



**ARAP TÜRK BANKASI A.Ş.**  
**and**  
**Its Subsidiary**  
**Consolidated Financial Statements**  
**As of and For the Period Ended**  
**31 March 2011**

*(Convenience Translation of Consolidated Financial Statements and  
Related Disclosures and Footnotes Originally Issued in Turkish)*

**With Independent Auditors’  
Review Report Thereon**

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi  
6 May 2011

*This report contains 1 page of independent auditors’  
review report and 61 pages of financial statements  
including footnotes.*

- I. Independent Auditors' Review Report
- II. Publicly Announced Consolidated Financial Report



**Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik A.Ş.**  
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## INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Arap Türk Bankası Anonim Şirketi:

We have reviewed the consolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") and its subsidiary as of 31 March 2011 and the related consolidated statement of income, changes in shareholders' equity and cash flows for the three-month period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations related with the "Accounting and Recording Rules" and "Independent Auditing Standards" of the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Group and analytical procedures applied to financial data and thus provide less assurance than an audit. 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 do not present fairly the consolidated financial position of Arap Türk Bankası Anonim Şirketi and its subsidiary as of 31 March 2011, and of the results of its consolidated operations and its cash flows for the three-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and 38 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and directives announced by the Banking Regulation and Supervision Agency.

İstanbul,  
6 May 2010

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi

Murat Alsan  
Partner

### Additional paragraph for convenience translation to English:

As explained in Section 3.I, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

**GENEL MÜDÜRLÜK / HEAD OFFICE**

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**ARAP TÜRK BANKASI A.Ş. CONSOLIDATED INTERIM FINANCIAL REPORT  
AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011**

**Address of the Bank's Headquarters** : Valikonacı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL  
**Telephone and Fax Numbers** : Tel : 0.212.225 05 00 Faks: 0.212.225 05 26  
**Website of the Bank** : <http://www.atbank.com.tr>  
**E-mail address of the Bank** : webmaster@atbank.com.tr

The consolidated interim financial report as of and for the three-month period ended 31 March 2011 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES RELATED TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated interim financial report are as follows:

	Subsidiaries	Associates	Jointly Controlled Companies
1	A&T Finansal Kiralama A.Ş.	-	-

The consolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying consolidated interim financial statements are presented in thousands of Turkish Lira (TL) and have been subject to limited review.

**Atilla Çetiner**  
Chairman of the Board of Directors

**Selim Güray Çelik**  
Member of The Board of Directors  
and Head of The Audit Committee

**Hasan Kimya Bolat**  
Member of The Board of Directors  
and The Audit Committee

**Sadek K.S. Abı Hallala**  
General Manager

**Salih Hatipoğlu**  
Assistant General Manager  
Responsible For Financial Reporting

**Feyzullah Küpeli**  
Manager

Contact information of the personnel for addressing questions regarding this financial report:

Name / Title: Feyzullah Küpeli / Manager  
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## SECTION ONE GENERAL INFORMATION ABOUT THE BANK

### I. The Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Arap Türk Bankası A.Ş. ("the Bank") has been established on 18 July 1976 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The Parent Bank is administrated in conformity with the Articles of Association published in Official Gazette on 18 July 1976 and also as per the "Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey" dated August 11, 1975. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders and assigned by the Board.

### II. The Parent Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about bank's group

The Bank is a foreign bank status incorporated in Turkey. The main shareholder is Libyan Foreign Bank incorporated in Libya, the other shareholders is Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş. The main shareholder Libyan Foreign Bank has financial investments in various countries.

### III. Information about the Parent Bank's chairman and members of board of directors, members of audit committee, general manager and associate general managers and their qualifications, related changes within the year and their shares at the bank

Name	Responsibility	Starting Date of Job	Education	Experience in Banking and Management
Atilla Çetiner	Chairman of Board of Directors	19.09.2002	University	33 years
M.Najib Hmida El-Jamal	Deputy Chairman of Board of Directors	15.02.2010	University	41 years
Abdurauf Ibrahim Shneba	Member of the Board	29.03.2010	University	18 years
Saeid Awad Rashwan Rashwan	Member of the Board	29.03.2010	University	21 years
Abdulaziz Mohamed Ali Mansur	Member of the Board	29.04.2010	University	21 years
Selim Güray Çelik	Member of the Board and Head of Audit Committee	29.04.2010	University	17 years
Hasan Kimya Bolat	Member of the Board and Audit Committee	27.04.2010	University University	23 years
Abdulfatah A.Enaami	Member of the Board and Audit Committee	09.05.2007	University	17 years
Turgay Atalay	Member of the Board	21.07.2010	University	31 years
Dr. Ertan Altıkulaç	Auditor	07.12.2010	Masters Degree	16 years
Volkan Kublay	Auditor	09.08.2010	University	11 years
Sadek K.S. Abu Hallala	General Manager-Member of Board of Directors	23.05.2006	Masters Degree	27 years
M. Nageb Hassan Mugber	Associate General Manager	15.09.2006	University	37 years
Salih Hatipoğlu	Associate General Manager	01.07.2008	University	13 years
Giuma Masaud Salein Kordi	Associate General Manager	01.07.2008	University	19 years
Özgür Erker	Associate General Manager	02.03.2009	University	14 years



On April 30, 2010 as Chairman of the Board and Chairman of the Audit Committee Mr. Aykut Demiray has been resigned from his duties. Mr. Atilla Çetiner who started to his duty as a member in the Board of Directors at 19 September, 2002 has been appointed to Chairman of the Board of Directors on April 30, 2010.

On February 15, 2010 Mr. M.Najib Hmida El-Jamal was appointed as Deputy Chairman of the Board.

On March 29, 2010 Mr. El Hadi Emgahid T.Abultife has been resigned from his place and Mr. Saeid Awad Rashwan Rashwan has been appointed to his place as Member of the Board. At the same date, Mr. Fekri A.A.Sinan has been resigned and Mr.Abdurauf İbrahim Shneba has been appointed to his place as Member of the Board.

On March 30, 2010 Mr. Omer Celebi and Khaled M.N.M. AL Hajri have been resigned from their Member of the Board duty.

On April 29, 2010 Mr. Abdulaziz Mohamed Ali Mansur, Mr. Selim Guray Celik and on April 27, 2010 Mr. Hasan Kimya Bolat were appointed as Member of the Board.

On July 21, 2010 Mr. M. Turgay Atalay was appointed to his place as Member of the Board of Directors to replace Mr. Aykut Demiray.

On August 5, 2010 Mr. Yusuf Dilaver has been resigned and Mr. Müslüm Karaman was appointed to his place as Auditor.

On August 9, 2010 Mrs. Zeynep Hansu Uçar has been resigned and Mr. Volkan Kublay was appointed to his place as Auditor.

On December 7, 2010 Mr. Müslüm Karaman has been resigned and Mr. Dr. Ertan Altıkulaç was appointed to his place as Auditor.

Members of the board, auditors and top level managers do not possess any share in the Bank.

#### **IV. Information on people and entities who have qualified share in the Parent Bank**

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	149.687	62,37	149.687	-
T. İş Bankası A.Ş.	49.382	20,58	49.382	-
T.C. Ziraat Bankası A.Ş.	37.036	15,43	37.036	-

#### **V. Information about the services and nature of activities of the Parent Bank**

The Parent Bank was incorporated to mediate commercial activities between Turkey and North African countries. The Parent Bank is authorized to gather deposits and operates in corporate banking areas. The Parent Bank has six branches; two in Istanbul and one in Ankara, Konya, Kayseri and Gaziantep. The Parent Bank has share participations in a subsidiary operating in financial leasing business.

#### **VI. Information about subsidiary of the Parent Bank**

A&T Finansal Kiralama A.Ş., has been established with the permission of T.C Treasury and Foreign Trade Secretariats with the law numbered 3226, for leasing purpose both in Turkey and foreign countries and started operations with the announcement of its "Principal Agreement" in Turkey Trade Registry Gazette in 4 July 1997. Arap Turk Bankası A.Ş. has 99% of its shares and is the main shareholder of the Company. The leasing transactions of the Company include contraction equipments, machines and carriers and immovable.

The Company carries out its leasing activities mostly in one country (Turkey).

#### **VII. Other information**

All the amounts in financial report have been presented as "thousand Turkish Lira"

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

- I. Consolidated Balance Sheet (Statement of Financial Position)
- II. Consolidated Off Balance Sheet
- III. Consolidated Statement of Income
- IV. Consolidated Recognized Income and Expense In Shareholders' Equity
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Statement of Cash Flows



Arap Türk Bankası A.Ş.  
Consolidated Balance Sheet (Statement of Financial Position)  
As of 31 March 2011

(Thousands of Turkish Lira)

ASSETS	Footnotes (5-1)	Reviewed			Audited		
		CURRENT PERIOD ( 31/03/2011)			PRIOR PERIOD ( 31/12/2010)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY</b>	(1)	13,330	139,897	153,227	984	71,001	71,985
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	(2)	184,913	23,975	208,888	138,573	28,920	167,493
2.1 Financial assets held for trading		184,913	23,975	208,888	138,573	28,920	167,493
2.1.1 Public sector debt securities		159,819	-	159,819	135,379	-	135,379
2.1.2 Securities representing a share in capital		-	-	-	-	-	-
2.1.3 Derivatives held for trading		982	-	982	1,915	-	1,915
2.1.4 Other marketable securities		24,112	23,975	48,087	1,279	28,920	30,199
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans granted		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
<b>III. BANKS</b>	(3)	47,768	1,346,932	1,394,700	29,066	112,267	141,333
<b>IV. MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	168	871	1,039	161	869	1,030
5.1 Securities representing a share in capital		168	871	1,039	161	869	1,030
5.2 Public sector debt securities		-	-	-	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. LOANS</b>	(5)	214,455	281,974	496,429	216,774	278,950	495,724
6.1 Loans		214,455	281,974	496,429	216,774	278,950	495,724
6.1.1 Loans granted to the Bank's risk group		-	804	804	-	2,615	2,615
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		214,455	281,170	495,625	216,774	276,335	493,109
6.2 Loans under follow-up		5,936	-	5,936	5,892	-	5,892
6.3 Specific provisions (-)		5,936	-	5,936	5,892	-	5,892
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(6)	100,943	116,000	216,943	108,685	115,993	224,678
8.1 Public sector debt securities		56,633	73,014	129,647	64,940	72,117	137,057
8.2 Other marketable securities		44,310	42,986	87,296	43,745	43,876	87,621
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	-	-	-	-	-	-
9.1 Consolidated by equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments in associates		-	-	-	-	-	-
9.2.2 Non-financial investments in associates		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	-	-	-	-	-	-
10.1 Financial subsidiaries		-	-	-	-	-	-
10.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XI. INVESTMENTS IN JOINT- VENTURES (Net)</b>	(9)	-	-	-	-	-	-
11.1 Consolidated by equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial investments in joint ventures		-	-	-	-	-	-
11.2.2 Non-financial investments in joint ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	(10)	14,002	54,612	68,614	11,405	45,221	56,626
12.1 Finance lease receivables		16,766	59,379	76,145	13,345	49,036	62,381
12.2 Operational leasing receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		2,764	4,767	7,531	1,940	3,815	5,755
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING</b>	(11)	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		24,798	-	24,798	22,217	-	22,217
<b>XV. INTANGIBLE ASSETS (Net)</b>		1,809	-	1,809	1,837	-	1,837
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		1,809	-	1,809	1,837	-	1,837
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(12)	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	(13)	4,881	-	4,881	4,468	-	4,468
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		4,881	-	4,881	4,468	-	4,468
<b>XVIII. ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS</b>	(14)	421	-	421	427	-	427
18.1 Held for sale purpose		421	-	421	427	-	427
18.2 Held from discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(15)	12,825	1,694	14,519	10,142	1,593	11,735
<b>TOTAL ASSETS</b>		620,313	1,765,955	2,386,268	544,739	654,814	1,199,553

