

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
JUNE 30, 2011**

*Translated into English from the
Original Turkish Report*

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

DRT Bağımsız Denetim ve
Serbest Muhasebeci
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FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – JUNE 30, 2011

We have reviewed the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as of June 30, 2011 and the related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

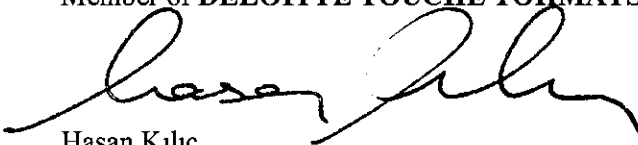
We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of 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, 2011 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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



Hasan Kılıç
Partner

İstanbul, August 12, 2011

Member of Deloitte Touche Tohmatsu Limited

**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011**

The Bank's;

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Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
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The unconsolidated financial report for the six months period, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

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

The unconsolidated financial statements and related disclosures and footnotes that were subject to limited review, for the six months period are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.



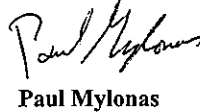
Ömer
A. Aras

Chairman of
the Board of
Directors



Mustafa
A. Aysan

Member of the Board of
Directors and Chairman of the
Audit Committee



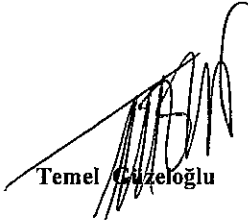
Paul Mylonas

Member of the Board of
Directors and of the Audit
Committee



Michail Oratis

Member of the Board of
Directors and of the Audit
Committee



Temel Çiğizeloğlu

General Manager and
Member of the
Board of Directors



Adnan Menderes Yayla

Executive Vice President
Responsible of Financial Control and
Planning



Gökhan Yücel

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

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

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

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

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011

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

SECTION ONE

GENERAL INFORMATION

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

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

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

As of June 30, 2011, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9.68% by NBG Finance (Dollar) PLC, 7.90% by NBGI Holdings B.V. and 5% by International Finance Corporation ("IFC").

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

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

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

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

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

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,791,679	77.23%	1,791,679	-
NBG Finance (Dollar) PLC	224,562	9.68%	224,562	-
NBGI Holdings B.V.	183,280	7.90%	183,280	-

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

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of June 30, 2011, the Bank operates through 510 domestic (December 31, 2010 - 501), 1 off-shore banking (December 31, 2010 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2010 - 1) branches.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF JUNE 30, 2011 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – ASSETS

	Section 5 Part I	Reviewed 30.06.2011			Audited 31.12.2010		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	3,383,537	1,523,229	4,906,766	1,146,431	1,247,952	2,394,383
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,195,749	340,829	1,536,578	1,303,876	153,948	1,457,824
2.1 Financial assets held for trading		473,945	340,829	814,774	252,271	153,948	406,219
2.1.1 Public sector debt securities		80,418	987	81,405	9,776	4,163	13,939
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		393,527	339,842	733,369	242,495	149,785	392,280
2.1.4 Other securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		721,804	-	721,804	1,051,605	-	1,051,605
2.2.1 Public sector debt securities		-	-	-	74,654	-	74,654
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		721,804	-	721,804	976,951	-	976,951
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	7,813	145,510	153,323	7,255	184,248	191,503
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	6,047,558	818,448	6,866,006	6,548,167	867,655	7,415,822
5.1 Equity securities		-	-	-	-	-	-
5.2 Public sector debt securities		5,915,251	654,544	6,569,795	6,427,633	602,273	7,029,906
5.3 Other securities		132,307	163,904	296,211	120,534	265,382	385,916
VI. LOANS AND RECEIVABLES	(5)	25,917,549	2,920,119	28,837,668	22,416,755	2,442,390	24,859,145
6.1 Loans and receivables		25,648,722	2,920,119	28,568,841	22,184,432	2,442,390	24,626,822
6.1.1 Loans to risk group of the Bank		64,438	41,619	106,057	36,477	36,831	73,308
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		25,584,284	2,878,500	28,462,784	22,147,955	2,405,559	24,553,514
6.2 Non-performing loans		1,838,590	-	1,838,590	1,757,762	-	1,757,762
6.3 Specific provisions (-)		1,569,763	-	1,569,763	1,525,439	-	1,525,439
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	-	-	-	-	-	-
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(7)	5,769	-	5,769	5,769	-	5,769
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		5,769	-	5,769	5,769	-	5,769
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		5,769	-	5,769	5,769	-	5,769
X. INVESTMENT IN SUBSIDIARIES (Net)	(8)	391,538	-	391,538	377,044	-	377,044
10.1 Unconsolidated financial investments		376,552	-	376,552	362,058	-	362,058
10.2 Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(9)	2,800	-	2,800	2,800	-	2,800
11.1 Equity method entities under common control		-	-	-	-	-	-
11.2 Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(11)	-	8,703	8,703	28,648	-	28,648
13.1 Fair value hedge		-	8,703	8,703	28,648	-	28,648
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		363,496	82	363,578	362,201	39	362,240
XV. INTANGIBLE ASSETS (Net)		119,315	-	119,315	98,571	-	98,571
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		119,315	-	119,315	98,571	-	98,571
XVI. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII. TAX ASSETS	(12)	-	-	-	-	-	-
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		-	-	-	-	-	-
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(13)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(14)	547,193	259,452	806,645	428,806	464,648	893,454
TOTAL ASSETS		37,982,317	6,016,372	43,998,689	32,726,323	5,360,880	38,087,203

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

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

FINANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF JUNE 30, 2011 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.06.2011			Audited 31.12.2010		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	20,776,684	6,988,997	27,765,681	18,286,960	6,143,717	24,430,677
1.1 Deposits from risk group of the Bank		244,395	322,556	566,951	381,915	166,102	548,017
1.2 Other		20,532,289	6,666,441	27,198,730	17,905,045	5,977,615	23,882,660
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	359,370	336,807	696,177	333,765	140,499	474,264
III. FUNDS BORROWED	(3)	88,582	3,131,576	3,220,158	370,877	3,120,048	3,490,925
IV. MONEY MARKET BORROWINGS		1,862,433	482,313	2,344,746	814,118	309,882	1,124,000
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	1,862,433	482,313	2,344,746	814,118	309,882	1,124,000
V. SECURITIES ISSUED (Net)	(5)	-	824,360	824,360	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	824,360	824,360	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		968,259	100,907	1,069,166	849,103	36,356	885,459
VIII. OTHER LIABILITIES	(6)	847,980	19,713	867,693	466,524	11,297	477,821
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	7,982	-	7,982	-	23	23
10.1 Financial lease payables		8,887	164	9,051	-	253	253
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		905	164	1,069	-	230	230
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	8,327	25,218	33,545	319,785	7,000	326,785
11.1 Fair value hedge		-	25,218	25,218	250,240	7,000	257,240
11.2 Cash flow hedge		8,327	-	8,327	69,545	-	69,545
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	546,995	37,586	584,581	485,904	31,215	517,119
12.1 General provisions		285,381	37,586	322,967	234,593	31,215	265,808
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		69,288	-	69,288	72,224	-	72,224
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		192,326	-	192,326	179,087	-	179,087
XIII. TAX LIABILITY	(10)	125,712	-	125,712	141,256	-	141,256
13.1 Current tax liability		68,769	-	68,769	65,583	-	65,583
13.2 Deferred tax liability		56,943	-	56,943	75,673	-	75,673
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(12)	-	1,065,311	1,065,311	-	1,010,383	1,010,383
XVI. SHAREHOLDERS' EQUITY		5,420,767	(27,190)	5,393,577	5,198,286	10,205	5,208,491
16.1 Paid-in capital	(13)	2,320,000	-	2,320,000	2,205,000	-	2,205,000
16.2 Capital reserves		109,490	(27,190)	82,300	234,273	10,205	244,478
16.2.1 Share premium	(14)	665	-	665	665	-	665
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund		-	-	-	-	-	-
16.2.4 Revaluation fund on tangible assets	(15)	112,633	(27,190)	85,443	252,095	10,205	262,300
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	2,689	-	2,689
16.2.8 Hedging funds (effective portion)		(6,497)	-	(6,497)	(21,176)	-	(21,176)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		2,514,261	-	2,514,261	1,844,339	-	1,844,339
16.3.1 Legal reserves		241,133	-	241,133	182,424	-	182,424
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		2,273,128	-	2,273,128	1,661,915	-	1,661,915
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		477,016	-	477,016	914,674	-	914,674
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current period income/ (loss)		477,016	-	477,016	914,674	-	914,674
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		31,013,091	12,985,598	43,998,689	27,266,578	10,820,625	38,087,203

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

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES
AS OF JUNE 30, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

