

FINANSBANK ANONİM ŞİRKETİ

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

*Translated into English from the
Original Turkish Report*

FİNANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

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

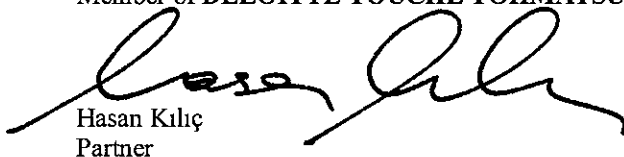
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of the Group for the period ended March 31, 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, May 26, 2011

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

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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
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The consolidated financial report for the three month, 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

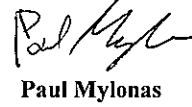
The consolidated financial statements and related disclosures and footnotes that were subject to limited review, for the three months period are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying 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 Güzeloglu
Managing Director and
Member of the
Board of Directors



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



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

Information related to the responsible personnel to whom the questions about the financial 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 MARCH 31, 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 and its Global Depository Receipts (GDRs) have been listed on the London Stock Exchange since 1998.

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

As of March 31, 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
Michael 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
Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloglu	Board Member and General Manager	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Agis Leopoulos	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 Şenübal	Executive Vice President	August 18, 2008	Graduate
Murat Şakar	Executive Vice President	August 18, 2008	Graduate
Köksal Çoban	Executive Vice President	August 18, 2008	Masters
Saruhan Doğan	Executive Vice President	October 9, 2009	Masters
Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Tunç Erdal	Executive Vice President	October 8, 2010	Graduate
Kubilay Güler	Executive Vice President	January 16, 2004	Graduate
Filiz Şafak	Executive Vice President	September 19, 2007	Graduate
Levent Yörük	Executive Vice President	February 1, 2010	Graduate
Bülent Yurdalan	Executive Vice President	March 7, 2011	Graduate
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

(*) As of May 16, 2011 Coordinator of Card Payment Systems Kunter Kutluay and Coordinator of Retail Banking Erkin Aydın was appointed to Assistant Managing Director of Card Payment Systems duty and Assistant Managing Director of Retail Banking duty respectively.

The top level management listed above possess 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 MARCH 31, 2011

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

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

Name Surname/Trade Name	Amount of Shares	Shareholding	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,702,867	77.23%	1,702,867	-
NBG Finance (Dollar) PLC	213,430	9.68%	213,430	-
NBGI Holdings B.V.	174,195	7.90%	174,195	-

The 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 March 31, 2011, the Parent Bank operates through 503 domestic (December 31, 2010 - 501), 1 off-shore banking (December 31, 2010 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2010 - 1) branches.

SECTION TWO

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)**

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2011

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 31.03.2011			Audited 31.12.2010			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2,511,743	1,274,744	3,786,487	1,150,341	1,247,979	2,398,320
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,264,269	201,250	1,465,519	1,402,806	153,963	1,556,769
2.1	Financial assets held for trading		436,447	201,250	637,697	351,201	153,963	505,164
2.1.1	Public sector debt securities		121,105	947	122,052	91,403	4,163	95,566
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		291,708	200,303	492,011	242,495	149,800	392,295
2.1.4	Other securities		23,634	-	23,634	17,303	-	17,303
2.2	Financial assets at fair value through profit and loss		827,822	-	827,822	1,051,605	-	1,051,605
2.2.1	Public sector debt securities		-	-	-	74,654	-	74,654
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		827,822	-	827,822	976,951	-	976,951
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	84,604	211,263	295,867	78,366	480,812	559,178
IV.	MONEY MARKET PLACEMENTS		5,299	-	5,299	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		5,299	-	5,299	4,977	-	4,977
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	5,550,674	789,147	6,339,821	6,548,667	696,118	7,244,785
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,426,518	696,038	6,122,556	6,427,633	602,273	7,029,906
5.3	Other securities		124,156	93,109	217,265	121,034	93,845	214,879
VI.	LOANS AND RECEIVABLES	(5)	23,822,881	2,803,347	26,626,228	22,416,555	2,434,620	24,851,175
6.1	Loans and receivables		23,601,978	2,803,347	26,405,325	22,184,232	2,434,620	24,618,852
6.1.1	Loans to risk group of the Bank		-	30,934	30,934	-	29,061	29,061
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		23,601,978	2,772,413	26,374,391	22,184,232	2,405,559	24,589,791
6.2	Non-performing loans		1,787,853	-	1,787,853	1,757,762	-	1,757,762
6.3	Specific provisions (-)		1,566,950	-	1,566,950	1,525,439	-	1,525,439
VII.	FACTORING RECEIVABLES	(6)	241,053	19,423	260,476	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)	184,658	693,130	877,788	159,940	658,361	818,301
12.1	Financial lease receivables		215,644	755,048	970,692	187,640	720,150	907,790
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		30,986	61,918	92,904	27,700	61,789	89,489
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	-	206	206	28,648	-	28,648
13.1	Fair value hedge		-	206	206	28,648	-	28,648
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		372,106	78	372,184	377,984	39	378,023
XV.	INTANGIBLE ASSETS (Net)		117,003	-	117,003	110,129	-	110,129
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		108,034	-	108,034	101,160	-	101,160
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	28,209	-	28,209	30,022	-	30,022
17.1	Current tax assets		171	-	171	614	-	614
17.2	Deferred tax assets		28,038	-	28,038	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)	489,800	433,379	923,179	468,919	559,098	1,028,017
TOTAL ASSETS			34,695,854	6,425,967	41,121,821	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)**

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2011

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 31.03.2011			Audited 31.12.2010			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	17,409,109	6,603,359	24,012,468	18,018,607	5,991,727	24,010,334
1.1	Deposits from risk group of the Bank		21,709	6,325	28,034	113,611	14,060	127,671
1.2	Other		17,387,400	6,597,034	23,984,434	17,904,996	5,977,667	23,882,663
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	447,864	183,240	631,104	333,765	141,199	474,964
III.	FUNDS BORROWED	(3)	558,260	3,967,499	4,525,759	553,127	4,098,035	4,651,162
IV.	MONEY MARKET BORROWINGS		2,654,364	475,776	3,130,140	873,625	309,882	1,183,507
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		43,285	-	43,285	43,280	-	43,280
4.3	Funds provided under repurchase agreements	(4)	2,611,079	475,776	3,086,855	830,345	309,882	1,140,227
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		827,168	158,727	985,895	867,067	122,979	990,046
VIII.	OTHER LIABILITIES	(5)	466,149	37,586	503,735	475,718	21,769	497,487
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(6)	-	-	-	-	-	-
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	(7)	33,500	14,721	48,221	319,785	7,000	326,785
11.1	Fair value hedge		-	14,721	14,721	250,240	7,000	257,240
11.2	Cash flow hedge		33,500	-	33,500	69,545	-	69,545
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(8)	595,064	34,678	629,742	546,881	31,215	578,096
12.1	General provisions		252,539	34,678	287,217	234,593	31,215	265,808
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		95,994	-	95,994	83,119	-	83,119
12.4	Insurance technical provisions (Net)		55,241	-	55,241	48,609	-	48,609
12.5	Other provisions		191,290	-	191,290	180,560	-	180,560
XIII.	TAX LIABILITY	(9)	108,139	-	108,139	144,693	-	144,693
13.1	Current tax liability		53,779	-	53,779	72,834	-	72,834
13.2	Deferred tax liability		54,360	-	54,360	71,859	-	71,859
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	1,021,650	1,021,650	-	1,010,383	1,010,383
XVI.	SHAREHOLDERS' EQUITY	(12)	5,555,539	(30,571)	5,524,968	5,382,374	4,093	5,386,467
16.1	Paid-in capital	(12)	2,205,000	-	2,205,000	2,205,000	-	2,205,000
16.2	Capital reserves		(41,122)	(30,571)	(71,693)	99,642	4,093	103,735
16.2.1	Share premium	(13)	665	-	665	665	-	665
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(14)	(33,812)	(30,571)	(64,383)	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)		(7,975)	-	(7,975)	(21,176)	-	(21,176)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		2,019,462	-	2,019,462	1,996,424	-	1,996,424
16.3.1	Legal reserves		205,337	-	205,337	204,185	-	204,185
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,814,125	-	1,814,125	1,792,239	-	1,792,239
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		1,225,936	-	1,225,936	937,603	-	937,603
16.4.1	Prior years' income/ (losses)		914,565	-	914,565	14,681	-	14,681
16.4.2	Current period income/ (loss)		311,371	-	311,371	922,922	-	922,922
16.5	Minority shares		146,263	-	146,263	143,705	-	143,705
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			28,655,156	12,466,665	41,121,821	27,515,642	11,738,282	39,253,924