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

Arap Türk Bankası A.Ş.  
Consolidated Balance Sheet (Statement of Financial Position)

As of 31 March 2011

(Thousands of Turkish Lira)

LIABILITIES and SHAREHOLDERS' EQUITY	Footnotes (5-11)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		( 31/03/2011)			( 31/12/2010)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. DEPOSITS</b>	(1)	213,852	1,426,177	1,640,029	81,896	236,784	318,680
1.1 Deposits held by the Bank's risk group		157,799	1,280,681	1,438,480	17	27,012	27,029
1.2 Other		56,053	145,496	201,549	81,879	209,772	291,651
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	-	-	-	-	-	-
<b>III. FUNDS BORROWED</b>	(3)	150	386,215	386,365	-	484,180	484,180
<b>IV. INTERBANK MONEY MARKET</b>		-	-	-	47,296	-	47,296
4.1 Interbank money market payables		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market payables		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		-	-	-	47,296	-	47,296
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		341	2,638	2,979	259	3,478	3,737
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(4)	8,283	8,813	17,096	6,524	8,947	15,471
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5)	-	-	-	-	-	-
10.1 Finance leasing payables		-	-	-	-	-	-
10.2 Operational leasing payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance leasing expenses ( - )		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING</b>	(6)	-	-	-	-	-	-
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(7)	15,160	392	15,552	14,377	380	14,757
12.1 General provisions		8,290	-	8,290	8,097	-	8,097
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserves for employee benefit		5,781	-	5,781	5,284	-	5,284
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		1,089	392	1,481	996	380	1,376
<b>XIII. TAX LIABILITY</b>	(8)	3,280	-	3,280	1,651	-	1,651
13.1 Current tax liability		3,280	-	3,280	1,651	-	1,651
13.2 Deferred tax liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS</b>		-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	(9)	320,967	-	320,967	313,781	-	313,781
16.1 Paid-in capital		240,000	-	240,000	240,000	-	240,000
16.2 Supplementary capital		9,096	-	9,096	9,096	-	9,096
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund		-	-	-	-	-	-
16.2.4 Revaluation surplus on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		9,096	-	9,096	9,096	-	9,096
16.3 Profit reserves		5,584	-	5,584	4,231	-	4,231
16.3.1 Legal reserves		5,437	-	5,437	4,084	-	4,084
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		147	-	147	147	-	147
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		66,287	-	66,287	60,454	-	60,454
16.4.1 Prior years income/loss		59,101	-	59,101	37,096	-	37,096
16.4.2 Current year income/loss		7,186	-	7,186	23,358	-	23,358
16.5 Minority Interest		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>562,033</b>	<b>1,824,235</b>	<b>2,386,268</b>	<b>465,784</b>	<b>733,769</b>	<b>1,199,553</b>

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

**Arap Türk Bankası A.Ş.**  
**Consolidated Off Balance Sheet**  
**As of 31 March 2011**

(Thousands of Turkish Lira)

	Footnotes (5-III)	Reviewed			Audited			
		CURRENT PERIOD ( 31/03/2011)			PRIOR PERIOD (31/12/2010)			
		TL	FC	TOTAL	TL	FC	TOTAL	
<b>A.</b>								
	<b>OFF BALANCE SHEET COMMITMENTS</b>							
		27,420	1,565,877	1,593,297	57,634	1,612,723	1,670,357	
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	(1),(2)	6,701	1,518,928	1,525,629	6,731	1,557,352	1,564,083
1.1	Letters of guarantee		6,701	1,264,766	1,271,467	6,731	1,245,233	1,251,964
1.1.1	Guarantees subject to State Tender Law		40	88	128	40	88	128
1.1.2	Guarantees given for foreign trade operations		365	589,896	590,261	410	1,088,464	1,088,874
1.1.3	Other letters of guarantee		6,296	674,782	681,078	6,281	156,681	162,962
1.2	Bank acceptances		-	-	-	-	13,729	13,729
1.2.1	Import letter of acceptance		-	-	-	-	-	-
1.2.2	Other bank acceptances		-	-	-	-	13,729	13,729
1.3	Letters of credit		-	254,162	254,162	-	298,390	298,390
1.3.1	Documentary letters of credit		-	-	-	-	-	-
1.3.2	Other letters of credit		-	254,162	254,162	-	298,390	298,390
1.4	Pre-financing 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		-	-	-	-	-	-
1.9	Other warranties		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	(1)	5,653	31,017	36,670	6,120	9,174	15,294
2.1	Irrevocable commitments		5,653	31,017	36,670	6,120	9,174	15,294
2.1.1	Asset purchase and sales commitments		-	-	-	-	-	-
2.1.2	Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		-	-	-	-	-	-
2.1.5	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Payment commitments for checks		5,324	-	5,324	5,791	-	5,791
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10	Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12	Payables for short sale commitments		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		329	31,017	31,346	329	9,174	9,503
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		15,066	15,932	30,998	44,783	46,197	90,980
3.1	Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		-	-	-	-	-	-
3.1.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2	Trading transactions		15,066	15,932	30,998	44,783	46,197	90,980
3.2.1	Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1	Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2	Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2	Swap transactions related to foreign currency and interest rates		15,066	15,932	30,998	44,783	46,197	90,980
3.2.2.1	Foreign currency swap-buy		451	15,483	15,934	46,197	46,197	46,197
3.2.2.2	Foreign currency swap-sell		14,615	449	15,064	44,783	-	44,783
3.2.2.3	Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4	Interest rate swaps-sell		-	-	-	-	-	-
3.2.3	Foreign currency, interest rate and security options		-	-	-	-	-	-
3.2.3.1	Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2	Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>IV.</b>	<b>CUSTODY AND PLEDGED SECURITIES (IV+V+VI)</b>		180,024	365,263	545,287	166,357	362,834	529,191
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		163,839	53,423	217,262	150,132	51,458	201,590
4.1	Assets under management		-	-	-	-	-	-
4.2	Investment securities held in custody		-	-	-	-	-	-
4.3	Checks received for collection		150,206	5,851	156,057	136,931	4,839	141,790
4.4	Commercial notes received for collection		13,633	47,572	61,205	13,201	46,599	59,800
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGED ITEMS</b>		16,185	311,840	328,025	16,225	311,376	327,601
5.1	Marketable securities		-	193,538	193,538	-	193,250	193,250
5.2	Guarantee notes		250	170	420	250	170	420
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Immovables		15,907	91,985	107,892	15,947	91,848	107,795
5.6	Other pledged items		28	26,147	26,175	28	26,108	26,136
5.7	Pledged items-depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
	<b>TOTAL OFF BALANCE SHEET COMMITMENTS</b>		<b>207,444</b>	<b>1,931,140</b>	<b>2,138,584</b>	<b>223,991</b>	<b>1,975,557</b>	<b>2,199,548</b>

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

Arap Türk Bankası A.Ş.

Consolidated Income Statement For The Period Ended 31 March 2011

(Thousands of Turkish Lira)

INCOME and EXPENSES		Footnotes (5-IV)	Reviewed	Reviewed
			CURRENT PERIOD ( 01/01/2011-31/03/2011 )	PRIOR PERIOD ( 01/01/2010-31/03/2010 )
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	16,188	14,125
1.1	Interest on loans		6,544	5,292
1.2	Interest received from reserve deposits		-	9
1.3	Interest received from banks		2,019	715
1.4	Interest received from money market transactions		5	23
1.5	Interest received from marketable securities portfolio		6,278	6,845
1.5.1	Financial assets held for trading		2,163	2,425
1.5.2	Financial assets valued at fair value through profit or loss		-	-
1.5.3	Financial assets available for sale		-	-
1.5.4	Investments held to maturity		4,115	4,420
1.6	Finance lease income		1,211	1,197
1.7	Other interest income		131	44
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	2,743	1,749
2.1	Interest on deposits		1,124	271
2.2	Interest on funds borrowed		1,511	826
2.3	Interest on money market transactions		108	652
2.4	Interest on securities issued		-	-
2.5	Other interest expense		-	-
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		13,445	12,376
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		7,303	6,283
4.1	Fees and commissions received		7,494	6,395
4.1.1	Non-cash loans		3,381	3,244
4.1.2	Other		4,113	3,151
4.2	Fees and commissions paid		191	112
4.2.1	Non-cash loans		2	1
4.2.2	Other		189	111
<b>V.</b>	<b>DIVIDEND INCOME</b>		7	-
<b>VI.</b>	<b>NET TRADING INCOME/EXPENSE</b>	(3)	68	(342)
6.1.	Profit/losses on trading account securities		(5)	(6)
6.2.	Loss/Profit on derivative transactions		(416)	(1,127)
6.3.	Foreign exchange profit/losses		489	791
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(4)	312	605
<b>VIII.</b>	<b>TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)</b>		21,135	18,922
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)</b>	(5)	999	1,731
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(6)	11,348	10,232
<b>XI.</b>	<b>NET OPERATING INCOME/LOSS (VIII-IX-X)</b>		8,788	6,959
<b>XII.</b>	<b>INCOME RESULTED FROM MERGERS</b>		-	-
<b>XIII.</b>	<b>INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XIV.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES</b>	(7)	8,788	6,959
<b>XVI.</b>	<b>PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±)</b>	(8)	(1,602)	(1,393)
16.1.	Current tax provision		(2,015)	(1,690)
16.2.	Deferred tax provision		413	297
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>	(9)	7,186	5,566
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1.	Income from assets held for sale		-	-
18.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3.	Other income from discontinued operations		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1.	Expense on assets held for sale		-	-
19.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3.	Other expense from discontinued operations		-	-
<b>XX.</b>	<b>INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS</b>		-	-
<b>XXI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	(10)	7,186	5,566
23.1	Group's profit/loss		7,186	5,566
23.2	Minority shares		-	-
	Earnings/Losses per share		0.00097	0

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

**Arap Türk Bankası A.Ş.**

**Statement of Recognized Income and Expense In Consolidated Shareholders' Equity For the Period Ended 31 March 2011**

(Thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY	Reviewed	
	CURRENT PERIOD (01/01/2011-31/03/2011)	PIOR PERIOD (01/01/2010-31/03/2011)
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER LAS	-	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	-	-
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I-IX)	-	-
XI. CURRENT PERIOD PROFITS/LOSSES	7,186	5,566
II.1 Net changes in fair value of securities (transferred to income statement)	-	-
II.2 Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
II.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
II.4 Other	7,186	5,566
XII. TOTAL PROFITS/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	7,186	5,566

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Arap Türk Bankası A.Ş.

Consolidated Statement of Cash Flows  
For The Period Ended 31 March 2011

(Thousands of Turkish Lira)

	Footnotes (5-VI)	CURRENT PERIOD ( 31/03/2011)	Reviewed PRIOR PERIOD ( 31/03/2010)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1		4,042	24,260
1.1.1		12,430	29,416
1.1.2		(2,237)	(1,860)
1.1.3		7	-
1.1.4		7,494	6,395
1.1.5		312	605
1.1.6		-	-
1.1.7		(10,736)	(9,653)
1.1.8		(2,144)	(2,331)
1.1.9	(3)	(1,084)	1,688
1.2		1,070,425	(67,988)
1.2.1		(41,348)	18,071
1.2.2		-	-
1.2.3		29,698	191
1.2.4		(464)	7,703
1.2.5	(3)	(94,882)	(2,718)
1.2.6		1,408,981	(26,389)
1.2.7		(88,274)	9,101
1.2.8		(97,773)	(18,906)
1.2.9		-	-
1.2.10	(3)	(45,513)	(55,041)
I.		1,074,467	(43,728)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.		8,450	59,536
2.1		-	-
2.2		-	-
2.3		(421)	(314)
2.4		-	162
2.5		-	-
2.6		-	-
2.7		(40,160)	(4,964)
2.8		49,031	64,652
2.9		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.		-	-
3.1		-	-
3.2		-	-
3.3		-	-
3.4		-	-
3.5		-	-
3.6		-	-
IV.	(3)	3,038	(208)
V.		1,085,955	15,600
VI.	(1)	163,221	102,809
VII.	(1)	1,249,176	118,409

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

**SECTION THREE  
ACCOUNTING POLICIES****I. Explanations for basis of presentation and footnotes****Preparation of consolidated financial statements and related information and footnotes in compliance with the Turkish Accounting Standards and The Regulation on Accounting Applications for Banks and Safeguarding of Documents:**

The consolidated financial statements are prepared; in accordance with The Regulation on Accounting Applications for Banks and Safeguarding of Documents ("Regulation") related to Turkish Banking Law No 5411 published on the Official Gazette no.26333 dated 1 November 2006, in accordance with accounting and financial reporting standards described in regulations, communiqués and other explanations published by the Banking Regulation and Supervision Agency (BRSA), Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidance (collectively referred to as "Reporting Standards"). The Parent Bank maintains their books of account in Turkish Lira (TL).