		Reviewed 30.06.2011			Audited 31.12.2010		
	Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
A. (I+II+III)		53,976,606	44,767,697	98,744,303	40,631,370	32,911,955	73,543,325
I. GUARANTEES	(1), (2), (3),(4)	3,303,963	3,555,269	6,859,232	2,970,060	3,065,622	6,035,682
1.1. Letters of guarantee		3,298,997	1,679,333	4,978,330	2,967,436	1,587,549	4,554,985
1.1.1. Guarantees subject to State Tender Law		181,610	15,346	196,956	181,832	14,443	196,275
1.1.2. Guarantees given for foreign trade operations		2,592,304	1,663,987	4,256,291	2,292,413	1,573,106	3,865,519
1.1.3. Other letters of guarantee		525,083	-	525,083	493,191	-	493,191
1.2. Bank loans		4,723	817,726	822,449	2,483	719,055	721,538
1.2.1. Import letter of acceptance		4,723	817,726	822,449	2,483	719,055	721,538
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		243	1,023,433	1,023,676	141	722,709	722,850
1.3.1. Documentary letters of credit		243	981,469	981,712	141	697,409	697,550
1.3.2. Other letters of credit		-	41,964	41,964	-	25,300	25,300
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	34,777	34,777	-	36,309	36,309
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		20,527,498	1,989,568	22,517,066	14,538,605	510,390	15,048,995
2.1. Irrevocable commitments		20,527,498	1,989,568	22,517,066	14,538,605	510,390	15,048,995
2.1.1. Forward asset purchase commitments		993,764	1,983,129	2,976,893	193,664	504,197	697,861
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		2,000	-	2,000	5,187	-	5,187
2.1.4. Loan granting commitments		3,158,281	-	3,158,281	1,876,601	-	1,876,601
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		1,052,498	-	1,052,498	673,661	-	673,661
2.1.8. Tax and fund liabilities from export commitments		4,987	-	4,987	5,141	-	5,141
2.1.9. Commitments for credit card expenditure limits		15,221,111	-	15,221,111	11,705,737	-	11,705,737
2.1.10. Commitments for promotions related with credit cards and banking activities		30,101	-	30,101	25,298	-	25,298
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		64,756	6,439	71,195	53,316	6,193	59,509
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	30,145,145	39,222,860	69,368,005	23,122,705	29,335,943	52,458,648
3.1. Derivative financial instruments for hedging purposes		374,400	2,450,084	2,824,484	6,138,670	4,126,450	10,265,120
3.1.1. Fair value hedge		-	2,450,084	2,450,084	4,828,794	4,126,450	8,955,244
3.1.2. Cash flow hedge		374,400	-	374,400	1,309,876	-	1,309,876
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		29,770,745	36,772,776	66,543,521	16,984,035	25,209,493	42,193,528
3.2.1. Forward foreign currency buy/sell transactions		1,608,969	2,849,000	4,457,969	693,384	1,139,058	1,832,442
3.2.1.1. Forward foreign currency transactions-buy		810,609	1,428,192	2,238,801	321,497	590,854	912,351
3.2.1.2. Forward foreign currency transactions-sell		798,360	1,420,808	2,219,168	371,887	548,204	920,091
3.2.2. Swap transactions related to foreign currency and interest rates		18,969,821	22,670,347	41,640,168	10,455,312	16,027,137	26,482,449
3.2.2.1. Foreign currency swap-buy		5,382,182	12,067,182	17,449,364	4,216,018	5,773,181	9,989,199
3.2.2.2. Foreign currency swap-sell		11,693,973	6,971,162	18,665,135	4,204,144	5,854,110	10,058,254
3.2.2.3. Interest rate swaps-buy		946,833	1,754,869	2,701,702	1,017,575	2,130,353	3,147,928
3.2.2.4. Interest rate swaps-sell		946,833	1,877,134	2,823,967	1,017,575	2,269,493	3,287,068
3.2.3. Foreign currency, interest rate and securities options		9,178,940	11,070,442	20,249,382	5,828,545	7,649,636	13,478,181
3.2.3.1. Foreign currency options-buy		4,492,742	5,521,205	10,013,947	2,977,137	3,765,395	6,742,532
3.2.3.2. Foreign currency options-sell		4,456,598	5,549,237	10,005,835	2,835,408	3,884,241	6,719,649
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		114,800	-	114,800	8,000	-	8,000
3.2.3.6. Securities options-sell		114,800	-	114,800	8,000	-	8,000
3.2.4. Foreign currency futures		13,015	182,987	196,002	6,794	368,280	375,074
3.2.4.1. Foreign currency futures-buy		3,823	94,140	97,963	3,397	184,140	187,537
3.2.4.2. Foreign currency futures-sell		9,192	88,847	98,039	3,397	184,140	187,537
3.2.5. Interest rate futures		-	-	-	-	25,382	25,382
3.2.5.1. Interest rate futures-buy		-	-	-	-	12,691	12,691
3.2.5.2. Interest rate futures-sell		-	-	-	-	12,691	12,691
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		84,278,657	19,186,439	103,465,096	71,048,792	17,540,203	88,588,995
IV. ITEMS HELD IN CUSTODY		1,857,831	793,498	2,651,329	2,049,039	1,038,800	3,087,839
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		504,460	436,178	940,638	803,002	659,386	1,462,388
4.3. Checks received for collection		1,044,678	151,694	1,196,372	997,200	156,295	1,153,495
4.4. Commercial notes received for collection		308,660	198,910	507,570	248,824	216,750	465,574
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		30	6,716	6,746	10	6,369	6,379
4.8. Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		82,420,826	18,392,941	100,813,767	68,999,753	16,501,403	85,501,156
5.1. Marketable securities		437,508	312,131	749,639	282,255	189,201	471,456
5.2. Guarantee notes		92,714	54,794	147,508	88,338	55,700	144,038
5.3. Commodity		26,240	-	26,240	20,737	-	20,737
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		34,776,277	6,579,006	41,355,283	30,516,561	6,003,909	36,520,470
5.6. Other pledged items		47,088,087	11,447,010	58,535,097	38,091,862	10,252,593	48,344,455
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		138,255,263	63,954,136	202,209,399	111,680,162	50,452,158	162,132,320

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

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

FİNANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2011
(STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. INCOME STATEMENT

		Section 5 Part IV	Reviewed 01.01 - 30.06.2011	Reviewed 01.04 - 30.06.2011	Reviewed 01.01 - 30.06.2010	Reviewed 01.04 - 30.06.2010
I.	INTEREST INCOME	(1)	2,084,881	1,079,021	1,808,384	921,082
1.1	Interest on loans		1,880,212	974,922	1,581,487	815,110
1.2	Interest received from reserve deposits		-	-	-	-
1.3	Interest received from banks		1,999	1,463	23,301	11,735
1.4	Interest received from money market placements		-	-	8,914	2,327
1.5	Interest received from marketable securities portfolio		202,243	102,403	191,494	89,000
1.5.1	Held-for-trading financial assets		1,830	975	1,832	1,149
1.5.2	Financial assets at fair value through profit and loss		608	-	5,807	2,958
1.5.3	Available-for-sale financial assets		199,805	101,428	183,855	84,893
1.5.4	Investments held-to-maturity		-	-	-	-
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		427	233	3,188	2,910
II.	INTEREST EXPENSE	(2)	982,098	539,948	705,088	366,714
2.1	Interest on deposits		848,740	471,728	630,545	325,671
2.2	Interest on funds borrowed		74,232	32,855	66,703	33,759
2.3	Interest on money market borrowings		52,480	28,890	4,993	4,537
2.4	Interest on securities issued		6,316	6,316	-	-
2.5	Other interest expense		330	159	2,847	2,747
III.	NET INTEREST INCOME (I - II)		1,102,783	539,073	1,103,296	554,368
IV.	NET FEES AND COMMISSIONS INCOME		355,628	193,303	290,562	151,657
4.1	Fees and commissions received		396,716	215,504	321,890	168,131
4.1.1	Non-cash loans		20,429	10,526	21,600	11,012
4.1.2	Other		376,287	204,978	300,290	157,119
4.2	Fees and commissions paid		41,088	22,201	31,328	16,474
4.2.1	Non-cash loans		261	142	231	115
4.2.2	Other		40,827	22,059	31,097	16,359
V.	DIVIDEND INCOME	(3)	8,309	8,266	40,212	40,212
VI.	NET TRADING INCOME	(4)	(5,597)	(82,485)	(233,535)	(106,034)
6.1	Securities trading gains/ (losses)		64,991	10,883	98,817	38,878
6.2	Gains / (losses) from financial derivatives transactions		(18,885)	(62,116)	(387,640)	(178,275)
6.3	Foreign exchange gains/ (losses)		(51,703)	(31,252)	55,288	33,363
VII.	OTHER OPERATING INCOME	(5)	65,577	36,078	60,555	24,660
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,526,700	694,235	1,261,090	664,863
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	118,490	49,018	200,197	86,237
X.	OTHER OPERATING EXPENSES (-)	(7)	772,485	384,290	643,270	336,596
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		635,725	260,927	417,623	242,030
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	635,725	260,927	417,623	242,030
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(158,709)	(80,280)	(73,874)	(43,467)
16.1	Current income tax charge		(135,154)	(86,689)	(122,588)	(56,478)
16.2	Deferred tax charge / benefit		(23,555)	6,409	48,714	13,011
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	477,016	180,647	343,749	198,563
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-	-	-
18.3	Income on other discontinued operations		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1	Current income tax charge		-	-	-	-
21.2	Deferred tax charge / benefit		-	-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	477,016	180,647	343,749	198,563
23.1	Group's profit/loss		477,016	180,647	343,749	198,563
23.2	Minority shares		-	-	-	-
	Earnings per share		0.02056	0.00779	0.01482	0.00856

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

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD ENDED JUNE 30, 2011
(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed 01.01 - 30.06.2011	Reviewed 01.01 - 30.06.2010
I. Additions to marketable securities revaluation differences for available for sale financial assets	(219,306)	5,344
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	16,164	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity as per Turkish Accounting Standards	-	-
IX. Deferred tax of valuation differences	42,285	11,603
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	(160,857)	16,947
XI. Profit/Loss	(1,321)	(30,730)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(3,506)	(30,730)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	2,185	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. Total Profit/Loss accounted for in the period (X±XI)	(162,178)	(13,783)

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

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Dnt. from Assets Held for Sale and Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
Prior period - 01.01.-30.06.2010																			
I.	Beginning balance	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,882	-	-	-	-	3,627,078	-	3,627,078
II.	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,882	-	-	-	-	3,627,078	-	3,627,078
IV.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XL	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	78,750	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	78,750	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	343,749	(650,114)	-	-	-	-	-	343,749	-	343,749
XX.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		1,653,750	-	-	-	182,424	-	1,166,022	-	343,749	-	111,099	-	2,689	-	-	3,959,733	-	3,959,733
(III+IV+V+...+XVI+XVII+XVIII+XIX+XX)		1,653,750	-	-	-	182,424	-	1,166,022	-	343,749	-	111,099	-	2,689	-	-	3,959,733	-	3,959,733

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

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of Initiation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Holding Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Current period - 01.01.-30.06.2011	2,205,000			665		182,424		1,661,915			914,674	262,300			2,689	(211,76)	5,208,491	-	5,208,491
II. Changes in period																			
III. Increase/decrease related to merger																			
IV. Marketable securities valuation differences												(176,857)					(176,857)		(176,857)
V. Hedging funds (effective portfolio)																	14,679		14,679
VI. Cash flow hedge																	14,679		14,679
VII. Hedge of net investment in foreign operations																			
VIII. Tangible assets revaluation differences																			
IX. Intangible assets revaluation differences																			
X. Bonus shares obtained from associates, subsidiaries and entities under common control																			
XI. Foreign exchange differences																			
XII. The disposal of assets																			
XIII. The reclassification of assets																			
XIV. The effect of change in associates' equity		115,000						(115,000)											
XV. Capital increase								(115,000)											
XVI. Cash		115,000																	
XVII. Internal sources																			
XVIII. Share premium																			
XIX. Share cancellation profits																			
XX. Initiation adjustment to paid-in capital																			
XXI. Other																			
XXII. Period net income/(loss)										477,016							477,016		477,016
XXIII. Profit distribution						58,709		726,313			(914,674)						(129,752)		(129,752)
XXIV. Dividends distributed								(129,752)									(129,752)		(129,752)
XXV. Transfers to reserves						58,709		555,565			(914,674)								
XXVI. Other																			
XXVII. Closing balance	2,320,000			665		241,133		2,273,128		477,016		85,443		2,689	(6,497)		5,393,577		5,393,577