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

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

FINANSBANK ANONİM ŞİRKETİ

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

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 31.03.2011			Audited 31.12.2010		
	Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
I. GUARANTEES	(1), (2), (3),(4)	50,893,842	42,796,715	93,690,557	40,628,183	32,994,251	73,622,434
1.1. Letters of guarantee		3,051,913	3,604,681	6,656,594	2,970,060	3,065,622	6,035,682
1.1.1. Guarantees subject to State Tender Law		3,048,337	1,616,393	4,664,730	2,967,436	1,587,549	4,554,985
1.1.2. Guarantees given for foreign trade operations		188,705	14,600	203,305	181,832	14,443	196,275
1.1.3. Other letters of guarantee		2,365,441	1,601,793	3,967,234	2,292,413	1,573,106	3,865,519
1.2. Bank loans		494,191	-	494,191	493,191	-	493,191
1.2.1. Import letter of acceptance		3,133	881,485	884,618	2,483	719,055	721,538
1.2.2. Other bank acceptances		3,133	881,485	884,618	2,483	719,055	721,538
1.3. Letters of credit		443	1,071,948	1,072,391	141	722,709	722,850
1.3.1. Documentary letters of credit		443	1,040,315	1,040,758	141	697,409	697,550
1.3.2. Other letters of credit		-	31,633	31,633	-	25,300	25,300
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	34,855	34,855	-	36,309	36,309
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		17,499,703	1,294,719	18,794,422	14,535,418	510,390	15,045,808
2.1. Irrevocable commitments		17,499,703	1,294,719	18,794,422	14,535,418	510,390	15,045,808
2.1.1. Forward asset purchase commitments		476,495	1,289,072	1,765,567	193,664	504,197	697,861
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		2,000	-	2,000	2,000	-	2,000
2.1.4. Loan granting commitments		2,189,366	-	2,189,366	1,876,601	-	1,876,601
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		762,396	-	762,396	673,661	-	673,661
2.1.8. Tax and fund liabilities from export commitments		5,134	-	5,134	5,141	-	5,141
2.1.9. Commitments for credit card expenditure limits		13,976,623	-	13,976,623	11,705,737	-	11,705,737
2.1.10. Commitments for promotions related with credit cards and banking activities		25,955	-	25,955	25,298	-	25,298
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		61,734	5,647	67,381	53,316	6,193	59,509
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	30,342,226	37,897,315	68,239,541	23,122,705	29,418,239	52,540,944
3.1. Derivative financial instruments for hedging purposes		737,785	965,008	1,702,793	6,138,670	4,126,450	10,265,120
3.1.1. Fair value hedge		-	965,008	965,008	4,828,794	4,126,450	8,955,244
3.1.2. Cash flow hedge		737,785	-	737,785	1,309,876	-	1,309,876
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		29,604,441	36,932,307	66,536,748	16,984,035	25,291,789	42,275,824
3.2.1. Forward foreign currency buy/sell transactions		1,066,031	2,444,422	3,510,453	693,384	1,139,058	1,832,442
3.2.1.1. Forward foreign currency transactions-buy		480,586	1,278,365	1,758,951	321,497	590,854	912,351
3.2.1.2. Forward foreign currency transactions-sell		585,445	1,166,057	1,751,502	371,887	548,204	920,091
3.2.2. Swap transactions related to foreign currency and interest rates		19,895,690	23,973,999	43,869,689	10,455,312	16,109,433	26,564,745
3.2.2.1. Foreign currency swap-buy		5,512,112	11,255,071	16,767,183	4,216,018	5,773,181	9,989,199
3.2.2.2. Foreign currency swap-sell		11,038,552	7,160,081	18,198,633	4,204,144	5,854,110	10,058,254
3.2.2.3. Interest rate swaps-buy		1,672,513	2,709,750	4,382,263	1,017,575	2,171,501	3,189,076
3.2.2.4. Interest rate swaps-sell		1,672,513	2,849,097	4,521,610	1,017,575	2,310,641	3,328,216
3.2.3. Foreign currency, interest rate and securities options		8,619,342	9,978,891	18,598,233	5,828,545	7,649,636	13,478,181
3.2.3.1. Foreign currency options-buy		4,323,155	4,908,613	9,231,768	2,977,137	3,765,395	6,742,532
3.2.3.2. Foreign currency options-sell		4,070,587	5,070,278	9,140,865	2,835,408	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		112,800	-	112,800	8,000	-	8,000
3.2.3.6. Securities options-sell		112,800	-	112,800	8,000	-	8,000
3.2.4. Foreign currency futures		23,378	417,629	441,007	6,794	368,280	375,074
3.2.4.1. Foreign currency futures-buy		14,184	206,348	220,532	3,397	184,140	187,537
3.2.4.2. Foreign currency futures-sell		9,194	211,281	220,475	3,397	184,140	187,537
3.2.5. Interest rate futures		-	117,366	117,366	-	25,382	25,382
3.2.5.1. Interest rate futures-buy		-	58,683	58,683	-	12,691	12,691
3.2.5.2. Interest rate futures-sell		-	58,683	58,683	-	12,691	12,691
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		79,102,602	18,617,984	97,720,586	71,888,808	17,676,819	89,565,627
IV. ITEMS HELD IN CUSTODY		2,891,171	996,723	3,887,894	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		566,412	495,850	1,062,262	809,992	659,412	1,469,404
4.3. Checks received for collection		1,174,893	194,142	1,369,035	1,127,774	192,750	1,320,524
4.4. Commercial notes received for collection		282,955	214,547	497,502	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		731,852	80,691	812,543	10	6,369	6,379
4.8. Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		76,211,431	17,621,261	93,832,692	69,551,733	16,572,621	86,124,354
5.1. Marketable securities		211,261	346,338	557,599	282,255	189,201	471,456
5.2. Guarantee notes		89,977	59,397	149,374	548,633	122,585	671,218
5.3. Commodity		20,281	-	20,281	20,737	-	20,737
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		33,438,813	6,428,207	39,867,020	30,517,661	6,008,242	36,525,903
5.6. Other pledged items		42,451,099	10,787,319	53,238,418	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)		129,996,444	61,414,699	191,411,143	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)**

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
MARCH 31, 2011 (STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 – 31.03.2011	Reviewed 01.01 – 31.03.2010
Section 5 Part IV			
I.	INTEREST INCOME	1,031,930	918,742
1.1	Interest on loans	906,262	766,119
1.2	Interest received from reserve deposits	-	-
1.3	Interest received from banks	3,788	20,783
1.4	Interest received from money market placements	122	6,662
1.5	Interest received from marketable securities portfolio	98,632	101,692
1.5.1	Held-for-trading financial assets	719	2,044
1.5.2	Financial assets at fair value through profit and loss	613	2,849
1.5.3	Available-for-sale financial assets	97,300	96,799
1.5.4	Investments held-to-maturity	-	-
1.6	Finance lease income	17,491	21,106
1.7	Other interest income	5,635	2,380
II.	INTEREST EXPENSE	445,299	342,783
2.1	Interest on deposits	370,215	302,501
2.2	Interest on funds borrowed	50,521	39,152
2.3	Interest on money market borrowings	24,328	806
2.4	Interest on securities issued	-	-
2.5	Other interest expense	235	324
III.	NET INTEREST INCOME (I - II)	586,631	575,959
IV.	NET FEES AND COMMISSIONS INCOME	180,881	158,612
4.1	Fees and commissions received	215,903	185,938
4.1.1	Non-cash loans	9,903	10,588
4.1.2	Other	206,000	175,350
4.2	Fees and commissions paid	35,022	27,326
4.2.1	Non-cash loans	210	220
4.2.2	Other	34,812	27,106
V.	DIVIDEND INCOME	43	-
VI.	NET TRADING INCOME	82,224	(127,940)
6.1	Securities trading gains/ (losses)	57,736	60,172
6.2	Gains / (losses) Financial derivative transactions	43,570	(209,754)
6.3	Foreign exchange gains/ (losses)	(19,082)	21,642
VII.	OTHER OPERATING INCOME	34,317	38,842
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)	884,096	645,473
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	75,562	116,453
X.	OTHER OPERATING EXPENSES (-)	410,616	329,160
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)	397,918	199,860
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)	397,918	199,860
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(83,169)	(36,530)
16.1	Current income tax charge	(53,788)	(68,370)
16.2	Deferred tax charge / benefit	(29,381)	31,840
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	314,749	163,330
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)	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	-	-
21.1	Current income tax charge	-	-
21.2	Deferred tax charge / benefit	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	314,749	163,330
23.1	Group's profit/loss	311,371	159,284
23.2	Minority shares	3,378	4,046
	Earnings per share	0.01412	0.00961

