936,566	6,125,412	6,459,009	22,520,987
Associates and Subsidiaries	-	-	-	2,230
Undistributed Assets	-	-	-	1,598,554
<b>Total Liabilities</b>	<b>7,881,054</b>	<b>4,975,479</b>	<b>7,004,184</b>	<b>24,121,771</b>
Segment Liabilities	7,881,054	4,975,479	7,004,184	19,860,717
Undistributed Liabilities	-	-	-	1,438,828
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,822,226</b>

**XXIII. Explanations on Other Matters**

None.

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**SECTION FOUR**

**INFORMATION ON GROUP'S FINANCIAL STRUCTURE**

**I. Consolidated capital adequacy ratio**

The Group's consolidated capital adequacy ratio is 13.00% as of June 30, 2008. (December 31, 2007 – 12.75%)

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

Capital adequacy ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" published in the Official Gazette No.26333, dated November 1, 2006, And also " The Regulation of the Change at the Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" published in the Official Gazette No:26669 dated October 10,2007. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "Regulation on Banks' Internal Control and Risk Management Systems" and factored into capital adequacy ratio.

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

In the calculation of their risk-based values, non-cash loans are weighted after netting off specific provisions that are classified under respective offsetting accounts and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding 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 and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

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**Consolidated and Unconsolidated capital adequacy ratio**

	Parent Bank							Risk Weight							Consolidated						
	%0	%10	%20	%50	%100	%150	%200	%0	%10	%20	%50	%100	%150	%200	%0	%10	%20	%50	%100	%150	%200
<b>Value at Credit Risk</b>																					
<b>Balance Sheet Items (Net)</b>	<b>1,720,810</b>	-	<b>323,362</b>	<b>5,221,631</b>	<b>12,201,233</b>	<b>184,080</b>	<b>11,546</b>	<b>1,793,835</b>	-	<b>472,841</b>	<b>6,226,628</b>	<b>14,212,871</b>	<b>184,080</b>	<b>11,546</b>	<b>1,793,835</b>	-	<b>472,841</b>	<b>6,226,628</b>	<b>14,212,871</b>	<b>184,080</b>	<b>11,546</b>
Cash on Hand	220,533	-	427	-	-	-	-	220,604	-	427	-	-	-	-	220,604	-	427	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	521,055	-	-	-	-	-	-	521,055	-	-	-	-	-	-	521,055	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign	-	-	322,235	-	78,584	-	-	-	-	453,161	-	78,584	-	-	-	-	453,161	-	78,584	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase	-	-	-	-	-	-	-	-	-	10,547	-	-	-	-	-	-	10,547	-	-	-	-
Reserve Deposits	648,214	-	-	-	-	-	-	648,214	-	-	-	-	-	-	648,214	-	-	-	-	-	-
Loans	298,449	-	-	5,168,616	10,437,518	184,080	11,546	368,101	-	7,934	5,950,106	11,784,502	184,080	11,546	368,101	-	7,934	5,950,106	11,784,502	184,080	11,546
Loans under Follow-Up (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-	-	1,976	-	-	213,133	943,184	-	-	-	-	213,133	943,184	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	490,207	-	-	-	-	-	-	497,271	-	-	-	-	-	-	497,271	-	-
Accrued Interest and Income	18,484	-	700	53,015	177,121	-	-	19,463	-	772	63,389	201,863	-	-	19,463	-	772	63,389	201,863	-	-
Investments in Associates, Subsidiaries	-	-	-	-	385,240	-	-	0	-	-	-	3,486	-	-	0	-	-	-	3,486	-	-
Tangible Assets (Net)	-	-	-	-	342,197	-	-	0	-	-	-	355,830	-	-	0	-	-	-	355,830	-	-
Other Assets	14,075	-	-	-	290,366	-	-	14,422	-	-	-	348,151	-	-	14,422	-	-	-	348,151	-	-
<b>Off-Balance Sheet Items</b>	<b>51,153</b>	-	<b>454,936</b>	<b>319,053</b>	<b>4,778,030</b>	-	-	<b>51,153</b>	-	<b>454,936</b>	<b>319,053</b>	<b>4,778,064</b>	-	-	<b>51,153</b>	-	<b>454,936</b>	<b>319,053</b>	<b>4,778,064</b>	-	-
Non-Cash Loans and Commitments	51,153	-	-	319,053	4,731,883	-	-	51,153	-	-	319,053	4,731,883	-	-	51,153	-	-	319,053	4,731,883	-	-
Derivative Financial Instruments	-	-	454,936	-	46,147	-	-	-	-	454,936	-	46,181	-	-	-	-	454,936	-	46,181	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>1,771,963</b>	-	<b>778,298</b>	<b>5,540,684</b>	<b>16,979,263</b>	<b>184,080</b>	<b>11,546</b>	<b>1,844,988</b>	-	<b>927,777</b>	<b>6,545,681</b>	<b>18,990,935</b>	<b>184,080</b>	<b>11,546</b>	<b>1,844,988</b>	-	<b>927,777</b>	<b>6,545,681</b>	<b>18,990,935</b>	<b>184,080</b>	<b>11,546</b>
<b>Total Risk Weighted Assets</b>	-	-	<b>155,660</b>	<b>2,770,342</b>	<b>16,979,263</b>	<b>276,120</b>	<b>23,092</b>	-	-	<b>185,555</b>	<b>3,272,841</b>	<b>18,990,935</b>	<b>276,120</b>	<b>23,092</b>	-	-	<b>185,555</b>	<b>3,272,841</b>	<b>18,990,935</b>	<b>276,120</b>	<b>23,092</b>

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

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	20,204,477	18,272,288	22,748,543	20,598,082
Value at Market Risk	1,670,713	1,405,338	1,725,450	1,484,463
Value at Operational Risk	2,698,723	2,084,276	2,626,528	2,088,439
Shareholders' Equity	3,203,400	2,827,904	3,522,951	3,081,000
Shareholders' Equity/(VaCR+VaMR+VaOR)x100	%13.04	%12.99	%13.00	%12.75

VACR : Value at Credit Risk  
 VAMR : Value at Market Risk  
 VAOR : Value at Operational Risk

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**Components of consolidated shareholders' equity items**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital		
Nominal Capital	1,400,000	1,400,000
Capital Commitments (-)	1,400,000	1,400,000
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves		
I. Legal Reserve (Turkish Commercial Code 466/1)	142,859	107,179
II. Legal Reserve (Turkish Commercial Code 466/2)	124,940	93,038
Reserves allocated as per Special Legislations	17,919	14,141
Status Reserves	-	-
Extraordinary Reserves		
Reserve Allocated as per the Decision Held by the General Assembly	652,207	187,123
Retained Earnings	652,207	187,123
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Minority Interest	419,106	648,760
Profit		
Current Period Profit	104,499	40,026
Prior Periods Profit	47,937	85,688
Provision for Possible Losses (up to 25% of Core Capital)	369,809	369,806
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	-	-
Primary Subordinated Debt (up to 15% of Core Capital)	120,570	113,036
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Consolidation Goodwill (Net) (-)	8,969	8,969
<b>Total Core Capital</b>	<b>3,143,516</b>	<b>2,902,623</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	143,226	122,759
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	475,735	232,940
Securities Value Increase Fund	(116,380)	(3,678)
Associates and Subsidiaries	2,607	(3,512)
Investment Securities Available for Sale	(118,987)	(166)
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>502,581</b>	<b>352,021</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>3,646,097</b>	<b>3,254,644</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>123,146</b>	<b>173,644</b>
Leasehold Improvements (-) (*)	-	76,723
Prepaid Expenses (-)	84,266	67,892
Intangible Assets (-)	37,449	27,576
Deferred Tax Asset Exceeding 10% of Core Capital	-	-
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years After Foreclosure	1,431	1,453
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,522,951</b>	<b>3,081,000</b>

(\*)The leasehold improvements, prepaid taxes and intangible assets stated above are not included to core capital based on the related communiqué and instead included to deductions from capital.



