



**ARAP TÜRK BANKASI A.Ş.**

**Unconsolidated Financial Statements**

**As of and For the Period Ended**

**31 March 2011**

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

**With Independent Auditor's Review Report Thereon**

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

*This report contains 1 page of independent auditor's  
review report and 59 pages of financial statements  
including footnotes.*

- I. Independent Auditor's Review Report
- II. Publicly Announced Unconsolidated Financial Report



**Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik A.Ş.**  
Yapı Kredi Plaza C Blok Kat 17  
Büyükdere Caddesi  
Levent 34330 İstanbul

Telephone +90 (212) 317 74 00  
Fax +90 (212) 317 73 00  
Internet www.kpmg.com

**Convenience Translation of the Independent Auditors' Review Report  
Originally Prepared and Issued in Turkish (See Note 1 in Third Section)**

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

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

We conducted our review in accordance with the accounting and reporting system and the regulations on the accounting and independent audit principles as per the ("Turkish") Banking Law No. 5411. These regulations require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank 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 unconsolidated financial statements are not presented fairly, in all material respects, the financial position of Arap Türk Bankası A.Ş. as of 31 March 2011 and the result of its operations and 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 of the ("Turkish") Banking Law No. 5411 and other communiqués, disclosures and directives issued by the Banking Regulatory and Supervisory Agency.

İstanbul,  
6 May 2011

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi

Murat Alsan  
*Engagement partner*

**Additional paragraph for convenience translation to English:**

As explained in Section 3.I, the accompanying 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.

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

**Address of the Bank's Headquarters :** Valikonağı 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](mailto:webmaster@atbank.com.tr)

The unconsolidated 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 Notes 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 BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

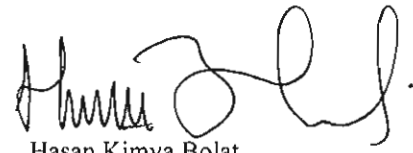
The accompanying unconsolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying unconsolidated 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 Guray 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*



**Sadık 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

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

**SECTION ONE**

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## SECTION ONE GENERAL INFORMATION ABOUT THE BANK

### I. 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 Bank is managed 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 assigned by the Board.

### II. 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 are 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 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 Çetincir	Chairman of the Board of Directors	19.09.2002	University	33 yıl
M.Najib Hmida El-Jamal	Deputy Chairman of the Board of Directors	15.02.2010	University	41 yıl
Abdurauf Ibrahim Shneba	Member of the Board of Directors	29.03.2010	University	18 yıl
Saeid Awad Rashwan Rashwan	Member of the Board of Directors	29.03.2010	University	21 yıl
Abdulaziz Mohamed Ali Mansur	Member of the Board of Directors	29.04.2010	University	21 yıl
Selim Güray Çelik	Member of the Board and Chairman of Audit Committee	29.04.2010	University	17 yıl
Hasan Kiinya Bolat	Member of the Board and Audit Committee	27.04.2010	University	23 yıl
Abdulfatah A.Enaami	Member of the Board and Audit Committee	09.05.2007	University	17 yıl
Turgay Atalay	Member of the Board of Directors	21.07.2010	University	31 yıl
Dr.Ertan Alukulaç	Auditor	07.12.2010	Graduate Degree	16 yıl
Volkan Kublay	Auditor	09.08.2010	University	11 yıl
Sadek K.S. Abu Hallala	General Manager- Member of the Board of Directors	23.05.2006	Graduate Degree	27 yıl
M. Nageb Hassan Mugber	Associate General Manager	15.09.2006	University	37 yıl
Salih Hatipoğlu	Associate General Manager	01.07.2008	Graduate Degree	13 yıl
Giuma Masaud Salem Kordi	Associate General Manager	01.07.2008	University	19 yıl
Özgür Erker	Associate General Manager	02.03.2009	University	14 yıl

## ARAP TÜRK BANKASI A.Ş.

Unconsolidated Interim Financial Report as of 31 March 2011  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Unconsolidated Financial  
Report Originally Issued in Turkish  
See Note on I. in Section Three*

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 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 Bank

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

#### VI. Other information

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

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

- I. Unconsolidated Balance Sheet (Statement of Financial Position)
- II. Statement of Unconsolidated Commitments and Contingencies
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- IV. Statement of Recognized Income and Expense in  
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- V. Statement of Changes in Unconsolidated Shareholders' Equity
- VI. Statement of Unconsolidated Cash Flows



Arap Türk Bankası A.Ş.  
Unconsolidated Balance Sheet (Statement of Financial Position)  
As of 31 March 2011  
(Thousands of Turkish Lira)