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 PROFIT AND LOSS ACCOUNTED FOR UNDER SHAREHOLDERS'
EQUITY FOR THE PERIOD ENDED MARCH 31, 2011
(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

	Reviewed 01.01 – 31.03.2011	Reviewed 01.01 – 31.03.2010
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(229,027)	(2,923)
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)	16,500	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	45,510	4,714
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(167,017)	1,791
XI. PROFIT/LOSS	(8,411)	(20,647)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(8,411)	(20,647)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	(175,428)	(18,856)

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 MARCH 31, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of Issuance on Capital and Other Reserves	Share Premium	Share Capital	Share Capital	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable Securities Increase / (Decrease)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging from Associates	Acc. Val. Diff.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I.	Prior period - 01.01.2010	1,575,000	-	-	-	-	168,051	-	1,218,320	-	-	708,604	77,747	-	-	-	-	3,747,722	146,340	3,894,062
II.	Beginning balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (H1D)	1,575,000	-	-	-	-	168,051	-	1,218,320	-	-	708,604	77,747	-	-	-	-	3,747,722	146,340	3,894,062
IV.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Indication adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Period net income/(loss)	-	-	-	-	-	-	-	-	-	159,284	-	-	-	-	-	-	159,284	4,046	163,330
XXI.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending balance	1,575,000	-	-	-	-	170,112	-	1,257,488	-	159,284	667,375	59,891	-	-	-	-	3,898,150	150,386	4,048,536

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 MARCH 31, 2011
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of Accounting on Other Capital and Reserves	Share Premium	Share Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Income/ (Loss)	Marketable Securities Fair Value Increase/ (Decrease)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I.	Current period - 01.01.-31.03.2011	2,205,000	-	665	-	204,185	-	1,793,239	-	937,603	124,246	-	-	-	(21,176)	-	5,242,762	143,205	5,386,467
II.	Increases/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(188,629)	-	(188,629)
IV.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Other sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share repurchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	311,371	-	-	-	-	-	-	311,371	(820)	(820)
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	1,152	-	21,886	-	(23,038)	-	-	-	-	-	-	-	3,378	3,378
18.2	Transfers to reserves	-	-	-	-	1,152	-	21,886	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance	2,205,000	-	665	-	205,337	-	1,814,125	-	311,371	914,565	(64,383)	-	-	(7,975)	-	5,378,705	146,263	5,524,968
	(I+II+III+...+XVII+XVIII+XIX)																		

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 MARCH 31, 2011**

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 31.03.2011	Reviewed 01.01- 31.03.2010
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		434,915	665,638
1.1.1 Interest received (+)		958,670	1,028,854
1.1.2 Interest paid (-)		(476,250)	(322,778)
1.1.3 Dividend received (+)		43	-
1.1.4 Fees and commissions received (+)		215,903	185,938
1.1.5 Other income (+)		32,484	35,442
1.1.6 Collections from previously written-off loans (+)		119,403	160,852
1.1.7 Payments to personnel and service suppliers (-)		(304,037)	(248,871)
1.1.8 Taxes paid (-)		(19,825)	(23,610)
1.1.9 Other (+/-)	(1)	(91,476)	(150,189)
1.2 Changes in operating assets and liabilities		(853,505)	(640,718)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(33,932)	(7,173)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		184,901	256,954
1.2.3 Net (increase) decrease in due from banks (+/-)		(776,202)	-
1.2.4 Net (increase) decrease in loans (+/-)		(1,489,747)	(1,445,486)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	6,714	(180,615)
1.2.6 Net increase (decrease) in bank deposits (+/-)		243,352	283,935
1.2.7 Net increase (decrease) in other deposits (+/-)		(364,129)	107,076
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(529,877)	303,311
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	1,905,415	41,280
I. Net cash provided from / (used in) banking operations (+/-)		(418,590)	24,920
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		802,982	821,803
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(494)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(14,662)	(12,979)
2.4 Fixed assets sales (+)		3	3,253
2.5 Cash paid for purchase of financial assets available for sale (-)		(4,690,258)	(5,308,632)
2.6 Cash obtained from sale of financial assets available for sale (+)		5,524,036	6,158,954
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(15,643)	(18,793)
C. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
III. Net cash provided from / (used in) financing activities (+/-)		-	-
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		(34,660)	(12,511)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		349,732	834,212
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)	3,305,429	3,955,405

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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2011

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the 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 December 31, 2010 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA)

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

2. Classifications

None.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430 and 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 MARCH 31, 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 March 31, 2011 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary 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>March 31, 2011</u>	<u>December 31, 2010</u>
US Dollar	TL 1.5483	TL 1.5460
Euro	TL 2.1816	TL 2.0491

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FOR THE PERIOD ENDED MARCH 31, 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 March 31, 2011 is TL 19,082 (March 31, 2010 - TL 21,642 net foreign exchange gain).

2.3. Foreign subsidiaries

As of March 31, 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 (%)	
			March 31, 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	73.24	81.00
4. Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	64.32	59.24
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 March 31, 2011.

1. Subsidiaries

As of March 31, 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.

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FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 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 and 4 respectively.

To avoid from the changes of 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.

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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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

1.2. Financial assets at fair value through profit or loss

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

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: 2633 and revised with the Communiqué dated March 6, 2010, published on the Official Gazette No: 27513 and the Communiqué dated January 23, 2009, published on the Official Gazette No: 2719 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Parent Bank did not provide any specific provision for performing loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non performing loans into non performing loans as of December 31, 2010. The Parent Bank re-started to provide specific provision for mentioned loans that are not overdue,

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according to the amendments on the 4th article of the same communiqué as of March 1, 2011. The Parent Bank provided 50% specific provision for the credit cards in the 3rd and 4th Group and retail loans in the 3rd Group as at December 31, 2010 in accordance with the aforementioned regulation, the Parent Bank provided 50% specific provision for the credit cards in the 3rd and 4th Group, 20% for the retail loans in the 3rd Group and 50% for the retail loans in the 4th Group in the current period. The related provisions are accounted for in the income statement for current year. Details are explained in Section 5, Part I, Footnote 5.

The 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.

X. Repurchase and resale 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 3,211,988 (December 31, 2010 - TL 1,212,757).

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

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

XI. Assets held for sale and discontinued operations

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

The 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.

Softwares have 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%

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.

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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 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. There are no debt instruments directly issued by the Group. The funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XX. Share issues

In the current period, no changes have been occurred in the paid-in capital of the Parent Bank (January 1 – December 31, 2010 – TL 630,000 increase in total of which TL 82,857 portion of the increase incorporated from extraordinary reserves and the remaining TL 547,143 was to be met with cash).

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.

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The calculations based on the income statement on corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the 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	306,459	99,944	180,228	586,631
Net Fees and Commissions Income	260,993	28,659	(108,771)	180,881
Other Operating Income and Net Trading Income	15,036	23,758	77,747	116,541
Dividend Income	-	-	43	43
Operating Income	582,488	152,361	149,247	884,096
Other Operating Expenses	258,456	77,070	75,090	410,616
Provision for Loan Losses and Other Receivables	40,402	8,418	26,742	75,562
Profit Before Taxes	283,630	66,873	47,415	397,918
Tax Charge	-	-	-	(83,169)
Net Profit/Loss	-	-	-	314,749
Total Assets	20,969,813	6,937,279	10,636,366	41,121,821
Segment Assets	20,969,813	6,937,279	10,636,366	38,543,458
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	23,557
Undistributed Assets	-	-	-	2,554,806
Total Liabilities	14,921,736	8,361,912	9,982,975	41,121,821
Segment Liabilities	14,921,736	8,361,912	9,982,975	33,266,623
Undistributed Liabilities	-	-	-	2,330,230
Equity	-	-	-	5,524,968
Other Segment Accounts	-	-	-	60,035
Capital Expenditures	-	-	-	30,415
Depreciation and Amortization	-	-	-	29,620
Value Decrease/ (Increase)	-	-	-	-

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Prior Period (March 31, 2010)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	245,701	97,442	232,816	575,959
Net Fees and Commissions Income	198,932	27,854	(68,174)	158,612
Other Operating Income and Net Trading Income	7,068	9,027	(105,193)	(89,098)
Dividend Income	-	-	-	-
Operating Income	451,701	134,323	59,449	645,473
Other Operating Expenses	200,452	71,585	57,123	329,160
Provision for Loan Losses and Other Receivables	94,438	7,420	14,595	116,453
Profit Before Taxes	156,811	55,318	(12,269)	199,860
Tax Charge	-	-	-	(36,530)
Net Profit/Loss	-	-	-	163,330
Other Segment Accounts	-	-	-	60,716
Capital Expenditures	-	-	-	35,075
Depreciation and Amortization	-	-	-	25,641
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	14,862,829	8,164,499	8,525,637	39,253,924
Segment Liabilities	14,862,829	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 March 31, 2011, the Group's consolidated capital adequacy ratio is 17.02% (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 and No. 27320, dated October 10, 2007, March 22, 2008 and August 15, 2009, respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and factored into capital adequacy ratio.

