

FİNANSBANK ANONİM ŞİRKETİ

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

*Translated into English from the
Original Turkish Report*

FİNANSBANK ANONİM ŞİRKETİ

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

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

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

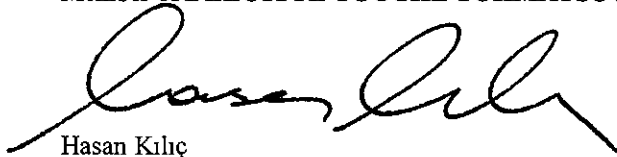
We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of the Group for the period ended June 30, 2011 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 and No: 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and the pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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



Hasan Kılıç
Partner

İstanbul, August 25, 2011

**THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş. Genel Müdürlük
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011**

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129 34394 Mecidiyeköy/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

Büyükdere Caddesi No: 129
34394 Mecidiyeköy - İstanbul
Tel : (0212) 318 50 00
Faks : (0212) 318 58 50
www.finansbank.com.tr

The consolidated financial report for the six months, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

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

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

Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Emeklilik ve Hayat Anonim Şirketi
6. Finans Tüketici Finansmanı Anonim Şirketi
7. Finans Faktoring Hizmetleri Anonim Şirketi

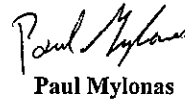
The consolidated financial statements and related disclosures and footnotes that were subject to limited review, for the six months period are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, 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 consolidated financial statements are presented in thousands of Turkish Lira (TL).



**Ömer
A. Aras**
Chairman of the Board of Directors



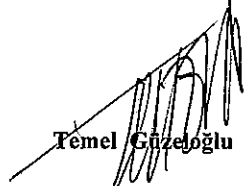
**Mustafa
A. Aysan**
Member of the Board of Directors and Chairman of the Audit Committee




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 statements 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 CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011**

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

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

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

As of June 30, 2011, 77.23% of the Parent 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 Parent 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 and commercial 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 Parent 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 Korninos	Board Member	February 16, 2011	Graduate
Temel Güzelöğlu	Board Member and General Manager	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Agis Leopoulou	Board Member	April 16, 2010	Masters
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Hakan Şenüal	Executive Vice President	August 18, 2008	Graduate
Murat Şakar	Executive Vice President	August 18, 2008	Graduate
Köksal Çoban	Executive Vice President	August 18, 2008	Masters
Saruhan Doğan	Executive Vice President	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Tunç Erdal	Executive Vice President	October 8, 2010	Graduate
Kubilay Güler	Executive Vice President	January 16, 2004	Graduate
Filiz Şafak	Executive Vice President	September 19, 2007	Graduate
Levent Yörük	Executive Vice President	February 1, 2010	Graduate
Bülent Yurdalan	Executive Vice President	March 7, 2011	Graduate
Kunter Kutluay (*)	Executive Vice President	May 16, 2011	Masters
Erkin Aydın (*)	Executive Vice President	May 16, 2011	Masters
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

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

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

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED 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 on the Parent Bank

Name Surname/Trade Name	Amount of Shares	Shareholding	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 Parent 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 Parent Bank's services and activities

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of June 31, 2011, the Parent 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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FINANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2011

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 30.06.2011			Audited 31.12.2010			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	3,388,529	1,523,278	4,911,807	1,150,341	1,247,979	2,398,320
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,269,344	341,042	1,610,386	1,402,806	153,963	1,556,769
2.1	Financial assets held for trading		547,540	341,042	888,582	351,201	153,963	505,164
2.1.1	Public sector debt securities		126,239	987	127,226	91,403	4,163	95,566
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		393,527	340,055	733,582	242,495	149,800	392,295
2.1.4	Other securities		27,774	-	27,774	17,303	-	17,303
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)	87,772	146,426	234,198	78,366	480,812	559,178
IV.	MONEY MARKET PLACEMENTS		5,990	-	5,990	4,977	-	4,977
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		5,990	-	5,990	4,977	-	4,977
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	6,048,058	733,065	6,781,123	6,548,667	696,118	7,244,785
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,915,252	654,545	6,569,797	6,427,633	602,273	7,029,906
5.3	Other securities		132,806	78,520	211,326	121,034	93,845	214,879
VI.	LOANS AND RECEIVABLES	(5)	25,912,076	2,911,811	28,823,887	22,416,555	2,434,620	24,851,175
6.1	Loans and receivables		25,643,249	2,911,811	28,555,060	22,184,232	2,434,620	24,618,852
6.1.1	Loans to risk group of the Bank		-	33,311	33,311	-	29,061	29,061
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		25,643,249	2,878,500	28,521,749	22,184,232	2,405,559	24,589,791
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	(6)	243,880	17,086	260,966	205,716	16,309	222,025
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	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)	(9)	14,986	-	14,986	14,986	-	14,986
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	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)	(11)	198,719	781,736	980,455	159,940	658,361	818,301
12.1	Financial lease receivables		232,196	850,573	1,082,769	187,640	720,150	907,790
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		33,477	68,837	102,314	27,700	61,789	89,489
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	-	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)		379,884	82	379,966	377,984	39	378,023
XV.	INTANGIBLE ASSETS (Net)		130,903	-	130,903	110,129	-	110,129
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		121,934	-	121,934	101,160	-	101,160
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	14,376	-	14,376	30,022	-	30,022
17.1	Current tax assets		663	-	663	614	-	614
17.2	Deferred tax assets		13,713	-	13,713	29,408	-	29,408
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	607,999	327,991	935,990	468,919	559,098	1,028,017
TOTAL ASSETS			38,311,085	6,791,220	45,102,305	33,006,625	6,247,299	39,253,924

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

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

FINANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2011

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED 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)	20,588,312	6,685,337	27,273,649	18,018,607	5,991,727	24,010,334
1.1	Deposits from risk group of the Bank		56,023	18,896	74,919	113,611	14,060	127,671
1.2	Other		20,532,289	6,666,441	27,198,730	17,904,996	5,977,667	23,882,663
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	359,370	337,210	696,580	333,765	141,199	474,964
III.	FUNDS BORROWED	(3)	230,704	4,179,260	4,409,964	553,127	4,098,035	4,651,162
IV.	MONEY MARKET BORROWINGS		1,908,350	482,313	2,390,663	873,625	309,882	1,183,507
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		43,375	-	43,375	43,280	-	43,280
4.3	Funds provided under repurchase agreements	(4)	1,864,975	482,313	2,347,288	830,345	309,882	1,140,227
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		994,458	158,935	1,153,393	867,067	122,979	990,046
VIII.	OTHER LIABILITIES	(6)	861,767	27,423	889,190	475,718	21,769	497,487
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1	Financial lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		-	-	-	-	-	-
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)	617,478	37,586	655,064	546,881	31,215	578,096
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		76,863	-	76,863	83,119	-	83,119
12.4	Insurance technical provisions (Net)		62,045	-	62,045	48,609	-	48,609
12.5	Other provisions		193,189	-	193,189	180,560	-	180,560
XIII.	TAX LIABILITY	(10)	124,221	-	124,221	144,693	-	144,693
13.1	Current tax liability		74,102	-	74,102	72,834	-	72,834
13.2	Deferred tax liability		50,119	-	50,119	71,859	-	71,859
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	(13)	5,617,907	(31,542)	5,586,365	5,382,374	4,093	5,386,467
16.1	Paid-in capital	(14)	2,320,000	-	2,320,000	2,205,000	-	2,205,000
16.2	Capital reserves		(33,902)	(31,542)	(65,444)	99,642	4,093	103,735
16.2.1	Share premium	(15)	665	-	665	665	-	665
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(16)	(28,070)	(31,542)	(59,612)	120,153	4,093	124,246
16.2.4	Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
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		2,674,594	-	2,674,594	1,996,424	-	1,996,424
16.3.1	Legal reserves		268,607	-	268,607	204,185	-	204,185
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		2,405,987	-	2,405,987	1,792,239	-	1,792,239
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		510,119	-	510,119	937,603	-	937,603
16.4.1	Prior years' income/ (losses)		14,681	-	14,681	14,681	-	14,681
16.4.2	Current period income/ (loss)		495,438	-	495,438	922,922	-	922,922
16.5	Minority shares		147,096	-	147,096	143,705	-	143,705
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			31,310,894	13,791,411	45,102,305	27,515,642	11,738,282	39,253,924