ASSETS	Footnotes (5-9)	Reviewed			Audited			
		CURRENT PERIOD ( 31/03/2011)			PRIOR PERIOD ( 31/3/2010)			
		TL	FC	TOTAL	TL	FC	TOTAL	
I.								
CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	13,229	139,897	153,226	984	71,001	71,985	
II.								
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(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		-	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		-	-	-	-	-	-	
III.								
BANKS	(3)	25,598	1,143,358	1,168,956	3,064	108,996	110,060	
IV.								
MONEY MARKET PLACEMENTS		-	-	-	-	-	-	
4.1								
Interbank money market placements		-	-	-	-	-	-	
4.2								
Istanbul Stock Exchange money market placements		-	-	-	-	-	-	
4.3								
Receivables from reverse repurchase agreements		-	-	-	-	-	-	
V.								
FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(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		-	-	-	-	-	-	
VI.								
LOANS	(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	
VII.								
FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII.								
INVESTMENTS HELD TO MATURITY (Net)	(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	64,946	72,117	137,057	
8.2								
Other marketable securities		44,310	42,986	87,296	-	43,876	87,621	
IX.								
INVESTMENTS IN ASSOCIATES (Net)	(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		-	-	-	-	-	-	
X.								
INVESTMENTS IN SUBSIDIARIES (Net)	(8)	35,952	-	35,952	35,952	-	35,952	
10.1								
Financial subsidiaries		35,952	-	35,952	35,952	-	35,952	
10.2								
Non-financial subsidiaries		-	-	-	-	-	-	
XI.								
INVESTMENTS IN JOINT- VENTURES (Net)	(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		-	-	-	-	-	-	
XII.								
LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-	
12.1								
Finance lease receivables		-	-	-	-	-	-	
12.2								
Operational leasing receivables		-	-	-	-	-	-	
12.3								
Others		-	-	-	-	-	-	
12.4								
Unearned income		-	-	-	-	-	-	
XIII.								
DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-	
13.1								
Fair value hedges		-	-	-	-	-	-	
13.2								
Cash flow hedges		-	-	-	-	-	-	
13.3								
Hedges for investments made in foreign countries		-	-	-	-	-	-	
XIV.								
TANGIBLE ASSETS (Net)	(12)	21,979	-	21,979	22,128	-	22,128	
XV.								
INTANGIBLE ASSETS (Net)	(13)	1,797	-	1,797	1,823	-	1,823	
15.1								
Goodwill		-	-	-	-	-	-	
15.2								
Other		1,797	-	1,797	1,823	-	1,823	
XVI.								
INVESTMENT PROPERTY (Net)		-	-	-	-	-	-	
XVII.								
TAX ASSET		1,786	-	1,786	1,478	-	1,478	
17.1								
Current tax asset		-	-	-	-	-	-	
17.2								
Deferred tax asset		1,786	-	1,786	1,478	-	1,478	
XVIII.								
ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(14)	421	-	421	427	-	427	
18.1								
Held for sale purpose		421	-	421	427	-	427	
18.2								
Held from discontinued operations		-	-	-	-	-	-	
XIX.								
OTHER ASSETS	(15)	8,509	1,594	10,103	6,281	1,500	7,781	
TOTAL ASSETS		609,850	1,707,669	2,317,519	534,330	606,229	1,140,559	

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

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

(Thousands of Turkish Lira)

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes (5-B)	Reviewed			Audited		
			CURRENT PERIOD			PRIOR PERIOD		
			( 31/03/2011 )			( 31/12/2010 )		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	213,265	1,426,328	1,640,253	81,268	236,889	318,837
1.1	Deposits held by the Bank's risk group		157,912	1,280,832	1,438,744	89	27,097	27,186
1.2	Other		56,053	145,496	201,549	81,879	209,772	291,651
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III.	FUNDS BORROWED	(3)	150	328,768	328,918	-	434,930	434,930
IV.	INTERBANK MONEY MARKET		-	-	-	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
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	MISCELLANEOUS PAYABLES		25	1,240	1,265	17	2,895	2,912
VIII.	OTHER EXTERNAL RESOURCES	(4)	8,283	8,813	17,096	6,524	9,947	15,471
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASING TRANSACTIONS PAYABLES	(5)	116	58	174	166	77	243
10.1	Finance leasing payables		146	71	217	214	95	309
10.2	Operational leasing payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		30	13	43	48	18	66
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING	(6)	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
XII.	PROVISIONS	(7)	13,954	189	14,143	13,280	188	13,468
12.1	General provisions		8,290	-	8,290	8,097	-	8,097
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserves for employee benefit		5,164	-	5,164	4,694	-	4,694
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		500	189	689	489	188	677
XIII.	TAX LIABILITY	(8)	3,195	-	3,195	1,520	-	1,520
13.1	Current tax liability		3,195	-	3,195	1,520	-	1,520
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1	Held for sale purpose		-	-	-	-	-	-
14.2	Held from discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS		-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(9)	312,435	-	312,435	305,882	-	305,882
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 consolidation 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		3,841	-	3,841	2,638	-	2,638
16.3.1	Legal reserves		3,841	-	3,841	2,638	-	2,638
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		-	-	-	-	-	-
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		59,498	-	59,498	54,128	-	54,128
16.4.1	Four years income/loss		52,945	-	52,945	30,459	-	30,459
16.4.2	Current year income/loss		6,553	-	6,553	23,669	-	23,669
<b>TOTAL LIABILITIES</b>			<b>552,123</b>	<b>1,765,396</b>	<b>2,317,519</b>	<b>456,653</b>	<b>683,986</b>	<b>1,140,559</b>

Arap Türk Bankası A.Ş.  
Unconsolidated Off Balance Sheet  
As of 31 March 2011  
(Thousands of Turkish Lira)

	Footnotes (5-III)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		31/03/2011			31/12/2010		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A.</b>							
<b>OFF BALANCE SHEET COMMITMENTS</b>		26,643	1,557,664	1,584,307	57,308	1,603,549	1,660,857
<b>I. 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. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	-	-
1.9. Other warranties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(3)	5,327	23,253	28,580	5,794	-	5,794
2.1. Irrevocable commitments		5,327	23,253	28,580	5,794	-	5,794
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		5,327	-	5,327	5,794	-	5,794
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		-	23,253	23,253	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		14,615	15,483	30,098	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		14,615	15,483	30,098	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		14,615	15,483	30,098	44,783	46,197	90,980
3.2.2.1. Foreign currency swap-buy		-	15,483	15,483	-	46,197	46,197
3.2.2.2. Foreign currency swap-sell		14,615	-	14,615	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>B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)</b>		180,024	365,263	545,287	166,357	362,834	529,191
<b>IV. 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	4,859	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. 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-depositors		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTEES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET COMMITMENTS</b>		206,667	1,922,927	2,129,594	223,666	1,966,383	2,190,048

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

Arap Türk Bankası A.Ş.