Consolidated financial statements are prepared in Thousand Turkish Lira based on historical costs excluding financial assets and liabilities that are shown at their fair values.

**Additional paragraph for convenience translation to English**

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

**II. Information on strategy for the use of financial instruments and foreign currency transactions**

The Parent Bank's core business operation is banking activities including retail banking, corporate banking and security transactions (treasury transactions) together with international banking services. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Parent Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The activities done with foreign currency is recorded in accordance with TAS No: 21 "Effects of Exchange Rate Changes". Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions for the periods ended 31 March 2011 and 31 December 2010 are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly. At the end of the related periods, foreign currency assets and liability balances outstanding are translated into TL over the Bank's exchange rates prevailing as of the period end and the resulting exchange rate differences are accounted as foreign exchange gains and losses. The Parent Bank's related exchange rates as of the period end are as follows:

	<b>31 March 2011</b>	<b>31 December 2010</b>
US Dollars	1,5483 TL	1,5460 TL
Euro	2,1816 TL	2,0491 TL

**III. Information on consolidated associates and subsidiaries**

The Parent Bank does not have any associate as of 31 March 2011 and 31 December 2010.

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

The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş. that is included in consolidation are together referred to as "Group" in the disclosures and footnotes related to the consolidated financial statements.

**1. With respect to subsidiaries**

"Full Consolidation" method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

**The major principles applied in the consolidation of Subsidiaries**

**1.1** The carrying amount of the Parent Bank's net investment in the subsidiary and the Bank's portion of equity of the subsidiary are eliminated.

**1.2** All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 March 2011 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

**IV. Information on forward transactions, options and derivative instruments**

The Group's financial derivatives are classified as "Held for Trading" in accordance with TAS 39.

Liabilities and receivables originated from derivative transactions are recorded as off-balance sheet items at their contractual values.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account "Fair values of financial assets through profit or loss" in "Trading Derivative Financial Instruments" and if the fair value difference is negative, it is disclosed under "Trading Derivative Financial Liabilities" Gains and losses arising from a change in fair value of trading derivatives after the remeasurement are accounted in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow model.

**V. Information on interest income and expense**

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

**VI. Information on fees and commission**

Fees and commission income and expenses for various banking services are recorded as income when collected, all other commission income and expense items are accounted on accrual basis of accounting.

**VII. Information on financial assets**

The Group categorizes and records its financial assets as "Financial assets at fair value through profit or loss", "Financial assets available-for-sale", "loans and receivables" or "financial assets held to maturity".

**a. Financial Assets at Fair Value through Profit or Loss:**

This category has two sub categories: "Financial assets for trading purposes" and those recorded as "Financial assets designated at fair value through profit or loss" at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer's margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are remeasured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

**b. Financial Assets Available-for-Sale:**

Financial assets available for sale is financial assets other than those classified as "Loans and Receivables", "Financial Assets Held to Maturity" and "Financial assets at fair value through profit or loss".

Debt securities classified as financial assets available-for-sale are subsequently remeasured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is are reflected in the equity "Marketable securities value increase fund". When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables**

Loan and receivables are financial assets originated by the Group providing money, commodity and services to debtors. Loans and receivables originated by the Bank are initially carried at cost and subsequently recognized at the amortized cost method using the "internal rate of return". The duties paid, transaction expenditures and other similar expenses on assets received as collateral against such risks are considered as a part of transaction cost and charged to related expense accounts.

Based on the reviews and estimates of the Group management, loans that are identified as being impaired are reclassified as non-performing loans under follow up accounts. Thereby, specific allowances are made against the carrying amounts of these loans in accordance with the "Regulation on Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette No: 26333 dated 1 November 2006. Specific provisions are recognized in the year's consolidated income statement. If there is a collection made on loans that have already provisioned in the previous years, the recovery amount is accounted under income statement accounts "Other Operating Income" if the provision was made in the current year otherwise such collections are credited to account "Provision for Loan Losses or Other Receivables". Uncollectible receivables are written off after legal procedures are finalized.

**d. Financial Assets Held to Maturity:**

Held-to-maturity securities are financial assets that are not classified as "loans and receivables" with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using discounting method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the income statement.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

**VIII. Information on impairment of Financial Assets**

If the estimated recoverable amount of the financial asset, which is the present value of expected future cash flows of by using the "Effective interest (internal rate of return) rate method" or the fair value if exists, is lower than the carrying value the financial assets then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in the value of the impaired financial asset and the provision is charged to the expense accounts.

**IX. Information on offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet date when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Information on sale and repurchase agreements and lending of financial assets**

Repurchase (repo) and resale (reverse repo) agreements of financial assets are followed at the consolidated balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts. The interest expense accruals are calculated by means of effective interest method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (reverse repo) agreements are reflected under "Receivables from Reverse Repurchase Agreements". The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

The Parent Bank does not have any financial asset that is subject to lending.

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

The Parent Bank does not have any discontinued operations.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the "Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks" dated 1 November 2006 and published on the Official Gazette No.26333.

**XII. Information on goodwill and other intangible assets**

There is no goodwill in the accompanying consolidated financial statements related to the acquisition of a subsidiary.

Software classified as other intangible assets acquired before 1 January 2005 are accounted at restated costs for the effects of inflation in TL units until the end of 31 December 2004 and those acquired after 1 January 2005 are measured at cost less accumulated amortization. The useful life of software is determined as 5 years.

**XIII. Information on tangible assets**

Tangible assets acquired before 1 January 2005 are reflected at their restated cost for the effects of inflation in TL units current until the end of 31 December 2004 less accumulated depreciation and the impairment losses ,if any, and those acquired after 1 January 2005 are measured at cost less accumulated depreciation and the impairment losses, if any.

The depreciation of tangible assets is computed using the straight-line method. The depreciation rates used approximate the rates of the useful lives of the tangible assets are as follows:

	%
Buildings	2
Motor Vehicles	20
Furniture, Fixture and Office Equipment	2-20

In case, the cost amount of the related tangible asset is lower than the "Net realizable value" the value of asset is decreased to its "Net realizable value" and the provision for impairment is reflect to the related expense accounts.

Gains and losses resulting from the sale of tangible assets is the difference between the sales amount and net book value and recorded into the account "Profit/Loss from Sale of Assets" to be accounted under the "Other Operating Income/Expense" in the financial statements.

Expenditures for maintenance and repairs that are routinely made on tangible assets are recognized as expense. Expenditures incurred in order to extend the capacity of the tangible assets or those that extend the useful life and service capacity of the assets are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

There is no purchase commitments related to the tangible fixed assets.

There are no expected changes in the accounting estimates related with property and equipment, which could have a significant impact on the current and future periods.

**XIV. Information on leasing activities**

Assets acquired under finance lease agreements are initially recognized at the "lower of the fair value of the leased asset or the present value of leasing payments". These leased assets are depreciated according to their useful lives and classified as tangible assets. In cases where leased assets are impaired provisions for impairment are recognized.

The obligations under financial leases arising from lease contracts are included in "Financial Lease Payables" in the balance sheet. Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Parent Bank does not provide financial leasing services as a "Lessor".

The gross amount of the lease payments including interest and capital payments of the financial leases done by the "leaser" A&T Finansal Kiralama that is included in the consolidation is recorded in the financial lease receivables account.

The difference between the total lease payments and the cost of the related tangibles is recorded in the "unearned income" account. The interest income is accounted by computing a constant period income rate over the net investment amount of the leaser on the leased asset.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.



**XV. Information on provisions, contingent liabilities and contingent assets**

Provisions and contingent liabilities are provided for in accordance with the Communiqué No:37 "Provisions, Contingent Liabilities and Contingent Assets" of Turkish Accounting Standards, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the consolidated financial statements in which the change occurs.

**XVI. Information on liabilities regarding employee rights**

Obligations related to employment termination and vacation rights are accounted in compliance with the "Turkish Accounting Standard on Employee Benefits" ("TAS 19"), in the accompanying financial statements.

In accordance with existing legislation in Turkey, the Group has to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. The provision for severance pay is calculated and reflected on the consolidated financial statements by the net value of the possible future liability amount as of today considering the situations of retirement in compliance with the Turkish Labor Law, termination of employment after at least one year of service, leaving due to military obligations and mortality.

**XVII. Information on tax applications****Current tax:**

The Group is subject to tax laws and legislation effective in Turkey.

Corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax.

The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

For the investment allowance that have been used based on the investment incentive certificates which have been taken before 24 April 2003, %19,8 tax deduction must be applied. For the investment expenditures which have been done after this date and without a certificate, the Group may deduct 40% of the taxable income which is directly related with the business' operations. It is not allowed to deduct tax from the investment expenditures which have not investment incentive certificates.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax declarations and related accounting entries can be investigated by tax authorities for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**Deferred taxes:**

The Group calculates and accounts deferred tax assets and liabilities in accordance with the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

**Transfer Pricing:**

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm's length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

**XVIII. Additional information on borrowings**

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at "amortized cost" using the "effective interest rate" method.

The Group did not issue any stocks convertible into bonds.

The Group does not have any borrowing instruments issued by itself.

**XIX. Information on share issuances**

Since the transaction costs which occurred during the capital increase are immaterial, these costs are booked as expense.

**XX. Information on bills of exchanges and acceptances**

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as commitments in "Off-Balance Sheet" accounts.

There are no acceptances presented as liabilities against any assets.

**XXI. Information on government incentives**

A&T Leasing A.S has TL 14.475 TL government incentives as of 31 March 2011. (31 December 2010: TL 13.864)

**XXII. Information on segment reporting**

Operating segment is the unit that operates in only one product or service of the Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented VIII footnote of Fourth Section.

**XXIII. Profit reserves and profit distribution**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement.

The Legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank's paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company's share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXIV. Related parties**

For the purpose of accompanying financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with "Declaration of Related Party Standard" ("TAS 24").

**XXV. Cash and cash equivalents**

Subject to the preparation of cash flow statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements, time deposits at banks, and investments in financial securities which has original maturity less than three months.

## **SECTION FOUR INFORMATION ON THE FINANCIAL POSITION OF THE GROUP**

### **I. Information on consolidated capital adequacy ratio**

The Group's consolidated capital adequacy ratio is 24.77% as of 31 March 2011 (31 December 2010: 27.41%).

The risk measurement methods used in the determination of the consolidated capital adequacy ratio:

The Parent Bank's interest rate risk is calculated and analyzed in consideration with various dimensions within the scope of market risk management of the Risk Management Department.

The interest rate risk and currency risk are measured under the scope of the market risk calculated in accordance with the Standard Methods and is included in the capital adequacy ratio calculation.