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**II. Information on consolidated market risk**

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

Based on the proposal of High Level Risk Committee, the Board of Directors of the Parent 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 Parent 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 Parent Bank requires risk management group and the top management of the Parent Bank to take necessary actions in order to identify, measure, control and manage the risks that the Parent 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".

**1. Information on consolidated market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	96,758
(II) Capital Obligation against Specific Risks - Standard Method	22,360
(III) Capital Obligation against Currency Risk - Standard Method	17,464
(IV) Capital Obligation against Commodity Risks - Standard Method	-
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,454
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	138,036
<b>(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)</b>	<b>1,725,450</b>

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**III. Information on consolidated foreign currency exchange rate risk**

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

As of June 30, 2008, net foreign currency exposure of the Group is YTL 153,943 short (December 31, 2007 - YTL 189,832 short) resulting from on balance sheet short position amounting to YTL 4,169,466 (December 31, 2007 - YTL 3,678,694 short) and long off balance sheet position amounting to YTL 4,015,523 (December 31, 2007 - YTL 3,488,862 long). The long off balance sheet position amounting to YTL 4,247,805 (December 31, 2007 - YTL 3,613,521 ) is related with the FC/YTL swap transactions performed with banks and customers. The Group performs these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions and swap transactions to decrease foreign currency position risk. The Group 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 Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

The Group designated a hedging relationship amounting to EUR 100 million to hedge its investment in Finans Malta Holdings Ltd. Accordingly the Group has taken a position on deposits equal to its net investment in foreign operations. The valuation differences of the net investment for the current year amounting to YTL 9,656 gain and the valuation differences in the hedging instrument amounting to YTL 9,656 loss have been accounted for under "Securities Value Increase Fund".

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

US Dollar purchase rate at the date of the balance sheet	YTL 1.2237	
Euro purchase rate at the date of the balance sheet	YTL 1.9271	
Date	US Dollars	Euro
June 30, 2008	YTL 1.2237	YTL 1.9271
June 27, 2008	YTL 1.2095	YTL 1.8981
June 26, 2008	YTL 1.2182	YTL 1.8977
June 25, 2008	YTL 1.2250	YTL 1.9063
June 24, 2008	YTL 1.2209	YTL 1.8964
June 23, 2008	YTL 1.2166	YTL 1.8962

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

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

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**5. Information on the consolidated foreign currency exchange rate risk**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>YEN</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	55,320	937,110	51	6,331	998,812
Due from Banks and Other Financial Institutions	149,193	221,777	332	89,739	461,041
Financial Assets at Fair Value through Profit/Loss (***)	326	40,132	-	-	40,458
Interbank Money Market Placements	-	-	-	-	-
Securities Available-for-Sale	52,220	313,322	-	-	365,542
Loans (*)	2,011,888	3,140,028	23,425	64,185	5,239,526
Investments in Assoc., Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Held for Hedging	-	-	-	-	-
Tangible Assets	160	-	-	15	175
Intangible Assets	-	-	-	-	-
Other Assets (***)	705,884	670,853	1,087	3,048	1,380,872
<b>Total Assets</b>	<b>2,974,991</b>	<b>5,323,222</b>	<b>24,895</b>	<b>163,318</b>	<b>8,486,426</b>
<b>Liabilities</b>					
Bank Deposits	699,221	884,456	17	1,793	1,585,487
Foreign Currency Deposits	1,818,859	4,944,750	2,385	88,651	6,854,645
Money Market Deposits	-	54,614	-	-	54,614
Funds Provided from Other Financial Institutions	781,906	3,234,513	404	-	4,016,823
Securities Issued	-	-	-	-	-
Sundry Creditors	38,965	38,144	3,041	1,663	81,813
Derivative Financial Liabilities Held for Hedging	-	-	-	-	-
Other Liabilities (***)	16,590	45,660	-	260	62,510
<b>Total Liabilities</b>	<b>3,355,541</b>	<b>9,202,137</b>	<b>5,847</b>	<b>92,367</b>	<b>12,655,892</b>
<b>Net Balance Sheet Position</b>	<b>(380,550)</b>	<b>(3,878,915)</b>	<b>19,048</b>	<b>70,951</b>	<b>(4,169,466)</b>
<b>Net Off-Balance Sheet Position</b>	<b>535,314</b>	<b>3,486,087</b>	<b>(7,567)</b>	<b>1,689</b>	<b>4,015,523</b>
Financial Derivative Assets	1,926,892	8,727,952	23,743	313,946	10,992,533
Financial Derivative Liabilities	1,391,578	5,241,865	31,310	312,257	6,977,010
Non-Cash Loans (*)	1,030,827	2,315,086	5,659	273,319	3,624,891
<b>Prior Period</b>					
Total Assets	2,669,910	5,008,495	7,224	74,429	7,760,058
Total Liabilities	2,578,272	8,746,176	4,936	109,368	11,438,752
<b>Net Balance Sheet Position</b>	<b>91,638</b>	<b>(3,737,681)</b>	<b>2,288</b>	<b>(34,939)</b>	<b>(3,678,694)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(22,760)</b>	<b>3,458,690</b>	<b>2,685</b>	<b>50,247</b>	<b>3,488,862</b>
Financial Derivative Assets	1,294,006	7,258,347	39,001	410,979	9,002,333
Financial Derivative Liabilities	1,316,766	3,799,657	36,316	360,732	5,513,471
Non-Cash Loans (*)	858,482	1,958,275	4,349	266,180	3,087,286

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

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

(\*\*\*) Does not include the prepaid expenses amounting to YTL 1,167 ( December 31, 2007 – YTL 1,170 ) that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006. Accrued foreign exchange income and expenses on derivative transactions amounting to YTL 767 ( December 31, 2007 – YTL 5 ), are excluded.

(\*\*\*\*) Other liabilities do not include YTL 24,214 YTL (December 31, 2007 – YTL 565 ) of valuation difference of securities.

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**IV. Information on consolidated interest rate risk**

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent 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 Parent 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 Parent Bank carry positive interest yield and assets and liabilities are repriced within an average of 6 months. Consequently the Parent Bank carries limited interest rate risk.

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

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**Information related to the consolidated interest rate sensitivity of assets, liabilities and off-balance sheet items  
(Based on repricing dates)**

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing (*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	664,063	-	-	-	-	742,037	1,406,100
Due form Banks and Other Financial Institutions	287,493	1,028	9,892	-	-	234,386	532,799
Financial Assets at Fair Value Through Profit/Loss	9,005	64,873	17,004	359,287	-	383,453	833,622
Interbank Money Markets	10,606	-	-	-	-	-	10,606
Securities Available for Sale	810,177	1,520,745	383,296	1,167,598	-	127,080	4,008,896
Loans	4,761,393	3,220,644	5,087,429	4,199,379	1,280,385	-	18,549,230
Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (*)	90,468	70,105	305,558	696,346	14,139	1,358,565	2,535,181
<b>Total Assets</b>	<b>6,633,205</b>	<b>4,877,395</b>	<b>5,803,179</b>	<b>6,422,610</b>	<b>1,294,524</b>	<b>2,845,521</b>	<b>27,876,434</b>
<b>Liabilities</b>							
Interbank Deposits	1,398,642	523,106	322,456	-	-	22,631	2,266,835
Other Deposits	9,943,655	2,059,583	178,528	5,945	8,394	1,921,856	14,117,961
Money Market Borrowings	1,717,145	313	-	-	-	-	1,717,458
Sundry Creditors	-	-	-	-	-	514,763	514,763
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	464,578	335,520	1,942,496	1,502,506	249,941	-	4,495,041
Other Liabilities (*)	80,188	373,469	13,906	10,686	-	4,286,127	4,764,376
<b>Total Liabilities</b>	<b>13,604,208</b>	<b>3,291,991</b>	<b>2,457,386</b>	<b>1,519,137</b>	<b>258,335</b>	<b>6,745,377</b>	<b>27,876,434</b>
On Balance Sheet Long Position	(6,971,003)	-	-	-	-	(3,899,856)	(10,870,859)
On Balance Sheet Short Position	-	1,585,404	3,345,793	4,903,473	1,036,189	-	10,870,859
Off-Balance Sheet Long Position	-	-	1,154	-	-	-	1,154
Off-Balance Sheet Short Position	(97,688)	(321,516)	-	-	-	-	(419,204)
<b>Total Position</b>	<b>(7,068,691)</b>	<b>1,263,888</b>	<b>3,346,947</b>	<b>4,903,473</b>	<b>1,036,189</b>	<b>(3,899,856)</b>	<b>(418,050)</b>