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
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FİNANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011

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

VI. CASH FLOWS STATEMENT

	Section VI Note 5	Reviewed 01.01- 30.06.2011	Reviewed 01.01 - 30.06.2010
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
I.1 Operating profit before changes in operating assets and liabilities		805,097	1,022,249
1.1.1 Interest received (+)		1,959,510	1,871,686
1.1.2 Interest paid (-)		(920,579)	(687,335)
1.1.3 Dividend received (+)		8,309	-
1.1.4 Fees and commissions received (+)		396,716	321,890
1.1.5 Other income (+)		55,558	54,365
1.1.6 Collections from previously written off loans (+)		236,496	316,992
1.1.7 Payments to personnel and service suppliers (-)		(606,815)	(520,754)
1.1.8 Taxes paid (-)		(71,792)	(104,828)
1.1.9 Others (+/-)	(1)	(252,306)	(229,767)
I.2 Changes in operating assets and liabilities		(424,629)	(1,591,268)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(67,535)	(139,610)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)			
1.2.3 Net (increase) decrease in due from banks (+/-)		282,486	311,114
1.2.4 Net (increase) decrease in loans (+/-)		(969,763)	(4,062)
1.2.5 Net (increase) decrease in other assets (+/-)		(3,667,239)	(3,616,896)
1.2.6 Net increase (decrease) in bank deposits (+/-)	(1)	(535)	(319,316)
1.2.7 Net increase (decrease) in other deposits (+/-)		502,252	102,639
1.2.8 Net increase (decrease) in funds borrowed (+/-)		2,364,824	(8,726)
1.2.9 Net increase (decrease) in matured payables (+/-)		(524,287)	(45,993)
1.2.10 Net increase (decrease) in other liabilities (+/-)		-	-
I. Net cash provided from / (used in) banking operations (+/-)	(1)	1,655,168	2,129,582
B. CASH FLOWS FROM INVESTING ACTIVITIES		380,468	(569,019)
II. Net cash provided from / (used in) investing activities (+/-)		318,194	(653,767)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		(5,211)	-
2.3 Fixed assets purchases (-)		-	1,858
2.4 Fixed assets sales (+)		(34,131)	(24,168)
2.5 Cash paid for purchase of financial assets available for sale (-)		2,198	3,012
2.6 Cash obtained from sale of financial assets available for sale (+)		(7,377,252)	(7,976,123)
2.7 Cash paid for purchase of investment securities (-)		7,771,593	7,374,726
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		-	-
		(39,003)	(33,072)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		768,829	(3,895)
3.1 Cash obtained from funds borrowed and securities issued (+)		769,574	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(745)	(3,895)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		38,659	12,424
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		1,506,150	(1,214,257)
VI. Cash and cash equivalents at beginning of the period (+)	(1)	2,579,736	2,940,939
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	4,085,886	1,726,682

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

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

**FİNANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011**

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

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

The Turkish Banking Law No 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of June 30, 2011 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

None.

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

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

Explanation for Convenience Translation to English

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
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FİNANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011

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

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

1. Strategy for the use of financial instruments

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

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

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

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

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

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

2. Foreign currency transactions

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of June 30, 2011 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts, are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends, are as follows:

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
US Dollar	TL 1.6302	TL 1.5460
Euro	TL 2.3492	TL 2.0491

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011**

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

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

The net foreign exchange loss included in the income statement as of June 30, 2011 is TL 51,703 (June 30, 2010 – TL 55,288 net foreign exchange gain).

III. Information on associates and subsidiaries

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

IV. Explanations on forwards, option contracts and derivative instruments

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

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

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, derivative instruments are categorized as “hedging purpose” or “trading purpose” transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” and “Liabilities on Trading Derivatives” or “Assets on Hedging Purpose Derivatives” and “Liabilities on Hedging Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

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

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

The Bank applied fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

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

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

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

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

V. Interest income and expenses

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

VI. Fees and commission income and expenses

Fees and commission income and expenses are accounted for on an accrual basis, except for certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

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

VII. Financial assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Bank accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008, as fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

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

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

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

2. Investment securities available for sale

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

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

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

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

3. Investment securities held to maturity

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

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

4. Loans and specific provisions

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Bank enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

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

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

In the case where there is evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific and general provision, in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 2633 and revised with the Communiqué dated March 6, 2010, published on the Official Gazette No: 27513 and the Communiqué dated January 23, 2009, published on the Official Gazette No: 2719 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". In addition, in the current period, the Bank revised general provision calculation in line with the context of the regulations published in the Official Gazette No: 27968 dated June 18, 2011 and No: 27947 dated May, 28 2011. The Bank did not provide any specific provision for performing loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non-performing loans into non-performing loans as of December 31, 2010. The Bank re-started to provide specific provision for mentioned loans that are not overdue, according to the amendments on 4th article of the same communiqué as from March 1, 2011. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. The Bank provides provision over the minimum required provision amount in line with the related regulation.

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

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

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

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

VIII. Impairment of financial assets

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

IX. Netting of financial instruments

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

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

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

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X. Sales and repurchase agreements and lending of securities

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 2,475,933 (December 31, 2010 – TL 1,196,542).

The Bank does not have any securities that are subject to lending transactions as of June 30, 2011 (December 31, 2010 – None).

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

XI. Assets held for sale and discontinued operations

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Bank does not have assets held for sale.

A discontinued operation is a part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

XII. Goodwill and other intangible assets

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

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

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 5 years for periods before 2004, while the useful life for additions after 2004 are determined as 3 years.

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

There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.

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XIII. Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

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

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

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

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

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

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

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

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

There is no purchase commitments related to the fixed assets.

XIV. Leasing transactions

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

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

The Bank has no leasing transactions as lessor.

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XV. Provisions and contingent liabilities

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

Provisions made during the period are recorded under "Other Operating Expenses" ; provisions that were booked in the prior periods and released in the current year are recorded under "Other Operating Income".

XVI. Obligations of the Bank for employee benefits

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

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

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

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

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

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

XVII. Taxation

1. Corporate tax

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

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

The provision for corporate and income taxes for the period is reflected as the "Current Tax Charge" in the income statement.

It is not subject to withholding tax when current period profit is not distributed, but added to the capital and distributed to the fully fledged taxpayers. Profit distribution is subject to withholding tax at 15% if distributed as dividend to fully fledged individual taxpayers, who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006 and effective from July 23, 2006.

2. Deferred taxes

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

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XVIII. Additional explanations on borrowings

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

The Bank has not issued convertible bonds. Debt instruments directly issued by the Bank are classified under "Securities Issued", while the funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XIX. Share issues

During the current period, the share capital of the Bank has been increased by TL 115,000 from bonus shares, of which TL 110,250 portion of the increase incorporated from first dividends of year 2010 and the remaining TL 4,750 from extraordinary reserves. (January 1 – December 31, 2010: TL 82,857 extraordinary reserves and TL 547,143 cash).

XX. Confirmed bills of exchange and acceptances

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

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

XXI. Government incentives

As of June 30, 2011, the Bank does not have any government incentives or grants.

XXII. Segment reporting

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

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenue of TL 100,000 and higher, and multi-national firms operating in Turkey. The firms that have annual revenues between TL 10,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenues between TL 2,000 and TL 10,000. The Bank offers sectoral solution packages to these small and medium-size firms.

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

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Current Period (January 1 - June 30, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
Net Interest Income	614,774	189,951	302,058	1,102,783
Net Fees and Commissions Income	585,005	53,588	(282,965)	355,628
Other Operating Income and Net Trading Income	27,655	50,378	(18,053)	59,980
Dividend Income	-	-	8,309	8,309
Operating Income	1,227,434	289,917	9,349	1,526,700
Other Operating Expenses	516,243	139,887	116,355	772,485
Provision for Loan Losses and Other Receivables	92,419	10,749	15,323	118,490
Profit Before Taxes	618,773	139,281	(122,329)	635,725
Tax Charge	-	-	-	(158,709)
Net Profit/Loss	-	-	-	477,016
Total Assets	22,732,894	6,112,201	12,274,092	43,998,689
Segment Assets	22,732,894	6,112,201	12,274,092	41,119,187
Associates, Subsidiaries and Entities Under Common Control	-	-	-	400,107
Undistributed Assets	-	-	-	2,479,395
Total Liabilities	17,019,104	10,150,683	8,615,228	43,998,689
Segment Liabilities	17,019,104	10,150,683	8,615,228	35,785,015
Undistributed Liabilities	-	-	-	2,820,097
Equity	-	-	-	5,393,577
Other Segment Accounts	-	-	-	133,007
Capital Expenditures	-	-	-	74,598
Depreciation and Amortization	-	-	-	58,407
Value Decrease/Increase	-	-	-	2

Prior Period (January 1 - June 30, 2010)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
Net Interest Income	509,818	148,829	444,649	1,103,296
Net Fees and Commissions Income	387,968	56,399	(153,805)	290,562
Other Operating Income and Net Trading Income	12,322	23,045	(208,347)	(172,980)
Dividend Income	-	-	40,212	40,212
Operating Income	910,108	228,273	122,709	1,261,090
Other Operating Expenses	424,574	135,586	83,110	643,270
Provision for Loan Losses and Other Receivables	144,252	15,174	40,771	200,197
Profit Before Taxes	341,282	77,513	(1,172)	417,623
Tax Charge	-	-	-	(73,874)
Net Profit/Loss	-	-	-	343,749
Other Segment Accounts	-	-	-	142,460
Capital Expenditures	-	-	-	91,967
Depreciation and Amortization	-	-	-	50,493
Value Decrease/Increase	-	-	-	-

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

XXIII. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

As of June 30, 2011, the Bank's unconsolidated capital adequacy ratio is 15.86% (December 31, 2010 - 16.68%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26669, 26824 and 27320 dated October 10, 2007, March 22, 2008 and August 15, 2009, respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and factored into capital adequacy ratio.