Unconsolidated Statement Of Income For The Period Ended 31 March 2011

(Thousands of Turkish Lira)

INCOME AND EXPENSES	Footnotes (5-1V)	Reviewed	Reviewed
		CURRENT PERIOD	PRIOR PERIOD
		01/01/2011-31/03/2011	01/01/2010-31/03/2010
I. INTEREST INCOME	(1)	14,331	12,199
1.1 Interest on loans		6,544	5,292
1.2 Interest received from reserve deposits		0	9
1.3 Interest received from banks		1,504	30
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 where value change is reflected to income statement		-	-
1.5.3 Financial assets available for sale		-	-
1.5.4 Investments held to maturity		4,115	4,420
1.6 Finance lease income		-	-
1.7 Other interest income		0	-
II. INTEREST EXPENSE	(2)	2,404	1,476
2.1 Interest on deposits		1,124	271
2.2 Interest on funds borrowed		1,148	518
2.3 Interest on money market transactions		108	652
2.4 Interest on securities issued		-	-
2.5 Other interest expense		24	35
III. NET INTEREST INCOME/EXPENSE (I - II)		11,927	10,723
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		7,269	6,269
4.1 Fees and commissions received		7,436	6,375
4.1.1 Non-cash loans		3,382	3,245
4.1.2 Other		4,054	3,130
4.2 Fees and commissions paid		167	106
4.2.1 Non-cash loans		1	0
4.2.2 Other		166	106
V. DIVIDEND INCOME		7	0
VI. NET TRADING INCOME/EXPENSE	(3)	56	(340)
6.1 Capital markets transactions		(5)	(6)
6.2 Profit/losses on trading account securities		(420)	(1,138)
6.3 Foreign exchange profit/losses		481	804
VII. OTHER OPERATING INCOME	(4)	273	420
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		19,532	17,072
IX. PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(5)	990	1,702
X. OTHER OPERATING EXPENSES (-)	(6)	10,364	9,242
XI. NET OPERATING INCOME/LOSS (VIII-IX-X)		8,178	6,128
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM CONTINUING OPERATIONS		-	-
XIV. NET MONETARY POSITION GAIN/LOSS		-	-
XV. INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(7)	8,178	6,128
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(8)	(1,625)	(1,214)
16.1 Current tax provision		(1,933)	(1,690)
16.2 Deferred tax provision		308	476
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV+XVI)	(9)	6,553	4,914
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from asset held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint ventures		-	-
18.3 Other income from discontinued operations		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses on asset held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint ventures		-	-
19.3 Other expense from discontinued operations		-	-
XX. INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI. PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX+XXI)		-	-
XXIII. NET PROFIT/LOSSES (XVII+XXII)	(10)	6,553	4,914
Gain/Loss Per Share		0.00027	0.00020

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MÜŞAVİRLİK A.Ş.

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

Arap Türk Bankası Anonim Şirketi

Statement of Recognized Income and Expense In Unconsolidated Shareholders' Equity For The Period Ended 31 March 2011

(Thousands of Turkish Lira)

INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Reviewed	
		CURRENT PERIOD (01/01/2011-31/03/2011)	PRIOR PERIOD (01/01/2010-31/03/2010)
I.	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 TAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	-	-
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	-	-
XI.	CURRENT PROFIT/LOSSES	6,553	4,914
1.1	Net changes in fair value of securities (transferred to income statement)	-	-
1.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
1.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4	Other	6,553	4,914
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	6,553	4,914



Arap Türk Bankası A.Ş  
Unconsolidated Statement of Cash Flow  
For The Period Ended 31 March 2011

	Footnotes (5-VI)	Reviewed	
		CURRENT PERIOD ( 31/03/2011 )	PRIOR PERIOD ( 31/03/2010 )
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1		8,607	24,361
Operating Profit Before Changes in Operating Assets and Liabilities			
1.1.1		15,653	26,308
1.1.2		(1,997)	(1,600)
1.1.3		7	-
1.1.4		7,436	6,375
1.1.5		275	420
1.1.6		-	-
1.1.7		(9,763)	(8,676)
1.1.8		(2,144)	(2,288)
1.1.9		(858)	3,822
1.2		1,035,533	(62,400)
Changes in Operating Assets and Liabilities			
1.2.1		(41,348)	17,633
1.2.2		-	-
1.2.3		29,711	222
1.2.4		(464)	7,067
1.2.5		(120,810)	(6,762)
1.2.6		1,408,981	(26,604)
1.2.7		(88,167)	9,239
1.2.8		(105,871)	(6,965)
1.2.9		-	-
1.2.10		(46,499)	(56,230)
I.		1,044,140	(38,039)
Net Cash Flow From Banking Operations			
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.		44,594	59,536
Net Cash Flow From Investing Activities			
2.1		-	-
2.2		-	-
2.3		(421)	(314)
2.4		-	162
2.5		-	-
2.6		-	-
2.7		(4,016)	(4,964)
2.8		49,031	64,652
2.9		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.		(69)	(71)
Net Cash Flows From Financing Activities			
3.1		-	-
3.2		-	-
3.3		-	-
3.4		-	-
3.5		(69)	(71)
3.6		-	-
IV.		2,837	(187)
Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents			
V.		1,091,497	21,239
Net (Decrease)/Increase in Cash and Cash Equivalents			
VI.		131,948	66,953
Cash and Cash Equivalents at Beginning of Period			
VII.		1,223,445	88,192
Cash and Cash Equivalents at the End of Period			

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MALİ MÜŞAVİRLİK A.Ş.

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

## SECTION THREE ACCOUNTING POLICIES

### I. Explanations for basis of presentation and footnotes

#### **Preparation of 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 unconsolidated 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 Bank maintains its books of account in Turkish Lira (TL).