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

In the calculation of their risk-based values, non-cash loans 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:

	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)	4,381,705	-	142,264	9,444,382	17,838,566	749,873	197,441	4,414,456	-	276,225	9,599,876	18,656,758	749,873	197,441
Cash on Hand	424,509	-	517	-	-	-	-	428,509	-	517	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	2,576,948	-	-	-	-	-	-	2,576,948	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	116,098	-	49,407	-	-	-	-	244,760	-	49,407	-	-
Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-	-	-	5,299	-	-	-	-
Reserve Deposits	780,513	-	-	-	-	-	-	780,513	-	-	-	-	-	-
Loans and Receivables	592,688	-	25,117	9,019,323	15,929,180	749,873	197,441	592,688	-	25,117	9,019,323	15,929,098	749,873	197,441
Non-performing Loans (Net)	-	-	-	-	220,903	-	-	-	-	-	-	220,903	-	-
Lease Receivables	-	-	-	-	-	-	-	1,439	-	-	153,953	713,687	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,151	-	-	-	-	-	-	5,151	-	-
Sundry Debtors	-	-	-	-	347,731	-	-	-	-	-	-	364,370	-	-
Accrued Interest and Income Investments in Associates, Subsidiaries and Entities Under Common Control	6,136	-	532	425,059	257,810	-	-	6,150	-	532	426,600	266,190	-	-
Tangible Assets	-	-	-	-	360,287	-	-	-	-	-	-	23,557	-	-
Other Assets (*)	911	-	-	-	267,822	-	-	-	-	-	-	282,468	-	-
Off-Balance Sheet Items	935,850	-	1,647,98	211,564	7,303,400	-	-	935,850	-	1,647,985	211,564	7,300,231	-	-
Non-Cash Loans and Derivative Financial	935,850	-	79,957	211,564	7,172,007	-	-	935,850	-	79,957	211,564	7,168,819	-	-
	-	-	1,568,02	-	131,393	-	-	-	-	1,568,028	-	131,412	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value at Risk	5,317,555	-	1,790,24	9,655,946	25,141,966	749,873	197,441	5,350,306	-	1,924,210	9,811,440	25,956,989	749,873	197,441
Total Risk Weighted Assets	-	-	358,050	4,827,972	25,141,966	1,124,81	394,882	-	-	384,842	4,905,720	25,956,989	1,124,81	394,882

(*) 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	31,847,680	29,506,581	32,767,243	30,310,413
Value at Market Risk	1,918,438	1,917,300	1,975,263	1,959,813
Value at Operational Risk	4,195,358	3,805,616	4,581,039	4,195,873
Shareholders' Equity	6,260,488	5,877,201	6,693,471	6,320,171
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.49%	16.68%	17.02%	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	2,205,000	2,205,000
Nominal Capital	2,205,000	2,205,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	665
Share Cancellation Profits	-	-
Legal Reserves	205,337	204,185
I. Legal Reserve (Turkish Commercial Code 466/1)	180,875	179,723
II. Legal Reserve (Turkish Commercial Code 466/2)	24,462	24,462
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,296,495	1,274,609
Reserve Allocated as per the Decision Held by the General Assembly	1,296,495	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	1,225,936	937,603
Current Period Profit	311,371	922,922
Prior Periods Profit	914,565	14,681
Free Reserves for Possible Losses (up to 25% of Core Capital)	83,054	78,265
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	517,630
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Minority Interest	146,263	143,705
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	89,716	91,617
Prepaid Expenses (-) (*)	-	123,121
Intangible Assets (-)	108,034	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	5,473,661	5,036,795
SUPPLEMENTARY CAPITAL		
General Provisions	287,217	265,808
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,004,313	1,002,551
Securities Value Increase Fund	(28,973)	55,911
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	(28,973)	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	1,262,557	1,324,270
TIER III CAPITAL	-	-
CAPITAL	6,736,218	6,361,065
DEDUCTIONS FROM CAPITAL	42,749	40,894
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	30,542	28,687
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,207	12,207
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	6,693,471	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 and 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	101,375
(II) Capital Obligation against Specific Risks - Standard Method	18,696
(III) Capital Obligation against Currency Risk - Standard Method	16,093
(IV) Capital Obligation against Commodity Risks – Standard Method	13,136
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	8,721
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	158,021
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,975,263

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2010, 2009 and 2008) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of March 31, 2011, the value at operational risk is amounting to TL 4,581,039 (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 March 31, 2011, the net foreign currency exposure of the Group is TL 516,170 short (December 31, 2010 – TL 431,810 short) resulting from on balance sheet short position amounting to TL 4,575,521 (December 31, 2010 – TL 4,162,400 short) and long off balance sheet position amounting to TL 4,059,351 (December 31, 2010 – TL 3,730,590 long). The long off balance sheet position amounting to TL 4,094,990 (December 31, 2010 – TL 3,747,117) is related with the FC/TL swap transactions performed with banks and customers. The 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 1.5483

Euro purchase rate in the balance sheet date TL 2.1816

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

- 4. The basic arithmetical average of the 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 March 2011 are TL 1.5747 and TL 2.2026; 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	70,297	1,140,821	99	63,527	1,274,744
Due From Banks	63,866	135,236	6,726	5,435	211,263
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	5,831	177,930	-	-	183,761
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	88,791	700,356	-	-	789,147
Loans and Receivables ⁽²⁾	1,719,048	2,320,784	89,904	85,548	4,215,284
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	90	116	-	-	206
Tangible Assets	-	-	-	78	78
Intangible Assets	-	-	-	-	-
Other Assets ⁽³⁾	685,497	507,921	463	2,146	1,196,027
Total Assets	2,633,420	4,983,164	97,192	156,734	7,870,510
Liabilities					
Bank Deposits	56,473	219,797	571	12,668	289,509
Foreign Currency Deposits	2,269,512	3,928,431	1,069	114,838	6,313,850
Money Market Borrowings	71,396	404,380	-	-	475,776
Funds Provided from Other Financial Institutions	1,933,536	3,055,613	-	-	4,989,149
Securities Issued	-	-	-	-	-
Sundry Creditors	102,461	54,164	473	1,629	158,727
Derivative Fin. Liabilities Hedging Purposes	234	14,487	-	-	14,721
Other Liabilities ⁽⁵⁾	25,232	179,014	-	53	204,299
Total Liabilities	4,458,844	7,855,886	2,113	129,188	12,446,031
Net Balance Sheet Position	(1,825,424)	(2,872,722)	95,079	27,546	(4,575,521)
Net Off-Balance Sheet Position	1,683,625	2,487,449	(94,294)	(17,429)	4,059,351
Financial Derivative Assets	4,584,445	15,413,588	152,862	919,796	21,070,691
Financial Derivative Liabilities	2,900,820	12,926,139	247,156	937,225	17,011,340
Non-Cash Loans ⁽¹⁾	896,674	2,484,646	1,560	221,801	3,604,681
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 1,411,937 (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 128 (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 50,223 (December 31, 2010 – TL 49,716).

⁽⁴⁾ Does not include foreign exchange income accruals on derivative transactions amounting to TL 17,489 (December 31, 2010 – TL 9,576).