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

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

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

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Unconsolidated capital adequacy ratio

	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	5,600,063	-	178,901	10,007,225	19,114,391	847,470	306,864
Cash on Hand	475,339	-	137	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the T.R Central Bank	3,461,323	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	101,465	-	51,740	-	-
Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	969,967	-	-	-	-	-	-
Loans and Receivables	679,116	-	76,899	9,566,210	17,040,352	847,470	306,864
Non-performing Loans (Net)	-	-	-	-	268,827	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,151	-	-
Sundry Debtors	-	-	-	-	287,297	-	-
Accrued Interest and Income	13,563	-	400	441,015	285,984	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	400,107	-	-
Tangible Assets	-	-	-	-	273,938	-	-
Other Assets	755	-	-	-	500,995	-	-
Off-Balance Sheet Items	1,567,230	-	1,762,278	282,215	7,859,217	-	-
Non-Cash Loans and Commitments	1,567,230	-	59,837	282,215	7,724,292	-	-
Derivative Financial Instruments	-	-	1,702,441	-	134,925	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	-	-	388,236	5,144,720	26,973,608	1,271,205	613,728
Total Risk-Weighted Assets	7,167,293	-	1,941,179	10,289,440	26,973,608	847,470	306,864

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk	34,391,197	29,506,581
Value at Market Risk	2,281,063	1,917,300
Value at Operational Risk	4,195,358	3,805,616
Shareholders' Equity	6,482,301	5,877,201
Shareholders' Equity/(VACR+VAMR+VAOR)x100	15.86%	16.68%

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

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Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,320,000	2,205,000
Nominal Capital	2,320,000	2,205,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	665
Share Cancellation Profits	-	-
Legal Reserves	241,133	182,424
I. Legal Reserve (Turkish Commercial Code 466/1)	207,544	161,810
II. Legal Reserve (Turkish Commercial Code 466/2)	33,589	20,614
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,754,518	1,144,285
Reserve Allocated as per the Decision Held by the General Assembly	1,754,518	1,144,285
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	477,016	914,674
Current Period Profit	477,016	914,674
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	86,570	78,265
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	518,610	517,630
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	89,640	90,040
Prepaid Expenses (-) (*)	-	118,130
Intangible Assets (-)	119,315	98,571
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	5,189,557	4,736,202
SUPPLEMENTARY CAPITAL		
General Provisions	322,967	265,808
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	2,689	2,689
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,004,917	795,361
Securities Value Increase Fund	7,578	118,035
Associates and Subsidiaries	63,708	59,740
Investment Securities Available for Sale	(56,130)	58,295
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Total Supplementary Capital	1,338,151	1,181,893
TIER III CAPITAL		
CAPITAL	6,527,708	5,918,095
DEDUCTIONS FROM CAPITAL	45,407	40,894
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	32,889	28,687
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,447	12,207
Others	71	-
TOTAL SHAREHOLDERS' EQUITY	6,482,301	5,877,201

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

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II . Information on Market Risk

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

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

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

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

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

Information on market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	117,757
(II) Capital Obligation against Specific Risks – Standard Method	16,466
(III) Capital Obligation against Currency Risk – Standard Method	21,230
(IV) Capital Obligation against Commodity Risks - Standard Method	12,600
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	14,432
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	182,485
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	2,281,063

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2010, 2009 and 2008) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of June 30, 2011, the value at operational risk is amounting to TL 4,195,358 (December 31, 2010 - TL 3,805,616).

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IV. Explanations related to Foreign Currency Exchange Rate Risk

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

As of June 30, 2011, the net foreign currency exposure of the Bank is TL 471,934 short position (December 31, 2010 –TL 422,094 short) resulting from on balance sheet short position amounting to TL 5,350,902 (December 31, 2010 –TL 4,152,684 short) and off balance sheet long position amounting to TL 4,878,968 (December 31, 2010 –TL 3,730,590 long). The long off balance sheet position amounting to TL 5,096,020 (December 31, 2010 – TL 3,747,117) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

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

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

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

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

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

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

US Dollar purchase rate at the date of the balance sheet TL 1.6302
Euro purchase rate at the date of the balance sheet TL 2.3492

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
June 30, 2011	TL 1.6302	TL 2.3492
June 29, 2011	TL 1.6324	TL 2.3303
June 28, 2011	TL 1.6354	TL 2.3211
June 27, 2011	TL 1.6233	TL 2.3109
June 24, 2011	TL 1.6183	TL 2.3040
June 23, 2011	TL 1.6068	TL 2.3121

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

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for June 2011 are TL 1.5940 and TL 2.2934; respectively.

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

Current Period	EUR	USD	JPY	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	75,511	1,366,895	149	80,674	1,523,229
Due From Banks	31,613	102,772	2,481	8,644	145,510
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	63,773	84,618	-	183,264	331,655
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	91,534	726,914	-	-	818,448
Loans and Receivables ⁽²⁾	1,952,308	2,381,950	90,597	92,487	4,517,342
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	8,703	-	-	8,703
Tangible Assets	-	-	-	82	82
Intangible Assets	-	-	-	-	-
Other Assets ⁽³⁾	53,781	202,391	4	22	256,198
Total Assets	2,268,520	4,874,243	93,231	365,173	7,601,167
Liabilities					
Bank Deposits	47,267	191,880	161	6,387	245,695
Foreign Currency Deposits	2,555,771	4,029,139	1,107	157,285	6,743,302
Money Market Borrowings	73,351	408,962	-	-	482,313
Funds Borrowed	1,137,048	3,059,839	-	-	4,196,887
Securities Issued	-	824,360	-	-	824,360
Sundry Creditors	41,812	58,718	56	321	100,907
Derivative Fin. Liabilities for Hedging Purposes	223	24,995	-	-	25,218
Other Liabilities ⁽⁵⁾	47,775	101,234	-	184,378	333,387
Total Liabilities	3,903,247	8,699,127	1,324	348,371	12,952,069
Net Balance Sheet Position	(1,634,727)	(3,824,884)	91,907	16,802	(5,350,902)
Net Off-Balance Sheet Position	1,509,296	3,482,028	(94,954)	(17,402)	4,878,968
Financial Derivative Assets	5,042,894	16,787,319	32,588	1,118,545	22,981,346
Financial Derivative Liabilities	3,533,598	13,305,291	127,542	1,135,947	18,102,378
Non-Cash Loans ⁽¹⁾	971,224	2,325,464	7,796	250,785	3,555,269
Prior Period					
Total Assets	1,742,877	4,641,426	102,469	129,712	6,616,484
Total Liabilities	3,469,588	7,196,993	721	101,866	10,769,168
Net Balance Sheet Position	(1,726,711)	(2,555,567)	101,748	27,846	(4,152,684)
Net Off-Balance Sheet Position	1,524,949	2,329,951	(105,196)	(19,114)	3,730,590
Financial Derivative Assets	3,619,417	12,267,859	31,888	796,631	16,715,795
Financial Derivative Liabilities	2,094,468	9,937,908	137,084	815,745	12,985,205
Non-Cash Loans ⁽¹⁾	768,047	2,055,034	1,520	241,021	3,065,622

⁽¹⁾ Does not affect net off balance sheet position.

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,597,223 (December 31, 2010 – TL 1,266,015) that are classified as TL on the balance sheet.

⁽³⁾ Does not include the prepaid expenses amounting to TL 3,254 (December 31, 2010 – TL 835) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 9,174 (December 31, 2010 – TL 9,576).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 23,133 (December 31, 2010 – TL 10,037) on derivative transactions and the general loan loss provisions amounting to TL 37,586 (December 31, 2010 – TL 31,215) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Chart of Accounts are excluded.

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V. Explanations related to Interest Rate Risk

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency							
Cash, Money in Transit, Cheques							
Purchased, Precious Metal) and							
Balances with the T.R. Central Bank	-	-	-	-	-	4,906,766	4,906,766
Due from Banks	-	-	4,118	-	-	149,205	153,323
Financial Assets at Fair Value Through							
Profit/Loss ^(**)	29,110	50,778	168,656	387,940	526,264	382,533	1,545,281
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,338,704	1,319,940	1,530,616	1,860,231	693,556	122,959	6,866,006
Loans and Receivables	7,575,117	3,248,143	8,137,187	7,754,433	1,853,961	268,827	28,837,668
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	238,557	-	-	-	-	1,451,088	1,689,645
Total Assets	9,181,488	4,618,861	9,840,577	10,002,604	3,073,781	7,281,378	43,998,689
Liabilities							
Bank Deposits	206,237	130,358	4,096	-	-	19,466	360,157
Other Deposits	17,617,196	6,322,876	1,103,176	34,771	-	2,327,505	27,405,524
Funds Borrowed	2,344,604	142	-	-	-	-	2,344,746
Money Market Borrowings	60,484	-	-	-	-	1,008,682	1,069,166
Securities Issued	-	-	-	824,360	-	-	824,360
Sundry Creditors	383,483	1,816,739	1,850,112	235,135	-	-	4,285,469
Other Liabilities ^(*)	107,451	93,784	78,244	52,679	7,117	7,369,992	7,709,267
Total Liabilities	20,719,455	8,363,899	3,035,628	1,146,945	7,117	10,725,645	43,998,689
On Balance Sheet Long Position	-	-	6,805,949	8,855,659	3,066,664	-	18,727,272
On Balance Sheet Short Position	(11,537,967)	(3,745,038)	-	-	-	(3,444,267)	(18,727,272)
Off-Balance Sheet Long Position	-	-	8,857	129,381	35,014	-	173,252
Off-Balance Sheet Short Position	(78,103)	(66,902)	-	-	-	-	(145,005)
Total Position	(11,616,070)	(3,811,940)	6,813,806	8,985,040	3,101,678	(3,444,267)	28,247

^(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 568,088, tangible assets amounting to TL 363,578, intangible assets amounting to TL 119,315, associates, subsidiaries and entities under common control amounting to TL 400,107; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,393,577, other liabilities amounting to TL 867,693, provisions amounting to TL 584,581, tax liability amounting to TL 125,712 and trading derivative financial liabilities amounting to TL 398,429.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 8,703.

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Average interest rates applied to monetary financial instruments

	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8.81
Financial Assets at Fair Value Through Profit/Loss	5.87	7.70	-	10.19
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.07	7.31	-	8.99
Loans and Other Receivables	5.39	4.71	5.26	16.30 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	3.93	2.60	-	9.63
Other Deposits	3.80	3.81	0.34	9.62
Money Market Borrowings	1.85	0.70	-	6.40
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	-
Funds Borrowed	2.14	2.79	-	8.22

^(*) The yield of loans is 12.97% excluding credit cards.