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 financial statements. Accordingly, the accompanying 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 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 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 transactions in 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 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 Turkish Lira over the Bank's exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses. The Bank's related exchange rates at the balance sheet date are as follows:

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



**III. Information on Subsidiaries and Associates**

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

Subsidiaries are enterprises that are controlled by the Bank. The accounting of subsidiaries in unconsolidated financial statements is in accordance with “Financial Instruments: Turkish Accounting Standard on Recognition and Measurement” (“TAS 39”). Subsidiaries that do not have a quoted market price in an active market and whose fair value can not be reliably measured; are carried at cost less provision for their impairment on the financial statements.

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

The Bank’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 value of the derivative financial instruments is 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.

**VII. Information on financial assets**

The Bank 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 re-measured 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 are 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 re-measured 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 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 Bank 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 Bank 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 unconsolidated 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 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 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 Bank does not have any financial asset that is subject to lending.

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

The 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 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. 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 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 amount 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 are no purchase commitments related to the tangible fixed assets.

There are no expected changes in the accounting estimates related with tangible assets, 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 Bank does not provide financial leasing services as a "Lessor".

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

#### **XV. Information on provisions and contingent liabilities**

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 Bank 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 disclosed where an inflow of economic benefits is probable. 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 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 Bank 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 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 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 (dividend income etc.) 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.

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 Bank 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.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

**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 Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

**XIX. Information on share issuances**

The Bank has not issued any share in the year.

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

Acceptances are realized simultaneously with the payment dates of the clients 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**

There are no government incentives utilized by the Bank as of 31 March 2011 and 31 December 2010.

**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 referred to below.

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 profit distribution unless they exceed 50% of paid-in capital.

**XXIV. Related parties**

In 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**

In the 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 BANK**

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

The Bank's capital adequacy ratio as at 31 March 2011 is 25,11% (31 December 2010: 27,67%)

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

The 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 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, to reclass possible fluctuation expectations on risk factors 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 gaps on a monthly basis.

The Board of Directors has determined limits in order to restrain interest rate risk by means of the daily VaR and Standard Method results.

**Information on capital adequacy standard ratio:**

	Risk Weights						
	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>304.580</b>	--	<b>1.325.406</b>	<b>28.017</b>	<b>452.133</b>	--	--
Cash	5.317	--	--	--	--	--	--
Matured Marketable Securities	--	--	--	--	--	--	--
The Central Bank of Turkey	49.680	--	--	--	--	--	--
Domestic, Foreign Banks and Foreign Headquarter, subsidiaries	--	--	1.163.347	--	5.101	--	--
Interbank Money Market Placements	--	--	--	--	--	--	--
Receivables from Reverse Repurchase	--	--	--	--	--	--	--
Reserve Requirements	98.229	--	--	--	--	--	--
Loans	13.458	--	78.032	27.782	373.824	--	--
Loans under follow-up (Net)	--	--	--	--	--	--	--
Financial lease receivables	--	--	--	--	--	--	--
Securities Available for Sale	--	--	--	--	1.039	--	--
Investments Held to Maturity	127.290	--	82.702	--	3.518	--	--
Receivables from the disposal of assets	--	--	--	--	--	--	--
Miscellaneous receivables	--	--	--	--	73	--	--
Interest and income accruals	3.112	--	1.325	235	3.720	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	35.952	--	--
Tangible Assets	--	--	--	--	20.118	--	--
Other Assets*	7.494	--	--	--	8.788	--	--
<b>Off balance sheet items</b>	<b>120.148</b>	--	<b>538.136</b>	<b>12.659</b>	<b>227.669</b>	--	--
Non cash loans and commitments	120.148	--	537.534	12.659	227.669	--	--
Derivative financial instruments	--	--	602	--	--	--	--
Non risk weighted accounts	--	--	--	--	--	--	--
<b>Total risk weighted assets</b>	<b>424.728</b>	--	<b>1.863.542</b>	<b>40.676</b>	<b>679.802</b>	--	--

**Summary information related to capital adequacy standard ratio:**

	Current Period	Prior Period
Value at Credit Risk (I)	1.072.848	978.645
Value at Market Risk (II)	83.750	62.350
Value at Operational Risk (III)	104.492	74.662
Shareholders' Equity	316.647	308.720
Shareholders' Equity/(I+II+III)*100	%25,11	%27,67



## Information on Shareholder's Equity

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	240.000	240.000
Nominal capital	240.000	240.000
Capital Commitments (-)	--	--
Inflation adjustment to paid-in capital	9.096	9.096
Share Premium	--	--
Share Cancellation profit	--	--
Legal reserves	3.841	2.658
First legal reserve (Turkish Commercial Code 466/1)	3.841	2.658
Second legal reserve (Turkish Commercial Code 466/2)	--	--
Other legal reserve per special legislation	--	--
Status reserves	--	--
Extraordinary reserves	--	--
Reserves allocated by the General Assembly	--	--
Retained earnings	--	--
Accumulated loss	--	--
Exchange rate differences on foreign currency capital	--	--
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	--	--
Profit	59.498	54.128
Net income for the period	6.553	23.669
Prior period profit	52.945	30.459
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)	--	--
Minority shares	--	--
Loss excess of Reserves (-)	--	--
Current Period Loss	--	--
Prior Periods Loss	--	--
Leasehold Improvements (-)*	1.860	1.987
Prepaid Expenses (-)*	--	1.022
Intangible Assets (-)	1.797	1.823
Deferred Tax	--	--
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	--	--
Consolidation Goodwill (-)	--	--
<b>Total Core Capital</b>	<b>308.778</b>	<b>301.050</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	8.290	8.097
45% of Revaluation Surplus on Movables	--	--
45% of Revaluation Surplus on Immovable's	--	--
Bonus shares of Associates, Subsidiaries and Joint-Ventures	--	--
Primary Subordinated Debt excluding the Portion included in Core Capital	--	--
Secondary Subordinated Debt	--	--
45% of Marketable 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)	--	--

Minority shares	--	--
Total Supplementary Capital	8.290	8.097
<b>TIER III CAPITAL (including minority shares if any)</b>	--	--
<b>CAPITAL</b>	<b>317.068</b>	<b>309.147</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>421</b>	<b>427</b>
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 as contradictory to the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovable's 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 SHAREHOLDER'S EQUITY</b>	<b>316.647</b>	<b>308.720</b>

\*According to the BRSA article which, matters Consolidated and Unconsolidated capital adequacy ratio analysis forms, with the number reference B.02.I.BDK.0.77.00.00/201.01/9497, Prepaid Expenses are removed from deductible items and added to % 100 risk weighted other assets accordingly.