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

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V. Explanations related to 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	3,932	-	-	-	-	3,782,555	3,786,487
Due from Banks	109,663	19,711	-	-	-	166,493	295,867
Financial Assets at Fair Value Through Profit/Loss ^(**)	36,757	105,660	184,894	288,430	552,082	297,902	1,465,725
Money Market Placements	5,299	-	-	-	-	-	5,299
Inv. Securities Available for Sale	2,081,418	736,827	767,881	1,743,399	895,757	114,539	6,339,821
Loans and Receivables	6,849,204	3,111,083	7,513,588	7,449,589	1,481,861	220,903	26,626,228
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	459,283	82,196	446,707	425,844	29,468	1,158,896	2,602,394
Total Assets	9,545,556	4,055,477	8,913,070	9,907,262	2,959,168	5,741,288	41,121,821
Liabilities							
Bank Deposits	551,904	39,663	2,037	-	-	32,498	626,102
Other Deposits	13,913,076	6,600,771	701,492	24,208	-	2,146,819	23,386,366
Money Market Borrowings	3,129,960	180	-	-	-	-	3,130,140
Sundry Creditors	34,853	833	-	-	-	950,209	985,895
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	2,381,463	2,082,805	772,885	233,873	76,211	172	5,547,409
Other Liabilities ^(*)	194,619	45,356	143,593	72,374	32,962	6,957,005	7,445,909
Total Liabilities	20,205,875	8,769,608	1,620,007	330,455	109,173	10,086,703	41,121,821
	-	-	7,293,063	9,576,807	2,849,995	-	19,719,865
On Balance Sheet Long Position							
On Balance Sheet Short Position	(10,660,319)	(4,714,131)				(4,345,415)	(19,719,865)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(10,660,319)	(4,714,131)	7,293,063	9,576,807	2,849,995	(4,345,415)	-

^(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 617,945, tangible assets amounting to TL 372,184, intangible assets amounting to TL 117,003, associates, subsidiaries and entities under common control amounting to TL 23,555 and tax assets amounting to TL 28,209; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,524,968, other liabilities amounting to TL 503,735, provisions amounting to TL 629,742, tax liability amounting to TL 108,139 and part of trading derivative financial liabilities amounting to TL 190,421.

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

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Average interest rates applied to monetary financial instruments

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	3.98	3.94	-	8.40
Financial Assets at Fair Value Through Profit/Loss	4.87	7.77	-	10.26
Money Market Placements	-	-	-	7.12
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Receivables	4.96	4.20	5.23	17.91 ^(*)
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.27
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	2.10	2.74	-	9.70

^(*) The yield of loans is 12.62% excluding credit cards.

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

(Based on 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

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	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 6% (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	3,782,555	3,932	-	-	-	-	-	3,786,487
Due from Banks	172,486	103,670	19,711	-	-	-	-	295,867
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	70,586	103,454	327,802	408,683	555,200	-	1,465,725
Money Market Placements	-	5,299	-	-	-	-	-	5,299
Investment Securities Available for Sale	114,178	1,511	71	104,912	3,240,029	2,879,120	-	6,339,821
Loans and Receivables	-	6,793,668	2,919,350	7,417,968	7,703,034	1,571,305	220,903	26,626,228
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	1,332	792,757	114,784	432,025	586,791	14,396	660,309	2,602,394
Total Assets	4,070,551	7,771,423	3,157,370	8,282,707	11,938,537	5,020,021	881,212	41,121,821
Liabilities								
Bank Deposits	32,498	551,904	39,663	2,037	-	-	-	626,102
Other Deposits	2,146,819	13,913,076	6,600,771	701,492	24,208	-	-	23,386,366
Funds Borrowed	-	593,183	599,548	2,432,550	1,627,905	294,223	-	5,547,409
Money Market Borrowings	-	3,129,960	180	-	-	-	-	3,130,140
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	118	889,799	10,259	-	-	85,719	-	985,895
Other Liabilities ^(*)	9,315	466,224	45,392	244,036	418,346	49,639	6,212,957	7,445,909
Total Liabilities	2,188,750	19,544,146	7,295,813	3,380,115	2,070,459	429,581	6,212,957	41,121,821
Liquidity Gap	1,881,801	(11,772,723)	(4,138,443)	4,902,592	9,868,078	4,590,440	(5,331,745)	-
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 5,524,968, unallocated provisions amounting to TL 579,850 and tax liability of TL 108,139.

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

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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	223,042	144,159	223,045	177,056
T.R. Central Bank	2,284,255	1,073,206	923,452	1,045,395
Others	4,446	57,379	3,844	25,528
Total	2,511,743	1,274,744	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	2,284,255	292,693	923,452	285,108
Restricted Time Deposits	-	780,513	-	760,287
Total	2,284,255	1,073,206	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 12% depending on the maturity of deposits (December 31, 2010 – 5.5%) and the compulsory rates for the foreign currency liabilities are 11% (December 31, 2010 – 11%).

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

2. Further information on financial assets at fair value through profit/loss (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 ^(*)	8,097	-	10,716	-
Other	-	-	-	-
Total	8,097	-	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 ^(*)	20,000	-	2,876	-
Treasury Bonds ^(*)	-	-	13,339	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	20,000	-	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	33,135	-	13,823	-
Swap Transactions	257,967	47,718	228,564	39,677
Futures	-	3,964	-	1,488
Options	606	134,127	108	105,945
Other	-	14,494	-	2,690
Total	291,708	200,303	242,495	149,800

3. **Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	57,908	12,833	61,172	24,149
Foreign	26,696	198,430	17,194	456,663
Foreign Head Offices and Branches	-	-	-	-
Total	84,604	211,263	78,366	480,812

b) **Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	109,430	185,116	-	-
USA and Canada	35,330	84,998	49,407	49,600
OECD Countries (*)	8,273	2,954	-	-
Off-shore Banking Regions	22,201	150,589	-	-
Other	485	600	-	-
Total	175,719	424,257	49,407	49,600

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

(**) Includes blocked placements at foreign banks amounting to TL 49,407 (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	5,299	-	4,977	-
T.R Central Bank	64	-	152	-
Banks	-	-	-	-
Intermediary Institutions	5,235	-	4,825	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	5,299	-	4,977	-

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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	820,970	-	329,900	-
Other	-	-	-	-
Total	820,970	-	329,900	-

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

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

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,296,757	7,124,105
Quoted on a stock exchange (*)	6,247,746	7,032,381
Unquoted on a stock exchange	49,011	91,724
Share certificates	115,099	121,333
Quoted on a stock exchange (**)	114,737	120,971
Unquoted on a stock exchange	362	362
Impairment provision (-)	(72,035)	(653)
Total	6,339,821	7,244,785

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

(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 102,113 (December 31, 2010 - TL 113,339).

5. Information related to loans

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

	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 (*)	46,598	-	42,042	-
Total	46,598	-	42,042	-

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

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

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	25,911,643	152,150	877,323	292,031
Discount Notes	189,723	-	537	-
Export Loans	847,643	11,696	91,216	2,524
Import Loans	-	-	-	-
Loans Given to Financial Sector	314,587	-	-	-
International Loans	66,868	-	-	-
Retail Loans	9,728,758	-	290,793	120,992
Credit Cards	6,758,347	-	166,629	40,191
Precious Metals Loans	-	-	-	-
Other	8,005,717	140,454	328,148	128,324
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	25,911,643	152,150	877,323	292,031

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

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	12,480,635	-	166,629	40,190
Non-specialized Loans	12,480,635	-	166,629	40,190
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	13,431,008	152,150	710,694	251,841
Non-specialized Loans	13,431,008	152,150	710,694	251,841
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	25,911,643	152,150	877,323	292,031

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

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	122,960	9,042,947	9,165,907	345,144
Housing Loans	1,740	6,032,814	6,034,554	312,540
Automobile Loans	1,329	197,283	198,612	3,958
Personal Need Loans	115,825	2,812,850	2,928,675	28,646
Other	4,066	-	4,066	-
Consumer Loans-FC Indexed	-	185,663	185,663	72,865
Housing Loans	-	170,005	170,005	68,780
Automobile Loans	-	1,257	1,257	267
Personal Need Loans	-	14,401	14,401	3,818
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	6,495,866	197,334	6,693,200	122,936
Installment	2,989,626	197,334	3,186,960	58,549
Non-Installment	3,506,240	-	3,506,240	64,387
Individual Credit Cards-FC	2,534	-	2,534	19
Installment	-	-	-	-
Non-Installment	2,534	-	2,534	19
Personnel Loans-TL	2,430	15,632	18,062	91
Housing Loans	-	1,093	1,093	4
Automobile Loans	-	175	175	-
Personal Need Loans	2,430	14,364	16,794	87
Other	-	-	-	-
Personnel Loans-FC Indexed	-	15	15	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	15	15	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	25,466	-	25,466	-
Installment	12,848	-	12,848	-
Non-Installment	12,618	-	12,618	-
Personnel Credit Cards-FC	62	-	62	-
Installment	-	-	-	-
Non-Installment	62	-	62	-
Overdraft Accounts-TL (Real Persons)	341,954	-	341,954	10,842
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	6,991,272	9,441,591	16,432,863	551,897

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

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	108,890	88,515
Private	27,124,257	25,507,288
Total	27,233,147	25,595,803

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

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	27,166,279	25,560,136
Foreign Loans	66,868	35,667
Total	27,233,147	25,595,803