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

(Based on repricing dates)

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

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

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

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Average interest rates applied to monetary financial instruments

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

^(*) The yield of loans is 12.81% excluding credit cards.

VI. Explanations related to Liquidity Risk

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

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

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

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

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

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

In order to meet urgent liquidity needs 11% (December 31, 2010 – 6%) of the balance sheet is allocated as cash balances.

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

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

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un- allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	4,906,766	-	-	-	-	-	-	4,906,766
Due from Banks	149,205	-	-	4,118	-	-	-	153,323
Financial Assets at Fair Value Through Profit/Loss (**)	-	40,168	64,481	473,362	440,969	526,301	-	1,545,281
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	122,959	-	1,429	33,329	3,600,144	3,108,145	-	6,866,006
Loans and Receivables	-	7,458,741	3,132,136	8,061,008	7,996,149	1,920,807	268,827	28,837,668
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	524,881	-	-	130,180	-	1,034,584	1,689,645
Total Assets	5,178,930	8,023,790	3,198,046	8,571,817	12,167,442	5,555,253	1,303,411	43,998,689
Liabilities								
Bank Deposits	19,466	206,237	130,358	4,096	-	-	-	360,157
Other Deposits	2,327,505	17,617,196	6,322,876	1,103,176	34,771	-	-	27,405,524
Funds Borrowed	-	159,530	235,922	2,413,256	1,254,642	222,119	-	4,285,469
Money Market Borrowings	-	2,344,604	142	-	-	-	-	2,344,746
Securities Issued	-	-	-	-	824,360	-	-	824,360
Sundry Creditors	-	1,069,166	-	-	-	-	-	1,069,166
Other Liabilities ^(*)	-	918,917	43,423	466,710	257,188	13,006	6,010,023	7,709,267
Total Liabilities	2,346,971	22,315,650	6,732,721	3,987,238	2,370,961	235,125	6,010,023	43,998,689
Liquidity Gap	2,831,959	(14,291,860)	(3,534,675)	4,584,579	9,796,481	5,320,128	(4,796,612)	-
Prior Period								
Total Assets	2,701,887	7,609,243	2,879,227	7,101,167	11,833,998	4,860,754	1,100,927	38,087,203
Total Liabilities	2,212,639	18,394,019	6,844,877	2,761,403	1,776,107	330,023	5,768,135	38,087,203
Net Liquidity Gap	489,248	(10,784,776)	(3,965,650)	4,339,764	10,057,891	4,530,731	(4,667,208)	-

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

Unallocated other liabilities include shareholders' equity amounting to TL 5,393,577, unallocated provisions amounting to TL 559,503 and TL 56,943 of deferred tax amount.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 8,703.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	248,948	157,438	222,979	177,028
T.R. Central Bank	3,132,576	1,298,714	923,452	1,045,395
Others	2,013	67,077	-	25,529
Total	3,383,537	1,523,229	1,146,431	1,247,952

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3,132,576	328,747	923,452	285,108
Restricted Time Deposits	-	969,967	-	760,287
Total	3,132,576	1,298,714	923,452	1,045,395

The compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 16% depending on the maturity of deposits (December 31, 2010 – 5.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 11% to 12% depending on the maturity of deposits (December 31, 2010 – 11%).

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

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

a) Trading securities given as collateral or blocked

None (December 31, 2010 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2010 – None).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	67,308	-	13,823	-
Swap Transactions	325,795	38,611	228,564	39,662
Futures Transactions	-	956	-	1,488
Options	424	290,769	108	105,945
Other	-	9,506	-	2,690
Total	393,527	339,842	242,495	149,785

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	7,796	24	7,242	27
Foreign	17	145,486	13	184,221
Foreign Head Offices and Branches	-	-	-	-
Total	7,813	145,510	7,255	184,248

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	50,726	46,091	-	-
USA and Canada	36,220	84,998	51,740	49,600
OECD Countries ^(*)	6,330	2,945	-	-
Off-shore Banking Regions	-	-	-	-
Other	487	600	-	-
Total	93,763	134,634	51,740	49,600

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

^(**) Includes blocked placements at foreign banks amounting to TL 51,740 (December 31, 2010 - TL 49,600) for the syndication and securitization loans received.

4. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	579,603	-	329,900	-
Other	-	-	-	-
Total	579,603	-	329,900	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,878,282	597,651	824,370	372,172
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,878,282	597,651	824,370	372,172

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c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,801,711	7,295,504
Quoted on a stock exchange ^(*)	6,670,985	7,032,244
Unquoted on a stock exchange	130,726	263,260
Share certificates	124,646	120,971
Quoted on a stock exchange ^(**)	124,646	120,971
Unquoted on a stock exchange	-	-
Impairment provision(-)	(60,351)	(653)
Total	6,866,006	7,415,822

^(*) The Eurobond Portfolio amounting to TL 446,581 (December 31, 2010 – TL 192,007) which has been accounted for as investment securities available for sale has been designated to the fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

^(**) Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 107,995 (December 31, 2010 – TL 113,339).

5. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	46,741	-	42,042	-
Total	46,741	-	42,042	-

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

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

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
Non-specialized Loans				
Discount Notes	228,897	-	342	-
Export Loans	739,926	12,798	90,489	2,644
Import Loans	5,064	-	-	-
Loans Given to Financial Sector	385,401	-	-	-
International Loans	75,833	-	-	-
Retail Loans	10,157,791	-	374,576	121,932
Credit Cards	7,636,311	-	158,896	44,166
Precious Metals Loans	-	-	-	-
Other	8,663,235	152,063	304,057	136,224
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	27,892,458	164,861	928,360	304,966

^(*) The loans amounting to TL 721,804 (December 31, 2010 – TL 976,951) are classified under “Loans at Fair Value Through Profit / Loss” in the financial statements.

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

Cash Loans ^(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	13,656,053	-	158,896	44,166
Non-specialized Loans	13,656,053	-	158,896	44,166
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	14,236,405	164,861	769,464	260,800
Non-specialized Loans	14,236,405	164,861	769,464	260,800
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	27,892,458	164,861	928,360	304,966

^(*)The loans amounting to TL 721,804 (December 31, 2010 – TL 976,951) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	98,644	9,507,788	9,606,432	317,965
Housing Loans	1,193	6,159,011	6,160,204	286,360
Automobile Loans	837	180,578	181,415	3,035
Personal Need Loans	91,492	3,168,199	3,259,691	28,570
Other	5,122	-	5,122	-
Consumer Loans-FC Indexed	-	167,109	167,109	89,124
Housing Loans	-	153,197	153,197	83,916
Automobile Loans	-	826	826	270
Personal Need Loans	-	13,086	13,086	4,938
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7,308,750	215,366	7,524,116	122,189
Installment	3,312,562	215,366	3,527,928	57,315
Non- Installment	3,996,188	-	3,996,188	64,874
Individual Credit Cards-FC	3,077	-	3,077	22
Installment	-	-	-	-
Non- Installment	3,077	-	3,077	22
Personnel Loans-TL	2,072	17,208	19,280	93
Housing Loans	-	902	902	3
Automobile Loans	-	169	169	-
Personal Need Loans	2,072	16,137	18,209	90
Other	-	-	-	-
Personnel Loans-FC Indexed	-	14	14	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	14	14	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	25,725	-	25,725	-
Installment	13,473	-	13,473	-
Non-Installment	12,252	-	12,252	-
Personnel Credit Cards-FC	79	-	79	-
With Installment	-	-	-	-
Without Installment	79	-	79	-
Overdraft Accounts-TL (Real Persons)	441,151	-	441,151	13,131
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	7,879,498	9,907,485	17,786,983	542,524

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility – TL	183,326	2,993,800	3,177,126	44,804
Real Estate Loans	-	160,121	160,121	5,649
Automobile Loans	3,486	318,305	321,791	5,640
Personal Need Loans	179,840	2,515,374	2,695,214	33,515
Other	-	-	-	-
Commercial Loans with Installment Facility - FC				
Indexed	32,430	601,486	633,916	75,439
Real Estate Loans	-	17,098	17,098	2,832
Automobile Loans	296	67,275	67,571	8,248
Personal Need Loans	32,134	517,113	549,247	64,359
Other	-	-	-	-
Commercial Loans with Installment Facility - FC				
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	160,535	541	161,076	2,607
Installment	47,450	541	47,991	777
Non-Installment	113,085	-	113,085	1,830
Corporate Credit Cards –FC	479	-	479	3
With Installment	-	-	-	-
Without Installment	479	-	479	3
Overdraft Accounts-TL (Legal Entities)	200,311	-	200,311	7
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	577,081	3,595,827	4,172,908	122,860

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	114,673	88,515
Private	29,175,972	25,515,258
Total	29,290,645	25,603,773

(*) The loans amounting to TL 721,804 (December 31, 2010 – TL 976,951) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	29,214,812	25,568,106
Foreign Loans	75,833	35,667
Total	29,290,645	25,603,773

(*) The loans amounting to TL 721,804 (December 31, 2010 – TL 976,951) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	72,746	44,247
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	72,746	44,247

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	36,975	121,658
Loans and Receivables with Doubtful Collectability	175,375	235,475
Uncollectible Loans and Receivables	1,357,413	1,168,306
Total	1,569,763	1,525,439

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	4,726	14,199	61,961
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	4,726	14,199	61,961
Prior Period			
(Gross Amounts Before the Specific Provisions)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008

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j.2) Movement of non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	218,237	348,387	1,191,138
Additions (+)	311,228	7,835	-
Transfers from Other Categories of Non-Performing Loans (+)	-	313,956	291,618
Transfers to Other Categories of Non-Performing Loans (-)	313,956	291,618	-
Collections (-)	33,095	79,797	123,585
Write-offs (-)	-	-	1,758
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	392
Credit Cards	-	-	1,366
Others	-	-	-
Current Period End Balance	182,414	298,763	1,357,413
Specific Provision (-) ^(*)	36,975	175,375	1,357,413
Net Balances on Balance Sheet	145,439	123,388	-

^(*) Within the scope of "Communiqué on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" ("Provisioning Decree"), the Bank provides specific provisions for its non-performing loans considering the credit risk and other factors. In this context, the Bank revised the provision rates and the provision amount decreased by TL 126,461 in the current period as compared to the provisioning method used in the prior period. In accordance with the provisioning decree the Bank provided provision for the non performing loans, not considering the guarantees received.