## II. Information on Market Risk

**Whether the 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 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 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 100% (+ 10% exception) and for limiting daily VAR results, the amount under daily risk / equity rate can be maximum 3% (+1% exception).

### Information related to 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	4.625
(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	--
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	6.700
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	83.750

**III. Information on Foreign Currency Exchange Rate Risk****1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily:**

The Bank complies with net general position-shareholder's equity limits. The Bank 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 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. For testing effects of the unexpected exchange rate fluctuations on the Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done 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 Bank 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. Managable 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 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	1,5470 TL	2,1843 TL
28 March 2011	1,5433 TL	2,1842 TL
29 March 2011	1,5485 TL	2,1763 TL
30 March 2011	1,5549 TL	2,1929 TL
31 March 2011	1,5483 TL	2,1816 TL

**5. The basic arithmetical average of the 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.

**ARAP TÜRK BANKASI A.Ş.**

Unconsolidated Financial Report as of 31 March 2011  
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

*Convenience Translation of Unconsolidated Financial  
Report Originally Issued in Turkish  
See Note on 1. in Section Three*

**Information on Currency Risk:**

<b>Current Period</b>	<b>Euro</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
Due from Banks and Other Financial Institutions	2.148	1.140.846	1	363	1.143.358
Financial Assets 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 Derivative held for Hedging (Assets)	--	--	--	--	--
Tangible Assets	--	--	--	--	--
Intangible Assets	--	--	--	--	--
Other Assets	727	430	--	12	1.169
<b>Total Assets</b>	<b>123.410</b>	<b>1.626.681</b>	<b>1</b>	<b>441</b>	<b>1.750.533</b>
<b>Liabilities</b>					
Bank Deposits	68.531	1.272.576	--	1	1.341.108
Foreign Currency Deposits	42.953	41.794	--	473	85.220
Money Market Borrowings	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	10.925	317.843	--	--	328.768
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	279	958	--	3	1.240
Financial Derivatives held for Hedging (Liabilities)	--	--	--	--	--
Other Liabilities	867	8.160	--	33	9.060
<b>Total Liabilities</b>	<b>123.555</b>	<b>1.641.331</b>	<b>--</b>	<b>510</b>	<b>1.765.396</b>
<b>Net "Balance Sheet Position"</b>	<b>(145)</b>	<b>(14.650)</b>	<b>1</b>	<b>(69)</b>	<b>(14.863)</b>
<b>Net "Off Balance Sheet Position"</b>	<b>--</b>	<b>15.483</b>	<b>--</b>	<b>--</b>	<b>15.483</b>
Financial Derivatives (Assets)	--	15.483	--	--	15.483
Financial Derivatives (Liabilities)	--	--	--	--	--
Non-Cash Loans	732.043	510.854	--	276.031	1.518.928
<b>Prior Period</b>					
Total Assets	185.263	452.120	1	536	637.920
Total Liabilities	215.778	467.552	--	576	683.906
Balance Sheet Position, net	(30.515)	(15.432)	1	(40)	(45.986)
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) as of 31 March 2011.

\*\*As of 31 March 2011, foreign currency amount of TL 425 (31 December 2010: TL 480) is not added to prepaid expenses.

**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 below table. 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	83	83	3	3
Euro	(15)	(15)	22	22
Other Currencies	(7)	(7)	(4)	(4)
<b>Total</b>	<b>61</b>	<b>61</b>	<b>21</b>	<b>21</b>

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

Assuming %10 appreciation;

	31 March 2011		31 December 2010	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(83)	(83)	(3)	(3)
Euro	15	15	(22)	(22)
Other Currencies	7	7	4	4
<b>Total</b>	<b>(61)</b>	<b>(61)</b>	<b>(21)</b>	<b>(21)</b>

**IV. Information on 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 Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done 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 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 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 Bank's financial position the 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 Bank. The sensitivity of the income statement is the effect of possible changes in the interest rates 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	731	(739)	731	(739)
Financial liabilities with floating interest rate	--	--	--	--
<b>Total, net</b>	<b>436</b>	<b>(445)</b>	<b>436</b>	<b>(445)</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	(392)	389	(392)	389
Investment securities available for sale	--	--	--	--
Financial assets with floating interest rate	132	(134)	132	(134)
Financial liabilities with floating interest rate	--	--	--	--
<b>Total, net</b>	<b>(260)</b>	<b>255</b>	<b>(260)</b>	<b>255</b>

The effect on shareholders' equity also includes the effect of 100 bps increase or decrease in interest rates on the profit/loss.

**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	--	--	--	--	5.317	153.226
Banks	394.387	774.556	--	13	--	--	1.168.956
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 (*)	1.118	--	--	--	--	70.920	72.038
<b>Total assets</b>	<b>792.920</b>	<b>1.021.139</b>	<b>291.717</b>	<b>72.678</b>	<b>61.789</b>	<b>77.276</b>	<b>2.317.519</b>
<b>Liabilities</b>							
Bank deposits	598.576	947.617	--	--	--	--	1.546.193
Other deposits	15.271	4.457	2.553	--	--	71.819	94.100
Money market borrowings	--	--	--	--	--	--	--
Miscellaneous payables	--	--	--	--	--	1.265	1.265
Marketable securities issued	--	--	--	--	--	--	--
Funds Borrowed From							
Other Fin. Ins.	85.247	55.010	188.511	150	--	--	328.918
Other liabilities (**)	285	50	99	--	--	346.609	347.043
<b>Total liabilities</b>	<b>699.379</b>	<b>1.007.134</b>	<b>191.163</b>	<b>150</b>	<b>--</b>	<b>419.693</b>	<b>2.317.519</b>
Long Position in the Balance Sheet	93.541	14.005	100.554	72.528	61.789	--	342.417
Short Position in the Balance Sheet	--	--	--	--	--	(342.417)	(342.417)
Long Position in the Off-balance Sheet	--	15.483	--	--	--	--	15.483
Short Position in the Off-balance Sheet	--	(14.615)	--	--	--	--	(14.615)
<b>Total Position</b>	<b>93.541</b>	<b>14.873</b>	<b>100.554</b>	<b>72.528</b>	<b>61.789</b>	<b>(342.417)</b>	<b>868</b>