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED 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. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

				Reviewed 30.06.2011	Audited 31.12.2010			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
	(I+II+III)		53,976,606	44,854,315	98,830,921	40,628,183	32,994,251	73,622,434
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	14,535,418	510,390	15,045,808
2.1.	Irrevocable commitments		20,527,498	1,989,568	22,517,066	14,535,418	510,390	15,045,808
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	2,000	-	2,000
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	39,309,478	69,454,623	23,121,705	29,418,239	52,540,944
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	36,859,394	66,630,139	16,984,035	25,291,789	42,275,824
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	22,756,965	41,726,786	10,455,312	16,109,433	26,564,745
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	1,798,178	2,745,011	1,017,575	2,171,501	3,189,076
3.2.2.4	Interest rate swaps-sell		946,833	1,920,443	2,867,276	1,017,575	2,310,641	3,328,216
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)		85,601,947	19,336,855	104,938,802	71,888,808	17,676,819	89,565,627
IV.	ITEMS HELD IN CUSTODY		3,181,121	943,914	4,125,035	2,337,075	1,104,198	3,441,273
4.1.	Assets under management		135,056	11,493	146,549	133,039	12,216	145,255
4.2.	Investment securities held in custody		511,288	436,206	947,494	809,992	659,412	1,469,404
4.3.	Checks received for collection		1,215,512	186,148	1,401,660	1,127,774	192,750	1,320,524
4.4.	Commercial notes received for collection		320,149	217,550	537,699	266,257	233,451	499,708
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		999,113	92,517	1,091,630	10	6,369	6,379
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		82,420,826	18,392,941	100,813,767	69,551,733	16,572,621	86,124,354
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	548,633	122,585	671,218
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	30,517,661	6,008,242	36,525,903
5.6.	Other pledged items		47,088,087	11,447,010	58,535,097	38,182,447	10,252,593	48,435,040
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			139,578,553	64,191,170	203,769,723	112,516,991	50,671,070	163,188,061

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

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

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED 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. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 – 30.06.2011	Reviewed 01.04 – 30.06.2011	Reviewed 01.01 – 30.06.2010	Reviewed 01.04 – 30.06.2010	
Section 5 Part IV						
I.	INTEREST INCOME	(1)	2,138,982	1,107,052	1,872,458	953,716
1.1	Interest on loans		1,882,041	975,779	1,581,645	815,526
1.2	Interest received from reserve deposits		-	-	-	-
1.3	Interest received from banks		7,075	3,287	42,225	21,442
1.4	Interest received from money market placements		245	123	9,095	2,433
1.5	Interest received from marketable securities portfolio		201,185	102,553	190,894	89,202
1.5.1	Held-for-trading financial assets		2,449	1,730	3,961	1,917
1.5.2	Financial assets at fair value through profit and loss		613	-	5,807	2,958
1.5.3	Available-for-sale financial assets		198,123	100,823	181,126	84,327
1.5.4	Investments held-to-maturity		-	-	-	-
1.6	Finance lease income		35,866	18,375	40,017	18,911
1.7	Other interest income		12,570	6,935	8,582	6,202
II.	INTEREST EXPENSE	(2)	988,714	543,415	716,285	373,502
2.1	Interest on deposits		834,326	464,111	626,082	323,581
2.2	Interest on funds borrowed		93,544	43,023	81,137	41,985
2.3	Interest on money market borrowings		54,073	29,745	5,882	5,076
2.4	Interest on securities issued		6,316	6,316	-	-
2.5	Other interest expense		455	220	3,184	2,860
III.	NET INTEREST INCOME (I- II)		1,150,268	563,637	1,156,173	580,214
IV.	NET FEES AND COMMISSIONS INCOME		396,394	215,513	329,312	170,700
4.1	Fees and commissions received		469,459	253,556	383,403	197,465
4.1.1	Non-cash loans		20,429	10,526	21,600	11,012
4.1.2	Other		449,030	243,030	361,803	186,453
4.2	Fees and commissions paid		73,065	38,043	54,091	26,765
4.2.1	Non-cash loans		439	229	433	213
4.2.2	Other		72,626	37,814	53,658	26,552
V.	DIVIDEND INCOME	(3)	248	205	169	169
VI.	NET TRADING INCOME	(4)	(80)	(82,304)	(234,290)	(106,350)
6.1	Securities trading gains/ (losses)		69,640	11,904	99,767	39,595
6.2	Gains / (losses) Financial derivative transactions		(18,806)	(62,376)	(388,376)	(178,622)
6.3	Foreign exchange gains/ (losses)		(50,914)	(31,832)	54,319	32,677
VII.	OTHER OPERATING INCOME	(5)	75,016	40,699	66,639	27,797
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,621,846	737,750	1,318,003	672,530
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	127,156	51,594	204,663	88,210
X.	OTHER OPERATING EXPENSES (-)	(7)	824,207	413,591	690,299	361,139
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		670,483	272,565	423,041	223,181
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)	670,483	272,565	423,041	223,181
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(168,385)	(85,216)	(84,796)	(48,266)
16.1	Current income tax charge		(131,437)	(77,649)	(126,745)	(58,375)
16.2	Deferred tax charge / benefit		(36,948)	(7,567)	41,949	10,109
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	502,098	187,349	338,245	174,915
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)	502,098	187,349	338,245	174,915
23.1	Group's profit/loss		495,438	184,067	329,896	170,612
23.2	Minority shares		6,660	3,282	8,349	4,303
	Earnings per share		0.02136	0.00793	0.01422	0.00735

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

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

FİNANSBANK ANONİM ŞİRKETİ

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

		Reviewed 01.01 – 30.06.2011	Reviewed 01.01 – 30.06.2010
	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR		
I.	AVAILABLE FOR SALE FINANCIAL ASSETS	(227,015)	(38,763)
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	42,993	13,909
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(167,858)	(24,854)
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)	(169,179)	(55,584)

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

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

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED 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 Issuance on Capital and Other Capital 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 / (Decrease)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Assets Held for Sale and from Disc. Op.	Diff.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I. Prior period - 01.01.2010																				
Beginning balance		1,575,000	-	-	-	168,051	-	1,218,320	-	-	708,604	77,747	-	-	-	-	-	3,747,722	146,340	3,894,062
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	-	-	-	168,051	-	1,218,320	-	-	708,604	77,747	-	-	-	-	-	3,747,722	146,340	3,894,062
IV. Changes in period																				
Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(55,594)	-	(55,594)
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(55,584)	-	-	-	-	-	-	-	-
VI. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. 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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		78,750	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		78,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Issuance adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other (*)		-	-	-	-	-	-	-	317	329,896	-	-	-	-	-	-	-	317	2,348	2,665
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	-	(692,910)	-	-	-	-	-	-	329,896	8,349	338,245
XX. Profit distribution		-	-	-	-	-	-	656,716	-	-	-	-	-	-	-	-	-	-	-	-
XXI. Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXII. Transfers to reserves		-	-	-	-	-	-	656,716	-	-	-	-	-	-	-	-	-	-	-	-
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance (III+IV+V+...+XXII)		1,653,750	-	-	-	204,185	-	1,796,346	317	329,896	15,694	22,163	-	-	-	-	-	4,022,351	157,037	4,179,388

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 81% to 70.28%.

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED 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 inflation 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 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 Shareholders' Equity
I.	Current period-- 01.01.-30.06.2011	2,205,000	-	665	-	204,185	-	1,792,239	-	922,922	14,681	124,246	-	-	-	(21,176)	5,242,762	143,705	5,386,467
II.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(183,858)	-	-	-	-	(183,858)	-	(183,858)
V.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share premium adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Profit (loss) income/loss	-	-	-	-	-	-	-	-	495,438	-	-	-	-	-	-	495,438	(3,269)	502,098
XVIII.	Profit distribution	-	-	-	-	-	-	728,748	-	(922,922)	-	-	-	-	-	-	(129,752)	6,660	(129,752)
18.1	Dividends distributed	-	-	-	-	64,422	-	(129,752)	-	-	-	-	-	-	-	-	(129,752)	-	(129,752)
18.2	Transfers to reserves	-	-	-	-	64,422	-	838,500	-	(922,922)	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance (I+II+III+...+XVI+XVII+XVIII)	2,320,000	-	665	-	268,607	-	2,405,987	-	495,438	14,681	(59,612)	-	-	(6,497)	-	5,439,289	147,096	5,586,385

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 70.28% to 80.81% in the current period.