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

None (December 31, 2010 - None).

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period (Net)	145,439	123,388	-
Loans to Real Persons and Legal Entities (Gross)	182,414	297,975	1,347,164
Specific provision (-)	(36,975)	(174,587)	(1,347,164)
Loans to Real Persons and Legal Entities (Net)	145,439	123,388	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	788	10,249
Specific provision (-)	-	(788)	(10,249)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	96,579	112,912	22,832
Loans to Real Persons and Legal Entities (Gross)	218,237	347,516	1,183,789
Specific provision (-)	(121,658)	(234,604)	(1,160,957)
Loans to Real Persons and Legal Entities (Net)	96,579	112,912	22,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	871	7,349
Specific provision (-)	-	(871)	(7,349)
Other Loans and Receivables (Net)	-	-	-

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k) Liquidation policies for uncollectible loans and other receivables:

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

l) Write-off policy:

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

6. Information on investment securities held-to-maturity

None (December 31, 2010 – None).

7. Investments in associates (Net) :

7.1. Investments in associates:

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
427	425	-	12	-	(5)	356	-
21,526	17,174	6,401	430	-	1,309	1,465	-
142,235	135,886	3,038	2,147	-	2,782	4,321	-

(*) Current period information is obtained from financial statements as of June 30, 2011, prior period profit and loss information is obtained from financial statements as of December 31, 2010.

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7.2. Movements of investments in associates

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

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

7.3. Sectoral distribution of associates

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

7.4. Quoted Associates

None (December 31, 2010 - None).

7.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	5,769	5,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	5,769	5,769

7.6. Investments in associates sold during the current period

None.

7.7. Investments in associates acquired during the current period

None.

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8. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

Title					Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)	
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.					Istanbul/Turkey	99.91%	99.91%	
Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	
(*)	22,643	20,383	17,944	-	-	1,982	1,752	-

(*) Current period information is obtained from financial statements as of June 30, 2011, prior period profit and loss information is obtained from financial statements as of December 31, 2010.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	80.81 (*)	80.81 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(*) The share of the Bank is 10.01%, the remaining 70.80% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (***)
1. (*)	212,464	129,596	13,068	4,457	107	17,834	15,430	-
2. (**)	1,633,371	393,037	830	8,216	-	7,845	35,817	434,700
3. (*)	21,029	20,726	53	-	-	505	729	20,880
4. (*)	15,825	14,246	446	810	5	4,008	7,403	-
5. (*)	124,175	45,148	1,882	2,403	495	3,466	9,493	-
6. (*)	2,384	2,326	216	97	-	(630)	(1,302)	-
7. (*)	264,789	13,085	844	12,036	-	1,166	3,252	-

(*) Current period information represents June 30, 2011 figures, and prior period profit/loss amounts represent December 31, 2010 figures as per the financial statements prepared in accordance with BRSA regulations.

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

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

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b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	362,058	222,588
Movements during the period	14,494	139,470
Purchases	5,211 ⁽¹⁾	1,063 ⁽²⁾
Bonus Shares Received	-	42,901 ⁽³⁾
Dividends from Current Year Profit	-	-
Sales	-	(1,858) ⁽⁴⁾
Revaluation Increase	9,283	97,364
Impairment Provision	-	-
Balance at the End of the Period	376,552	362,058
Capital Commitments	-	3,188
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the current period include shares of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. received from ISE amounting to TL 2,023 and the participation to the capital of Bank's subsidiary Finans Emeklilik ve Hayat A.Ş. amounting to TL 3,188.

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

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

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

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	40,000	36,812
Factoring Companies	10,000	10,000
Leasing Companies	221,958	213,737
Finance Companies	5,000	5,000
Other Subsidiaries	99,594	96,509
Total	376,552	362,058

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	238,831	227,524
Quoted on International Stock Exchanges	-	-
Total	238,831	227,524

9. Investments in entities under common control:

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	10,097	6,702	2,271	2,594	2,371

^(*) Current period information represents June 30, 2011 figures, prior period information is obtained from the financial statements from December 31, 2010.

10. Information on leasing receivables (Net)

None (December 31, 2010 - None).

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11. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	8,703	28,648	-
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	-	8,703	28,648	-

(*) Derivative financial instruments held for the fair value hedge purposes include swaps. TL 8,703 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of June 30, 2011, whereas TL 28,648 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities as of December 31, 2010.

12. Information on tax asset

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 10.1.4.

As of June 30, 2011, the Bank has TL 117,247 current tax liabilities (December 31, 2010- TL 237,352) and TL 48,478 prepaid taxes (December 31, 2010 - TL 171,769) which are netted-off in the accompanying financial statements.

13. Information on assets held for sale and discontinued operations

None (December 31, 2010- None).

14. Information on other assets

14.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Collateral Given for Derivative Transactions	241,997	461,851
Assets Held for Resale (net)	200,040	107,964
Cheques Receivables from Other Banks	130,179	126,914
Other Prepaid Expenses	130,068	94,988
Sundry Debtors	45,300	37,636
Prepaid Rent Expenses	18,332	16,317
Advances Given	3,269	7,004
Prepaid Agency Commissions	3,182	6,825
Other	34,278	33,955
Total	806,645	893,454

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

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

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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 balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	1,506	-
Trading Securities	115	16	179	21
Fin. Assets at Fair Value through Profit or Loss	-	-	4,763	-
Assets on Trading Derivatives	393,527	339,842	242,495	149,785
Banks	43	75	234	88
Investments Securities Available for Sale	75,657	18,624	212,090	37,666
Loans and Receivables	446,019	19,591	383,989	11,683
Derivative Financial Instruments Held for Hedging Purposes	-	8,703	28,648	-
Other Accruals	-	-	-	-
Total	915,361	386,851	873,904	199,243

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	563,749	-	900,948	9,646,338	2,245,539	237,175	11,426	17,238	13,622,413
Foreign Currency Deposits	685,787	-	940,837	4,182,017	497,422	319,378	44,436	5,967	6,675,844
Residents in Turkey	664,482	-	922,310	4,089,880	483,643	235,415	44,436	5,931	6,446,097
Residents Abroad	21,305	-	18,527	92,137	13,779	83,963	-	36	229,747
Public Sector Deposits	216,596	-	3,227	44,262	10,859	-	-	-	274,944
Commercial Deposits	803,228	-	1,090,524	2,896,882	708,325	419,707	23,553	-	5,942,219
Other Ins. Deposits	13,584	-	44,491	634,770	108,228	11,452	10,123	-	822,648
Precious Metal Deposits	44,561	-	22,895	-	-	-	-	-	67,456
Bank Deposits	19,466	-	201,871	130,358	-	4,096	4,366	-	360,157
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,224	-	74,983	901	-	4,096	-	-	82,204
Foreign Banks	15,944	-	126,888	129,457	-	-	4,366	-	276,655
Participation Banks	1,298	-	-	-	-	-	-	-	1,298
Other	-	-	-	-	-	-	-	-	-
Total	2,346,971	-	3,204,793	17,534,627	3,570,373	991,808	93,904	23,205	27,765,681

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	536,016	-	2,364,956	7,187,597	391,409	76,414	578	17,464	10,574,434
Foreign Currency Deposits	742,863	-	1,655,260	2,881,865	323,061	97,259	27,704	6,274	5,734,286
Residents in Turkey	719,772	-	1,613,733	2,751,876	312,103	61,016	27,704	6,241	5,492,445
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
Public Sector Deposits	95,468	-	4,119	156,406	76	-	-	-	256,069
Commercial Deposits	791,666	-	1,448,001	3,462,470	464,583	89,611	-	-	6,256,331
Other Ins. Deposits	12,807	-	32,172	558,049	101,454	1,810	-	-	706,292
Precious Metal Deposits	12,124	-	12,307	-	-	-	-	-	24,431
Bank Deposits	21,695	-	245,036	436,324	171,673	4,106	-	-	878,834
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
Total	2,212,639	-	5,761,851	14,682,711	1,452,256	269,200	28,282	23,738	24,430,677

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,674,516	3,428,021	9,946,044	7,143,571
Foreign Currency Savings Deposits	603,541	629,713	3,049,749	2,815,867
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	4,278,057	4,057,734	12,995,793	9,959,438

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

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

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 nd 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	10,901	11,423
Total	10,901	11,423

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	57,349	-	22,897	-
Swaps	301,597	59,327	310,760	36,332
Futures	-	576	-	2,753
Options	424	267,757	108	98,978
Other	-	9,147	-	2,436
Total	359,370	336,807	333,765	140,499

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	88,582	108,752	70,861	87,789
Foreign Bank, Institutions and Funds	-	3,022,824	300,016	3,032,259
Total	88,582	3,131,576	370,877	3,120,048

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	88,582	1,147,083	70,861	1,035,335
Medium and Long-Term	-	1,984,493	300,016	2,084,713
Total	88,582	3,131,576	370,877	3,120,048

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

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's. The loan amounting to USD 110 million with 5 years maturity has been paid back on March 24, 2011.

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

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

As of June 30, 2011, the Bank's liabilities comprise; 63% deposits (December 31, 2010 – 64%), 10% funds borrowed (December 31, 2010 –12%) and 5% funds provided under repurchase agreements (December 31, 2010 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,862,395	-	807,415	-
Financial institutions and organizations	1,844,021	-	790,285	-
Other institutions and organizations	4,261	-	5,736	-
Real persons	14,113	-	11,394	-
From foreign transactions	38	482,313	6,703	309,882
Financial institutions and organizations	-	482,313	-	309,882
Other institutions and organizations	38	-	6,703	-
Real persons	-	-	-	-
Total	1,862,433	482,313	814,118	309,882

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5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	-	-	-	-
Bills	-	824,360	-	-
Total	-	824,360	-	-

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

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

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2010 - does not exceed).

7. 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.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2010- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	4,997	4,406	207	19
Between 1 - 4 years	4,054	3,576	46	4
More than 4 years	-	-	-	-
Total	9,051	7,982	253	23

7.3. 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.

7.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2010- None).

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8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	-	25,218	250,240	7,000
Cash Flow Hedge ^(**)	8,327	-	69,545	-
Net Investment Hedge	-	-	-	-
Total	8,327	25,218	319,785	7,000

^(*) Derivative financial instruments for hedging purposes include swaps. As of June 30, 2011, TL 25,218 (December 31, 2010 – 7,000) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio. As of December 31, 2010, TL 250,240 represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

^(**) Represents the mark to market effects of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	229,514	187,721
Provisions for Loans and Receivables in Group II	20,180	20,179
Provisions for Non - Cash Loans	44,626	31,959
Other	28,647	25,949
Total	322,967	265,808

In accordance with the "Amendment on Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" Official Gazette No: 27947 dated May 28, 2011, the loans, amounting to TL 159,114 is extended up to 1 year and and TL 48,375 is extended for 1 year and longer. Additional general provision is provided amounting to TL 5,029 for aforementioned loans without considering the reason for restructuring.