(\*) Other Assets: The amount of TL 70.920 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 35.952, Tangible Assets amounting to TL 21.979, Intangible Assets amounting to TL 1.797, Deferred Tax Assets amounting to TL 1.786, Assets Held for Sale amounting to TL 421, Miscellaneous Receivables amounting to TL 72, and Other Assets amounting to TL 8.913.

(\*\*) Other Liabilities: The amount of TL 346.609 in the Non-Interest Bearing column is composed of Shareholders' Equity amounting to TL 312.435, Provisions amounting to TL 14.143, Tax, Duty and Premium Payable amounting to TL 3.195 and Other Foreign Resources amounting to TL 16.836.

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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	110.047	--	--	13	--	--	110.060
Financial assets at fair value through profit or loss	53.529	66.211	40.023	7.730	--	--	167.493
Inter bank money market placements	--	--	--	--	--	--	--
Investment securities 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 (*)	971	--	--	--	--	68.618	69.589
<b>Total assets</b>	<b>480.594</b>	<b>269.948</b>	<b>207.412</b>	<b>49.617</b>	<b>60.913</b>	<b>72.075</b>	<b>1.140.559</b>
<b>Liabilities</b>							
Bank deposits	205.179	--	--	--	--	--	205.179
Other deposits	12.706	12.148	2.602	196	--	86.006	113.658
Money market borrowings	47.296	--	--	--	--	--	47.296
Miscellaneous payables	--	--	--	--	--	2.912	2.912
Marketable securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Fin. Ins.	97.166	311.123	26.641	--	--	--	434.930
Other liabilities (**)	368	49	171	--	--	335.996	336.584
<b>Total Liabilities</b>	<b>362.715</b>	<b>323.320</b>	<b>29.414</b>	<b>196</b>	<b>--</b>	<b>424.914</b>	<b>1.140.559</b>
Balance Sheet Long Position	117.879	--	177.998	49.421	60.913	--	406.211
Balance Sheet Short Position	--	(53.372)	--	--	--	(352.839)	(406.211)
Off Balance Sheet Long Position	--	30.737	15.460	--	--	--	46.197
Off Balance Sheet Short Position	--	(30.168)	(14.615)	--	--	--	(44.783)
<b>Total Position</b>	<b>117.879</b>	<b>(52.803)</b>	<b>178.843</b>	<b>49.421</b>	<b>60.913</b>	<b>(352.839)</b>	<b>1.414</b>

(\*) Other Assets: The amount of TL 68.618 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 35.952, Tangible Assets amounting to TL 22.128, Intangible Assets amounting to TL 1.823, Tax Assets amounting to TL 1.478, Assets Held for Sale amounting to TL 427, Miscellaneous Receivables amounting to TL 69, and Other Assets amounting to TL 6.741.

(\*\*) Other Liabilities: The amount of TL 335.996 in the Non-Interest Bearing column is composed of Shareholders' Equity amounting to TL 305.882, Provisions amounting to TL 13.468, Tax, Duty and Premium Payable amounting to TL 1.520 and Other Foreign Resources amounting to TL 15.126.



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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	--	1,47	--	6,20
Financial assets at fair value through profit or loss	--	5,11	--	7,18
Money market placement	--	--	--	--
Financial assets available-for-sale	--	--	--	--
Loans	2,79	3,41	--	8,63
Investment securities held-to-maturity	5,36	7,11	--	7,53
<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	1,00	0,50	--	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	--	6,30
Financial Assets at Fair Value Through Profit or Loss	0,73	5,19	--	7,34
Money market placements	--	--	--	--
Financial assets available-for-sale	--	--	--	--
Loans	3,24	3,31	--	8,08
Investment securities held-to-maturity	5,36	7,10	--	7,49
<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	1,03	0,51	--	--

**V. Information on Liquidity Risk**

- 1. Source of Bank's current liquidity risk and whether the related precautions are taken to eliminate the risk. 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 Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context 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. 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 Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk for the future for the 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 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 June 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% and 100%, respectively. The liquidity ratios in 2011 are as follows:

<i>Current Period</i>	<b>Primary Maturity Split (Weekly)</b>		<b>Secondary Maturity Split (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average</b>	126	197	123	163
<b>Highest (%)</b>	179	273	182	229
<b>Lowest (%)</b>	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	17.582	135.644	--	--	--	--	--	153.226
Due from banks and other financial institutions	28.856	365.531	774.556	--	13	-	--	1.168.956
Financial Assets at Fair Value through Profit or Loss	--	1.793	48.790	110.416	47.889	--	--	208.888
Money Market Placements	--	--	--	--	--	-	--	--
Financial assets 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 (*)	--	1.118	--	--	--	-	70.920	72.038
<b>Total Assets</b>	<b>46.438</b>	<b>735.172</b>	<b>941.729</b>	<b>265.445</b>	<b>180.451</b>	<b>76.325</b>	<b>71.959</b>	<b>2.317.519</b>
<b>Liabilities</b>								
Interbank Deposits	299.964	298.612	947.617	--	--	--	--	1.546.193
Other Deposits	71.819	15.271	4.457	2.553	--	--	--	94.100
Funds provided from other financial institutions	--	85.247	55.010	188.511	150	-	--	328.918
Money market borrowings	--	--	--	-	-	-	--	--
Marketable securities issued	--	--	--	-	-	-	--	--
Miscellaneous payables	--	--	--	-	-	-	1.265	1.265
Other liabilities (**)	--	8.593	1.984	99	--	-	336.367	347.043
<b>Total Liabilities</b>	<b>371.783</b>	<b>407.723</b>	<b>1.009.068</b>	<b>191.163</b>	<b>150</b>	<b>-</b>	<b>337.632</b>	<b>2.317.519</b>
<b>Liquidity Gap</b>	<b>(325.345)</b>	<b>327.449</b>	<b>(67.339)</b>	<b>74.282</b>	<b>180.301</b>	<b>76.325</b>	<b>(265.673)</b>	<b>--</b>
<b>Prior Period</b>								
Total Assets	5.185	469.711	216.416	174.070	130.100	75.429	69.648	1.140.559
Total Liabilities	249.082	207.834	323.702	29.414	196	-	330.331	1.140.559
<b>Net Liquidity Gap</b>	<b>(243.897)</b>	<b>261.877</b>	<b>(107.286)</b>	<b>144.656</b>	<b>129.904</b>	<b>75.429</b>	<b>(260.683)</b>	<b>--</b>

(\*) Other assets amounting TL 70.920 at the unallocated part consists of Subsidiaries amounting TL 35.952, Tangible Assets amounting TL 21.979, Intangible Assets amounting TL 1.797, Deferred Tax Asset amounting TL 1.786, Asset Held For Sale amounting TL 421, Miscellaneous Receivables amounting TL 72 and Other Assets amounting to TL 8.913.

(\*\*) Other liabilities amounting TL 336.367 at the unallocated part consists of Shareholders Equity amounting TL 312.435, Provisions amounting TL 14.143 and TL 9.789 Other Liabilities.

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

**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF 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	1.064	4.253	390	2.037
Central Bank of Turkey	12.265	135.644	594	68.964
Other	--	--	--	--
<b>Total</b>	<b>13.329</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 1 March 2011 the interest rate is not applied for reserve requirements by the Central Bank of Turkey for TL deposits.

**2. 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 are no marketable securities subjected to repurchase transactions (31 December 2010: TL 47.970), and none is provided as collateral /blocked. (31 December 2010: nil)

**b) Positive differences on derivative financial assets held for trading:**

	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	25.598	1.137.103	1.064	106.964
Foreign banks	--	6.255	--	2.032
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>25.598</b>	<b>1.143.358</b>	<b>1.064</b>	<b>108.996</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 composed shares that are not quoted 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>	--	<b>41.422</b>	--	<b>49.222</b>
Corporate Shareholders	--	41.422	--	49.222
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	--	--	--	--
<b>Loans Granted to the Bank's personnel</b>	<b>168</b>	<b>11</b>	<b>206</b>	<b>11</b>
<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>

## 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>	--	<b>14</b>	<b>14</b>
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>	<b>2</b>	<b>166</b>	<b>168</b>
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-FC</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 are no loans granted to subsidiaries and investments.

**5.7 Specific provisions for loans**

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	--	--
Loans and receivables with doubtful collectibles	--	--
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.



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

	III. Group	IV. Group	V. Group
	<i>Loans and receivables with limited collectibles</i>	<i>Loans and receivables with doubtful collectibles</i>	<i>Uncollectible loans and receivables</i>
<b>Balances at 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 (-)	--	--	--
Institutional and commercial credits	--	--	--
Individual credits	--	--	--
Credit cards	--	--	--
Others	--	--	--
<b>Balances at 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 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 managed to be collected through the legal follow up and converting collaterals into cash.

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

	III. Group: Loans and receivables with limited collectibility	IV. Group: Loans and receivables with doubtful collectibility	V. Group Non-performing loans and receivables
<b>Current Period (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 guarentees to cash.

**5.11 Information on asset derecognition 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, asset derecognition procedure is implemented. Derecognition 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.

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**6. Information on held to maturity financial assets:**

6.1 As of 31 March 2011, the Bank does not have any marketable securities subjected to repurchase transactions. As of related period end, TL 12.900 amounted security is held on collateral/blocked for guarantee. (At 31 December 2010: TL 12.672)

*Information on government held to maturity financial assets*

	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>

**6.2 Information of 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 amounting to TL 49.031 redemption has been realized. In the prior period redemption amounting to TL 227.969 has been realized from the portfolio.

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

**7. Information on Associates**

The Bank does not have an associate.

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

Information on financial statements of the subsidiaries:

	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.

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**8.2 Movement related to subsidiaries:**

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

**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**

Subsidiaries	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 Bank does not have a subsidiary that is quoted.

**8.2.4 Subsidiaries sold in the current year**

None.

**8.2.5 Subsidiaries acquired in the current year**

None.

**9. Information on jointly ventures:**

The Bank does not have joint ventures.

**10. Information on Financial Lease Receivables (Net):**

The Bank does not have any financial lease receivables.

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

The Bank does not have any financial derivatives for hedging.

**12. Information on investment property :**

The bank does not have any investment property.

**13. Information on tax assets:**

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

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The Bank has calculated the deferred tax asset amounting to TL 2.016 and deferred tax liability amounting to TL 230 as of 31 March 2011 (31 December 2010: TL 1.954 and TL 476), the aforementioned amount resulted from the temporary differences that are subject to tax as of the balance sheet date.