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

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	88,694	121,658
Loans and Receivables with Doubtful Collectability	208,247	235,475
Uncollectible Loans and Receivables	1,270,009	1,168,306
Total	1,566,950	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)	1,804	8,653	67,641
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,804	8,653	67,641
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 (+)	147,801	3,451	-
Transfers from Other Categories of Non- Performing Loans (+)	-	165,023	139,362
Transfers to Other Categories of Non- Performing Loans (-)	165,023	139,362	-
Collections (-)	18,730	41,940	58,733
Write-offs (-)	-	-	1,758
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	392
Credit Cards	-	-	1,366
Others	-	-	-
Current Period End Balance	182,285	335,559	1,270,009
Specific Provision (-) ^(*)	88,694	208,247	1,270,009
Net Balances on Balance Sheet	93,591	127,312	-

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

j.3) Information on foreign currency 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	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	93,591	127,312	-
Loans to Real Persons and Legal Entities (Gross)	182,285	334,884	1,262,660
Specific provision (-)	(88,694)	(207,572)	(1,262,660)
Loans to Real Persons and Legal Entities (Net)	93,591	127,312	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	675	7,349
Specific provision (-)	-	(675)	(7,349)
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) 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	238,669	19,423	196,442	16,309
Medium and Long-Term	2,384	-	9,274	-
Total	241,053	19,423	205,716	16,309

7. Information on investment securities held-to-maturity

None (December 31, 2010 – None).

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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
429	425	-	2	-	(5)	356	-
21,011	15,865	6,792	912	-	1,465	1,067	-
144,691	135,825	3,090	900	-	2,721	4,321	-

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

^(**) Current period information is obtained from financial statements as of December 31, 2010, prior period profit and loss information is obtained from financial statements as of December 31, 2009.

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
Share Percentage at the End of the Period (%)	-	-

^(*) The amount represents the Parent Bank's share in 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
(*)	22,334	18,855	17,674	-	-	454	1,752	-

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

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	73.24 (*)	73.24 (*)
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 63.23% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

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	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. (*)	202,930	109,949	12,663	2,071	33	6,002	15,430	-
2. (**)	1,633,371	393,037	830	8,216	-	7,845	35,817	369,150
3. (**)	21,946	21,444	57	-	-	1,224	729	18,720
4. (*)	21,404	19,675	395	397	5	1,937	7,403	-
5. (*)	116,875	47,827	2,085	547	(186)	1,133	9,493	-
6. (*)	2,732	2,625	228	49	-	(331)	(1,302)	-
7. (*)	284,367	12,777	799	5,602	-	825	3,252	-

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

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

(***) 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	(25,326)	139,470
Purchases	494 ⁽¹⁾	1,063 ⁽²⁾
Bonus Shares Received	-	42,901 ⁽³⁾
Dividends from Current Year Profit	-	-
Sales	-	(1,858) ⁽⁴⁾
Revaluation Difference	(25,820)	97,364
Impairment Losses (-)	-	-
Balance at the End of the Period	336,732	362,058
Capital Commitments	3,188	3,188
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the current period include purchased shares of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. from ISE.

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

⁽³⁾ Purchases in the prior period include bonus shares received from the Parent 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	36,812	36,812
Factoring Companies	10,000	10,000
Leasing Companies	188,488	213,737
Finance Companies	5,000	5,000
Other Subsidiaries	96,432	96,509
Total	336,732	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	202,199	227,524
Quoted on International Stock Exchanges	-	-
Total	202,199	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 Taşınma ve Güvenlik Hizmetleri A.Ş. (*)	33.33%	33.33%	8,919	6,429	2,298	1,566	2,371

(*) Current period information represents March 31, 2011 figures, 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	458,215	409,768	441,275	394,205
Between 1-4 years	472,299	430,150	430,707	390,555
Over 4 years	40,178	37,870	35,808	33,541
Total	970,692	877,788	907,790	818,301

Financial lease receivables include non performing financial lease receivables amounting to TL 126,377 (December 31, 2010 – TL 122,552) and specific provisions amounting to TL 71,225 (December 31, 2010 – TL 65,665).

Changes in non performing financial lease receivables provision as of March 31, 2011 and 2010, are as follows:

	Current Period	Prior Period
End of prior period	65,665	62,963
Provided provision / (reversal), Net	6,215	16,313
Collections	(655)	(3,751)
Written off	-	(9,860)
Provision at the end of the period	71,225	65,665

11.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	970,692	907,790
Unearned Finance Income (-)	(92,904)	(89,489)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	877,788	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 (*)	-	206	28,648	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	-	206	28,648	-

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

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13. Information on tax asset:

The Group has current tax asset of TL 171 (December 31, 2010 – TL 614) and deferred tax asset of TL 28,038 (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 9.1 and 9.2.

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	319,552	461,851
Cheques Receivables from Other Banks	130,065	107,964
Other Prepaid Expenses	124,326	99,934
Sundry Debtors	113,273	53,350
Assets Held for Resale (net)	109,432	126,914
Advances Given on Finance Lease Transactions	44,818	96,122
Prepaid Rent Expenses	18,232	16,364
Advances Given	6,016	7,032
Prepaid Agency Commissions	5,009	6,824
Other	52,456	51,662
Total	923,179	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
T.R. Central Bank of Turkey	-	-	1,506	-
Trading Securities	2,105	6	3,205	21
Financial Assets at Fair Value through Profit or Loss	-	-	4,763	-
Assets on Trading Derivatives	291,708	200,303	242,495	149,800
Banks	1,054	645	471	479
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	72,331	15,622	212,089	29,116
Factoring Receivables	-	-	-	-
Loans and Receivables	365,689	16,750	384,252	11,643
Derivative Financial Instruments Held for Hedging	-	206	28,648	-
Lease Receivables	2,197	6,512	2,322	6,554
Other Accruals	-	-	-	-
Total	735,084	240,044	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	532,326	-	1,252,709	8,449,051	381,315	122,591	531	17,392	10,755,915
Foreign Currency Deposits	722,746	-	1,031,892	3,900,782	357,770	198,795	41,608	6,278	6,259,871
Residents in Turkey	691,524	-	983,702	3,815,107	343,434	138,800	41,608	6,245	6,020,420
Residents Abroad	31,222	-	48,190	85,675	14,336	59,995	-	33	239,451
Public Sector Deposits	123,485	-	18,003	97,108	3,578	-	-	-	242,174
Commercial Deposits	723,611	-	1,066,312	2,897,460	403,152	280,046	7	-	5,370,588
Other Ins. Deposits	12,478	-	147,279	508,373	33,200	2,509	-	-	703,839
Precious Metal Deposits	32,193	-	21,786	-	-	-	-	-	53,979
Bank Deposits	32,498	-	398,078	167,734	25,754	-	2,038	-	626,102
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,537	-	337,473	-	-	-	2,038	-	341,048
Foreign Banks	21,854	-	60,605	167,734	25,754	-	-	-	275,947
Participation Banks	9,107	-	-	-	-	-	-	-	9,107
Other	-	-	-	-	-	-	-	-	-
Total	2,179,337	-	3,936,059	16,020,508	1,204,769	603,941	44,184	23,670	24,012,468

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 Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,398,037	3,428,021	7,356,752	7,143,571
Foreign Currency Savings Deposits	613,491	629,713	2,859,533	2,815,867
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	4,011,528	4,057,734	10,216,285	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	9,719	11,423
Total	9,719	11,423

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	25,742	-	22,897	-
Swaps	421,515	39,270	310,760	37,032
Futures	-	4,152	-	2,753
Options	607	125,608	108	98,978
Other	-	14,210	-	2,436
Total	447,864	183,240	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	129,672	103,985	215,553	95,546
Foreign Banks, Institutions and Funds	428,588	3,863,514	337,574	4,002,489
Total	558,260	3,967,499	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	258,244	1,026,427	253,111	1,076,120
Medium and Long-Term	300,016	2,941,072	300,016	3,021,915
Total	558,260	3,967,499	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. Loan amounting to USD 110 million with 5 year maturity was paid back on March 24, 2011.

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

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

As of March 31, 2011, the Group's liabilities comprise; 58% deposits (December 31, 2010 – 61%), 11% funds borrowed (December 31, 2010 – 14%) and 8% funds provided under repurchase agreements (December 31, 2010 – 3%).

4. Information on funds provided under repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2,606,589	-	823,642	-
Financial institutions and organizations	2,570,853	-	790,284	-
Other institutions and organizations	3,591	-	5,736	-
Real persons	32,145	-	27,622	-
From foreign transactions	4,490	475,776	6,703	309,882
Financial institutions and organizations	-	475,776	-	309,882
Other institutions and organizations	4,490	-	6,703	-
Real persons	-	-	-	-
Total	2,611,079	475,776	830,345	309,882

5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that 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%).