Value at operational risk (VOR) is calculated in accordance with the "Basic Indicator Method" and is included in the capital adequacy ratio calculation.

The effect of changes in risk factors on the Parent Bank portfolio is calculated on a daily basis using the VaR (Value at Risk) method. The method is tested with a retrospective testing method.

For the analysis of the effect of interest fluctuations above the estimations on the Bank, stress test analyses are made on a monthly basis.

In addition, various scenario analyses are performed based on possible interest rate estimations and changing expectations of exchange rates.

The interest rate and exchange rate sensitivity of assets, liabilities and off-balance sheets is measured by sensitivity analysis on the level of maturity done on a monthly basis.

The Board of Directors has determined limits in order to restrain interest rate risk by means of the VaR results. Similarly, limits are determined for credit risk and capital adequacy ratio.

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**Information on consolidated and unconsolidated capital adequacy standard ratio:**

Current Period	Weighted Risk													
	Parent Bank							Consolidated						
	0%	0%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>														
<b>Balance Sheet items (Net)</b>	304.580	--	1.325.406	28.017	452.133	--	--	311.784	--	1.351.150	28.017	487.922	--	--
Cash	5.317	--	--	--	--	--	--	5.318	--	--	--	--	--	--
Matured Marketable Securities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Central Bank of Turkey	49.680	--	--	--	--	--	--	49.680	--	--	--	--	--	--
Domestic, Foreign Banks and Foreign Headquarter, Subsidiary	--	--	1.163.347	--	5.101	--	--	--	--	1.189.060	--	5.101	--	--
Interbank Money	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Market	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Reverse Repurchase Transactions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Reserve Requirements	98.229	--	--	--	--	--	--	98.229	--	--	--	--	--	--
Loans	13.458	--	78.032	27.782	373.824	--	--	13.458	--	78.032	27.782	373.824	--	--
Loans under Follow-up (Net)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Lease Receivables	--	--	--	--	--	--	--	--	--	--	--	68.095	--	--
Financial Assets Available for Sale	--	--	--	--	1.039	--	--	--	--	--	--	1.039	--	--
Investments Held to Maturity	127.290	--	82.702	--	3.518	--	--	127.290	--	82.702	--	3.518	--	--
Receivables from Term Sale of Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	--	--	73	--	--	--	--	--	--	73	--	--
Interest and Income Accruals	3.112	--	1.325	235	3.720	--	--	3.112	--	1.356	235	4.239	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	35.952	--	--	--	--	--	--	--	--	--
Tangible Assets	--	--	--	--	20.118	--	--	--	--	--	--	22.937	--	--
Other Assets*	7.494	--	--	--	8.788	--	--	14.697	--	--	--	9.096	--	--
<b>Off Balance Sheet Items</b>	120.148	--	538.136	12.659	227.669	--	--	120.148	--	538.154	12.659	229.287	--	--
Non Cash Loans and Commitments	120.148	--	537.534	12.659	227.669	--	--	120.148	--	537.534	12.659	229.287	--	--
Derivative Financial Instruments	--	--	602	--	--	--	--	--	--	620	--	--	--	--
Non Risk Weighted Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total Risk Weighted Assets</b>	424.728	--	1.863.542	40.676	679.802	--	--	431.932	--	1.889.304	40.676	717.209	--	--

**Summary information on consolidated and non-consolidated capital adequacy standard ratio:**

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk (I)	1.072.848	978.645	1.115.408	1.007.655
Value at Market Risk (II)	83.750	62.350	84.625	62.888
Value at Operational Risk (III)	104.492	74.662	112.818	83.983
Shareholders' Equity	316.647	308.720	325.167	316.513
Shareholders' Equity/(I+II+III)*100	%25,11	%27,67	%24,77	%27,41



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**Information on Consolidated Shareholders' Equity:**

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	240.000	240.000
Nominal capital	240.000	240.000
Capital commitments (-)	--	--
Adjustment to Paid-in Capital	9.096	9.096
Share Premium	--	--
Share Cancellation profit	--	--
Legal Reserves	5.437	4.084
First legal reserve (Turkish Commercial Code 466/1)	5.437	4.084
Second legal reserve (Turkish Commercial Code 466/2)	--	--
Other legal reserve per special legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	147	147
Reserves allocated by the General Assembly	147	147
Retained earnings	--	--
Accumulated loss	--	--
Exchange rate differences on foreign currency capital	--	--
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	--	--
Profit	66.287	60.454
Current period profit/(loss)	7.186	23.358
Prior period profit	59.101	37.096
Provisions for possible risks up to 25% of Core Capital	--	--
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	--	--
Primary Subordinated Debt (up to 15% of Core Capital)	--	--
Loss excess of Reserves (-)	--	--
Current Period Loss	--	--
<b>Periods Loss</b>	--	--
Leasehold Improvements (-)*	1.860	1.987
Prepaid Expenses (-)*	--	1.114
Intangible Assets (-)	1.809	1.837
Deferred Tax Asset excess of 10% of Core Capital (-)	--	--
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	--	--
<b>Total Core Capital</b>	<b>317.298</b>	<b>308.843</b>

<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	8.290	8.097
45% of Revaluation Surplus on Movables	--	--
45% of Revaluation Surplus on Immovables	--	--
Bonus shares of Associates, Subsidiaries and Joint-Ventures	--	--
Primary Subordinated Debt excluding the Portion included in Core Capital	--	--
Secondary Subordinated Debt	--	--
45% of Securities Value Increase Fund	--	--
Associates and Subsidiaries	--	--
Investment Securities Available for Sale	--	--
Adjustment to Capital Reserves, Profit Reserves and prior years' P/L (excluding Legal Reserves, Statutory Reserves and Extraordinary Reserves)	--	--
<b>Supplementary Capital Total</b>	<b>8.290</b>	<b>8.097</b>
<b>TIER III CAPITAL</b>	--	--
<b>CAPITAL</b>	<b>325.588</b>	<b>316.940</b>



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DEDUCTIONS FROM CAPITAL	421	427
Investments in Unconsolidated 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	--	--
Loans granted to Customers against the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovables 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	421	427
Other	--	--
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>325.167</b>	<b>316.513</b>

*\*According to the BDDK article which matters consolidated and unconsolidated capital adequacy ratio analysis forms with the number B.02.1.BDK.0.77.00.00/201.01/9497, prepaid expenses are removed from deductible items and added to %100 risk weighted other assets.*

**II. Information on Market Risk**

**Whether the Parent Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk:**

The Parent Bank's market risk is calculated on a monthly basis using the "Standard Method". Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

In addition, the effect of the changes in risk factors on Bank portfolio is calculated using VaR on a daily basis. With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Parent Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk / Equity rate can be maximum 50% (+ 5% exception) and for limiting daily VAR results, the amount under daily risk / equity rate can be maximum 1% (+1% exception).

**Information related to consolidated market risk**

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	1.258
(II) Capital Obligation against Specific Risks - Standard Method	817
(III) Capital Obligation against Currency Risk - Standard Method	4.695
(IV) Capital Obligation against Stocks Risks - Standard Method	--
(V) Capital Obligation against Exchange Risks - Standard Method	--
(VI) Capital Obligation against Market Risks of Options - Standard Method	--
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	--
<b>(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)</b>	<b>6.770</b>
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>84.625</b>

**III. Information on consolidated foreign currency 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 Bank sets limits for positions that are monitored daily:**

The Group complies with net general position-shareholder's equity limits. The Group has the possibility to borrow a significant amount of foreign currency. Within the context of the market risk management work of the Risk Management Department, the Parent Bank's exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. Using the VaR method, the effect of the changes in risk factors is calculated on a daily basis. The method is tested in a retrospective manner. To test the effect of the exchange rate fluctuations on the Bank monthly based stress test analysis are performed. In addition, by classifying the changes in risk factors different scenario analysis are performed based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

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

The Group does not have any financial derivatives used for hedging.

**3. Foreign exchange risk management policy:**

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

**4. Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank are as follows:**

USD Foreign Exchange Buying Rate as of balance sheet date	TL 1,5483
EUR Foreign Exchange Buying Rate as of balance sheet date	TL 2,1816

Date	US Dollars	EUR
25 March 2011	TL 1,5470	TL 2,1843
28 March 2011	TL 1,5433	TL 2,1842
29 March 2011	TL 1,5485	TL 2,1763
30 March 2011	TL 1,5549	TL 2,1929
31 March 2011	TL 1,5483	TL 2,1816

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

The basic arithmetical average of the Bank's foreign exchange bid rate for March 2011 is TL 1,5751 for USD and TL 2,2017 for EUR.

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**Information on Group's Currency Risk:**

<b>Current Period</b>	<b>EUR</b>	<b>US Dollars</b>	<b>JPY</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2.823	137.008	--	66	139.897
Banks	5.627	1.140.941	1	363	1.146.932
Financial Assets at Fair Value through Profit or Loss	--	23.975	--	--	23.975
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	--	871	--	--	871
Loans (*)	97.488	227.775	--	--	325.263
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	20.224	95.776	--	--	116.000
Financial Derivatives (Assets)	--	--	--	--	--
Tangible Assets	--	--	--	--	--
Intangible Assets	--	--	--	--	--
Other Assets	45.237	10.632	--	12	55.881
<b>Total Assets</b>	<b>171.399</b>	<b>1.636.978</b>	<b>1</b>	<b>441</b>	<b>1.808.819</b>
<b>Liabilities</b>					
Bank Deposits	68.404	1.272.552	--	1	1.340.957
Foreign Currency Deposits	42.953	41.794	--	473	85.220
Money Market Borrowings	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	58.701	327.514	--	--	386.215
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	1.551	1.084	--	3	2.638
Financial Derivatives (Liabilities)	--	--	--	--	--
Other Liabilities	809	8.363	--	33	9.205
<b>Total Liabilities</b>	<b>172.418</b>	<b>1.651.307</b>	<b>--</b>	<b>510</b>	<b>1.824.235</b>
<b>Net Balance Sheet Position</b>	<b>(1.019)</b>	<b>(14.329)</b>	<b>1</b>	<b>(69)</b>	<b>(15.416)</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>15.034</b>	<b>--</b>	<b>--</b>	<b>15.034</b>
Financial Derivatives (Assets)	--	15.483	--	--	15.483
Financial Derivatives (Liabilities)	--	449	--	--	449
Non-Cash Loans	732.043	510.854	--	276.031	1.518.928
<b>Prior Period</b>					
Total Assets	225.543	460.425	1	536	686.505
Total Liabilities	257.293	475.900	--	576	733.769
Balance Sheet Position, net	(31.750)	(15.475)	1	(40)	(47.264)
Off-Balance Sheet Position, net	30.737	15.460	--	--	46.197
Financial Derivatives (Assets)	30.737	15.460	--	--	46.197
Financial Derivatives (Liabilities)	--	--	--	--	--
Non-cash Loans	731.958	556.092	--	269.302	1.557.352

(\*) Loan balance includes foreign currency indexed loans amounting to TL 43.289 (31 December 2010: TL 32.171 TL) as of 31 March 2011.

(\*\*) Prepaid expenses in foreign currency are not included amounting to TL 425; (31 December 2010: TL 480) as of 31 March 2011.

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**Exposed currency risk:**

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 March 2011 and 31 December 2010 are presented in the table below. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation;

	31 March 2011		31 December 2010	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	71	71	(2)	(2)
Euro	(102)	(102)	(101)	(101)
Other Currencies	(7)	(7)	(4)	(4)
<b>Total</b>	<b>(38)</b>	<b>(38)</b>	<b>(107)</b>	<b>(107)</b>

(\*) The effect on shareholders' equity also includes profit/loss effects.

Assuming 10% appreciation;

	31 March 2011		31 December 2010	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(71)	(71)	2	2
Euro	102	102	101	101
Other Currencies	7	7	4	4
<b>Total</b>	<b>38</b>	<b>38</b>	<b>107</b>	<b>107</b>

(\*) The effect on shareholders' equity also includes profit/loss effects.