(\*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 938,409, tangible assets amounting to YTL 355,830, intangible assets amounting to YTL 46,418, associates and subsidiaries amounting to YTL 3,486, tax asset amounting to YTL 14,422; and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to YTL 2,991,355, other external resources amounting to YTL 571,489, provisions amounting to YTL 336,324, derivative financial liabilities held for trading amounting to YTL 376,138 and deferred tax liability amounting to YTL 10,821.

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

<b>Current Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>Yen %</b>	<b>YTL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.00	-	12.18
Due form Banks and Other Financial Institutions	4.09	2.78	-	17.65
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Securities Available for Sale	5.88	9.14	-	17.28
Loans	7.08	5.79	3.17	22.40(*)
Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4.03	4.83	-	19.15
Other Deposits	3.61	3.61	-	16.75
Money Market Borrowings	-	1.90	-	18.58
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.90	5.40	-	12.26

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

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**Information related to the consolidated 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) and Balances with the Central Bank of Turkey	607,873	-	-	-	-	605,086	1,212,959
Due form Banks and Other							
Financial Institutions	601,136	5,218	8,962	-	-	117,681	732,997
Financial Assets at Fair Value Through Profit/Loss	8,837	1,399	74,761	158,985	-	56,901	300,883
Interbank Money Markets	17,728	-	-	-	-	-	17,728
Securities Available for Sale	1,007,075	1,318,507	199,389	657,314	-	93,741	3,276,026
Loans	2,380,620	6,293,371	3,407,292	2,558,787	1,527,142	-	16,167,212
Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (*)	80,628	61,441	275,120	552,156	9,140	1,435,481	2,413,966
<b>Total Assets</b>	<b>4,703,897</b>	<b>7,679,936</b>	<b>3,965,524</b>	<b>3,927,242</b>	<b>1,536,282</b>	<b>2,308,890</b>	<b>24,121,771</b>
<b>Liabilities</b>							
Interbank Deposits	987,314	1,029,235	104,121	-	-	41,528	2,162,198
Other Deposits	7,849,886	2,823,637	337,041	4,062	11,537	1,874,961	12,901,124
Money Market Borrowings	51,914	94	-	-	-	-	52,008
Sundry Creditors	-	-	-	-	-	531,074	531,074
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other							
Financial Institutions	82,940	252,353	1,717,716	1,487,295	368,106	-	3,908,410
Other Liabilities (*)	157,592	589,240	4,966	-	-	3,815,159	4,566,957
<b>Total Liabilities</b>	<b>9,129,646</b>	<b>4,694,559</b>	<b>2,163,844</b>	<b>1,491,357</b>	<b>379,643</b>	<b>6,262,722</b>	<b>24,121,771</b>
On Balance Sheet Long Position	-	2,985,377	1,801,680	2,435,885	1,156,639	-	8,379,581
On Balance Sheet Short Position	(4,425,749)	-	-	-	-	(3,953,832)	(8,379,581)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(156,759)	(587,841)	(4,966)	-	-	-	(749,566)
<b>Total Position</b>	<b>(4,582,508)</b>	<b>2,397,536</b>	<b>1,796,714</b>	<b>2,435,885</b>	<b>1,156,639</b>	<b>(3,953,832)</b>	<b>(749,566)</b>

(\*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 1,031,196, tangible assets amounting to YTL 340,707, intangible assets amounting to YTL 36,545, associates and subsidiaries amounting to YTL 2,230, tax asset amounting to YTL 24,803 and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to YTL 2,822,226, other external resources amounting to YTL 511,324, provisions amounting to YTL 375,444, derivative financial liabilities held for trading amounting to YTL 72,905, tax liability amounting to YTL 33,260.

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

Prior Period	EUR %	USD %	Yen %	YTL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	-	11.81
Due form Banks and Other Financial Institutions	3.07	4.33	-	16.43
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Securities Available for Sale	5.95	10.28	-	18.60
Loans	7.17	7.35	2.84	23.30(*)
Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4.11	5.26	-	16.00
Other Deposits	4.32	5.18	-	17.38
Money Market Borrowings	-	4.59	-	15.78
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.75	6.73	-	12.82

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

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**V. Information related to consolidated liquidity risk**

**1. The sources of the current liquidity risk of the Parent 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 Parent Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed in 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 Parent 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.

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

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

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

In order to meet urgent liquidity needs approximately 5 % of the balance sheet size is allocated to cash balance.

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

Cash flows mainly consist of New Turkish Lira, US Dollars and Euro.

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

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Un-allocated (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	742,037	664,063	-	-	-	-	-	1,406,100
Due form Banks and Other Financial Institutions	234,386	287,493	1,028	9,892	-	-	-	532,799
Financial Assets at Fair Value Through Profit/Loss	-	255,982	109,572	28,741	428,425	10,902	-	833,622
Interbank Money Markets	-	10,606	-	-	-	-	-	10,606
Securities Available for Sale	123,314	64,530	109,739	177,160	2,917,674	612,713	3,766	4,008,896
Loans	-	4,283,879	2,181,117	5,111,889	5,876,283	1,096,062	-	18,549,230
Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	21,789	799,514	92,430	318,957	797,676	14,139	490,676	2,535,181
<b>Total Assets</b>	<b>1,121,526</b>	<b>6,366,067</b>	<b>2,493,886</b>	<b>5,646,639</b>	<b>10,020,058</b>	<b>1,733,816</b>	<b>494,442</b>	<b>27,876,434</b>
<b>Liabilities</b>								
Bank Deposits	22,631	1,398,642	523,106	322,456	-	-	-	2,266,835
Other Deposits	1,921,856	9,943,655	2,059,583	178,528	5,945	8,394	-	14,117,961
Funds Provided from Other Financial Institutions	-	108,454	172,231	1,829,645	2,125,134	259,577	-	4,495,041
Interbank Money Markets	-	1,717,145	313	-	-	-	-	1,717,458
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	482,022	2,281	3,397	4,109	22,954	-	514,763
Other Liabilities	-	841,962	549,301	20,185	10,781	3,647	3,338,500	4,764,376
<b>Total Liabilities</b>	<b>1,944,487</b>	<b>14,491,880</b>	<b>3,306,815</b>	<b>2,354,211</b>	<b>2,145,969</b>	<b>294,572</b>	<b>3,338,500</b>	<b>27,876,434</b>
<b>Liquidity Gap</b>	<b>(822,961)</b>	<b>(8,125,813)</b>	<b>(812,929)</b>	<b>3,292,428</b>	<b>7,874,089</b>	<b>1,439,244</b>	<b>(2,844,058)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	857,000	4,483,406	3,931,690	4,603,856	7,531,952	2,259,937	453,930	24,121,771
Total Liabilities	1,917,398	9,957,074	3,997,613	2,106,008	2,522,113	478,727	3,142,838	24,121,771
<b>Liquidity Gap</b>	<b>(1,060,398)</b>	<b>(5,473,668)</b>	<b>(65,923)</b>	<b>2,497,848</b>	<b>5,009,839</b>	<b>1,781,210</b>	<b>(2,688,908)</b>	<b>-</b>

(\*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted at stock exchange, office supply inventory, and prepaid expenses are classified under this column. Unallocated other liabilities column includes shareholders' equity amounting to YTL 2,991,355, unallocated provisions amounting to YTL 336,324 and deferred tax amounting YTL 10,821.