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

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

6.1. Changes in agreements and further commitments arising

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

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6.2. Financial lease payables

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

6.3. Information on operational lease

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

6.4. Information on “Sale -and- lease back” agreements

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

7. Information on liabilities arising from hedging purpose derivatives

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

(*) Derivative financial instruments held for the fair value hedge purposes include swaps. As of March 31, 2011, TL 14,721 (December 31, 2010 – TL 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.

8. Information on provisions

8.1. Information on general provisions

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

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

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

(*) Netted against loans in assets.

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

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

8.4. Information on employee termination benefits and unused vacation accrual

The 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 March 31, 2011, TL 28,222 (December 31, 2010 - TL 26,826) reserve for employee termination benefits was provided in the accompanying financial statements.

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As of March 31, 2011, the Group accrued TL 18,057 (December 31, 2010 - TL 16,096) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2011, TL 49,715 (December 31, 2010 - TL 40,197) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

8.4.1 Movement of employee termination benefits

	Current Period	Prior Period
	01.01-31.03.2011	01.01-31.03.2010
As of January 1	26,826	21,210
Service cost	2,184	1,483
Interest Cost	787	565
Paid during the period	(1,575)	(1,308)
Total	28,222	21,950

8.5. Information on other provisions

8.5.1. Information on free reserves for possible loan losses

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

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

8.5.2. Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	16,161	15,147
Other Provisions	25,937	19,217
Total	42,098	34,364

9. Taxation

9.1. Current taxes

9.1.1. Current tax liability

As of March 31, 2011, the Group has current tax liability of TL 291,106 (December 31, 2010 - TL 256,573) and advance taxes of TL 237,498 (December 31, 2010 - TL 184,353).

The corporate tax payable and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of March 31, 2011, after the offsetting, the corporate tax payable is disclosed as TL 53,779 (December 31, 2010 - TL 72,834) and the corporate tax asset is disclosed as TL 171 (December 31, 2010 - TL 614) are disclosed in the accompanying consolidated financial statements.

9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	53,779	72,834
Banking and Insurance Transaction Tax (BITT)	19,607	21,645
Taxation on Securities Income	17,728	17,363
Taxation on Real Estates Income	1,552	1,028
Other	10,597	13,205
Total	103,263	126,075

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9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	5,247	4,724
Social Security Premiums - Employer Share	5,638	5,112
Unemployment Insurance - Employee Share	368	331
Unemployment Insurance - Employer Share	739	671
Total	11,992	10,838

9.2. 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 28,038 (December 31, 2010 – TL 29,408) and deferred tax liability is TL 54,360 (December 31, 2010 – TL 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 19,215 is netted under equity (December 31, 2010 – TL 26,295 deferred tax liability).

	Temporary Differences		Deferred Tax Asset / (Liability)	
	March 31, 2011	Dec. 31, 2010	March 31, 2011	Dec. 31, 2010
Reserve for employee benefits	95,994	83,119	19,199	16,624
Differences between carrying and taxable amounts of financial assets	209,332	181,851	41,866	36,370
Unused investment incentive certificates	110,413	112,435	22,083	22,487
Other	23,455	20,825	4,691	4,165
Deferred Tax Asset			87,839	79,646
The differences between carrying and taxable amounts of tangible assets	(86,727)	(85,998)	(17,345)	(17,200)
The differences between carrying and taxable amounts of financial assets	(423,848)	(457,254)	(84,770)	(91,451)
Other	(60,230)	(67,230)	(12,046)	(13,446)
Deferred Tax Liability			(114,161)	(122,097)
Deferred Tax Asset / (Liability), Net			(26,322)	(42,451)

	Current Period	Prior Period
	01.01-31.03.2011	01.01-31.03.2010
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(42,451)	(54,321)
Deferred Tax (Charge) / Benefit	(29,381)	31,840
Deferred Tax Items Accounted for under the Equity	45,510	4,714
Effect of the Subsidiary Excluded from Consolidation	-	-
Deferred Tax Asset/ (Liability) as of March 31, 2011 (Net)	(26,322)	(17,767)

10. Information on payables related to assets held for sale

None (December 31, 2010 – None).

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11. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,021,650	-	1,010,383
From Other Foreign Institutions	-	-	-	-
Total	-	1,021,650	-	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 subordinated loan amounting to USD 325 million which was received in 2008 is closed in the prior period to be used in capital increase.

12. Information on shareholder's equity

12.1. Paid-in capital

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

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,205,000	6,000,000

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

None.

12.4. Information on share capital increases from revaluation funds

None (December 31, 2010 - None).

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

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

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

None (December 31, 2010 - None).

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12.7. 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 is distributed to shareholders as first dividend and 10% of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

13. Common stock issue premiums, shares and equity instruments

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

14. 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	(33,812)	(30,571)	120,153	4,093
Valuation Differences	(33,812)	(30,571)	120,153	4,093
Foreign Exchange Rate Differences	-	-	-	-
Total	(33,812)	(30,571)	120,153	4,093

15. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	88,301	15,504	96,877	11,080
Derivative Financial Liabilities Held for Trading	447,864	183,240	333,765	141,199
Funds Borrowed	1,315	25,229	1,347	23,044
Money Market Placements	1,416	502	505	182
Derivative Financial Liabilities Held for Hedging				
Purposes	33,500	14,721	319,785	7,000
Other Accruals	35,458	23	32,160	16
Total	607,854	239,219	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	1,616,393	1,587,549
Letters of Guarantee in TL	3,048,337	2,967,436
Letters of Credit	1,072,391	722,850
Bank Loans	884,618	721,538
Factoring Guarantees	-	-
Other Guarantees	34,855	36,309
Total	6,656,594	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 66,138 (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	328,883	288,152
Final Letters of Guarantee	3,340,434	3,282,473
Advance Letters of Guarantee	167,866	168,008
Letters of Guarantee Given to Customs Offices	203,304	196,275
Other Letters of Guarantee	624,243	620,077
Total	4,664,730	4,554,985

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash		
Loans	350,361	360,270
Less Than or Equal to One Year with Original Maturity	24,123	33,954
More Than 1 Year with Original Maturity	326,238	326,316
Other Non-Cash Loans	6,306,233	5,675,412
Total	6,656,594	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	30,733	1.01	74,707	2.09	40,653	1.37	40,086	1.32
Farming and Raising Livestock	9,136	0.30	51,025	1.43	8,038	0.27	17,072	0.56
Forestry	20,915	0.69	23,588	0.66	32,136	1.08	21,906	0.72
Fishing	682	0.02	94	0.00	479	0.02	1,108	0.04
Manufacturing	499,648	16.37	1,708,196	47.85	532,675	17.93	1,510,731	49.87
Mining and Quarrying	30,247	0.99	28,793	0.81	29,259	0.99	29,691	0.98
Production	460,613	15.09	1,619,171	45.36	493,786	16.63	1,440,143	47.54
Electricity, gas and water	8,788	0.29	60,232	1.69	9,630	0.32	40,897	1.35
Construction	654,184	21.44	470,850	13.19	609,769	20.53	428,401	14.14
Services	1,579,325	51.75	1,222,073	34.23	1,504,363	50.65	952,094	31.43
Wholesale and Retail Trade	994,138	32.57	702,667	19.68	947,724	31.91	517,521	17.08
Hotel, Food and Beverage								
Services	15,272	0.50	10,054	0.28	19,334	0.65	7,703	0.25
Transportation&Communication	64,444	2.11	67,629	1.89	59,724	2.01	65,323	2.16
Financial Institutions	328,055	10.75	379,593	10.63	310,366	10.45	315,626	10.42
Real Estate and Renting Services	8,494	0.28	594	0.02	8,492	0.29	603	0.02
Self Employment Services	154,674	5.07	57,223	1.60	148,569	5.00	43,239	1.43
Educational Services	2,886	0.09	92	0.00	2,667	0.09	92	0.00
Health and Social Services	11,362	0.37	4,221	0.12	7,487	0.25	1,987	0.07
Other (*)	288,023	9.44	94,000	2.63	282,600	9.51	98,001	3.24
Total	3,051,913	100.00	3,569,826	100.00	2,970,060	100.00	3,029,313	100.00