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOWS STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2011

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 30.06.2011	Reviewed 01.01- 30.06.2010
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		995,678	1,005,783
1.1.1 Interest received (+)		2,000,013	1,939,858
1.1.2 Interest paid (-)		(965,230)	(700,674)
1.1.3 Dividend received (+)		248	169
1.1.4 Fees and commissions received (+)		469,459	383,403
1.1.5 Other income (+)		71,695	57,819
1.1.6 Collections from previously written off loans (+)		237,856	316,992
1.1.7 Payments to personnel and service suppliers (-)		(658,594)	(566,041)
1.1.8 Taxes paid (-)		(78,353)	(116,950)
1.1.9 Other (+/-)	(1)	(81,416)	(308,793)
1.2 Changes in operating assets and liabilities		(893,102)	(1,261,852)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(43,355)	(142,062)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		282,486	311,114
1.2.3 Net (increase) decrease in due from banks (+/-)		(969,763)	(4,062)
1.2.4 Net (increase) decrease in loans (+/-)		(3,788,741)	(3,587,984)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(204,208)	(374,562)
1.2.6 Net increase (decrease) in bank deposits (+/-)		502,252	102,639
1.2.7 Net increase (decrease) in other deposits (+/-)		2,325,892	219,206
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(614,040)	(16,108)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	1,616,375	2,229,967
I. Net cash provided from / (used in) banking operations (+/-)		102,576	(256,069)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		311,696	(656,141)
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 (+)		-	1,858
2.3 Fixed assets purchases (-)		(45,082)	(26,154)
2.4 Fixed assets sales (+)		2,260	3,024
2.5 Cash paid for purchase of financial assets available for sale (-)		(7,377,252)	(7,976,123)
2.6 Cash obtained from sale of financial assets available for sale (+)		7,771,593	7,374,726
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(39,823)	(33,472)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		769,574	-
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 (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		37,021	9,259
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		1,220,867	(902,951)
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	2,955,697	3,121,193
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	4,176,564	2,218,242

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

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

**FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED 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 consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") 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 the 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 CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

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

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

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

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum 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 resulting from the Group'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 resulting 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 Group 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 translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent 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 CONSOLIDATED FINANCIAL STATEMENTS AND
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FINANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED 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 consolidated income statement as of June 30, 2011 is TL 50,914 (June 30, 2010 - TL 54,319 net foreign exchange gain).

2.3. Foreign subsidiaries

As of June 30, 2011 and December 31, 2010, the Parent Bank does not have any subsidiaries established abroad.

III. Information on associates and subsidiaries

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements" and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

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

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				June 30, 2011	December 31, 2010
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	100.00	100.00
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	80.81	70.28
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	64.32	64.32
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	99.99	99.99
6.	Finans Tüketici Finansmanı A.Ş.	Turkey	Consumer Finance	99.99	99.99
7.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	99.99	99.99

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

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of June 30, 2011.

1. Subsidiaries

As of June 30, 2011, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

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

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

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011**

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

IV. Explanations on forwards, option contracts and derivative instruments

The Group 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 Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent 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 Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (pay fixed TL interest rate and receive 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", "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 and loan portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2.

To avoid from the changes of customer deposits' interest rates that have an average prompt of 1 month, the Parent 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 Parent 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 Parent Bank using interest rate swaps as hedging instruments. The Parent 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.

Credit default swap 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 accruals of non-performing loans are cancelled and not recorded as interest income until collected.

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VI. Fees and commission income and expenses

Fee 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. Dividend income from subsidiaries is eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

VII. Financial assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Parent Bank accounts for its trading securities at fair value. The 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 Parent Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. 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 Parent 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.

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 investment securities available-for-sale are considered in computing the effective interest rate 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.

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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 Group 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 2,571,462, respectively. The intention of the Group 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 Parent 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 Group 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 Group 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 Group 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 Parent 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.

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

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In the case where there is evidence for the possibility of uncollectibility of loans, the Parent 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: 26333 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 Parent 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 Parent Bank did not provide any specific provision for performing loans which must be classified under non-performing accounts as per the communiqué requiring classifying all loans of the same borrower having non-performing loans into non-performing loans as of December 31, 2010. The Parent 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 Parent Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. The Parent Bank provides provision more than the minimum required provision amount in line with the related regulation.

The Parent 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 Parent Bank provides general loan loss provision and presents it in the liabilities as "General Provisions".

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

The collections made in relation to amounts that provision provided in the current period and the principle collections made in relation to amounts that provision provided 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 Group 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.

The unearned interest income related to leasing agreements is presented by netting off with the "Lease Receivables". Additionally, the specific provision is provided for non-performing lease receivables and net off with lease receivables.

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 sheet 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 Group 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 2,478,475 (December 31, 2010 - TL 1,212,757).

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

XI. Assets held for sale and discontinued operations

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

The Group does not have assets held for sale.

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

XII. Goodwill and other intangible assets

The Group's intangible assets consist of software, intangible rights and goodwill.

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

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

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with 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.

The difference between the acquisition cost of the subsidiaries and the net assets of the subsidiaries less impairment, if any, is represented as goodwill for acquisition of subsidiaries on before July 1, 2009. An assessment for impairment is conducted for each balance sheet date, if there are any instances and changes indicating that the carrying amount of the goodwill would not be realized.

XIII. Tangible Assets

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:

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

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

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

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

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

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

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

There are no purchase commitment related to the fixed assets.

XIV. Leasing transactions

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

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

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities as "Lessor" are stated under the "Finance Lease Receivables". The difference between the total of rental payments and the cost of the related fixed assets is reflected to the "unearned income" account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 26588 and dated July 20, 2007 "Methods and Principles for the Determination of Receivables of Leasing, Factoring and Financing Companies to be Reserved for and Allocation of Reserves". Those provisions are accounted under "Lease Receivables" at the accompanying financial statements.

XV. Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. Factoring receivables are revised regularly and specific provisions are provided according to communiqué numbered 26588 and dated July 20, 2007, "Methods and Principles for the Determination of Receivables of Leasing, Factoring and Financing Companies to be Reserved for and Allocation of Reserves".

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XVI. 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 Group. 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 be reliably 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".

XVII. Obligations of the Group for employee benefits

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

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

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

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

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

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

XVIII. 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.

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2. Deferred taxes

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

XIX. Additional explanations on borrowings

The Group 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 effective interest rate method.

The Group has not issued convertible bonds. Debt instruments directly issued by the Group 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.

XX. Share issues

During the current period, the share capital of the Parent 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).

XXI. 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.

XXII. Government incentives

The Group has various numerous investment incentive certificates in relation to its investment expenditures from its leasing company. The related certificates allow the Group to use 100% and 40% of investment incentives over its investment expenditures. Tax deduction by 19.8% should be made on the amount of investment incentive deduction pursuant to investment incentive certificates obtained prior to April 24, 2003. No deduction is made on investment expenses after this date without incentive certificates.

Upon the Constitutional Court's resolution no: 2009/144 published in the Official Gazette on January 8, 2010, the expression of "solely for the periods related to 2006, 2007 and 2008" in the Provisional Article No: 69 of Income Tax Law No. 193, and 5th Article of the Law No: 6009 that came into effect by being published in the Official Gazette No: 27659 dated August 1, 2010 have been annulled. The new resolution enables to continue to benefit from investment incentive deduction that is not deducted due to insufficient earnings and that passes on next periods without period limitation, however proposes that the deduction amount will not exceed 25% of the taxable income of the period. Moreover, the effective corporate tax rate for investment incentive deduction beneficiaries will be adopted as 20%, rather than 30%.

XXIII. Segment reporting

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

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made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent Bank's internal policies are considered.

The Corporate Marketing Unit provides services to 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 revenue 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 Parent 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 Parent 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 Parent Bank.