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**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**

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

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	115,531	105,048	95,045	97,397
Central Bank of Turkey	291,732	893,337	179,796	840,076
Others	25	427	51	594
<b>Total</b>	<b>407,288</b>	<b>998,812</b>	<b>274,892</b>	<b>938,067</b>

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

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

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

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

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

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

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

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

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

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

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	3,585	444	7,031	420
Swap Transactions	380,108	650	15,225	5
Futures	-	303	-	158
Options	574	39,828	-	267
Other	873	-	726	-
<b>Total</b>	<b>385,140</b>	<b>41,225</b>	<b>22,982</b>	<b>850</b>

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Domestic	9,270	25,473	12,045	77,148
Foreign	62,488	435,568	137,269	506,535
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>71,758</b>	<b>461,041</b>	<b>149,314</b>	<b>583,683</b>

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

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	609,007	8,834	604,307	25,004
Other	-	-	-	-
<b>Total</b>	<b>609,007</b>	<b>8,834</b>	<b>604,307</b>	<b>25,004</b>

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	1,236,187	-	13,927	-
Treasury Bills	117,170	-	-	-
Other Debt Securities	-	58,077	-	23,114
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,353,357</b>	<b>58,077</b>	<b>13,927</b>	<b>23,114</b>

**c) Investment securities available-for-sale**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>3,971,997</b>	<b>3,181,675</b>
Quoted on a Stock Exchange	3,861,351	3,024,651
Unquoted on a Stock Exchange (*)	110,646	157,024
<b>Share Certificates</b>	<b>134,151</b>	<b>95,671</b>
Quoted on a Stock Exchange	130,385	91,905
Unquoted on a Stock Exchange	3,766	3,766
<b>Impairment provision</b>	<b>(97,252)</b>	<b>(1,320)</b>
<b>Total</b>	<b>4,008,896</b>	<b>3,276,026</b>

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

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**5. Information related to loans**

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

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

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

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

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>Non-Specialized Loans</b>	<b>18,016,122</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>
Discount Notes	77,962	-	-	-
Export Loans	1,125,393	-	-	-
Import Loans	2,661	-	-	-
Loans Given to Financial Sector	270,854	-	-	-
International Loans	4,302	-	-	-
Consumer Loans (*)	5,075,238	-	-	-
Credit Cards	3,093,444	-	-	-
Precious Metals Loans (Gold etc.)	-	-	-	-
Other	8,366,268	-	505,840	27,268
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>18,016,122</b>	<b>-</b>	<b>505,840</b>	<b>27,268</b>

(\*) The mortgage loans amounting to YTL 2,859,199 utilized between January 1, 2006 and December 31, 2007 which are classified in consumer loans as per the balance sheet structure, are valued as fair value through profit/loss. As of June 30, 2008 the fair value loss of these mortgage loans is amounting to YTL 176,072.

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

<b>Cash Loans</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Short Term Loans</b>	<b>8,339,240</b>	-	-	-
Non-Specialized Loans	8,339,240	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long Term Loans</b>	<b>9,676,882</b>	-	<b>505,840</b>	<b>27,268</b>
Non-Specialized Loans	9,676,882	-	505,840	27,268
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>18,016,122</b>		<b>505,840</b>	<b>27,268</b>

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

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

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

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>	<b>Interest and Income Accrual</b>
<b>Commercial Loans with Installment Facility-YTL</b>	<b>234,455</b>	<b>1,815,462</b>	<b>2,049,917</b>	<b>40,602</b>
Real Estate Loans	120	141,126	141,246	1,463
Automobile Loans	7,297	711,011	718,308	15,245
General Purpose Loans	227,038	963,325	1,190,363	23,894
Other	-	-	-	-
<b>Commercial Loans with Installment Facility-FC Indexed</b>	<b>37,043</b>	<b>301,248</b>	<b>338,291</b>	<b>16,209</b>
Real Estate Loans	-	24,970	24,970	926
Automobile Loans	743	62,532	63,275	4,341
General Purpose Loans	36,300	213,746	250,046	10,942
Other	-	-	-	-
<b>Commercial Loans with Installment Facility-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards - YTL</b>	<b>21,012</b>	<b>-</b>	<b>21,012</b>	<b>454</b>
Installment	5,613	-	5,613	121
Non-Installment	15,399	-	15,399	333
<b>Corporate Credit Cards - FC</b>	<b>446</b>	<b>-</b>	<b>446</b>	<b>10</b>
Installment	-	-	-	-
Non-Installment	446	-	446	10
<b>Deposit Accounts - YTL (Legal Entities)</b>	<b>110,126</b>	<b>-</b>	<b>110,126</b>	<b>8</b>
<b>Deposit Accounts - FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>403,082</b>	<b>2,116,710</b>	<b>2,519,792</b>	<b>57,283</b>

**f) Loans according to borrowers**

	<b>Current Period</b>	<b>Prior Period</b>
Public	-	-
Private	18,549,230	16,167,212
<b>Total</b>	<b>18,549,230</b>	<b>16,167,212</b>

**g) Domestic and foreign loans**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	18,544,928	16,158,809
Foreign Loans	4,302	8,403
<b>Total</b>	<b>18,549,230</b>	<b>16,167,212</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Direct Loans Granted to Subsidiaries and Associates	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**i) Specific provisions for loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions</b>		
Loans and Receivables with Limited Collectability	102,401	90,034
Loans and Receivables with Doubtful Collectability	152,914	130,985
Uncollectible Loans and Receivables	196,996	182,755
<b>Total</b>	<b>452,311</b>	<b>403,774</b>

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

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Prior Period End Balance</b>	<b>90,034</b>	<b>130,985</b>	<b>182,755</b>
Additions (+)	195,117	-	28,683
Transfers from Other Categories of Loans under Follow-up (+)	-	143,123	108,527
Transfers to Other Categories of Loans under Follow-up (-)	143,123	108,527	-
Collections (-)	39,627	12,667	18,106
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>104,863</b>
Corporate and Commercial Loans	-	-	61,487
Consumer Loans	-	-	5,970
Credit Cards	-	-	37,406
Others	-	-	-
<b>Current Period End Balance</b>	<b>102,401</b>	<b>152,914</b>	<b>196,996</b>
Specific Provision (-)	102,401	152,914	196,996
<b>Net Balances on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

None.