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	1,085	8,859

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

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

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 61,234 (December 31, 2010 - TL 67,931).

9.4 Information on employee termination benefits and unused vacation accrual

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

As of June 30, 2011, TL 26,637 (December 31, 2010 - TL 25,086) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2011, the Bank accrued TL 17,574 (December 31, 2010 – TL 13,990), for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2011, TL 25,077 (December 31, 2010- TL 33,148) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period 01.01-30.06.2011	Prior Period 01.01-30.06.2010
As of January 1	25,086	19,686
Service Cost	4,207	2,772
Interest Cost	1,382	1,044
Paid during the period	(4,038)	(2,625)
Total	26,637	20,877

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	86,570	78,265

As of June 30, 2011, the Bank has provided provision for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

Apart from the information provided in 9.3 and 9.5.1, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	16,462	15,147
Other Provisions	28,060	17,744
Total	44,522	32,891

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of June 30, 2011, the Bank has current tax liability of TL 117,247 (December 31, 2010 - TL 237,352) and advance taxes of TL 48,478 (December 31, 2010 - TL 171,769). The current tax liability and advance taxes are presented in net in the accompanying financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	68,769	65,583
Banking and Insurance Transaction Tax (BITT)	21,630	21,061
Taxation on Securities Income	23,069	17,026
Taxation on Real Estates Income	1,234	1,028
Other	35,328	11,935
Total	150,030	116,633

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

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10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	4,969	4,405
Social Security Premiums - Employer Share	5,319	4,735
Unemployment Insurance - Employee Share	349	309
Unemployment Insurance - Employer Share	698	619
Total	11,335	10,068

10.1.4. Information on deferred tax liabilities

As of June 30, 2011, deferred tax liability amounting to TL 56,943 has been disclosed in the accompanying financial statements (December 31, 2010 - TL 75,673).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other. As of June 30, 2011 the Bank has presented the net amount of deferred tax asset TL 53,828 (December 31, 2010 - TL 46,994) and deferred tax liability of TL 110,771 (December 31, 2010 - TL 122,667) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 8,206 (December 31, 2010 - TL 34,079 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	June 30, 2011	Dec. 31, 2010	June 30, 2011	Dec. 31, 2010
Reserve for Employee Benefits	69,288	72,224	13,858	14,445
The differences between carrying and taxable amounts of financial assets	183,391	147,597	36,678	29,519
Other	16,462	15,150	3,292	3,030
Deferred Tax Asset			53,828	46,994
The differences between carrying and taxable amounts of tangible assets	(87,185)	(85,998)	(17,437)	(17,200)
The differences between carrying and taxable amounts of financial assets	(378,672)	(456,987)	(75,734)	(91,397)
Other	(88,002)	(70,350)	(17,600)	(14,070)
Deferred Tax Liability			(110,771)	(122,667)
Deferred Tax Asset / (Liability), Net			(56,943)	(75,673)
	Current Period		Prior Period	
	01.01-30.06.2011		01.01-31.06.2010	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(75,673)		(83,168)	
Deferred Tax (Charge) / Benefit	(23,555)		48,714	
Deferred Tax Items accounted for under the equity	42,285		11,603	
Deferred Tax Asset/ (Liability) as of June 30, 2011 (Net)	(56,943)		(22,851)	

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11. Information on payables related to assets held for sale

None (December 31, 2010 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,065,311	-	1,010,383
From Other Foreign Institutions	-	-	-	-
Total	-	1,065,311	-	1,010,383

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

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,320,000	2,205,000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,320,000	6,000,000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves	Capital Reserves
			Subject to Increase	Subject to Increase
June 20, 2011	115,000	-	115,000	-

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13.4. Information on share capital increases from revaluation funds

None (December 31, 2010 – None).

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

The Bank does not have any capital commitments, all of the capital is fully paid-in.

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

None (December 31, 2010 – None).

13.7. Information on the privileges given to stocks representing the capital

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

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	23,200,000	16,537,500
Preferred Capital Stock	-	-
Common Stock Issue Premiums ^(*)	665	665
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

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

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	141,574	-	132,756	-
Valuation Difference	141,574	-	132,756	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(28,941)	(27,190)	119,339	10,205
Valuation Difference	(28,941)	(27,190)	119,339	10,205
Foreign Exchange Rate Difference	-	-	-	-
Total	112,633	(27,190)	252,095	10,205

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16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	148,243	18,573	98,355	11,470
Derivative Financial Liabilities Held for Trading	359,370	336,807	333,765	140,499
Funds Borrowed	1,688	18,675	1,344	21,169
Money Market Borrowings	1,330	482	505	182
Derivative Financial Liabilities Held for Hedging Purposes	8,327	25,218	319,785	7,000
Other Accruals	31,183	14,302	31,951	16
Total	550,141	414,057	785,705	180,336

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SECTION FIVE

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

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,679,333	1,587,549
Letters of Guarantee in TL	3,298,997	2,967,436
Letters of Credit	1,023,676	722,850
Bank Loans	822,449	721,538
Other Guarantees	34,777	36,309
Total	6,859,232	6,035,682

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

Specific provision is provided for the non-cash loans amounting to TL 61,234 (December 31, 2010 - TL 67,931) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	338,730	288,152
Final Letters of Guarantee	3,629,266	3,282,473
Advance Letters of Guarantee	181,909	168,008
Letters of Guarantee Given to Customs Offices	196,957	196,275
Other Letters of Guarantee	631,468	620,077
Total	4,978,330	4,554,985

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash		
Loans	396,369	360,270
Less Than or Equal to One Year with Original Maturity	28,055	33,954
More Than One Year with Original Maturity	368,314	326,316
Other Non-Cash Loans	6,462,863	5,675,412
Total	6,859,232	6,035,682

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	43,939	1.33	59,078	1.68	40,653	1.37	40,086	1.32
Farming and Raising Livestock	8,119	0.25	33,637	0.96	8,038	0.27	17,072	0.56
Forestry	35,036	1.06	25,311	0.72	32,136	1.08	21,906	0.72
Fishing	784	0.02	130	0.00	479	0.02	1,108	0.04
Manufacturing	598,807	18.12	1,664,521	47.28	532,675	17.94	1,510,731	49.87
Mining and Quarrying	30,677	0.93	42,045	1.19	29,259	0.99	29,691	0.98
Production	557,454	16.87	1,588,064	45.11	493,786	16.63	1,440,143	47.54
Electricity, gas and water	10,676	0.32	34,412	0.98	9,630	0.32	40,897	1.35
Construction	699,161	21.16	488,450	13.87	609,769	20.53	428,401	14.14
Services	1,666,191	50.43	1,223,623	34.76	1,504,363	50.65	952,094	31.43
Wholesale and Retail Trade	1,068,868	32.35	747,173	21.22	947,724	31.91	517,521	17.08
Hotel, Food and Beverage Services	17,011	0.52	10,317	0.29	19,334	0.65	7,703	0.25
Transportation&Communication	67,554	2.04	86,017	2.44	59,724	2.01	65,323	2.16
Financial Institutions	341,018	10.32	313,507	8.91	310,366	10.45	315,626	10.42
Real Estate and Renting Services	8,559	0.26	1,512	0.04	8,492	0.29	603	0.02
Self Employment Services	146,852	4.44	60,347	1.71	148,569	5.00	43,239	1.43
Educational Services	2,897	0.09	97	0.00	2,667	0.09	92	0.00
Health and Social Services	13,432	0.41	4,653	0.13	7,487	0.25	1,987	0.07
Other (*)	295,865	8.96	84,820	2.41	282,600	9.51	98,001	3.24
Total	3,303,963	100.00	3,520,492	100.00	2,970,060	100.00	3,029,313	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 34,777 (December 31, 2010 - TL 36,309).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,142,206	1,553,100	128,472	93,453
Bills of Exchange and Acceptances	4,723	814,269	-	3,322
Letters of Credit	243	1,018,430	-	5,003
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	34,777	-	-
Non-cash Loans	3,147,172	3,420,576	128,472	101,778

(*) Does not include non-cash loans amounting to TL 61,234, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	63,994,745	36,431,011
Forward transactions ^(*)	7,434,862	2,530,303
Swap transactions	36,114,499	20,047,453
Futures transactions	196,002	375,074
Option transactions	20,249,382	13,478,181
Interest Related Derivative Transactions (II)	5,525,669	6,460,378
Forward rate transactions	-	-
Interest rate swap transactions	5,525,669	6,434,996
Interest option transactions	-	-
Futures interest transactions	-	25,382
Other trading derivative transactions (III)	-	-
A.Total Trading Derivative Transactions (I+II+III)	69,520,414	42,891,389
Types of hedging transactions		
Fair value hedges	2,450,084	8,955,244
Cash flow hedges	374,400	1,309,876
Net investment hedges	-	-
B.Total Hedging Related Derivatives	2,824,484	10,265,120
Total Derivative Transactions (A+B)	72,344,898	53,156,509

^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of June 30, 2011, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,407,879	1,194,854	6,516,215	12,828,006	4,607,542	4,571,398	3,823	9,192
USD	1,149,069	1,645,567	12,846,427	8,826,015	2,699,875	2,870,023	91,948	85,951
EURO	998,834	696,573	2,181,652	1,116,709	1,861,374	1,718,578	1,034	1,738
Other	171,005	171,081	19,014	130,614	959,956	960,636	1,158	1,158
Total	3,726,787	3,708,075	21,563,308	22,901,344	10,128,747	10,120,635	97,963	98,039

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments

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

^(*) This column also includes hedging purpose derivatives.

^(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of June 30, 2011, the Bank has no derivative transactions for hedge of net investment.

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6. Information on contingent liabilities and assets

None (December 31, 2010 – None).