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	614,774	227,461	308,033	1,150,268
Net Fees and Commissions Income	585,005	56,120	(244,731)	396,394
Other Operating Income and Net Trading Income	27,655	53,835	(6,554)	74,936
Dividend Income	-	-	248	248
Operating Income	1,227,434	337,416	56,996	1,621,846
Other Operating Expenses	516,243	156,312	151,652	824,207
Provision for Loan Losses and Other Receivables	92,418	18,564	16,174	127,156
Profit Before Taxes	618,773	162,540	(110,830)	670,483
Tax Charge	-	-	-	(168,385)
Net Profit/Loss	-	-	-	502,098
Total Assets	22,732,894	7,340,405	12,349,887	45,102,305
Segment Assets	22,732,894	7,340,405	12,349,887	42,423,186
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	23,555
Undistributed Assets	-	-	-	2,655,564
Total Liabilities	17,019,104	9,660,815	9,851,350	45,102,305
Segment Liabilities	17,019,104	9,660,815	9,851,350	36,531,269
Undistributed Liabilities	-	-	-	2,984,671
Equity	-	-	-	5,586,365
Other Segment Accounts	-	-	-	137,582
Capital Expenditures	-	-	-	76,941
Depreciation and Amortization	-	-	-	60,639
Value Decrease/ (Increase)	-	-	-	2

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Prior Period (June 30, 2010)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	509,818	193,397	452,958	1,156,173
Net Fees and Commissions Income	387,968	57,846	(116,502)	329,312
Other Operating Income and Net Trading Income	12,322	23,685	(203,658)	(167,651)
Dividend Income	-	-	169	169
Operating Income	910,108	274,928	132,967	1,318,003
Other Operating Expenses	424,574	150,686	115,039	690,299
Provision for Loan Losses and Other Receivables	144,252	19,536	40,875	204,663
Profit Before Taxes	341,282	104,706	(22,947)	423,041
Tax Charge	-	-	-	(84,796)
Net Profit/Loss	-	-	-	338,245
Other Segment Accounts	-	-	-	146,414
Capital Expenditures	-	-	-	94,209
Depreciation and Amortization	-	-	-	52,205
Value Decrease/ (Increase)	-	-	-	-

Prior Period (December 31, 2010)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Total Assets	19,203,086	6,855,200	10,414,940	39,253,924
Segment Assets	19,203,086	6,855,200	10,414,940	36,473,226
Associates and Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	23,555
Undistributed Assets	-	-	-	2,757,143
Total Liabilities	14,862,828	8,164,499	8,525,637	39,253,924
Segment Liabilities	14,862,828	8,164,499	8,525,637	31,552,964
Undistributed Liabilities	-	-	-	2,314,493
Equity	-	-	-	5,386,467

XXIV. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of June 30, 2011, the Group's consolidated capital adequacy ratio is 16.31% (December 31, 2010 - 17.33%).

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 Gazettes No. 26669, No: 26824, No. 27320 and No. 27968, dated October 10, 2007, March 22, 2008, August 15, 2009 and June 18, 2011, 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 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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Consolidated and unconsolidated capital adequacy ratio:

	Risk Weight													
	Parent Bank							Consolidated						
	0%	10%	20%	50%	100%	150%	200%	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	5,621,072	-	264,538	10,162,230	19,954,384	847,470	306,864
Cash on Hand	475,339	-	137	-	-	-	-	480,380	-	137	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	3,461,323	-	-	-	-	-	-	3,461,323	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	101,465	-	51,740	-	-	-	-	181,112	-	51,740	-	-
Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-	-	-	5,990	-	-	-	-
Reserve Deposits	969,967	-	-	-	-	-	-	969,967	-	-	-	-	-	-
Loans and Receivables	679,116	-	76,899	9,566,210	17,040,352	847,470	306,864	679,116	-	76,899	9,566,210	17,027,179	847,470	306,864
Non-performing Loans (Net)	-	-	-	-	268,827	-	-	-	-	-	-	268,827	-	-
Lease Receivables	-	-	-	-	-	-	-	1,100	-	-	153,612	816,781	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,151	-	-	-	-	-	-	5,151	-	-
Sundry Debtors	-	-	-	-	287,297	-	-	-	-	-	-	308,502	-	-
Accrued Interest and Income	13,563	-	400	441,015	285,984	-	-	14,055	-	400	442,408	293,681	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	400,107	-	-	-	-	-	-	23,555	-	-
Tangible Assets	-	-	-	-	273,938	-	-	-	-	-	-	288,867	-	-
Other Assets (*)	755	-	-	-	500,995	-	-	15,131	-	-	-	870,101	-	-
Off-Balance Sheet Items	1,567,230	-	1,762,27	282,215	7,859,217	-	-	1,567,230	-	1,762,278	282,215	7,859,236	-	-
Non-Cash Loans and Derivative Financial	1,567,230	-	59,837	282,215	7,724,292	-	-	1,567,230	-	59,837	282,215	7,724,292	-	-
	-	-	1,702,44	-	134,925	-	-	-	-	1,702,441	-	134,944	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value at Risk	-	-	388,236	5,144,720	26,973,608	1,271,20	613,728	-	-	405,363	5,222,223	27,813,620	1,271,20	613,728
Total Risk Weighted Assets	7,167,293	-	1,941,17	10,289,440	26,973,608	847,470	306,864	7,188,302	-	2,026,816	10,444,445	27,813,620	847,470	306,864

(*) Also includes factoring receivables.

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	34,391,497	29,506,581	35,326,139	30,310,413
Value at Market Risk	2,281,063	1,917,300	2,348,575	1,959,813
Value at Operational Risk	4,195,358	3,805,616	4,581,039	4,195,873
Shareholders' Equity	6,482,301	5,877,201	6,890,512	6,320,171
Shareholders' Equity/(VACR+VAMR+VAOR)x100	15.86%	16.68%	16.31%	17.33%
VACR	: Value at Credit Risk			
VAMR	: Value at Market Risk			
VAOR	: Value at Operational Risk			

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Components of consolidated shareholders' equity items:

	Current Period	Prior Period
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	268,607	204,185
I. Legal Reserve (Turkish Commercial Code 466/1)	233,657	179,723
II. Legal Reserve (Turkish Commercial Code 466/2)	34,950	24,462
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,887,377	1,274,609
Reserve Allocated as per the Decision Held by the General Assembly	1,887,377	1,274,609
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	510,119	937,603
Current Period Profit	495,438	922,922
Prior Periods Profit	14,681	14,681
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)	-	-
Minority Interest	147,096	143,705
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	91,099	91,617
Prepaid Expenses (-) (*)	-	123,121
Intangible Assets (-)	121,934	101,160
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Consolidation Goodwill (Net) (-)	8,969	8,969
Total Core Capital	5,517,042	5,036,795
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	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,155,522	1,002,551
Securities Value Increase Fund	(59,612)	55,911
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	(59,612)	55,911
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	1,418,877	1,324,270
TIER III CAPITAL		
CAPITAL	6,935,919	6,361,065
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	32,889	-
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	-	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	6,890,512	6,320,171

(*) 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 Consolidated Market Risk

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

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

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

1. Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	118,754
(II) Capital Obligation against Specific Risks - Standard Method	16,305
(III) Capital Obligation against Currency Risk - Standard Method	25,795
(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)	187,886
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	2,348,575

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 4,581,039 (December 31, 2010 - TL 4,195,873).

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IV. Explanations related to Consolidated Foreign Exchange Risk

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

As of June 30, 2011, the net foreign currency exposure of the Group is TL 520,692 short (December 31, 2010 – TL 431,810 short) resulting from on balance sheet short position amounting to TL 5,399,660 (December 31, 2010 – TL 4,162,400 short) and long off balance sheet 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 performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

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

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

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

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

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

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

US Dollars purchase rate in the balance sheet date TL 1.6302

Euro purchase rate in the balance sheet date 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 26, 2011	TL 1.6183	TL 2.3040
June 25, 2011	TL 1.6068	TL 2.3121

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

The arithmetical average of the Parent 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 consolidated foreign exchange risk of the Group (Thousands of TL)