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	102,401	152,914	196,996
Specific provision (-)	102,401	152,914	196,996
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	90,034	130,985	182,755
Specific provision (-)	90,034	130,985	182,755
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

For the unrecoverable non performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this can not be possible than the Group 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) Explanation on write-off policy:**

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

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<b>6.</b>	<b>Information on investment securities held-to-maturity</b>				
<b>6.1.</b>	<b>Information on securities subject to repurchase agreement and given as collateral or blocked</b>				
<b>6.1.1.</b>	<b>Information on securities subject to repurchase agreement</b>				
		<b>Current Period</b>		<b>Prior Period</b>	
		<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
	Government Bonds	-	-	-	-
	Treasury Bills	-	-	-	-
	Other Debt Securities	-	-	-	-
	Bonds Issued or Guaranteed by the Group	-	-	-	-
	Asset Backed Securities	-	-	-	-
	Other	-	-	-	-
	<b>Total</b>	-	-	-	-
<b>6.1.2.</b>	<b>Information on subject to given as collateral or blocked</b>				
		<b>Current Period</b>		<b>Prior Period</b>	
		<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
	Bills	-	-	-	-
	Bonds and Similar Marketable Securities	-	-	-	-
	Other	-	-	-	-
	<b>Total</b>	-	-	-	-
<b>6.2.</b>	<b>Information on accounts in which government securities held-to-maturity are reflected</b>				
		<b>Current Period</b>		<b>Prior Period</b>	
	Government Bonds	-	-	-	-
	Treasury Bills	-	-	-	-
	Other Debt Securities	-	-	-	-
	<b>Total</b>	-	-	-	-
<b>6.3.</b>	<b>Information on investment securities held-to-maturity</b>				
		<b>Current Period</b>		<b>Prior Period</b>	
	<b>Debt Securities</b>				
	Quoted on Stock Exchange	-	-	-	-
	Non-quoted on Stock Exchange	-	-	-	-
	<b>Impairment (-)</b>	-	-	-	-
	<b>Total</b>	-	-	-	-
<b>6.4.</b>	<b>Information on the movement of the investment securities held-to-maturity during the period</b>				
		<b>Current Period</b>		<b>Prior Period</b>	
	<b>Balance in the Beginning of the Period</b>	-	-	-	-
	Foreign Exchange Differences	-	-	-	-
	Purchases	-	-	-	-
	Redemptions	-	-	-	-
	<b>Impairment (-)</b>	-	-	-	-
	<b>Balance at the End of the Period</b>	-	-	-	-

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

**7.1. Information on associates**

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

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

<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
6,566	6,748	3	583	1	452	662	-

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

**7.2. Movements of investments in associates that are in consolidation scope**

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

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**7.3. Sector information and the related carrying amounts on associates that are not included in consolidation**

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

**7.4. Quoted associates that are not included in consolidation**

None.

**7.5. Valuation methods of investments in associates that are not included in consolidation**

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

**7.6. Investments in associates, that are not included in consolidation, sold during the current period**

None.

**7.7. Investments in associates, that are not included in consolidation, acquired during the current period**

None.

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**8. Investments in subsidiaries**

**8.1. Information on the Parent Bank's unconsolidated subsidiaries**

a.1) Information on the unconsolidated subsidiaries

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

a.2) Information on unconsolidated subsidiaries in the order presented in the above table

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

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

**8.2. Information on the Parent Bank's consolidated subsidiaries**

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
1. Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51.06	59.24
3. Finans Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	81.12	81.12
4. Finans Malta Holdings Ltd.	Sliema/Malta	100.00	100.00
5. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0.001	100.00
6. Finansbank Malta Limited	Sliema/Malta	100.00	100.00
7. Finans Emeklilik ve Hayat A.Ş.	İstanbul/Turkey	99.99	99.99

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

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1. (*)	66,932	45,857	11,024	2,496	336	( 93 )	7,254	-
2. (**)	1,353,892	286,418	1,083	4,265	-	26,112	50,415	244,500
3. (**)	19,548	19,383	22	-	-	(8,814)	3,466	15,900
4. (*)	211,984	211,967	-	-	-	-	(14)	-
5. (*)	18,676	15,683	452	277	21	2,820	3,527	-
6. (*)	3,152,101	310,539	160	117,635	32,607	26,337	38,237	-
7. (*)	25,760	6,963	1,742	714	231	(1,846)	(1,179)	-

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

(\*\*) Current period information represents March 31, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures prepared in accordance with CMB's Communiqué No: XI/25 accounting principles.

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**8.3. Movement of investments in subsidiaries**

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

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

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

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

**8.3.1. Sectoral distribution of subsidiaries**

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

**8.3.2. Quoted subsidiaries within the context of consolidation**

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

**9. Investments in Entities Under Common Control (Net)**

None.

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**10. Information on financial lease receivables**

**10.1. Maturity analysis of financial lease receivables**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 year	571,089	460,636	498,302	395,994
Between 1-4 years	765,850	658,850	638,813	544,158
Over 4 years	62,708	57,130	41,653	38,333
<b>Total</b>	<b>1,399,647</b>	<b>1,176,616</b>	<b>1,178,768</b>	<b>978,485</b>

**10.2. Information on net investments in financial leases**

	<b>Current Period</b>	<b>Prior Period</b>
Gross Financial Lease Investment	1,399,647	1,178,768
Unearned Finance Income (-)	223,031	200,283
Cancelled Leasing Agreements (-)	-	-
<b>Net Investment on Leases</b>	<b>1,176,616</b>	<b>978,485</b>

**10.3. Information of financial lease contracts of the Parent Bank**

None.

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**11. Information on hedging purpose derivatives**

None.

**12. Information on deferred tax asset**

According to TAS 12, consolidated subsidiaries' deferred tax assets and liabilities are offset against each other in the financial statements.

Consolidated subsidiaries' deferred tax assets and liabilities at their financial statements have been offset and the balance of net deferred tax asset is disclosed as YTL 1,023 (December 31, 2007 – YTL 24,803), and the net deferred tax liability as YTL 3,576 (December 31, 2007 –YTL 3,393).

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts. The deferred tax asset amounting to YTL 30,253 (December 31, 2007 –YTL 1,149) "Securities Value Increase Fund" account in the equity.

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

None.

**14. Information on other assets:**

**14.1. Information about prepaid expenses, tax and similar items:**

	<b>Current Period</b>	<b>Prior Period</b>
Collateral Given for Derivative Financial Assets	431,180	570,863
Sundry Debtors	66,091	51,978
Advances given for Financial Leases	43,146	91,287
Checks For Other Banks	195,545	171,018
Other Prepaid Expenses	64,671	47,361
Assets Held for Resale	43,544	34,122
Prepaid Rent Expenses	12,273	11,056
Prepaid Agency Commission	7,321	9,866
Advances Given	4,002	2,113
Other	70,636	41,532
<b>Total</b>	<b>938,409</b>	<b>1,031,196</b>

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



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**15. Accrued interest and income**

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	13,760	2,040	13,251	4,248
Fin. Assets Held for Trading	1,043	-	-	-
Fin. Assets at Fair Value through Profit or Loss	-	-	13,147	-
Trading Derivatives	385,140	41,225	22,982	850
Banks and Other Financial Institutions	396	658	486	2,435
Interbank Money Markets	59	-	-	-
Financial Assets- Available for Sale	191,246	848	217,574	6,818
Loans	202,147	40,814	127,644	42,236
Investments Held to Maturity	-	-	-	-
Receivables From Renting Operations	6,992	11,331	7,409	6,968
Other Accruals	7,290	-	465	-
<b>Total</b>	<b>808,073</b>	<b>96,916</b>	<b>402,958</b>	<b>63,555</b>

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

**1. Information related to maturity structure of deposit**

**Current period:**

	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	278,042	-	2,661,354	2,319,765	67,648	17,565	5,465	3,362	5,353,201
<b>Foreign Currency Deposits</b>	883,579	-	3,720,678	1,813,084	343,813	74,774	6,645	12,072	6,854,645
Residents in Turkey	859,252	-	3,637,281	1,758,625	328,326	70,438	5,547	11,265	6,670,734
Residents Abroad	24,327	-	83,397	54,459	15,487	4,336	1,098	807	183,911
<b>Public Sector Deposits</b>	173,014	-	5,843	4,566	1,030	-	-	-	184,453
<b>Commercial Deposits</b>	571,177	-	934,321	124,763	26,331	10,832	2,158	-	1,669,582
<b>Other Ins. Deposits</b>	16,044	-	23,467	15,277	1,258	37	-	-	56,083
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	22,631	-	835,968	526,146	207,774	336,920	337,396	-	2,266,835
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	13,339	-	358,225	1,006	-	1,030	-	-	373,600
Foreign Banks	9,292	-	477,743	525,140	207,774	335,890	337,396	-	1,893,235
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,944,487</b>	<b>-</b>	<b>8,181,631</b>	<b>4,803,601</b>	<b>647,854</b>	<b>440,128</b>	<b>351,661</b>	<b>15,434</b>	<b>16,384,796</b>