**IV. Information on Consolidated Interest Rate Risk****1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items:**

Within the context of the market risk management of the Risk Management Department, the Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are performed.

In addition, by classifying the changes in risk factors different scenario analysis are performed based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

**2. The expected effects of the fluctuations of market interest rates on the Parent Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates:**

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder's equity, to be maximum 50% (+5 % exception) to follow interest rate risk, exchange rate risk and equity price risk.

**3. The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods:**

Although the increase in interest rates have a limited negative effect on the Parent Bank's financial position the Parent Bank's equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

The table below shows the effects of changes in interest rates on the financial statements of the Group. The sensitivity of the income statement is the effect of possible changes in the interest rates:

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on the net interest income of floating rate financial assets and liabilities and the financial assets at fair value through profit or loss. The other variables, especially exchanges rates, are assumed to be fixed in this analysis.

31 March 2011	Profit / Loss		Shareholders' Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(295)	294	(295)	294
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	747	(755)	747	(755)
Financial Liabilities with Floating Interest Rate	--	--	--	--
<b>Total, net</b>	<b>452</b>	<b>(461)</b>	<b>452</b>	<b>(461)</b>

31 December 2010	Profit / Loss		Shareholders' Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(506)	502	(506)	502
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	1,038	(1,047)	1,038	(1,047)
Financial Liabilities with Floating Interest Rate	--	--	--	--
<b>Total, net</b>	<b>532</b>	<b>(545)</b>	<b>532</b>	<b>(545)</b>

(\*) The effect on shareholders' equity also includes the effect of increase or decrease in interest rates on the profit/loss.

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See Note on 1. in Section Three***Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):**

Current Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Non-Interest Bearing(*)	Total
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	147.909	--	--	--	--	5.318	153.227
Banks	400.731	793.542	--	13	--	414	1.194.700
Financial assets at Fair Value Through Profit or Loss	1.793	49.917	126.666	30.512	--	--	208.888
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial Assets Available-for-Sale	--	--	--	--	--	1.039	1.039
Loans	247.307	104.030	132.038	13.054	--	--	496.429
Investment Securities Held-to-Maturity	406	92.636	33.013	29.099	61.789	--	216.943
Other assets(**)	7.315	4.436	21.678	36.358	--	45.255	115.042
<b>Total assets</b>	<b>805.461</b>	<b>1.044.561</b>	<b>313.395</b>	<b>109.036</b>	<b>61.789</b>	<b>52.026</b>	<b>2.386.268</b>
<b>Liabilities</b>							
Bank Deposits	598.576	947.617	--	--	--	--	1.546.193
Other Deposits	15.271	4.457	2.553	--	--	71.555	93.836
Money Market Borrowings	--	--	--	--	--	--	--
Miscellaneous payables	--	--	--	--	--	2.979	2.979
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	92.897	80.468	212.850	150	--	--	386.365
Other Liabilities(**)	345	--	--	--	--	356.550	356.895
<b>Total liabilities</b>	<b>707.089</b>	<b>1.032.542</b>	<b>215.403</b>	<b>150</b>	<b>--</b>	<b>431.084</b>	<b>2.386.268</b>
Long Position in the Balance Sheet	98.372	12.019	97.992	108.886	61.789	--	379.058
Short Position in the Balance Sheet	--	--	--	--	--	(379.058)	(379.058)
Long Position in the Off-balance Sheet	451	15.483	--	--	--	--	15.934
Short Position in the Off-balance Sheet	(449)	(14.615)	--	--	--	--	(15.064)
<b>Total Position</b>	<b>98.374</b>	<b>12.887</b>	<b>97.992</b>	<b>108.886</b>	<b>61.789</b>	<b>(379.058)</b>	<b>870</b>

(\*) Other Assets: The amount of TL 45.255 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 24.798, Intangible Assets amounting to TL 1.809, Deferred Tax Assets amounting to TL 4.881, Assets Held for Sale amounting to TL 421, Miscellaneous Receivables amounting to TL 72 and Other Assets amounting to TL 13.274.

(\*\*) Other Liabilities: The amount of TL 356.550 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 320.967, Provisions amounting to TL 15.552, Tax, Duty and Premium Payable amounting to TL 3.280 and Other Foreign Resources amounting to TL 16.751.



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Prior Period	Up to 1 Month	1-3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	69.558	--	--	--	--	2.427	71.985
Banks	126.162	14.966	--	13	--	192	141.333
Financial assets at Fair Value Through Profit or Loss	53.529	66.211	40.023	7.730	--	--	167.493
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial assets Available-for-Sale	--	--	--	--	--	1.030	1.030
Loans	222.971	149.478	99.406	23.869	--	--	495.724
Investment Securities Held-to-Maturity	23.518	54.259	67.983	18.005	60.913	--	224.678
Other assets(*)	9.395	3.892	18.842	25.542	--	39.639	97.310
<b>Total assets</b>	<b>505.133</b>	<b>288.806</b>	<b>226.254</b>	<b>75.159</b>	<b>60.913</b>	<b>43.288</b>	<b>1.199.553</b>
<b>Liabilities</b>							
Bank Deposits	205.179	--	--	--	--	--	205.179
Other Deposits	12.706	12.148	2.602	196	--	85.849	113.501
Money Market Borrowings	47.296	--	--	--	--	--	47.296
Miscellaneous Payables	--	--	--	--	--	3.737	3.737
Marketable Securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	97.166	335.085	51.929	--	--	--	484.180
Other liabilities(**)	476	--	--	--	--	345.184	345.660
<b>Total Liabilities</b>	<b>362.823</b>	<b>347.233</b>	<b>54.531</b>	<b>196</b>	<b>--</b>	<b>434.770</b>	<b>1.199.553</b>
Balance Sheet Long Position	142.310	--	171.723	74.963	60.913	--	449.909
Balance Sheet Short Position	--	(58.427)	--	--	--	(391.482)	(449.909)
Off Balance Sheet Long Position	--	30.737	15.460	--	--	--	46.196
Off Balance Sheet Short Position	--	(30.168)	(14.615)	--	--	--	(44.783)
<b>Total Position</b>	<b>142.310</b>	<b>(57.858)</b>	<b>172.568</b>	<b>74.963</b>	<b>60.913</b>	<b>(391.482)</b>	<b>1.414</b>

(\*) Other Assets: The amount of TL 39.639 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 22.217, Intangible Assets amounting to TL 1.837, Tax Assets amounting to TL 4.468, Assets Held for Sale amounting to TL 427, Miscellaneous Receivables amounting to TL , and Other Assets amounting to TL 10.690.

(\*\*)Other Liabilities: The amount of TL 345.184 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 313.781, Provisions amounting to TL 14.757, Tax, Duty and Premium Payable amounting to TL 1.651 and Other Foreign Resources amounting to TL 14.995.

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**4. Average interest rates applied to monetary financial instruments: %**

	EUR	USD	JPY	TL
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey	--	--	--	-
Banks	0,44	1,47	--	7,29
Financial Assets at Fair Value Through Profit or Loss	--	5,11	--	7,18
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	2,79	3,41	--	8,63
Investment Securities Held-to-Maturity	5,36	7,11	--	7,53
Financial Lease Receivables	5,79	6,55	--	11,50
<b>Liabilities</b>				
Interbank Deposits	1,20	0,62	--	4,45
Other Deposits	0,48	0,93	--	6,12
Money Market Borrowings	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	2,32	0,55	--	7,75

	EUR	USD	JPY	TL
<b>Prior Period</b>				
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey,	--	--	--	-
Banks	0,63	0,46	--	8,45
Financial Assets at Fair Value through Profit or Loss	0,73	5,19	--	7,34
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	3,24	3,31	--	8,08
Investment Securities Held-to-Maturity	5,36	7,10	--	7,49
Financial Lease Receivables	5,30	6,99	--	10,51
<b>Liabilities</b>				
Interbank Deposits	1,27	0,75	--	--
Other Deposits	1,10	1,52	--	7,04
Money Market Borrowings	--	--	--	6,82
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	1,67	0,54	--	--

**V. Information on Consolidated Liquidity Risk****1. Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts**

The Parent Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context the Parent Bank's liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

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

The main reason of liquidity risk is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. The Parent Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Parent Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk in the future for the Parent Bank.

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

Shareholder's Equity has an important portion in the funding resources. The Parent Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 September 2007, "Measurement and Assessment of the Adequacy of Banks 'Liquidity'", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% for the computations performed with arithmetical mean and 100%, respectively. The liquidity ratios of the Parent Bank as of 31 March 2011 are as follows:

Current Period	Primary Maturity Split (Weekly)		Secondary Maturity Split (Monthly)	
	FC	FC+TL	FC	FC+TL
Average	126	197	123	163
Highest (%)	179	273	182	229
Lowest (%)	81	154	83	134

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**Presentation of assets and liabilities based on their outstanding maturities:**

Current Period	Demand	Up to 1 Month	1-3 Months	3 – 12 Months	1-5 Years	5 Year and Over	Unallocated	Total
<b>Assets</b>								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	17.583	135.644	--	--	--	--	--	153.227
Banks	29.270	371.875	793.542	--	13	--	--	1.194.700
Financial Assets at Fair Value through Profit or Loss	--	1.793	48.790	110.416	47.889	--	--	208.888
Money Market Placements	--	--	--	--	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--	--	--	1.039	1.039
Loans	--	230.680	53.065	126.122	86.562	--	--	496.429
Investment Securities held-to-Maturity	--	406	65.318	28.907	45.987	76.325	--	216.943
Other Assets(*)	181	7.315	4.435	20.513	37.524	--	45.074	115.042
<b>Total Assets</b>	<b>47.034</b>	<b>747.713</b>	<b>965.150</b>	<b>285.958</b>	<b>217.975</b>	<b>76.325</b>	<b>46.113</b>	<b>2.386.268</b>
<b>Liabilities</b>								
Interbank Deposits	299.964	298.612	947.617	--	--	--	--	1.546.193
Other Deposits	71.555	15.271	4.457	2.553	--	--	--	93.836
Funds Provided from Other Financial Institutions	--	87.160	56.005	200.386	42.814	--	--	386.365
Money Market Borrowings	--	--	--	--	--	--	--	--
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	--	--	--	--	--	--	2.979	2.979
Other Liabilities(**)	--	8.653	1.934	--	--	--	346.308	356.895
<b>Total Liabilities</b>	<b>371.519</b>	<b>409.696</b>	<b>1.010.013</b>	<b>202.939</b>	<b>42.814</b>	<b>--</b>	<b>349.287</b>	<b>2.386.268</b>
<b>Liquidity Gap</b>	<b>(324.485)</b>	<b>338.017</b>	<b>(44.863)</b>	<b>83.019</b>	<b>175.161</b>	<b>76.325</b>	<b>(303.174)</b>	<b>--</b>
<b>Prior Period</b>								
Total Assets	5.554	494.250	235.274	191.400	157.154	75.429	40.492	1.199.553
Total Liabilities	248.925	207.942	338.224	38.528	25.590	--	340.344	1.199.553
<b>Net Liquidity Gap</b>	<b>(243.371)</b>	<b>286.308</b>	<b>(102.950)</b>	<b>152.872</b>	<b>131.564</b>	<b>75.429</b>	<b>(299.852)</b>	<b>--</b>

(\*)Other assets amount TL 45.047 at the unallocated part consists of Tangible Assets amounting TL 24.798, Intangible Assets amounting to TL 1.809, Tax Asset amounting to TL 4.881, Asset Held For Resale amounting to TL 421, Miscellaneous Receivables amounting to TL 72 and Other assets amounting to TL 13.093.

(\*\*)Other liabilities amount TL 346.308 at the unallocated part consists of Shareholders' Equity amounting to TL 320.967, Provisions amounting to TL 15.552, other liabilities amounting to TL 9.789.