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	75,539	1,366,913	149	80,677	1,523,278
Due From Banks	31,849	102,911	2,482	9,184	146,426
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	63,986	84,618	-	183,264	331,868
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	91,534	641,531	-	-	733,065
Loans and Receivables ⁽²⁾	1,946,078	2,366,227	90,597	91,922	4,494,824
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	8,703	-	-	8,703
Tangible Assets	-	-	-	82	82
Intangible Assets	-	-	-	-	-
Other Assets ⁽³⁾	703,580	418,238	480	2,030	1,124,328
Total Assets	2,912,566	4,989,141	93,708	367,159	8,362,574
Liabilities					
Bank Deposits	47,267	191,880	161	6,387	245,695
Foreign Currency Deposits	2,311,747	3,969,535	1,107	157,253	6,439,642
Money Market Borrowings	73,351	408,962	-	-	482,313
Funds Provided from Other Financial Institutions	2,005,960	3,238,611	-	-	5,244,571
Securities Issued	-	824,360	-	-	824,360
Sundry Creditors	93,985	63,105	835	1,010	158,935
Derivative Fin. Liabilities Hedging Purposes	223	24,995	-	-	25,218
Other Liabilities ⁽⁵⁾	53,779	103,344	-	184,377	341,500
Total Liabilities	4,586,312	8,824,792	2,103	349,027	13,762,234
Net Balance Sheet Position	(1,673,746)	(3,835,651)	91,605	18,132	(5,399,660)
Net Off-Balance Sheet Position	1,509,296	3,482,028	(94,954)	(17,402)	4,878,968
Financial Derivative Assets	5,086,202	16,787,319	32,588	1,118,545	23,024,654
Financial Derivative Liabilities	3,576,906	13,305,291	127,542	1,135,947	18,145,686
Non-Cash Loans ⁽¹⁾	971,223	2,325,464	7,796	250,786	3,555,269
Prior Period					
Total Assets	2,534,877	4,756,861	102,469	137,988	7,532,195
Total Liabilities	4,282,741	7,301,455	1,685	108,714	11,694,595
Net Balance Sheet Position	(1,747,864)	(2,544,594)	100,784	29,274	(4,162,400)
Net Off-Balance Sheet Position	1,524,949	2,329,951	(105,196)	(19,114)	3,730,590
Financial Derivative Assets	3,660,565	12,267,859	31,888	796,631	16,756,943
Financial Derivative Liabilities	2,135,616	9,937,908	137,084	815,745	13,026,353
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 1,583,013 (December 31, 2010 – TL 1,245,591) 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, yet includes FC indexed factoring receivables amounting to TL 769 (December 31, 2010 – TL 49,716).

⁽⁴⁾ Does not include foreign exchange income accruals on derivative transactions 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 Consolidated Interest Rate Risk

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

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

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

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

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent 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	-	-	-	-	-	4,911,807	4,911,807
Due from Banks	35,433	40,675	4,118	-	-	153,972	234,198
Financial Assets at Fair Value Through Profit/Loss ^(**)	29,320	77,987	171,684	398,823	530,966	410,309	1,619,089
Money Market Placements	5,990	-	-	-	-	-	5,990
Inv. Securities Available for Sale	1,338,705	1,303,431	1,530,616	1,791,493	693,556	123,322	6,781,123
Loans and Receivables	7,604,472	3,240,164	8,102,020	7,754,443	1,853,961	268,827	28,823,887
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	426,251	155,125	375,844	514,680	8,079	1,246,232	2,726,211
Total Assets	9,440,171	4,817,382	10,184,282	10,459,439	3,086,562	7,114,469	45,102,305
Liabilities							
Bank Deposits	206,237	130,358	4,096	-	-	19,466	360,157
Other Deposits	17,239,027	6,215,958	1,103,176	34,696	-	2,320,635	26,913,492
Money Market Borrowings	2,390,521	142	-	-	-	-	2,390,663
Sundry Creditors	63,173	1,383	-	-	-	1,088,837	1,153,393
Securities Issued	-	-	-	824,360	-	-	824,360
Funds Borrowed	1,395,267	1,838,104	1,980,366	248,748	11,286	1,504	5,475,275
Other Liabilities ^(*)	45,436	94,797	103,242	74,443	13,778	7,653,269	7,984,965
Total Liabilities	21,339,661	8,280,742	3,190,880	1,182,247	25,064	11,083,711	45,102,305
On Balance Sheet Long Position	-	-	6,993,402	9,277,192	3,061,498	-	19,332,092
On Balance Sheet Short Position	(11,899,490)	(3,463,360)	-	-	-	(3,969,242)	(19,332,092)
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	(11,977,593)	(3,530,262)	7,002,259	9,406,573	3,096,512	(3,969,242)	28,247

^(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 697,432, tangible assets amounting to TL 379,966, intangible assets amounting to TL 130,903, associates, subsidiaries and entities under common control amounting to TL 23,555 and tax assets amounting to TL 14,376; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,586,365, other liabilities amounting to TL 889,190, provisions amounting to TL 655,064, tax liability amounting to TL 124,221 and part of 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

Current 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	-	-	-	9.44
Financial Assets at Fair Value Through Profit/Loss	5.66	7.70	-	9.39
Money Market Placements	-	-	-	7.20
Investment Securities Available for Sale	5.07	7.31	-	8.99
Loans and Receivables	5.39	4.71	5.26	16.30 ^(*)
Investment Securities Held for Trading	-	-	-	-
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	-	6.45
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	-
Funds Borrowed	2.34	2.71	-	9.06

^(*) 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 reprising 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	3,841	-	-	-	-	2,394,479	2,398,320
Due from Banks	56,851	303,244	4,322	-	-	194,761	559,178
Financial Assets at Fair Value Through Profit/Loss ^(**)	127,908	179,663	157,506	300,788	627,020	192,532	1,585,417
Money Market Placements	4,977	-	-	-	-	-	4,977
Inv. Securities Available for Sale	1,092,085	416,653	2,128,227	2,456,528	1,030,969	120,323	7,244,785
Loans and Receivables	6,918,850	2,791,409	6,862,344	6,800,376	1,341,823	136,373	24,851,175
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	592,118	171,391	335,486	379,314	9,555	1,122,208	2,610,072
Total Assets	8,796,630	3,862,360	9,487,885	9,937,006	3,009,367	4,160,676	39,253,924
Liabilities							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	14,727,414	5,816,977	371,419	27,177	-	2,188,513	23,131,500
Money Market Borrowings	1,183,465	42	-	-	-	-	1,183,507
Sundry Creditors	20,297	-	-	-	-	969,749	990,046
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	1,176,044	2,270,184	1,954,092	187,766	73,285	174	5,661,545
Other Liabilities	133,815	53,644	194,926	203,122	55,166	6,767,819	7,408,492
Total Liabilities	18,006,906	8,229,868	2,522,684	418,065	128,451	9,947,950	39,253,924
On Balance Sheet Long Position	-	-	6,965,201	9,518,941	2,880,916	-	19,365,058
On Balance Sheet Short Position	(9,210,276)	(4,367,508)	-	-	-	(5,787,274)	(19,365,058)
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	(9,175,726)	(4,287,805)	6,818,038	9,203,488	2,835,003	(5,787,274)	(394,276)

^(*) "Other Assets" in "Non Interest Bearing" column include, other assets amounting to TL 580,479, tangible assets amounting to TL 378,023, intangible assets amounting to TL 110,129, associates and subsidiaries amounting to TL 23,555, tax asset amounting to TL 30,022 and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,386,467, other liabilities amounting to TL 497,487, provisions amounting to TL 578,096, tax liability amounting to TL 144,693 and part of 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

	EUR	USD	JPY	TL
Prior 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	3.75	3.53	-	9.27
Financial Assets at Fair Value Through Profit/Loss	5.86	7.51	-	9.63
Money Market Placements	-	-	-	7.20
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Receivables	4.96	4.20	5.23	17.19 ^(*)
Lease Receivables	-	-	-	-
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	-	-	-	6.57
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	2.07	2.88	-	10.14

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

VI. Explanations Related to Consolidated Liquidity Risk

- The sources of the current liquidity risk of the Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank 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 Group diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

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

Group'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 Group's cash flows and their resources**