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

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

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

MOODY's April 2011		FITCH April 2011		CI November 2010	
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-term TL	BBB-	Financial strength at local	BBB+
Financial Strength	C-	Short-term TL	F3	market	3
		Long-term National	AAA	Support	
		Individual	C		
		Support	3T		

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SECTION FIVE

IV. EXPLANATIONS ON DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	1,008,386	22,949	808,855	27,039
Medium and Long-Term Loans	757,395	42,595	677,854	26,197
Non-Performing Loans	48,887	-	41,542	-
Premiums Received from Resource Utilization				
Support Fund	-	-	-	-
Total	1,814,668	65,544	1,528,251	53,236

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	17,663	-
Domestic Banks	118	47	4,111	19
Foreign Banks	610	1,224	783	725
Foreign Headquarters and Branches	-	-	-	-
Total	728	1,271	22,557	744

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	1,684	146	1,767	65
Financial Assets at FVTPL	608	-	5,807	-
Investment Securities Available for Sale	174,392	25,413	164,726	19,129
Investment Securities Held to Maturity	-	-	-	-
Total	176,684	25,559	172,300	19,194

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,434	1,882

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	3,187	923	2,292	583
Foreign Banks	10,133	59,989	17,838	45,990
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	13,320	60,912	20,130	46,573

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	15,416	6,250

c) Information on interest expense paid to securities issued

The Bank has issued foreign currency bond with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011.

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits						
							Accumulated	
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Deposit Account	Total
Turkish Lira								
Bank Deposits	-	82	4,039	5,761	-	394	-	10,276
Saving Deposits	4	53,841	357,358	47,396	6,623	459	-	465,681
Public Sector Deposits	-	189	4,568	133	-	-	-	4,890
Commercial Deposits	1	47,924	137,638	23,980	12,990	546	-	223,079
Other Deposits	-	1,139	33,467	2,845	110	123	-	37,684
7 Days Call Accounts	-	82	4,039	5,761	-	394	-	10,276
Total	5	103,175	537,070	80,115	19,723	1,522	-	741,610
Foreign Currency								
Foreign Currency								
Deposits	4	19,038	71,575	7,183	3,465	764	103	102,132
Bank Deposits	59	1,607	2,314	877	-	-	-	4,857
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	141	-	-	-	-	-	141
Total	63	20,786	73,889	8,060	3,465	764	103	107,130
Grand Total	68	123,961	610,959	88,175	23,188	2,286	103	848,740

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Information on maturity structure of interest expense on deposits

Prior Period	Time Deposits						Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	6,496	1,664	297	190	2	-	8,649
Saving Deposits	81	102,855	261,791	5,606	2,069	602	-	373,004
Public Sector Deposits	1	168	472	3	-	-	-	644
Commercial Deposits	20	39,887	108,090	6,935	500	-	-	155,432
Other Deposits	-	3,435	12,836	6,378	173	-	-	22,822
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	102	152,841	384,853	19,219	2,932	604	-	560,551
Foreign Currency								
Foreign Currency Deposits	10	19,971	35,818	2,618	2,463	270	147	61,297
Bank Deposits	50	711	716	562	-	6,649	-	8,688
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	9	-	-	-	-	-	9
Total	60	20,691	36,534	3,180	2,463	6,919	147	69,994
Grand Total	162	173,532	421,387	22,399	5,395	7,523	147	630,545

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements ^(*)	50,278	2,202	4,535	289

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

f) **Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	135	156

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

None (June 30, 2010 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	101	-
Other	8,208	40,212
Total	8,309	40,212

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	3,887,275	3,060,025
Gains on Capital Market Operations	106,804	110,216
Derivative Financial Instruments	1,532,555	645,781
Foreign Exchange Gains	2,247,916	2,304,028
Trading Loss (-)	3,892,872	3,293,560
Losses on Capital Market Operations	41,813	11,399
Derivative Financial Instruments	1,551,440	1,033,421
Foreign Exchange Losses	2,299,619	2,248,740
Net Trading Income/Loss	(5,597)	(233,535)

5. Information on other operating income

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

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	46,072	160,769
Loans and Receivables in Group III	1,085	114,999
Loans and Receivables in Group IV	5,147	11,202
Loans and Receivables in Group V	39,840	34,568
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	57,159	27,388
Provision Expenses for Possible Losses	8,305	1,765
Impairment Losses on Securities	20	30
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	20	30
Impairment Losses on Associates, Subsidiaries and		
Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	6,934	10,245
Total	118,490	200,197

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	344,077	285,927
Reserve for employee termination benefits	1,551	1,191
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	39,520	36,508
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	18,258	13,206
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	2	-
Depreciation on assets to be disposed	629	779
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	259,803	224,757
Operational lease related expenses	56,752	46,078
Repair and maintenance expenses	22,472	20,171
Advertisement expenses	25,724	34,901
Other expenses	154,855	123,607
Losses on sales of assets	430	212
Other	108,215	80,690
Total	772,485	643,270

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

For the period ended at June 30, 2011, net interest income of TL 1,102,783 (June 30, 2010 – TL 1,103,296), net fees and commission income of TL 355,628 (June 30, 2010 – TL 290,562) and other operating income of TL 65,577 (June 30, 2010 – TL 60,555) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

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

	Current Period	Prior Period
Current Tax Provision	(117,247)	(122,588)
Adjustment concerning the prior period's corporate tax	(17,907)	-
Deferred Tax Income/(Expense)	(23,555)	48,714
Total	(158,709)	(73,874)

As of June 30, 2011, the Bank recorded current tax charge of TL 135,154 (June 30, 2010 – TL 122,588) and a deferred tax charge of TL 23,555 (June 30, 2010 – TL 48,714 deferred tax benefit) from its continuing operations.

In addition, the Bank has increased the corporate tax base concerning prior periods within the scope of "Law on the Restructuring of Some of the Receivables, and on the amendment of Social Insurances and General Health Insurance Law, and that of Other Several Laws and Legislative Decrees", no. 6111 and accrued a liability amounting to TL 17,907.

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9.2. Explanations on operating profit/loss after taxes

None (June 30, 2010 – None).

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

Net profit of the Bank from continued operations is TL 477,016 (June 30, 2010 – TL 343,749).

11. Explanations on net income/loss for the period

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

None (June 30, 2010 – None).

11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.

11.3. There are no profit or loss attributable to minority shares.

11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

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

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

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FOR THE PERIOD ENDED JUNE 30, 2011

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

SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

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

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

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

	Current Period	Prior Period
	June 30, 2011	June 30, 2010
Cash	475,476	318,889
Cash in TL	248,948	180,391
Cash in Foreign Currencies	157,438	130,051
Other	69,090	8,447
Cash Equivalents	3,610,410	1,407,793
Balances with the T.R. Central Bank	3,461,323	1,265,848
Banks	153,323	155,233
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(118)	(4,062)
Less: Accruals	(4,118)	(9,226)
Cash and Cash Equivalents	4,085,886	1,726,682

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

Foreign bank balances include TL 51,740 (December 31, 2010- TL 49,600) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

4. Additional information

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

None.

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SECTION FIVE

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

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

- 1.1. As of June 30, 2011, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 566,951 (December 31, 2010 - TL 548,017), TL 106,057 (December 31, 2010 - TL 73,308) and TL 71,122 (December 31, 2010 - TL 94,712), respectively.

Current Period

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	44,247	45,916	-	48,794	29,061	2
Balance at the End of the Period	72,746	16,652	-	54,468	33,311	2
Interest and Commission Income	1,434	18	-	5	1,112	-

Prior Period

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash		Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	5,874	14,627	-	11,745	30,632	22,740
Balance at the End of the Period	44,247	45,916	-	48,794	29,061	2
Interest and Commission Income	1,882	30	-	10	954	-

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

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

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

Bank'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
Deposits						
Balance at the Beginning of the Period	447,922	349,531	1,707	1,116,699	98,338	57,558
Balance at the End of the Period	549,665	447,922	8,663	1,707	8,623	98,338
Interest on deposits	15,416	6,250	-	919	676	1,106

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

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

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

Bank'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
Transactions for Trading Purposes						
Beginning of the Period	-	-	817,073	105,265	246,559	273,419
End of the Period	-	-	96,465	817,073	32,408	246,559
Total Income/Loss ^(***)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

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

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

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

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

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

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

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of June 30, 2011, cash loans of the risk group represented 0.4% of the Bank's total cash loans (December 31, 2010 - 0.3%), the deposits represented 2.0% of the Bank's total deposits (December 31, 2010 - 2.2%) and derivative transactions represented 0.4% of the Bank's total derivative transactions (December 31, 2010 - 3.9%).

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

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of June 30, 2011, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 7,982 (December 31, 2010 - TL 23) relating with finance lease agreements.

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

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% share holding, provides cash transfer services to the Bank.

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

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

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

- 1.1** The amendments concerning the required reserve ratios on FC liabilities set out as per "Communiqué on Reserve Requirements" No: 2011/8 published in the repeated Official Gazette No: 28016 dated August 5, 2011 Article 6, which regulates the calculation of the reserve requirement ratios, their institution forms and the duration, the amendments in the reserve requirement ratios in FC liabilities are as follows:

FX Liabilities	New Ratios (%)
FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, 3-month, up to 6-month and up to 1-year maturities	11.5
FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts	9.5
Special Fund Pools	Ratios for corresponding maturities
Other liabilities up to 1-year maturity (including 1-year)	11.5
Other liabilities up to 3-year maturity (including 3-year)	9.5
Other liabilities longer than 3-year maturity	8.5

Additionally, calculation of required reserves on repurchase agreements is amended in Paragraph 1 of Article 6 of "Communiqué on Reserve Requirements", No.2005/1, published in the Official Gazette No:28016 dated August 5, 2011. From August 5, 2011, calculation of required reserves on funds provided from repurchase agreements that are subject to required reserves will be calculated by using the averages of daily balances between two dates that the liabilities are calculated.

- 1.2** In accordance with the Board of Directors' decision dated July 21, 2011, the Bank decided to dispose a portion of its SME-Commercial and Corporate loans receivables which are subject to legal follow-up and for which 100% specific provisions are provided, amounting up to TL 288,000, for TL 17,500 to LBT Wealth Management Incorporated Company by means of advance payment and for further receivings of cash proceeds.
- 1.3** In accordance with the Board of Directors' decision dated August 4, 2011, the Bank has decided to increase its paid-in capital from TL 2,320,000 to TL 2,440,000 by TL 120,000; TL 3,067 of the increase is to be provided from extraordinary reserves, and the remaining part is to be met from payments received by the shareholders 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 bank

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

3. Other matters

None.

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FİNANSBANK ANONİM ŞİRKETİ

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SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated August 12, 2011 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditor

None (December 31, 2010 – None).