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**VI. Information on Business Segments:**

Information on operational segments on 31 March 2011 and 31 December 2010 are presented in the table below:

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	8	6.517	7.782	1.881	--	16.188
Unallocated Income/Costs (Net)	--	--	--	--	(7.400)	(7.400)
Operating Income	8	6.517	7.782	1.881	(7.400)	8.788
Income from Subsidiaries	--	--	--	--	--	--
Income before tax	--	--	--	--	--	8.788
Tax	--	--	--	--	--	(1.602)
<b>Net Profit for the Term</b>	--	--	--	--	--	<b>7.186</b>

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	182	495.809	1.743.678	105.148	--	2.344.817
Unallocated assets	--	--	--	--	41.451	41.451
<b>Total Assets</b>	<b>182</b>	<b>495.809</b>	<b>1.743.678</b>	<b>105.148</b>	<b>41.451</b>	<b>2.386.268</b>
Segment Liabilities	32.070	61.724	1.874.979	60.655	--	2.029.428
Unallocated Liabilities	--	--	--	--	35.873	35.873
Shareholders' Equity	--	--	--	--	320.967	320.967
<b>Total Liabilities</b>	<b>32.070</b>	<b>61.724</b>	<b>1.874.979</b>	<b>60.655</b>	<b>356.840</b>	<b>2.386.268</b>

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	13	5.244	6.907	1.961	--	14.125
Unallocated Income/Costs (Net)	--	--	--	--	(7.166)	(7.166)
Operating Income	13	5.244	6.907	1.961	(7.166)	6.959
Income from Subsidiaries	--	--	--	--	--	--
Income before tax	--	--	--	--	--	6.959
Tax	--	--	--	--	--	(1.393)
<b>Net Profit for the Term</b>	--	--	--	--	--	<b>5.566</b>

Prior Period (*)	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	232	495.092	573.704	94.971	--	1.164.383
Unallocated assets	--	--	--	--	51.573	35.170
<b>Total Assets</b>	<b>232</b>	<b>495.092</b>	<b>573.704</b>	<b>94.971</b>	<b>51.573</b>	<b>1.199.553</b>
Segment Liabilities	34.550	79.057	687.056	51.495	--	852.158
Unallocated Liabilities	--	--	--	--	33.614	33.614
Shareholders' Equity	--	--	--	--	313.781	313.781
<b>Total Liabilities</b>	<b>34.550</b>	<b>79.057</b>	<b>687.056</b>	<b>51.495</b>	<b>347.395</b>	<b>1.199.553</b>

(\*) Information is related to 31.12.2010 period.

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**SECTION FIVE**  
**INFORMATION ON DISCLOSURES AND FOOTNOTES OF**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS**

**1. Information on cash equivalents and Central Bank of Turkey:**

**Information on cash equivalents:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	1.065	4.253	390	2.037
Central Bank of Turkey	12.265	135.644	594	68.964
Other	--	--	--	--
<b>Total</b>	<b>13.330</b>	<b>139.897</b>	<b>984</b>	<b>71.001</b>

**Information related to the account of Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	12.265	--	594	--
Unrestricted Time Deposits	--	37.415	--	18.883
Restricted Time Deposits	--	--	--	--
Reserve Deposits	--	98.229	--	50.081
<b>Total</b>	<b>12.265</b>	<b>135.644</b>	<b>594</b>	<b>68.964</b>

**Information on Reserve Deposits:**

According to Statutory Reserve Article with the number 2005/1 of the Turkish Central Bank, banks which operate in Turkey, must found statutory reserve for TL liabilities with a rate (determined according to the maturity) between %5 and %12 (31.12.2010: %6), and for EUR and USD liabilities with a rate of %11 (31.12.2010: %11).

As of 31 March 2011 the interest rate is not applied for reserve requirements by the Central Bank of Turkey for TL deposits. (31.12.2010: Interest rate is not applied for foreign deposits.)

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

a) Among financial assets at fair value through profit or loss as of 31 March 2011; There is no amount subjected to repurchase transactions (31 December 2010: TL 47,490), and also no TL amount is provided as collateral /blocked. (31 December 2010: TL none)

b) Positive differences on trading derivative instruments

Trading derivative instruments	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	982	--	1.915	--
Futures	--	--	--	--
Options	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>982</b>	<b>--</b>	<b>1.915</b>	<b>--</b>

**3. Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	47.768	1.140.677	29.066	110.236
Foreign banks	--	6.255	--	2.031
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>47.768</b>	<b>1.146.932</b>	<b>29.066</b>	<b>112.267</b>

**4. Information on available for sale financial assets:****4.1 Major types of available for sale financial assets**

Available for sale financial assets are comprised of equity shares that are not active in the stock market.

**4.2 Information on available for sale financial assets**

	Current period		Prior period	
<b>Debt Securities</b>	--	--	--	--
Quoted in stock exchange	--	--	--	--
Not quoted in stock exchange	--	--	--	--
<b>Share Certificates</b>		<b>1.039</b>		<b>1.030</b>
Quoted in stock exchange	--	--	--	--
Not quoted in stock exchange		1.039		1.030
<b>Impairment Provision (-)</b>		--		--
<b>Total</b>		<b>1.039</b>		<b>1.030</b>

**5. Information on Loans:****5.1 Information on all types of loans and advances given to shareholders and employees of the Bank:**

	Current period		Prior period	
	Cash	Non- Cash	Cash	Non- Cash
<b>Direct Loans Granted to Shareholders</b>				
Corporate Shareholders	--	41,422	--	49.222
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>				
<b>Loans Granted to the Group's Personnel</b>				
Personnel	168	11	206	11
<b>Total</b>	<b>168</b>	<b>41,433</b>	<b>206</b>	<b>49,233</b>

5.2 *Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled*

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>
<b>Cash Loans</b>				
<b>Non-Specialized Loans</b>	<b>496.106</b>	--	--	<b>323</b>
Discount notes	1.263	--	--	--
Export loans	126.027	--	--	--
Import loans	--	--	--	--
Loans given to financial sector	203.913	--	--	--
International loans	40.394	--	--	310
Consumer loans	182	--	--	--
Credit cards	--	--	--	--
Precious metals loans	--	--	--	--
Other	124.327	--	--	13
<b>Specialized Loans</b>	--	--	--	--
<b>Other Receivables</b>	--	--	--	--
<b>Total</b>	<b>496.106</b>	--	--	<b>323</b>



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**5.3 Information on consumer loans, credit cards and loans given to employees:**

	Short Term	Medium and Long Term	Total
<b>Consumer Loans-TL</b>	--	14	14
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	14	14
<b>Consumer Loans-Indexed to FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Individual Credit Cards-FC</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Personnel Loans- TL</b>	2	166	168
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	2	166	168
<b>Personnel Loans- Indexed to FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Personnel Loans-FC</b>	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards-TL</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Personnel Credit Cards-YP</b>	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
<b>Deposits with Credit Limit-TL (Individual)</b>	--	--	--
<b>Deposits with Credit Limit-FC (Individual)</b>	--	--	--
<b>Total</b>	<b>2</b>	<b>180</b>	<b>182</b>

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**5.4 Information on installment corporate loans and corporate credit cards**

None.

**5.5 Allocation of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	455.725	429.255
Foreign Loans	40.704	66.469
<b>Total</b>	<b>496.429</b>	<b>495.724</b>

**5.6 Loans granted to subsidiaries and associates**

In the current period there is no loan granted to subsidiaries and investments.

**5.7 Specific provisions for loans**

Specific provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	--	--
Loans and Receivables with Doubtful Collectibility	--	--
Uncollectible Loans and Receivables	5.936	5.892
<b>Total</b>	<b>5.936</b>	<b>5.892</b>

**5.8 Information on non-performing loans (Net)****5.8.1 Information related to non-performing loans**

	III. Group: <i>Loans and receivables with limited collectibles</i>	IV. Group: <i>Loans and receivables with doubtful collectibles</i>	V. Group <i>Uncollectible loans and receivables</i>
Current Period			
(Gross Amounts before Specific Provisions)	--	--	2.030
Restructured Loans and Other Receivables	--	--	2.030
Redemptions and Other Receivables	--	--	--
Previous Period			
(Gross Amounts before Specific Provisions)	--	--	2.030
Restructured Loans and Other Receivables	--	--	2.030
Redemptions and Other Receivables	--	--	--

For the Redemptions and Restructured Loans, which are stated as non-performing loans, TL 2.030 is reserved as provision.

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**5.8.2 Information on movement of total non-performing loans**

	III. Group	IV. Group	V. Group
	<i>Loans and receivables with limited collectibility</i>	<i>Loans and receivables with doubtful collectibility</i>	<i>Uncollectible loans and receivables</i>
<b>Balances at the Beginning of Period</b>	--	--	<b>5.892</b>
Additions (+)	--	--	44
Transfers from other categories of non performing loans (+)	--	--	--
Transfers to other categories of non performing loans (-)	--	--	--
Collections (-)	--	--	--
Write-offs (-)	--	--	--
Corporate and commercial loans	--	--	--
Retail loans	--	--	--
Credit cards	--	--	--
Others	--	--	--
<b>Balances at the End of the Period</b>	--	--	<b>5.936</b>
Specific provisions (-)	--	--	5.936
<b>Net Balance on Balance Sheet</b>	--	--	--

**5.8.3 Information on foreign currency non-performing loans**

There are non-performing loan receivables in foreign currency amounting to TL 2.030 which is followed in TL accounts.

**5.9 Main points of liquidation policy for uncollectible loans and receivables**

Uncollectible loans and other receivables are collected through the legal following and converting collaterals into cash.

Information on gross and net loans under follow-up according to the borrowers:

	III. Group:	IV. Group:	V. Group
	<i>Loans and receivables with limited collectibility</i>	<i>Loans and receivables with doubtful collectibility</i>	<i>Non-performing loans and receivables</i>
<b>Current Year (Net)</b>	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.836
Specific provisions (-)	--	--	5.836
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.792
Specific provisions (-)	--	--	5.792
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--

\*Foreign bank

**5.10 Collection policy on loans determined as loss and other receivables:**

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

**5.11 Information on deleting in assets policy**

Loans under legal follow-up are classified and are made provision according to "Regulation on Procedures and Principles Concerning Loans and Other Receivable's Nature Definition and Provisions". These loans are collected in collaboration with Department of Loan Trace and Follow, Department of Law Services and Consultancy and other related departments. However if mentioned loans could not be collected in any way, deleting in asset procedure is implemented. This deleting is implemented by getting the opinion of Department of Law Services and Consultancy and by obtaining approvals from Loan Trace and Follow Department and the Board of Directors.

**6. Information on held to maturity financial assets:****6.1 Information on repurchase transaction related to investment securities and provided as collateral/blocked for guarantee held to maturity (net):**

There is no repurchase transaction related to investment securities held to maturity. In addition, as of 31 March 2011, TL 12.900 is allocated as collateral/blocked for guarantee. (At 31 December 2010: TL 12.672).

**6.2 Government securities held-to-maturity**

	Current Period	Prior Period
Government bonds	56.144	62.845
Treasury Bonds	489	2.095
Other Public Bonds	73.014	72.117
<b>Total</b>	<b>129.647</b>	<b>137.057</b>

**6.3 Investments held-to-maturity**

	Current Period	Prior Period
<b>Debt Instruments</b>	<b>217.998</b>	<b>225.215</b>
Quoted at stock exchange	56.633	64.940
Not-quoted at stock exchange	161.365	160.275
Impairment Loss Provision (-)	(1.055)	(537)
<b>Total</b>	<b>216.943</b>	<b>224.678</b>

**6.4 Movement of investments held-to-maturity**

	Current Period	Prior Period
Balances at the Beginning of the Period	224.678	249.515
Foreign currency gains / losses on monetary assets	1.654	6.809
Purchases during the Period	40.160	196.602
Disposals through sales and redemptions (*)	(49.031)	(227.969)
Impairment loss provision (-) (**)	518	(279)
<b>Period End Balance</b>	<b>216.943</b>	<b>224.678</b>

(\*) In the current period redemption amounting to TL 49.031 has been realized from the portfolio. (31 December 2010: TL 227.969)

(\*\*) Represents provisions allocated for impairment in the current year.