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars 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- Distributed ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	4,906,877	4,930	-	-	-	-	-	4,911,807
Due from Banks	153,972	35,433	40,675	4,118	-	-	-	234,198
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	67,928	91,673	476,497	451,989	531,002	-	1,619,089
Money Market Placements	-	5,990	-	-	-	-	-	5,990
Investment Securities Available for Sale	122,959	360	1,429	16,821	3,531,409	3,108,145	-	6,781,123
Loans and Receivables	-	7,513,938	3,124,455	8,027,528	8,009,502	1,879,637	268,827	28,823,887
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	953	745,598	102,214	485,235	686,330	13,613	692,268	2,726,211
Total Assets	5,184,761	8,374,177	3,360,446	9,010,199	12,679,230	5,532,397	961,095	45,102,305
Liabilities								
Bank Deposits	19,466	206,237	130,358	4,096	-	-	-	360,157
Other Deposits	2,320,635	17,239,027	6,215,958	1,103,176	34,696	-	-	26,913,492
Funds Borrowed	-	304,465	421,965	2,684,927	1,830,513	233,405	-	5,475,275
Money Market Borrowings	-	2,390,521	142	-	-	-	-	2,390,663
Securities Issued	-	-	-	-	824,360	-	-	824,360
Sundry Creditors	2,545	1,089,826	9,798	1,821	-	49,403	-	1,153,393
Other Liabilities ^(*)	5,916	796,500	49,079	494,948	280,142	20,803	6,337,577	7,984,965
Total Liabilities	2,348,562	22,026,576	6,827,300	4,288,968	2,969,711	303,611	6,337,577	45,102,305
Liquidity Gap	2,836,199	(13,652,399)	(3,466,854)	4,721,231	9,709,519	5,228,786	(5,376,482)	-
Prior Period								
Total Assets	2,710,364	7,948,258	3,300,217	7,451,402	12,191,519	4,880,963	771,201	39,253,924
Total Liabilities	2,225,533	18,145,878	6,765,531	3,341,533	2,279,451	426,939	6,069,059	39,253,924
Net Liquidity Gap	484,831	(10,197,620)	(3,465,314)	4,109,869	9,912,068	4,454,024	(5,297,858)	-

^(*) 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 column includes shareholders' equity amounting to TL 5,586,365, unallocated provisions amounting to TL 626,991 and tax liability of TL 124,221.

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

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	249,011	157,487	223,045	177,056
T.R. Central Bank	3,132,576	1,298,714	923,452	1,045,395
Others	6,942	67,077	3,844	25,528
Total	3,388,529	1,523,278	1,150,341	1,247,979

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 (net amounts are expressed)

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities ^(*)	8,597	-	10,716	-
Other	-	-	-	-
Total	8,597	-	10,716	-

^(*) Government bonds given as collateral are classified under Held-for-Trading Financial Assets in the financial statements.

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds ^(*)	2,542	-	2,876	-
Treasury Bonds ^(*)	-	-	13,339	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	2,542	-	16,215	-

^(*) Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	67,308	-	13,823	-
Swap Transactions	325,795	38,824	228,564	39,677
Futures	-	956	-	1,488
Options	424	290,769	108	105,945
Other	-	9,506	-	2,690
Total	393,527	340,055	242,495	149,800

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	87,754	272	61,172	24,149
Foreign	18	146,154	17,194	456,663
Foreign Head Offices and Branches	-	-	-	-
Total	87,772	146,426	78,366	480,812

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	51,389	185,116	-	-
USA and Canada	36,220	84,998	51,740	49,600
OECD Countries ^(*)	6,339	2,954	-	-
Off-shore Banking Regions	-	150,589	-	-
Other	484	600	-	-
Total	94,432	424,257	51,740	49,600

^(*) Include 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.

c) Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	5,990	-	4,977	-
T.R Central Bank	148	-	152	-
Banks	-	-	-	-
Intermediary Institutions	5,842	-	4,825	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	5,990	-	4,977	-

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FINANSBANK ANONİM ŞİRKETİ

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4. Information on investment securities available for sale

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

	Current Period		Prior Period	
	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 bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,878,282	597,651	824,370	372,172

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,716,466	7,124,105
Quoted on a stock exchange (*)	6,671,126	7,032,381
Unquoted on a stock exchange	45,340	91,724
Share certificates	125,008	121,333
Quoted on a stock exchange (**)	124,646	120,971
Unquoted on a stock exchange	362	362
Impairment provision (-)	(60,351)	(653)
Total	6,781,123	7,244,785

(*) 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	-

(*) Include the advances given to the bank personnel.

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

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	312,654	-	-	-
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	8,722,201	152,063	304,057	136,224
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	27,878,677	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.

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				
Non-specialized Loans	13,642,233	-	158,896	44,166
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans				
Non-specialized Loans	14,236,444	164,861	769,464	260,800
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	27,878,677	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	-
Installment	-	-	-	-
Non-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	29,162,191	25,507,288
Total	29,276,864	25,595,803

^(*) 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	29,201,031	25,560,136
Foreign Loans	75,833	35,667
Total	29,276,864	25,595,803

^(*) 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.

h) Loans granted to subsidiaries and associates

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.

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i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group 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

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 Parent Bank provides specific provisions for its non-performing loans considering the credit risk and other factors. In this context, the Parent 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 of non-performing loans and other receivables

None (December 31, 2010 – None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
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)	-	-	-

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 Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures does not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans in 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 factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	243,880	17,086	196,442	16,309
Medium and Long Term	-	-	9,274	-
Total	243,880	17,086	205,716	16,309

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7. Information on investment securities held-to-maturity

None (December 31, 2010 – None).

8. Investments in associates (Net)

8.1. 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.

8.2. 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
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Share Percentage at the End of the Period (%)	-	-
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^(*) The given amount represents the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

8.3. Sectoral distribution and the related carrying amounts on 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

8.4. Quoted associates

None (December 31, 2010 – None).

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8.5. 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 of Accounting	-	-
Total	5,769	5,769

8.6. Investments in associates sold during the current period

None (December 31, 2010 – Due to the capital decrease of Gelişen Bilgi Teknolojileri A.Ş., investment in associates amounting to TL 247 has decreased).

8.7. Investments in associates acquired during the current period

None (December 31, 2010 – None).

9. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

Subsidiary	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	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	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 Parent Bank is 10.01 %, the remaining 70.80% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

	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 (**)
1. (*)	212,464	129,596	13,068	4,457	107	17,834	15,430	-
2. (*)	1,567,930	400,483	760	15,769	-	15,291	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 prepared in accordance with the BRSA regulations.

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

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	362,058	222,588
Movements during the Period	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 Difference	9,283	97,364
Impairment Losses (-)	-	-
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 Parent Bank had sales profit amounting to TL 806.

b.3) Sectoral distribution of the consolidated 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

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

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

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10. 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 Year 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, and prior period profit/loss amounts represent December 31, 2010 figures.

11. Information on financial lease receivables (Net)

11.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	493,222	441,257	441,275	394,205
Between 1-4 years	543,979	496,014	430,707	390,555
Over 4 years	45,568	43,184	35,808	33,541
Total	1,082,769	980,455	907,790	818,301

Financial lease receivables include non-performing financial lease receivables amounting to TL 129,414 (December 31, 2010 – TL 122,552) and specific provisions amounting to TL 73,461 (December 31, 2010 – TL 65,665).

Changes in non-performing financial lease receivables provision as of June 30, 2011 and 2010, are as follows:

	Current Period	Prior Period
End of prior period	65,665	62,963
Provided provision / (reversal), Net	9,159	9,334
Collections	(1,363)	(4,971)
Written off	-	-
Provision at the end of the period	73,461	67,326

11.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	1,082,769	907,790
Unearned Finance Income (-)	(102,314)	(89,489)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	980,455	818,301

11.3. Information of financial lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

12. Information on hedging purpose derivatives:

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

(*) Derivative financial instruments for hedging 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 securities issued 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 loans as of December 31, 2010.

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13. Information on tax asset

The Group has current tax asset of TL 663 (December 31, 2010 – TL 614) and deferred tax asset of TL 13,713 (December 31, 2010 – TL 29,408) calculated in line with related regulations. The information about current and deferred tax is presented in the disclosures and explanations about liability accounts in footnote number 10.1 and 10.2.

14. Information on assets held for sale and discontinued operations

None (December 31, 2010 – None).