**Prior period:**

	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	287,559	-	2,052,883	1,887,869	325,198	22,136	5,519	64	4,581,228
<b>Foreign Currency Deposits</b>	978,302	-	2,844,293	2,038,975	444,321	263,592	4,035	11,535	6,585,053
Residents in Turkey	941,218	-	2,775,140	1,991,380	430,994	261,841	3,121	10,889	6,414,583
Residents Abroad	37,084	-	69,153	47,595	13,327	1,751	914	646	170,470
<b>Public Sector Deposits</b>	10,890	-	7,551	2,698	47	-	-	-	21,186
<b>Commercial Deposits</b>	577,775	-	435,070	379,932	108,911	156,850	503	-	1,659,041
<b>Other Ins. Deposits</b>	20,435	-	15,208	7,746	11,074	153	-	-	54,616
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	41,528	-	576,837	771,915	348,989	345,620	72,304	5,005	2,162,198
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,135	-	128,142	-	-	4,200	-	-	161,477
Foreign Banks	12,393	-	448,695	771,915	348,989	341,420	72,304	5,005	2,000,721
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,916,489</b>	<b>-</b>	<b>5,931,842</b>	<b>5,089,135</b>	<b>1,238,540</b>	<b>788,351</b>	<b>82,361</b>	<b>16,604</b>	<b>15,063,322</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	2,400,437	2,072,013	2,952,764	2,509,215
Foreign Currency Savings Deposits	777,027	744,647	2,964,998	2,559,632
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>3,177,464</b>	<b>2,816,660</b>	<b>5,917,762</b>	<b>5,068,847</b>

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

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

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

**2. Information on trading purpose derivatives**

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

Trading purpose derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	4,988	570	3,801	85
Swaps	801,639	1,179	818,213	1,320
Futures	-	1,358	-	1,266
Options	723	39,749	-	-
Other	4,181	-	18	-
<b>Total</b>	<b>811,531</b>	<b>42,856</b>	<b>822,032</b>	<b>2,671</b>

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	-	-	-	-
Domestic Bank and Institutions	75,790	145,593	56,731	101,623
Foreign Bank, Institutions and Funds	402,428	3,374,298	409,237	3,103,080
<b>Total</b>	<b>478,218</b>	<b>3,519,891</b>	<b>465,968</b>	<b>3,204,703</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	75,790	861,349	54,804	128,839
Medium and Long-Term	402,428	2,658,542	411,164	3,075,864
<b>Total</b>	<b>478,218</b>	<b>3,519,891</b>	<b>465,968</b>	<b>3,204,703</b>

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

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

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

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

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

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

As of June 30, 2008, the Group's liabilities comprise; 59% deposits (62% as of December 31, 2007), 16% funds borrowed (16 % as of December 31, 2007) and 6% funds provided from transactions by repurchase transactions (0.2 % as of December 31, 2007).

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**4. Information on funds provided from repurchase agreement transactions:**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
<b>From domestic transactions</b>	<b>1,661,019</b>	-	<b>29,342</b>	-
Financial institutions and organizations	1,647,321	-	-	-
Other institutions and organizations	1,923	-	2,717	-
Real persons	11,775	-	26,625	-
<b>From foreign transactions</b>	<b>235</b>	<b>54,614</b>	<b>189</b>	<b>19,977</b>
Financial institutions and organizations	-	54,614	-	19,977
Other institutions and organizations	231	-	189	-
Real persons	4	-	-	-
<b>Total</b>	<b>1,661,254</b>	<b>54,614</b>	<b>29,531</b>	<b>19,977</b>

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

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

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

Interest rate and cash 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.

**6.2 Financial Lease Payables**

None.

**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 Group does not have any sale and lease back transactions in the current period.

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

None.

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**8. Information on provisions**

**8.1. Information on general provisions**

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

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

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

(\*) Netted against loans in assets.

**8.3 Information on employee termination benefits and unused vacation accrual:**

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

As of June 30, 2008, YTL 17,530 (December 31, 2007 - YTL 16,080) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2008, the Bank provided a reserve of YTL 11,484 (December 31, 2007 - YTL 9,034) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2008, YTL 25,643 (December 31, 2007 – YTL 40,310) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

**8.3.1. Movement of employee termination benefits**

	<b>Current Period</b>	<b>Prior Period</b>
As of January 1	16,080	13,670
Arising during the year	(1,122)	(2,189)
Benefits paid	2,572	4,599
<b>Total</b>	<b>17,530</b>	<b>16,080</b>

**8.4. Information on insurance technical provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Insurance technical provisions (Net)	16,812	624
<b>Toplam</b>	<b>16,812</b>	<b>624</b>

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**8.5. Information on other provisions**

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

	<b>Current Period</b>	<b>Prior Period</b>
Free Reserves for Possible Loans	47,937	85,688

As of June 30, 2008 the Group has provided YTL 47,937 provision (December 31, 2007 - YTL 85,688) for possible losses that could arise in the loans in the watch list, considering their collection rates.

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

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

**8.5.3. Information on other provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	18,646	22,538
Other Provisions	14,331	45,396
<b>Total</b>	<b>32,977</b>	<b>67,934</b>

**9. Taxation**

**9.1 Current taxes**

**9.1.1. Current tax liability**

The Group has netted the current tax liability and advance taxes in its financial statements.

After the netting off current tax asset and current tax liability that are reflected financial statements of consolidated subsidiaries the remaining current tax asset is amounting to YTL 13,399, The Group has current tax liability of YTL 7,245 ( December 31, 2007 – YTL 29,867).

**9.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	7,245	29,867
Banking and Insurance Transaction Tax (BITT)	16,734	14,882
Taxation on Securities Income	7,004	5,639
Foreign Exchange Transaction Tax	-	1,390
Taxation on Real Estates Income	657	574
Other	25,441	23,278
<b>Total</b>	<b>57,081</b>	<b>75,630</b>

The corporate tax payable balance is shown in the “Current Tax Liabilities” account and taxes other than income balance in the “Other Liabilities” account in the accompanying consolidated financial statements.

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**9.1.3 Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	3,460	3,135
Social Security Premiums - Employer Share	4,945	4,438
Unemployment Insurance - Employee Share	243	221
Unemployment Insurance - Employer Share	492	447
<b>Total</b>	<b>9,140</b>	<b>8,241</b>

**9.2. Information on deferred tax liabilities**

After netting off the deferred tax assets and liabilities in the individual financial statements of the consolidated subsidiaries, the remaining deferred tax liability is amounting to YTL 3,576 (December 31, 2007 -YTL 3,393 deferred tax liability). The details of deferred taxes are stated in note 12 in the "Explanations and disclosures related to assets" section.

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

None.

**11. Information on subordinated loans**

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

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

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



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

**12.1. Paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	1,400,000	1,400,000
Preferred Stock	-	-

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

<b>Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling</b>
Registered Capital System	1,400,000	3,000,000

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

<b>Date of Increase</b>	<b>Amount of Increase</b>	<b>Cash</b>	<b>Profit Reserves</b>	<b>Capital Reserves</b>
-	-	-	-	-

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

<b>Revaluation of Securities</b>	<b>Revaluation of Tangible and Intangible Assets.</b>	<b>Associates, Subsidiaries and Entities under Common Control</b>	<b>Bonus Shares Sales Profit</b>	<b>Other</b>
-	-	-	-	-

**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**

Group does not have any capital commitment; the capital is fully paid-in.

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

None.