**7. Information on Associates**

The Group does not have an associate as of 31 March 2011 and 31 December 2010.



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**8. Information on subsidiaries (Net):****8.1 Information on consolidated subsidiaries**

8.1. The Parent Bank does not have a subsidiary that is not included in consolidation.

*Summary information on consolidated subsidiaries*

	Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	A&T Finansal Kiralama A.Ş	İSTANBUL	99.98	99.98

Important financial statements of the subsidiary:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
1	105.148	44.492	2.831	1.881	-	633	652	35.952

(\*) As fair value; the amounts that are reflected on the financial statements that is calculated by the deduction of impairment (if any) from acquisition cost.

**8.2 Movement related to subsidiaries:**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>35.952</b>	<b>32.753</b>
<b>Movements during the Period</b>	<b>--</b>	<b>3.199</b>
Purchases	--	--
Bonus Shares Received	--	3.199
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	--	--
Impairment Provision (+)	--	--
<b>Balance at the End of the Period</b>	<b>35.952</b>	<b>35.952</b>
<b>Capital Commitments</b>	<b>--</b>	<b>--</b>
<b>Share Percentage at the end of Period (%)</b>	<b>99.98</b>	<b>99,98</b>

**8.2.1 Valuation methods of investments in subsidiaries**

The method used in the accounting of subsidiaries is explained in Section Three.

**8.2.2 Sectoral Information on the subsidiaries and amounts related to these**

Affiliates	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	35.952	35.952
Finance Companies	--	--
Other Affiliates	--	--

**8.2.3 Quoted Subsidiaries**

The Parent Bank does not have any subsidiary that is quoted.

**8.2.4 Subsidiaries sold in the current year**

None.

**8.2.5 Subsidiaries acquired in the current year.**

None.

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**9. Information on jointly controlled subsidiaries**

The Parent Bank does not have a joint venture.

**10. Information on financial lease receivables (Net):****10.1 Maturity analysis of financial lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	34.902	31.090	32.787	29.573
Between 1-4 years	41.243	37.524	29.595	27.054
Over 4 years	--	--	--	--
<b>Total</b>	<b>76.145</b>	<b>68.614</b>	<b>62.382</b>	<b>56.627</b>

**10.2 Information on net financial lease investments**

	Current Period	Prior Period
Gross Financial Lease Investment	76.415	62.381
Unearned Financial Lease income (-)	(7.531)	(5.755)
Cancelled Leasing Amounts	--	--
<b>Net Investment on Leases</b>	<b>68.614</b>	<b>56.626</b>

There is a provision amounting of TL 807 for doubtful financial lease receivables in net financial lease investment.

The movement of doubtful receivables is as follows:

	Current Period	Prior Period
Opening Balance	798	735
Provisions	9	396
Collections	--	(333)
<b>Ending Balance</b>	<b>807</b>	<b>798</b>

**11. Information on financial derivatives for hedging:**

The Group does not have any financial derivatives for hedging.

**12. Information on investment property :**

The Group does not have any investment property.

**13. Information on tax asset:**

As of 31 March 2011 there is no tax receivable under current tax asset after the deduction of taxable amounts.

The Group has calculated the deferred tax asset amounting to TL 5.365 and deferred tax liability amounting to TL 484 as of 31 March 2011 (31 December 2010: TL 5.198 and TL 730), the aforementioned amount resulted from the temporary differences that are subject to tax as of the balance sheet date.

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Details of deferred tax assets and liabilities are as follow:

	31 March 2011		31 December 2010	
	Accumulated Temporary Differences	Deferred tax asset/ (liability)	Accumulated Temporary Differences	Deferred tax asset/ (liability)
Investment incentive	14.475	2.895	13.864	2.773
Employee benefit provision	5.373	1.075	4.885	977
Interest rediscount	1.732	346	1.590	318
Acquired income	2.644	529	2.950	590
Other	2.599	520	2.700	540
<b>Deferred Tax Asset</b>		<b>5.365</b>		<b>5.198</b>
Tangible and intangible fixed asset amortization difference	800	160	1.230	246
Derivative financial asset held for trading	982	196	1.915	383
Other	640	128	505	101
<b>Deferred Tax Liability</b>		<b>484</b>		<b>730</b>
<b>Deferred Tax asset / (liability), Net</b>		<b>4.881</b>		<b>4.468</b>

Deduction of investment certificates were revoked with effect from 1 January 2006. The companies deduction of investment amounts which, has not benefited as of 31 December 2005, may be deducted from income as of 2006, 2007, and 2008. However, the Constitutional Court dated 15 October 2009 meeting, the legal regulation of this eliminates the vested rights, contrary to the Constitution by finding a time constraint related to revoke the discount so that the investment has been eliminated as of the reporting date. The decision was published in the Official Gazette dated January 8, 2010 as a result of this decision, the Group amounting to 14.475 TL allowance unused by deducting to use future earnings. The deductible amount which can be used in future and unused deduction of investment was indicated in deferred tax assets as 2.895 TL. Partially or all the recoverable amount of deferred tax assets was estimated under the current conditions.

#### 14. Information about fixed assets held for sale:

	Current Period 31 March 2011	Prior Period 31 December 2010
Cost	581	791
Provision Amount (-)	(45)	(38)
Accumulated Depreciation (-)	(109)	(91)
<b>Net Book Value</b>	<b>427</b>	<b>662</b>
Opening Balance	427	662
Additions	--	--
Disposals (-).net	--	(210)
Provision Expenses (-)	(2)	(7)
Depreciation Expenses (-)	(4)	(18)
<b>Closing Net Book Value</b>	<b>421</b>	<b>427</b>

#### 15. Information on other assets:

As of 31 March 2011 other assets is TL 14.519 (31 December 2010: TL 11.734) and does not exceed 10% of total assets of consolidated balance sheet excluding consolidated off balance sheet commitments.

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**II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES**
**I. Information on maturity profile of deposits:**
**Current Period**

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Cumulative Demand	Total
Saving Deposits	948	--	960	3.600	659	24	131	--	6.322
Foreign Currency Deposits	68.597	--	303	8.227	4.429	1.425	2.088	--	85.069
Residents in Turkey	20.636	--	303	1.107	2.904	729	122	--	25.801
Residents Abroad	47.961	--	--	7.120	1.525	696	1.966	--	59.268
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	1.674	--	350	--	80	--	--	--	2.104
Other Ins. Deposits	336	--	--	5	--	--	--	--	341
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	299.964	--	298.875	947.354	--	--	--	--	1.546.193
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	5.240	--	53.642	--	--	--	--	--	58.882
Foreign Banks	294.724	--	245.233	947.354	--	--	--	--	1.487.311
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>371.519</b>	<b>--</b>	<b>300.488</b>	<b>959.186</b>	<b>5.168</b>	<b>1.449</b>	<b>2.219</b>	<b>--</b>	<b>1.640.029</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Cumulative Demand	Total
Saving Deposits	1.228	--	1.155	3.895	352	21	128	--	6.779
Foreign Currency Deposits	81.869	--	2.194	8.990	4.360	1.439	2.020	--	100.872
Residents in Turkey	41.595	--	2.182	2.212	2.849	652	122	--	49.612
Residents Abroad	40.274	--	12	6.778	1.511	787	1.898	--	51.260
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	2.338	--	3.014	5	79	--	--	--	5.436
Other Ins. Deposits	414	--	--	--	--	--	--	--	414
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	163.076	--	--	15.460	26.643	--	--	--	205.179
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	69.267	--	--	--	--	--	--	--	69.267
Foreign Banks	93.809	--	--	15.460	26.643	--	--	--	135.912
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>248.925</b>	<b>--</b>	<b>6.363</b>	<b>28.350</b>	<b>31.434</b>	<b>1.460</b>	<b>2.148</b>	<b>--</b>	<b>318.680</b>



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

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3.123	3.498	3.199	3.281
Foreign Currency Saving Deposits	8.551	8.879	17.238	18.943
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
<b>Total</b>	<b>11.674</b>	<b>12.377</b>	<b>20.437</b>	<b>22.224</b>

**1.2 Saving deposits not covered by deposit insurance**

Amounts out of Insurance:

*Deposits of Natural Person out of Insurance:*

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	--	--
Deposits and Other Accounts held by Shareholders and their Relatives	--	--
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1.139	1.141
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	--	--
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	--	--

**2. Information on financial derivatives through profit or loss:**

Financial Derivatives Through Profit or Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	--	--	--	--
Futures Transactions	--	--	--	--
Options	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**3. Information on funds borrowed:**

**3.1 Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank	--	--	--	--
From Domestic Banks and Institutions	150	2.202	--	4.511
From Foreign Banks, Institutions and Funds	--	384.013	--	479.669
<b>Total</b>	<b>150</b>	<b>386.215</b>	<b>--</b>	<b>484.180</b>

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**3.2 Presentation of funds borrowed based on maturity profile:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	--	343.551	--	453.990
Medium and Long-Term	150	42.664	--	30.190
<b>Total</b>	<b>150</b>	<b>386.215</b>	<b>--</b>	<b>484.180</b>

**4. Information on other foreign resources:**

The other foreign resources account of the consolidated balance sheet is TL 17.096 (31 December 2010: TL 15.471); and this amount does not exceed 10% of the total consolidated balance sheet.

**5. Information on financial lease obligations:**

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Group as a result of the lease agreements.

**6. Information on liabilities aroused from financial derivative transactions for hedging purposes:**

The Group does not have financial derivative instruments for hedging purposes.

**7. Information on provisions:****7.1 Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	5.400	5.181
Provisions for Loans and Receivables in Group II	3	6
Provisions for Non-Cash Loans	2.887	2.910
Other	--	--
<b>Total</b>	<b>8.290</b>	<b>8.097</b>

**7.2 Provisions for currency exchange gain/loss on foreign currency indexed loans:**

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans	312	19

(\*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

**7.3 Information on other provisions**

The Parent Bank has allocated TL 249 for the on-going law suits as of the balance sheet date and (31 December 2010: TL 249) TL 440 for the non cash loans (31 December 2010: TL 428).

**8. Information on tax payables:****8.1 Information on corporate tax liability:**

As of 31 March 2011, TL 1.933 is determined as corporate tax payable balance after prepaid tax netted off (31 December 2011: TL 382).

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**8.1.1 Information on tax payables**

	Current Period	Prior Period
Corporate Tax	1.933	382
Banking Insurance Transaction Tax (BITT)	197	202
Taxation of Securities	9	28
Value added taxes payable	25	10
Corporate tax payable-limited	4	9
Foreign Exchange Legislation Tax	--	--
Property tax	12	12
Other	632	619
<b>Total</b>	<b>2.812</b>	<b>1.262</b>

**8.1.2 Information on premiums**

	Current Period	Prior Period
Social Security Premiums- Employee	180	149
Social Security Premiums- Employer	250	208
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee share	13	11
Unemployment Insurance- Employer share	25	21
Other	--	--
<b>Total</b>	<b>468</b>	<b>389</b>

**8.2 Information on deferred tax liability**

The net value of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset amounting to TL 4.881. Detailed information on net deferred tax asset is presented in footnote I-15 in Section Five.

**9. Information on Shareholders' Equity:****9.1 Presentation of Paid-in Capital:**

	Current Period	Prior Period
Common Stock	240.000	240.000
Preferred Stock	--	--

**9.2 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**

Registered share capital system is not implemented in the Parent Bank.