15. Information on other assets:

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Collateral Given for Derivative Transactions	242,024	461,851
Cheques Receivables from Other Banks	200,040	107,964
Other Prepaid Expenses	136,299	99,934
Sundry Debtors	130,179	126,914
Assets Held for Resale (net)	66,478	53,350
Advances Given on Finance Lease Transactions	65,841	96,122
Prepaid Rent Expenses	18,363	16,364
Advances Given	3,301	7,032
Prepaid Agency Commissions	3,182	6,824
Other	70,283	51,662
Total	935,990	1,028,017

15.2. If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 15.1 section of disclosure.

16. 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
Central Bank of Turkey	-	-	1,506	-
Trading Securities	1,986	16	3,205	21
Financial Assets at Fair Value through Profit or Loss	-	-	4,763	-
Assets on Trading Derivatives	393,527	340,055	242,495	149,800
Banks and Other Financial Institutions	1,271	75	471	479
Investment Securities Available for Sale	75,657	13,118	212,089	29,116
Loans	445,568	19,434	384,252	11,643
Derivative Financial Instruments Held for Hedging	-	8,703	28,648	-
Lease Receivables	2,084	6,878	2,322	6,554
Total	920,093	388,279	879,751	197,613

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED 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	685,333	-	714,388	4,105,263	497,422	319,378	44,436	5,967	6,372,187
Residents in Turkey	664,028	-	695,861	4,013,126	483,643	235,415	44,436	5,931	6,142,440
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	796,812	-	932,956	2,872,566	708,325	419,707	23,478	-	5,753,844
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	2,340,101	-	2,820,776	17,433,557	3,570,373	991,808	93,829	23,205	27,273,649

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	741,976	-	1,519,425	2,866,598	323,061	97,259	27,704	6,274	5,582,297
Residents in Turkey	718,885	-	1,477,898	2,736,609	312,103	61,016	27,704	6,241	5,340,456
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	790,122	-	1,286,099	3,357,562	464,583	89,611	-	-	5,987,977
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	2,210,208	-	5,464,114	14,562,536	1,452,256	269,200	28,282	23,738	24,010,334

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

	Covered by		Exceeding the	
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	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 Group 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	59,730	310,760	37,032
Futures	-	576	-	2,753
Options	424	267,757	108	98,978
Other	-	9,147	-	2,436
Total	359,370	337,210	333,765	141,199

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	203,667	117,130	215,553	95,546
Foreign Banks, Institutions and Funds	27,037	4,062,130	337,574	4,002,489
Total	230,704	4,179,260	553,127	4,098,035

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	230,701	1,190,773	253,111	1,076,120
Medium and Long-Term	3	2,988,487	300,016	3,021,915
Total	230,704	4,179,260	553,127	4,098,035

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 Group's liabilities

As of June 30, 2011, the Group's liabilities comprise; 60% deposits (December 31, 2010 – 61%), 12% funds borrowed (December 31, 2010 – 14%) 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	1,864,937	-	823,642	-
Financial institutions and organizations	1,844,021	-	790,284	-
Other institutions and organizations	4,261	-	5,736	-
Real persons	16,655	-	27,622	-
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	1,864,975	482,313	830,345	309,882

5. Information on securities issued (Net)

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

The Parent 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 exceed 20% of the individual liability item in the consolidated balance sheet

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

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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 flows of the Group are the main criteria which are taken into consideration for the 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

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

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

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 held for the fair value hedge 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 loans 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 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.

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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 Group 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 28,733 (December 31, 2010 - TL 26,826) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2011, the Group accrued TL 20,057 (December 31, 2010 - TL 16,096) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2011, TL 28,073 (December 31, 2010 – TL 40,197) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period	Prior Period
	01.01-30.06.2011	01.01-30.06.2010
As of January 1	26,826	21,210
Service cost	4,369	2,963
Interest Cost	1,576	1,128
Paid during the period	(4,038)	(2,625)
Total	28,733	22,676

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 Group 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	28,923	19,217
Total	45,385	34,364

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of June 30, 2011, the Group has current tax liability of TL 126,867 (December 31, 2010 - TL 256,573) and advance taxes of TL 53,428 (December 31, 2010 - TL 184,353).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of June 30, 2011, after the offsetting, the current tax liability is disclosed as TL 74,102 (December 31, 2010 - TL 72,834) and the current tax asset as TL 663 (December 31, 2010 – TL 614) are disclosed in the accompanying consolidated financial statements.

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10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	74,102	72,834
Banking and Insurance Transaction Tax (BITT)	22,206	21,645
Taxation on Securities Income	23,492	17,363
Taxation on Real Estates Income	1,234	1,028
Other	39,111	13,205
Total	160,145	126,075

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	5,358	4,724
Social Security Premiums - Employer Share	5,790	5,112
Unemployment Insurance - Employee Share	373	331
Unemployment Insurance - Employer Share	762	671
Total	12,283	10,838

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities are reflected to financial statements after balances in the financial statements of consolidated subsidiaries are netted off separately.

Deferred tax asset is TL 13,713 (December 31, 2010 – TL 29,408) and deferred tax liability is TL 50,119 (December 31, 2010 – 71,859) after deferred tax asset and liability balances in the financial statements of consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 16,698 is netted under equity (December 31, 2010 – TL 26,295 deferred tax liability).

	Temporary Differences		Deferred Tax Asset / (Liability)	
	June 30, 2011	Dec. 31, 2010	June 30, 2011	Dec. 31, 2010
Reserve for employee benefits	76,863	83,119	15,373	16,624
Differences between carrying and taxable amounts of financial assets	221,944	181,851	44,389	36,370
Unused investment incentive certificates	39,969	112,435	7,994	22,487
Other	23,192	20,825	4,638	4,165
Deferred Tax Asset			72,394	79,646
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	(378,885)	(457,254)	(75,777)	(91,451)
Other	(64,864)	(67,230)	(15,586)	(13,446)
Deferred Tax Liability			(108,800)	(122,097)
Deferred Tax Asset / (Liability), Net			(36,406)	(42,451)

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	Current Period	Prior Period
	01.01-30.06.2011	01.01-30.06.2010
Deferred Tax Asset / (Liability) as of January 1 (Net)	(42,451)	(54,321)
Deferred Tax (Charge) / Benefit	(36,948)	41,949
Deferred Tax Items Accounted for under the Equity	42,993	13,909
Effect of the Subsidiary Excluded from Consolidation	-	-
Deferred Tax Asset/ (Liability) as of June 30, 2011 (Net)	(36,406)	1,537

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 Parent 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 capital 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 Subject to Increase	Capital Reserves Subject to Increase
June 20, 2011	115,000	-	115,000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2010 - None).

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

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

None (December 31, 2010 – None).

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

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Parent 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 is 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. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control				
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	(28,070)	(31,542)	120,153	4,093
Valuation Differences	(28,070)	(31,542)	120,153	4,093
Foreign Exchange Rate Differences	-	-	-	-
Total	(28,070)	(31,542)	120,153	4,093

16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	146,883	17,768	96,877	11,080
Derivative Financial Liabilities Held for Trading	359,370	337,210	333,765	141,199
Funds Borrowed	1,990	20,478	1,347	23,044
Money Market Placements	1,330	482	505	182
Derivative Financial Liabilities Held for Hedging Purposes	8,327	25,218	319,785	7,000
Other Accruals	31,183	14,326	32,160	16
Total	549,083	415,482	784,439	182,521

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SECTION FIVE

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	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
Factoring Guarantees	-	-
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 included below

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 not 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	0.51	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 "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
Bill 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 related to 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)	5,612,287	6,542,674
Forward rate transactions	-	-
Interest rate swap transactions	5,612,287	6,517,292
Interest option transactions	-	-
Futures interest transactions	-	25,382
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	69,607,032	42,973,685
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)	72,431,516	53,238,805

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

As of June 30, 2011, breakdown of the Group's foreign currency forward and currency 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	6,516,216	12,828,006	4,607,542	4,571,398	3,823	9,192
USD	1,149,068	1,645,567	12,846,426	8,826,015	2,699,875	2,870,023	91,949	85,952
EURO	998,835	696,573	2,224,961	1,160,018	1,861,374	1,718,578	1,032	1,737
Other	171,005	171,081	19,014	130,614	959,956	960,636	1,159	1,158
Total	3,726,787	3,708,075	21,606,617	22,944,653	10,128,747	10,120,635	97,963	98,039

^(*) Includes hedging purpose derivatives.

^(**) This figure 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	2,199,221	751,451	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	17,810,461	19,019,404	6,750,532	6,727,649	200,228	200,228

^(*) Includes hedging purpose derivatives.