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

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

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

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

**14. Securities value increase fund**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
<b>Associates, Subsidiaries and Entities under Common Control</b>	<b>5,794</b>	<b>-</b>	<b>(3,512)</b>	<b>-</b>
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	5,794	-	(3,512)	-
<b>Securities Available-for-Sale</b>	<b>(94,773)</b>	<b>(24,214)</b>	<b>399</b>	<b>(565)</b>
Valuation Difference	(94,773)	(24,214)	399	(565)
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>(88,979)</b>	<b>(24,214)</b>	<b>(3,113)</b>	<b>(565)</b>

**15. Accrued interest and expenses**

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Deposits	57,427	26,322	82,031	32,342
Funds Borrowed	16,922	37,512	13,295	31,923
Interbank Money Markets	868	31	27	194
Other Accruals	16,073	2	15,311	2
<b>Total</b>	<b>91,290</b>	<b>63,867</b>	<b>110,664</b>	<b>64,461</b>

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

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

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

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

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

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

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

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

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

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

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**3. Information on sectoral risk concentrations of non-cash loans**

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

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

**4. Information on non-cash loans classified as group I and II**

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

(\*) Does not include non-cash loans amounting to YTL 40,715 that are not indemnified, but 100%provision is made.

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**5. Information on derivative transactions**

	Current Period	Prior Period
<b>Trading Derivatives</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>27,922,196</b>	<b>23,300,388</b>
Currency Forward	3,914,831	3,116,609
Currency Swaps	13,214,109	12,114,622
Currency Futures	280,849	197,072
Currency Options	10,512,407	7,872,085
<b>Interest Rate Related Derivative Transactions (II)</b>	<b>1,403,662</b>	<b>820,844</b>
Interest Rate Forwards	-	-
Interest Rate Swaps	1,403,662	820,844
Interest Rate Options	-	-
Interest Rate Futures	-	-
<b>Other Trading Derivatives (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivatives (I+II+III)</b>	<b>29,325,858</b>	<b>24,121,232</b>
<b>Hedging Derivatives</b>		
Fair Value Hedge	-	-
Cash Flow Hedge	-	-
Hedges for Foreign Currency Investments	-	-
<b>B. Total Hedging Derivatives</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>29,325,858</b>	<b>24,121,232</b>

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

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
<b>Current Period</b>								
YTL	270,832	295,702	587,728	6,517,380	1,937,964	1,706,268	38,466	1,975
USD	890,226	999,502	5,407,135	1,529,771	2,328,132	2,574,643	102,460	137,948
EURO	517,904	431,209	461,903	38,962	947,086	921,407	-	-
OTHER	277,611	231,845	11,197	63,696	48,880	48,027	-	-
<b>Total</b>	<b>1,956,573</b>	<b>1,958,258</b>	<b>6,467,963</b>	<b>8,149,809</b>	<b>5,262,062</b>	<b>5,250,345</b>	<b>140,926</b>	<b>139,923</b>
<b>Prior Period</b>								
YTL	265,369	154,718	783,128	6,054,854	1,161,138	1,162,909	11,656	11,656
USD	547,450	822,585	4,781,912	1,028,349	1,842,105	1,861,843	86,880	86,880
EURO	599,445	445,699	1,392	180,159	693,169	690,908	-	-
OTHER	148,275	133,068	72,198	33,474	229,507	230,506	-	-
<b>Total</b>	<b>1,560,539</b>	<b>1,556,070</b>	<b>5,638,630</b>	<b>7,296,836</b>	<b>3,925,919</b>	<b>3,946,166</b>	<b>98,536</b>	<b>98,536</b>

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

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

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

None.

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

The Parent 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 Parent Bank's rating by international rating institutions**

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

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**IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED INCOME STATEMENT**

**1. Interest income**

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

Interest on loans (*)	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short Term Loans	677,870	36,748	555,287	39,648
Medium and Long Term Loans	579,186	111,526	408,139	117,638
Loans Under Follow-up	8,390	-	8,317	3,242
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,265,446</b>	<b>148,274</b>	<b>971,743</b>	<b>160,528</b>

(\*) Includes fees and commissions obtained from cash loans amounting to YTL 82,515 (June 30, 2007: YTL 71,271).

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	26,854	1,509	21,251	6,861
Domestic Banks	3,708	283	1,723	122
Foreign Banks	1,351	19,033	24,748	21,094
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>31,913</b>	<b>20,825</b>	<b>47,722</b>	<b>28,077</b>

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	1,492	-	287	-
Financial Assets Valued at Fair Value Through Profit or Loss	22,510	-	-	-
Financial Assets Available for Sale	241,303	45,221	151,380	68,492
Investments Held to Maturity	-	-	-	-
<b>Total</b>	<b>265,305</b>	<b>45,221</b>	<b>151,667</b>	<b>68,492</b>

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

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

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**2. Interest expenses**

**a) Information on interest expense related to funds borrowed(\*)**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	13,520	1,511	4,475	1,647
Foreign Banks	18,487	101,395	22,379	100,036
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>32,007</b>	<b>102,906</b>	<b>26,854</b>	<b>101,683</b>

(\*) Includes fee and commission expenses paid for borrowings amounting to YTL 3,320 (June 30, 2007: YTL 2,164).

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	-	-

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

None.

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

Account Name	Time Deposits						Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>New Turkish Lira</b>								
Bank Deposits	-	21,503	57	-	57	361	-	21,978
Saving Deposits	28	203,584	200,916	11,367	1,593	197	-	417,685
Public Sector Deposits	2	459	299	12	-	-	-	772
Commercial Deposits	11	105,222	33,140	15,326	1,803	1,913	-	157,415
Other Deposits	3	7,970	1,668	419	7	-	-	10,067
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>44</b>	<b>338,738</b>	<b>236,080</b>	<b>27,124</b>	<b>3,460</b>	<b>2,471</b>	<b>-</b>	<b>607,917</b>
<b>Foreign Currency</b>								
Foreign Currency	12	48,397	37,638	9,320	4,772	145	572	100,856
Bank Deposits	506	39,065	-	-	-	7,115	-	46,686
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>518</b>	<b>87,462</b>	<b>37,638</b>	<b>9,320</b>	<b>4,772</b>	<b>7,260</b>	<b>572</b>	<b>147,542</b>
<b>Grand Total</b>	<b>562</b>	<b>426,200</b>	<b>273,718</b>	<b>36,444</b>	<b>8,232</b>	<b>9,731</b>	<b>572</b>	<b>755,459</b>



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

Account Name	Time Deposits						Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>New Turkish Lira</b>								
Bank Deposits	-	21,760	-	-	2,123	1,004	-	24,887
Saving Deposits	14	165,614	137,874	8,056	750	312	-	312,620
Public Sector Deposits	2	192	165	4	-	-	-	363
Commercial Deposits	17	73,419	14,817	4,235	193	1,703	-	94,384
Other Deposits	2	3,515	1,076	512	2	-	-	5,107
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35</b>	<b>264,500</b>	<b>153,932</b>	<b>12,807</b>	<b>3,068</b>	<b>3,019</b>	<b>-</b>	<b>437,361</b>
<b>Foreign Currency</b>								
Foreign Currency	120	58,633	25,063	3,961	2,167	144	420	90,508
Bank Deposits	381	26,005	-	1,844	-	-	-	28,230
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>501</b>	<b>84,638</b>	<b>25,063</b>	<b>5,805</b>	<b>2,167</b>	<b>144</b>	<b>420</b>	<b>118,738</b>
<b>Grand Total</b>	<b>536</b>	<b>349,138</b>	<b>178,995</b>	<b>18,612</b>	<b>5,235</b>	<b>3,163</b>	<b>420</b>	<b>556,099</b>

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

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

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

**f) Information on finance lease expense**

	Current Period	Prior Period
Finance Lease Expenses	-	3

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

None.