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

As of 12 November 2010 the Bank decided to increase the capital from TL 240.000 to TL 690.000 with the 244/8/10 decision at the Board of Minutes. The committee agreed on take the required permissions, after that the main agreement presentation at the general shareholders' meeting, and last to announce and register the decision.

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### **9.4 Information on share increases from capital reserves**

In the current period, there is no addition from capital reserves.

### **9.5 Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments**

The Bank does not have any capital commitments in the current year.

### **9.6 The impacts of the foresights, which are prophesied according to Bank's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity**

None.

### **9.7 Information on the privileges given to stocks representing the capital**

According to the master agreement, the registered capital can be increased or decreased once or several times. Such an increase may be accomplished through the transfer from reserves into the capital account and the issuance of "bonus" shares in consequence thereof.

Each shareholder shall have the right to subscribe for a proportion of new shares corresponding to the number of shares held and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders.

These preferential rights may only be assigned by approval of the Board of Directors upon the favorable vote of 4/5 of the members present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares will be allocated by the Board of Directors.

The Parent Bank may not, directly or indirectly, finance the acquisition of its own shares.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

### **9.8 Information on marketable securities value increase fund:**

The Group does not have marketable securities value increase fund.

### **9.9 Information on legal reserves:**

In the current period the amount transferred to legal reserves from retained earnings is TL 1.353 (31 December 2010: TL 1,586).

**III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS****1. Information on contingent liabilities in the off-balance sheets:****1.1 Type and amount of irrevocable commitments**

The Parent Bank has TL 36.670 (31 December 2010: TL 15.294) as irrevocable commitments.

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

As of 31 March 2011, the Group has allocated the provision amounting to TL 440 over total non-cash loans (31 December 2010: provision 428).

**1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral:**

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 254.162 (31 December 2010: TL 312.119).

**1.2.2 Final guarantees, temporary guarantees, commitments and similar transactions**

The total amounts of the Bank's guarantee letters are TL 1.271.467 (31 December 2010: TL 1.251.964).

**2. Total amount of Non-cash loans:**

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	3.948	8.580
Less Than or Equal to One Year with Original Maturity	--	--
More Than One Year with Original Maturity	3.948	8.580
Other Non-Cash Loans	1.521.681	1.555.503
<b>Total</b>	<b>1.525.629</b>	<b>1.564.083</b>

## IV. INFORMATION AND FOOTNOTES RELATED TO THE CONSOLIDATED INCOME STATEMENT

## 1. Information on interest income:

## 1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short- Term Loans	3.136	1.406	3.088	547
Medium and Long- Term Loans	388	1.614	467	1.187
Interest Received From Non Performing Loans	--	--	3	--
Support Fund	--	--	--	--
<b>Total</b>	<b>3.524</b>	<b>3.020</b>	<b>3.558</b>	<b>1.734</b>

## 1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	--	--	--	--
From Domestic Banks	1.069	944	682	20
From Foreign Banks	1	5	2	11
From Foreign Headquarter and Branches	--	--	--	--
<b>Total</b>	<b>1.070</b>	<b>949</b>	<b>684</b>	<b>31</b>

## 1.3 Information on interest income received from associates and subsidiaries

None.

## 2. Interest Expense:

## 2.1 Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>591</b>	<b>920</b>	<b>7</b>	<b>819</b>
Central Bank	--	--	--	--
Domestic Banks	--	4	7	3
Foreign Banks	591	916	--	531
Foreign Headquarter and Branches	--	--	--	285
Other Institutions	--	--	--	--
<b>Total</b>	<b>591</b>	<b>920</b>	<b>7</b>	<b>819</b>

## 2.2 Information on interest expense paid to associates and subsidiaries

None.

## 2.3 Information on interest expenses paid to issued stocks

None.

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See Note on 1. in Section Three***3. Information on trading gain/loss:**

	Current Period	Prior Period
<b>Gain</b>	<b>253.379</b>	<b>57.220</b>
Gain from money market transactions	13	--
Derivative and financial transactions	6.484	769
Gain from exchange transactions	246.882	56.451
<b>Loss (-)</b>	<b>(253.311)</b>	<b>(57.562)</b>
Loss from money market transactions	18	6
Derivative and financial transactions	6.900	1.896
Loss from exchange transactions	246.393	55.660
<b>Net Trading Gain/Loss</b>	<b>68</b>	<b>(342)</b>

**4. Information on income from other operations:**

	Current Period	Prior Period
Communication income	195	222
Gain on sales of asset	89	345
From reversal of provisions of prior year	0	28
Other	28	10
<b>Total</b>	<b>312</b>	<b>605</b>

**5. Information on impairment of loans and other receivables:**

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	56	--
<i>Loans and receivables in group III</i>	--	--
<i>Loans and receivables in group IV</i>	--	--
<i>Loans and receivables in group V</i>	56	--
<i>Doubtful Receivables</i>	--	--
General Provision Expenses	193	732
Provision for Possible Losses	--	--
Foreign Exchange Losses on Foreign Currency Indexed Loans	--	--
Impairment Losses on Securities	222	267
<i>Financial assets through profit or loss</i>	222	267
<i>Investment securities available-for-sale</i>	--	--
Other Impairment Losses	518	631
<i>Subsidiaries</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment securities held-to-maturity</i>	518	631
Other	10	101
<b>Total</b>	<b>999</b>	<b>1.731</b>

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**6. Information on loss from other operations:**

	Current Period	Prior Period
Personnel Expenses	7.754	6.618
Employee Termination Benefits Expense	487	582
Tangible Fixed Asset Impairment Expense	--	--
Amortization Expenses of Tangible Assets	--	--
Intangible Fixed Asset Impairment Expense	477	449
Goodwill Impairment Expense	--	--
Amortization Expenses of Intangible Assets	131	125
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	--	--
Disposable Fixed Asset Impairment Expense	--	--
Amortization Expense of Assets Held for Resale	4	5
Impairment Expense related to Fixed Assets held for sale and discontinued operations	--	--
Other Operating Expenses	1.879	1.532
<i>Operating Lease Expenses</i>	273	258
<i>Maintenance Expenses</i>	55	50
<i>Advertisement Expenses</i>	113	281
<i>Other Expenses</i>	1.438	943
Losses from sales of Assets	--	--
Other	616	921
<b>Total</b>	<b>11.348</b>	<b>10.232</b>

**7. Information on profit/loss before taxes including profit/loss from discontinued operations**

The income before tax from continuing operations is TL 8.788 (31 March 2010: TL 6.959)

**8. Information on tax provision:****8.1 Current period taxation benefit or charge and deferred tax benefit or charge:**

As of 31 March 2011 taxation charge is TL 2.015 (31 March 2010: TL 1.690) and deferred tax income is TL 413 (31 March 2010: TL 297 deferred tax income).

**8.2 Deferred tax income or expense arising from origination or reversal of temporary differences**

The Group has TL 111 (31 March 2010: TL 297 deferred tax income) as deferred tax income arising from temporary differences.

**8.3 Deferred tax expense/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.**

The Bank has TL 413 as deferred tax income represented in the income statement within the context of temporary difference and tax deductions and exemptions (31 March 2010: TL 297 as deferred tax income).

**9. Information on net profit or loss of the period including profit/loss from continuing and discontinued operations:**

Current period profit from continued operations is TL 7.186 (31 March 2010: TL 5.566).

**10. Information on net profit or loss of the period:****10.1 Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current year performance:**

None.



**10.2 Information on the profit or loss affect of a change in an estimation related to financial statements and future period affect of the change in this estimation.**

There is no change in accounting estimation related to consolidated financial statements.

**10.3 Profit/loss regarding minority rights:**

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

**11. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.**

There is no other accounts which exceed the 10% of the income statement other than other operating income and other operating loss that are explained above

**V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY**

Information on consolidated shareholder's equity is not included in the interim financial statement footnotes.

**VI. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED CASH FLOW STATEMENT**

Information on consolidated cash flow statement is not included in the interim financial statement footnotes.

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**VII. INFORMATION ON THE GROUP'S RISK****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 Information on the loans of the Group's risk****Current Period:**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	--	--	--	49.222	2.615	102.601
Balance at the End of the Period	--	--	--	41.422	804	113.569
<b>Interest and Commission Income Received</b>	--	--	--	--	3	--

(\*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Non-cash loans given to Parent Bank's direct and indirect shareholders, are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

**Prior Period:**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	--	--	--	13.238	3.287	70.797
Balance at the end of the Period	--	--	--	49.222	2.615	102.601
<b>Interest and Commission Income Received</b>	--	--	--	--	10	--

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

**1.2 Information on deposits of the Group's risk group**

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Group's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	--	--	78	33.789	26.951	10.544
Balance at the End of the Period	--	--	1.355.718	78	82.761	26.951
<b>Interest Expense of Deposits</b>	--	--	6	10	--	11

(\*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

**1.3. Information on forward transactions, options and other contracts related to Group's risk group:**

Group's Risk Group (*)	Associates and related parties		Group's Direct and Indirect Shareholders		Individuals and Corporations included in the Bank's risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Transactions with Fair Value Difference Reflected on Profit/Loss Statement					
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	--	--	--
Hedging Purpose Transactions						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	--	--	--

(\*)Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

**1.4. Information on benefits provided for top level management:**

For the period ended 31 March 2011, TL 657 (31 December 2010: TL 646) has been paid to the top level management of the Group as a fringe benefit.

## SECTION SIX OTHER INFORMATION ON GROUP'S OPERATIONS

### I. OTHER INFORMATION ON BANK'S OPERATIONS

None

### II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

#### Changes in required reserves ratio

- a) Published in the Official Gazette with No. 2011/12 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated on 01/04/2011, to be effective with the Turkish Lira, Turkish Lira liabilities required reserve ratio for deposits/participation were differentiated according to the maturity structure of funds.

These ratios are below:

#### *Turkish Lira required reserve ratio*

TL Liabilities	Reserve Requirement Ratios(%)
Demand deposits, notice deposits, private current accounts	15
Deposits/Participation accounts up to 1-month maturity	15
Deposits/Participation accounts up to 3-month maturity	13
Deposits/Participation accounts up to 6-month maturity	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
Special Funds	Ratios correspond to maturities
Other than deposits/participation accounts	13

- b) Published in the Official Gazette with No. 2011/6 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated on 29/04/2011, to be effective with the Turkish Lira, Turkish Lira liabilities required reserve ratio for deposits/participation were differentiated according to the maturity structure of funds. In addition, the ratio for the liabilities in foreign currency is also differentiated according to maturity structure. Thus, reserve requirement amounts will be effective as of 13 May 2011.

These ratios are below:

TL Liabilities	Reserve Requirement Ratios(%)
Demand deposits, notice deposits, private current accounts	16
Deposits/Participation accounts up to 1-month maturity	16
Deposits/Participation accounts up to 3-month maturity	13
Deposits/Participation accounts up to 6-month maturity	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
Special Funds	Ratios correspond to maturities
Other than deposits/participation accounts	13

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<b>FC Liabilities</b>	<b>Reserve Requirement Ratios(%)</b>
Demand deposits, notice deposits, private current accounts, Deposits/Participation accounts up to 1-month maturity, up to 6-month maturity, up to 1-year maturity	12
Deposits/Participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	11
Special Funds	Ratios correspond to maturities
Other than Deposits/Participation accounts up to 1-year maturity	12
Other than Deposits/Participation accounts up to 3-year maturity	11,5
Other than Deposits/Participation accounts more than 3 years maturity	11

**SECTION SEVEN  
INFORMATION ON AUDITORS' REVIEW REPORT**

**I. INFORMATION ON AUDITORS' REVIEW REPORT**

The consolidated financial statements as of and the for the three-month period ended 31 March 2011 has been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of KPMG International) and the independent auditor's review report dated 6 May 2011 is presented in the introduction of this report.

**II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR**

None.