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

As of June 30, 2011, the Group 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 Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

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

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	BBB+
Financial Strength	C-	Short-Term TL	F3	Support	3
		Long-Term National	AAA		
		Individual	C		
		Support	3T		

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IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED 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	1,011,646	22,949	810,895	27,039
Medium and Long-Term Loans	757,398	41,161	677,854	24,315
Non-Performing Loans	48,887	-	41,542	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1,817,931	64,110	1,530,291	51,354

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	17,663	-
Domestic Banks	2,632	227	8,378	21
Foreign Banks	1,466	2,750	14,059	2,104
Foreign Headquarters and Branches	-	-	-	-
Total	4,098	2,977	40,100	2,125

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	2,303	146	3,896	65
Financial Assets at FVTPL	613	-	5,807	-
Investment Securities Available for Sale	174,392	23,731	164,726	16,400
Investment Securities Held to Maturity	-	-	-	-
Total	177,308	23,877	174,429	16,465

d) Information on interest income received from associates and subsidiaries

None (June 30, 2010 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19,538	74,006	26,996	54,141
T.R. Central Bank	-	-	-	-
Domestic Banks	6,918	1,324	4,767	857
Foreign Banks	12,620	72,682	22,229	53,284
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	19,538	74,006	26,996	54,141

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b) Information on interest expense paid to associates and subsidiaries

None (June 30, 2010 – None).

c) Information on interest expense paid to securities issued

The Parent Bank has issued bond with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011 (June 30, 2010 – None).

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

Time Deposits							Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
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	39,770	137,638	23,980	12,990	546	-	214,925
Other Deposits	-	1,139	33,467	2,845	110	123	-	37,684
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	5	95,021	537,070	80,115	19,723	1,522	-	733,456
Foreign Currency								
Foreign Currency Deposits	4	12,778	71,575	7,183	3,465	764	103	95,872
Bank Deposits	59	1,607	2,314	877	-	-	-	4,857
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	141	-	-	-	-	-	141
Total	63	14,526	73,889	8,060	3,465	764	103	100,870
Grand Total	68	109,547	610,959	88,175	23,188	2,286	103	834,326

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

Time Deposits							Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
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	0	-	-	644
Commercial Deposits	20	35,641	108,090	6,935	500	-	-	151,186
Other Deposits	-	3,435	12,836	6,378	173	-	-	22,822
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	102	148,595	384,853	19,219	2,932	604	-	556,305
Foreign Currency								
Foreign Currency Deposits	10	19,754	35,818	2,618	2,463	270	147	61,080
Bank Deposits	50	711	716	562	-	6,649	-	8,688
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	9	-	-	-	-	-	9
Total	60	20,474	36,534	3,180	2,463	6,919	147	69,777
Grand Total	162	169,069	421,387	22,399	5,395	7,523	147	626,082

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e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	50,547	2,202	4,535	289

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

f) Information on finance lease expenses

None (June 30, 2010 -- None).

g) Information on interest expenses 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	147	169
Total	248	169

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	4,090,275	3,186,008
Gains on Capital Market Operations	121,374	114,158
Derivative Financial Instruments	1,532,753	645,782
Foreign Exchange Gains	2,436,148	2,426,068
Trading Loss (-)	4,090,355	3,420,298
Losses on Capital Market Operations	51,734	14,391
Derivative Financial Instruments	1,551,559	1,034,158
Foreign Exchange Losses	2,487,062	2,371,749
Net Trading Income/Loss	(80)	(234,290)

5. Information on other operating income

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

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	46,071	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	39,839	34,568
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	57,159	27,388
Provision for Free Reserves on Possible Losses	8,305	1,765
Impairment Losses on Securities	20	30
Financial assets at fair value through profit or loss	-	-
Financial assets - available for sale	20	30
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	15,601	14,711
Total	127,156	204,663

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	377,358	313,960
Reserve for employee termination benefits	1,626	1,466
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge for tangible assets	40,962	37,765
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge for intangible assets	19,048	13,661
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 for assets held for sale and discontinued operations	-	-
Other operating expenses	274,978	238,576
Operational lease related expenses	57,985	47,059
Repair and maintenance expenses	22,804	20,237
Advertisement expenses	26,329	36,523
Other expenses	167,860	134,757
Losses on sales of assets	430	212
Other	109,174	83,880
Total	824,207	690,299

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

For the period ended June 30, 2011, net interest income of TL 1,150,268 (June 30, 2010 - TL 1,156,173), net fees and commission income of TL 396,394 (June 30, 2010 - TL 329,312) and other operating income of TL 75,016 (June 30, 2010 - TL 66,639) constitute an important part of the period income.

9. Explanations on tax provision for continued and discontinued operations

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

As of June 30, 2011, the Group recorded current tax charge of TL 131,437 (June 30, 2010 - TL 126,745) and a deferred tax charge of TL 36,948 (June 30, 2010 - TL 41,949 deferred tax benefit).

	Current Period	Prior Period
Current Tax Provision	(126,867)	(126,745)
Adjustment concerning the prior period's corporate tax	(4,570)	-
Deferred Tax Income/(Expense)	(36,948)	41,949
Total	(168,385)	(84,796)

In addition, the Parent 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.

Also, the lawsuits filed against Finans Finansal Kiralama A.Ş, one of the subsidiaries, in regards to investment incentives are finalized and Finans Finansal Kiralama A.Ş, has entitled for a refund of the corporate taxes paid in prior periods. Accordingly, TL 13,337 of corporate tax attributable to year 2009 refunded to Finans Finansal Kiralama A.Ş, on July 6, 2011 and August 11, 2011. In the accompanying financial statements as of June 30, 2011 the said amount is recognized in other assets and as income in "current income tax charge" in the income statement.

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 Group from continued operations is TL 502,098 (June 30, 2010 - TL 338,245).

11. Explanations on net income/loss for the period

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

None (June 30, 2010 - None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	6,660	8,349

11.4. There is no change in the 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 Parent Bank.

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOW
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	429,473	299,848
Cash in TL	223,045	168,939
Cash in Foreign Currency	177,056	126,865
Other	29,372	4,044
Cash Equivalents	2,526,224	2,821,345
Balances with the T.R. Central Bank	1,968,848	1,494,358
Banks and Other Financial Institutions	559,177	1,321,487
Money Market Placements	4,977	14,351
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(2,456)	(8,851)
Cash and Cash Equivalents	2,955,697	3,121,193

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	480,517	321,441
Cash in TL	249,011	180,440
Cash in Foreign Currency	157,487	130,078
Other	74,019	10,923
Cash Equivalents	3,696,047	1,896,801
Balances with the T.R. Central Bank	3,461,323	1,265,848
Banks and Other Financial Institutions	234,198	641,842
Money Market Placements	5,990	4,591
Less: Placements with Banks with Maturities Longer than 3 Months	(4,118)	(4,062)
Less: Accruals	(1,346)	(11,418)
Cash and Cash Equivalents	4,176,564	2,218,242

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 Parent Bank's potential borrowings that can be used for ordinary operations or capital commitment

None (June 30, 2010 – None).

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SECTION FIVE

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

1. Information on the volume of transactions with the Parent 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 Parent Bank's risk group has deposits, cash and non-cash loans at the Parent Bank amounting to TL 74,919 (December 31, 2010 – TL 127,671), TL 33,311 (December 31, 2010 – TL 29,061) and TL 54,470 (December 31, 2010 – TL 49,066); respectively.

Current Period

Parent 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	-	270	-	48,794	29,061	2
Balance at the End of the Period	-	-	-	54,468	33,311	2
Interest and Commission Income	-	1	-	5	1,112	-

Prior Period

Parent 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	-	385	-	11,745	30,632	22,740
Balance at the End of the Period	-	270	-	48,794	29,061	2
Interest and Commission Income	-	3	-	10	954	-

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

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

Parent 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	27,579	10,199	1,707	1,116,699	98,338	57,561
Balance at the End of the Period	47,412	27,579	10,262	1,707	17,245	98,385
Interest on deposits	45	1,633	-	919	676	1,106

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

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

Parent 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.

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

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

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

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

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

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 0.1% (December 31, 2010 – 0.1%) of the Parent Bank's total cash loans; the deposits represented 0.1% (December 31, 2010 – 0.5%) of the Parent Bank's total deposits and the derivative transactions represented 0.4% (December 31, 2010 – 3.9%) of the total derivative transactions.

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

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

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

The Parent Bank has signed an agreement with Ibttech 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 Parent Bank participated with 33.3% shareholding, provides cash transfer services to the Parent Bank.

Information about the Parent Bank's subordinated loan obtained from NBG is explained under Section 5, Part II., Footnote 12.

The receivables, payables, income and expenses of the transactions conducted with the financial subsidiaries those stated above are eliminated from the accompanying consolidated financial statements.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Group'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 affect decision making process of users

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

3. Other matters

None.

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

**FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The consolidated financial statements of the Group 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 25, 2011 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditor

None (December 31, 2010 – None).