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

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

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

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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	59,281,076	36,431,011
Forward transactions ^(*)	5,276,020	2,530,303
Swap transactions	34,965,816	20,047,453
Futures transactions	441,007	375,074
Option transactions	18,598,233	13,478,181
Interest Related Derivative Transactions (II)	9,021,239	6,542,674
Forward rate transactions	-	-
Interest rate swap transactions	8,903,873	6,517,292
Interest option transactions	-	-
Futures interest transactions	117,366	25,382
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	68,302,315	42,973,685
Types of hedging transactions	1,702,793	10,265,120
Fair value hedges	965,008	8,955,244
Cash flow hedges	737,785	1,309,876
Net investment hedges	-	-
B. Total Hedging Related Derivatives	1,702,793	10,265,120
Total Derivative Transactions (A+B)	70,005,108	53,238,805

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

As of March 31, 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	709,055	833,471	7,184,625	12,711,065	4,435,955	4,183,387	14,184	9,194
USD	715,702	1,301,144	11,647,566	8,558,738	2,788,502	2,938,854	261,819	266,752
EURO	948,780	343,028	2,238,337	1,145,868	1,395,200	1,409,797	2,127	2,127
Other	267,744	157,096	78,920	304,572	724,911	721,627	1,085	1,085
Total	2,641,281	2,634,739	21,149,448	22,720,243	9,344,568	9,253,665	279,215	279,158
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 column also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of March 31, 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 January 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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SECTION FIVE

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	488,451	10,501	389,259	13,898
Medium and Long-term Loans	365,154	18,597	335,856	12,345
Non-performing Loans	23,559	-	14,761	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	877,164	29,098	739,876	26,243

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	8,514	-
Domestic Banks	1,025	71	4,346	9
Foreign Banks	1,053	1,639	6,794	1,120
Foreign Headquarters and Branches	-	-	-	-
Total	2,078	1,710	19,654	1,129

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	596	123	2,036	8
Financial Assets at FVTPL	613	-	2,849	-
Investment Securities Available for Sale	85,181	12,119	90,349	6,450
Investment Securities Held to Maturity	-	-	-	-
Total	86,390	12,242	95,234	6,458

d) Information on interest income received from associates and subsidiaries

None (March 31, 2010 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	2,885	629	2,023	558
Foreign Banks	10,262	36,745	11,032	25,539
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	13,147	37,374	13,055	26,097

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b) Information on interest expense paid to associates and subsidiaries

None (March 31, 2010 – None).

c) Information on interest expense paid to securities issued:

None (March 31, 2010 – None).

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

Time Deposits								Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	
Turkish Lira								
Bank Deposits	-	5,473	2,298	-	-	48	-	7,819
Saving Deposits	1	35,395	162,643	7,461	1,985	281	-	207,766
Public Sector Deposits	-	102	2,485	16	-	-	-	2,603
Commercial Deposits	1	19,426	62,809	6,938	4,460	-	-	93,634
Other Deposits	-	690	10,855	906	47	-	-	12,498
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	61,086	241,090	15,321	6,492	329	-	324,320
Foreign Currency								
Foreign Currency Deposits	1	7,396	30,923	2,881	954	326	48	42,529
Bank Deposits	32	1,684	1,271	311	-	-	-	3,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	68	-	-	-	-	-	68
Total	33	9,148	32,194	3,192	954	326	48	45,895
Grand Total	35	70,234	273,284	18,513	7,446	655	48	370,215

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

Time Deposits								Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	
Turkish Lira								
Bank Deposits	-	2,448	1,020	259	255	5	-	3,987
Saving Deposits	46	48,020	127,868	2,302	857	271	-	179,364
Public Sector Deposits	-	62	170	1	-	-	-	233
Commercial Deposits	11	15,626	55,869	4,571	228	-	-	76,305
Other Deposits	-	705	5,183	2,375	35	-	-	8,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	57	66,861	190,110	9,508	1,375	276	-	268,187
Foreign Currency								
Foreign Currency Deposits	5	9,162	18,625	1,041	1,147	128	80	30,188
Bank Deposits	27	686	221	70	-	3,122	-	4,126
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	32	9,848	18,846	1,111	1,147	3,250	80	34,314
Grand Total	89	76,709	208,956	10,619	2,522	3,526	80	302,501

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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 ^(*)	22,754	1,023	398	58

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

f) Information on finance lease expenses

None (March 31, 2010 – None).

g) Information on interest expenses on factoring payables

None (March 31, 2010 – None).

3. Information on dividend income

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

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	1,880,666	1,249,479
Gains on Capital Market Operations	85,757	68,687
Derivative Financial Instruments	584,218	286,700
Foreign Exchange Gains	1,210,691	894,092
Trading Loss (-)	(1,798,442)	(1,377,419)
Losses on Capital Market Operations	(28,021)	(8,515)
Derivative Financial Instruments	(540,648)	(496,454)
Foreign Exchange Losses	(1,229,773)	(872,450)
Net Trading Income/Loss	82,224	(127,940)

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5. Information on other operating income

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

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	43,259	93,645
Loans and Receivables in Group III	2,449	48,735
Loans and Receivables in Group IV	5,749	9,656
Loans and Receivables in Group V	35,061	35,254
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	21,409	8,609
Provision for Free Reserves on Possible Losses	4,789	11,459
Impairment Losses on Securities	15	11
Financial assets at fair value through profit or loss	-	-
Financial assets - available for sale	15	11
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	6,090	2,729
Total	75,562	116,453

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	181,463	147,986
Reserve for employee termination benefits	1,006	989
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge for tangible assets	20,498	18,518
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge for intangible assets	8,769	6,686
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	-	-
Depreciation on assets to be disposed	353	437
Impairment charge for assets held for sale and discontinued operations	-	-
Other operating expenses	135,449	112,877
Operational lease related expenses	28,271	22,901
Repair and maintenance expenses	11,420	8,559
Advertisement expenses	15,485	17,669
Other expenses	80,273	63,748
Losses on sales of assets	184	104
Other	62,894	41,563
Total	410,616	329,160

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

For the period ended March 31, 2011, net interest income of TL 586,631 (March 31, 2010 - TL 575,959), net fees and commission income of TL 180,881 (March 31, 2010 - TL 158,612) and other operating income of TL 34,317 (March 31, 2010 - TL 38,842) 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 March 31, 2011, the Group recorded current tax charge of TL 53,788 (March 31, 2010 - TL 68,370) and a deferred tax charge of TL 29,381 (March 31, 2010 - TL 31,840 deferred tax benefit).

9.2. Explanations on operating profit/loss after taxes

None (March 31, 2010 - None).

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

Net profit of the Group from continued operations is TL 314,749 (March 31, 2010 - TL 163,330).

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 (March 31, 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	3,378	4,046

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 and 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
	March 31, 2011	March 31, 2010
Cash	429,026	288,821
Cash in TL	223,042	172,493
Cash in Foreign Currency	144,159	109,199
Other	61,825	7,129
Cash Equivalents	2,876,403	3,666,584
Balances with the T.R. Central Bank	2,576,937	1,296,931
Banks and Other Financial Institutions	295,866	1,378,847
Money Market Placements	5,299	1,003,486
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(1,699)	(12,680)
Cash and Cash Equivalents	3,305,429	3,955,405

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

Foreign bank balances include TL 49,407 (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 (March 31, 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 March 31, 2011, the Parent Bank's risk group has deposits, cash and non-cash loans at the Parent Bank amounting to TL 28,034 (December 31, 2010 – TL 127,671), TL 30,934 (December 31, 2010 – TL 29,061) and TL 12,257 (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	-	270	-	11,985	30,934	2
Interest and Commission Income	-	1	-	4	535	-

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	-	1	-	2	492	-

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

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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	98,388	57,561
Balance at the End of the Period	3,785	27,579	1,739	1,707	22,510	98,388
Interest on deposits	66	1,678	-	888	645	998

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

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	246,599	273,419
End of the Period	-	-	533,266	817,073	192,098	246,599
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.

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- 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 March 31, 2011, cash loans of the risk group represented 0.1% (December 31, 2010 – 0.1%) of the total cash loans; the deposits represented 0.1% (December 31, 2010 – 0.5%) of the total deposits and the derivative transactions represented 2.1% (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 Ibtch 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 Bank's subordinated loan obtained from NBG is explained under Section 5, Part II., Footnote 11.

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

Profit distribution table for the year 2010:

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

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

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

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

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

FX Required Reserve Ratios

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FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities	12
FX deposits/ FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts	11
Other FX liabilities up to 1-year maturity (including 1-year)	12
Other FX liabilities up to 3-year maturity (including 3-year)	11.5
Other FX liabilities longer than 3-year maturity	11
Special fund pools	Ratios for corresponding maturities
1.3. The Bank has issued bonds of 500 million USD nominal value with 5 years maturity and 5.5% fixed interest rate in foreign markets as of May 11, 2011.	
2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would 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.	

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 limited review report dated May 26, 2011 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2010 – None).