**3. Information on dividend income**

	Current Period	Prior Period
Trading Securities	-	-
Financial Assets at Fair Value Through Profit / Loss	-	-
Investment Securities Available for Sale	-	-
Other	267	322
<b>Total</b>	<b>267</b>	<b>322</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>4,134,412</b>	<b>911,453</b>
Income on Capital Market Operations	848,701	361,907
Derivative Financial Instruments	810,564	329,801
Other	38,137	32,106
Foreign Exchange Gain	3,285,711	549,546
<b>Loss (-)</b>	<b>4,247,773</b>	<b>1,034,303</b>
Losses on Capital Market Operations	967,877	514,703
Derivatives Financial Transactions	910,682	498,712
Other	57,195	15,991
Foreign Exchange Loss	3,279,896	519,600
<b>Net Trading Income/Loss</b>	<b>(113,361)</b>	<b>(122,850)</b>

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**5. Information on other operating income**

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>153,400</b>	<b>71,660</b>
Loans and Receivables in Group III	51,964	17,965
Loans and Receivables in Group IV	34,597	24,226
Loans and Receivables in Group V	66,839	29,469
<b>General Provisions</b>	<b>23,149</b>	<b>12,484</b>
<b>Provision for Free Reserves on Possible Losses</b>	-	-
<b>Impairment Losses on Securities</b>	-	-
Financial assets at fair value through profit or loss	-	-
Financial Assets - Available for sale	-	-
<b>Impairment Losses on Associates, Subsidiaries and Inv. Held-to-Maturity</b>		
Associates	-	-
Subsidiaries	-	-
Entities under Common Control	-	-
Held-to-maturity investment securities	-	-
<b>Other<sup>(*)</sup></b>	<b>13,127</b>	<b>17,706</b>
<b>Total</b>	<b>189,676</b>	<b>101,850</b>

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

**7. Information on other operating expense**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	256,744	206,997
Retirement Pay Provision	1,496	2,667
Provision for Pension Fund Deficits	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	29,022	15,949
Impairment Expenses of Intangible Assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	5,936	10,098
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Losses on Assets to be Disposed	16	34
Depreciation on Assets to be Disposed	713	865
Impairment on on Assets Held for Sale	-	-
<b>Other Operating Expenses</b>	<b>237,275</b>	<b>194,410</b>
Operational Leasing Expenses	34,500	26,769
Maintenance Expenses	10,043	8,273
Advertisement Expenses	28,491	21,134
Other Expenses	164,241	138,234
Losses on Sales of Assets	25	49
Others	23,940	15,498
<b>Total</b>	<b>555,167</b>	<b>446,567</b>

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

For the period ended June 30, 2008, net interest income of YTL 913,898 (June 30, 2007 – YTL 761,682), net fees and commission income of YTL 297,010 (June 30, 2007 – YTL 200,410) and other operating income of YTL 84,918 (June 30, 2007 – YTL 68,815) constitute an important part of the period income.

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

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

As of June 30, 2008, the Group recorded current tax charge of YTL 61,722 (June 30, 2007 – YTL 2,536 charge) and a deferred tax benefit of YTL 53,067 (June 30, 2007 – YTL 37,702 benefit). The detail of the current tax charge is as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Provision	22,841	73,814
Adjustment to Prior Period Corporate Taxes	38,881(*)	(76,350)**
<b>Total</b>	<b>61,722</b>	<b>(2,536)</b>

(\*) The Bank has applied for the settlement of the lawsuit filed against the tax authority by renouncing the total amount of YTL 121,739 for the overpaid tax due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income base, in line with Article 3 of Tax Law No 5736. The application for the settlement of the previously filed lawsuit has been made to be able to use 65 percent of losses realized amounting to YTL 363,733 due to inflation accounting as previous year losses and deduct the amount from the previous year corporate the tax base. The tax amount of YTL 38,881 paid to the tax authority due to the settlement has been accounted for under “current tax provision” in the accompanying financial statements at June 30, 2008.

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

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

None.

**10. Information continued and discontinued operations for current period net profit and loss:**

Groups net profit from the continued and discontinued operations is YTL 323,100 (June 30, 2007- YTL 400,200).

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**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 Group's performance for the period**

None.

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

None.

- 11.3. Income/loss attributable to minority shares**

	<b>Current Period</b>	<b>Prior Period</b>
Income/loss related to minority shares	8,493	9,266

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

None.

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

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

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

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**V. EXPLANATIONS AND DISCLOSURES RELATED WITH CONSOLIDATED CASH FLOW STATEMENT**

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01.2008</b>	<b>01.01.2007</b>
<b>Cash</b>	<b>193,087</b>	<b>148,601</b>
Cash	95,045	74,805
Cash in Foreign Currency	97,397	73,652
Other	645	144
<b>Cash Equivalents</b>	<b>1,090,178</b>	<b>2,994,903</b>
Balances with the Central Bank of Turkey	394,500	796,296
Banks and Other Financial Institutions	730,077	2,238,762
Interbank Money Market Placements	17,728	25,422
Less: Placements with Banks with Maturities Longer than 3 Months	(8,962)	(9,055)
Less: Restricted Cash and Cash Equivalents	(43,165)	(56,522)
<b>Cash and Cash Equivalents</b>	<b>1,283,265</b>	<b>3,143,504</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30.06.2008</b>	<b>31.03.2007</b>
<b>Cash</b>	<b>221,032</b>	<b>147,385</b>
Cash	115,531	64,415
Cash in Foreign Currency	105,049	82,507
Other	452	463
<b>Cash Equivalents</b>	<b>974,955</b>	<b>794,003</b>
Balances with the Central Bank of Turkey	521,055	415,871
Banks and Other Financial Institutions	532,798	420,013
Interbank Money Market Placements	10,606	6,556
Less: Placements with Banks with Maturities Longer than 3 Months	(10,920)	-
Less: Restricted Cash and Cash Equivalents	(78,584)	(48,437)
<b>Cash and Cash Equivalents</b>	<b>1,195,987</b>	<b>941,388</b>

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

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

**4. Additional information**

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

None.

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

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

- 1.1.** As of June 30, 2008, the Group's risk group has deposits, and non-cash loans at the Bank amounting to YTL 339,335 (December 31, 2007-YTL 583,136) and YTL 100 (December 31, 2007- YTL 63), respectively.

**Current Period**

<b>Group's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	63	-	-	-	-
Balance at the End of the Period	-	100	-	-	-	-
Interest and Commission Income	-	-	-	-	-	-

**Prior Period**

<b>Group's Risk Group (*)</b>	<b>Associates and Subsidiaries</b>		<b>Bank's Direct and Indirect Shareholders</b>		<b>Other Legal and Real Persons in Risk Group (**)</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	76	-	-	-	-
Balance at the End of the Period	-	63	-	-	-	-
Interest and Commission Income	-	-	-	-	-	-

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

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



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

Group's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	-	25	583,136	1,742,968	-	-
Balance at the End of the Period	153	-	339,182	583,136	-	-
Interest on deposits	-	-	7,184	5,312	-	-

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

(\*\*) Includes the deposits obtained from the Parent Bank's indirect subsidiaries.

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

Group's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	-	654,886	52,377	-	27,018
End of the Period	-	-	67,415	654,886	-	-
Total Income/Loss (***)	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

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

(\*\*) Includes the transactions made within the Parent Bank's indirect subsidiaries.

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

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

**2.1. Relations with entities in the risk group of / or controlled by the Parent 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.

**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 Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

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

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

The receivables, payables and income and expenses resulting from transactions with financial subsidiaries during the year, are netted in the consolidated financial statements.

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**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

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

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

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

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

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

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**SECTION SEVEN**

**INDEPENDENT AUDITORS' REPORT**

**I. Explanations on the Independent Auditors' Report**

The consolidated financial statements of the Group were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent accountants' limited review report dated August 28, 2008 is presented preceding the financial statements.

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

None.