	31 March 2011		31 December 2010	
	Accumulated Temporary Differences	Deferred tax asset/ (liability)	Accumulated Temporary Differences	Deferred tax asset/ (liability)
Employee benefit provision	5.164	1.033	4.694	939
Unearned income	2.644	529	2.952	590
Interest rediscount	1.732	346	1.590	318
Other	541	108	534	107
<b>Deferred Tax Asset</b>		<b>2.016</b>		<b>1.954</b>
Derivative financial asset held for trading	982	196	1.915	383
Tangible and intangible fixed asset amortization difference	55	11	350	70
Other	116	23	115	23
<b>Deferred Tax Liability</b>		<b>230</b>		<b>476</b>
<b>Deferred tax asset / (liability), net</b>		<b>1.786</b>		<b>1.478</b>

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

	Current Period	Prior Period
	31 March 2011	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 amounting to TL 10.103 (31 December 2010: TL 7.781) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES****1. 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	Accumulating Deposit Accounts	Total
<b>Saving Deposits</b>	948	--	960	3.600	659	24	131	--	6.322
<b>Foreign Currency</b>									
<b>Deposits</b>	68.748	--	303	8.227	4.429	1.425	2.088	--	85.220
Residents in									
Turkey	20.787	--	303	1.107	2.904	729	122	--	25.952
Residents									
Abroad	47.961	--	--	7.120	1.525	696	1.966	--	59.268
<b>Public Sector Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Commercial Deposits</b>	1.787	--	350	--	80	--	--	--	2.217
<b>Other Ins. Deposits</b>	336	--	--	5	--	--	--	--	341
<b>Precious Metal Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Bank Deposits</b>	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>371.783</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>1.640.293</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	Accumulating Deposit Accounts	Total
<b>Saving Deposits</b>	1.228	--	1.155	3.895	352	21	128	--	6.779
<b>Foreign Currency</b>									
<b>Deposits</b>	81.954	--	2.194	8.990	4.360	1.439	2.020	--	100.957
Residents in									
Turkey	41.680	--	2.182	2.212	2.849	652	122	--	49.697
Residents									
Abroad	40.274	--	12	6.778	1.511	787	1.898	--	51.260
<b>Public Sector Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Commercial Deposits</b>	2.410	--	3.014	5	79	--	--	--	5.508
<b>Other Ins. Deposits</b>	414	--	--	--	--	--	--	--	414
<b>Precious Metal Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Bank Deposits</b>	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>249.082</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>318.837</b>

**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
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**

1.2.1 The Bank does not have off-shore and foreign branches.

1.2.2 The Bank does not have special current and participation deposits of individuals that are not covered under the guarantee of deposit insurance fund.

Amounts not covered by insurance:

Saving deposits not covered by insurance limits:

	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 Depositary 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
Borrowing from Central Bank	--	--	--	--
From Domestic Banks and Institutions	150	--	--	387
From Foreign Banks, Institutions and Funds	--	328.768	--	434.543
<b>Total</b>	<b>150</b>	<b>328.768</b>	<b>--</b>	<b>434.930</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	--	328.768	--	430.133
Medium and Long-Term	150	--	--	4.797
<b>Total</b>	<b>150</b>	<b>328.768</b>	<b>--</b>	<b>434.930</b>

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

The other foreign resources is amounting to TL 17.096 (31 December 2010: TL 15.471); and this amount does not exceed 10% of the total 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 Bank as a result of the lease agreements.

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

The Bank 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 Bank has allocated TL 249 (31 December 2010: TL 249) for the on-going law suits as at balance sheet date and TL 441 (31 December 2010: TL 428) for the non-cash loans.

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

As of 31 March 2011, corporate tax payable after the prepaid tax is TL 1.933 (31 December 2010: TL 382).

**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	23	10
Corporate tax payable-limited	4	9
Foreign Exchange Legislation Tax	--	--
Property tax	12	12
Other	580	518
<b>Total</b>	<b>2.758</b>	<b>1.161</b>

**8.1.2 Information on premiums**

	Current Period	Prior Period
Social Security Premiums- Employee	166	136
Social Security Premiums- Employer	236	194
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	12	10
Unemployment Insurance- Employer share	23	19
Other	--	--
<b>Total</b>	<b>437</b>	<b>359</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 with an amount of TL 1.786. Detailed information on net deferred tax is presented in footnote I-15 in Section Five.

**9. Information on Shareholder's 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 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.

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

No transfer from capital reserves has been made to share capital in the current period.

**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**

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 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 Bank does not have marketable securities value increase fund.

**9.9 Information on legal reserves:**

In the current period, amount of TL 1.183 have been transferred to legal reserves from profits of previous years. (31 December 2010: 1.250)

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

The Bank has TL 28.580 (31 December 2010: TL 5.794) as irrevocable commitments.

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

As of 31 March 2011, the Bank has allocated the provision amounting TL 440 over total non-cash loans (31 December 2010: TL 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 amount of the Bank's guarantee letters is 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>

**3. Other Information: None.**

## IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME

## 1. Information on interest income:

## 1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest Received from Loans*</b>				
Short- Term Loans	3.136	1.406	3.091	547
Medium and Long- Term Loans	388	1.614	467	1.187
Interest Received From Non Performing Loans	--	--	--	--
Premiums Received From Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>3.524</b>	<b>3.020</b>	<b>3.558</b>	<b>1.734</b>

(\* ) It contains fee and commission income related to cash loans.

## 1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	--	--	--	--
From Domestic Banks	557	941	11	6
From Foreign Banks	1	5	2	11
From Foreign Headquarter and Branches	--	--	--	--
<b>Total</b>	<b>558</b>	<b>946</b>	<b>13</b>	<b>17</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>557</b>	<b>7</b>	<b>511</b>
Central Bank	--	--	--	--
Domestic Banks	--	4	7	3
Foreign Banks	591	553	--	508
Other Institutions	--	--	--	--
<b>Total</b>	<b>591</b>	<b>557</b>	<b>7</b>	<b>511</b>

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

	Current Period	Prior Period
Interest Paid to Affiliates and subsidiaries	24	--

## 2.3 Information on interest expenses paid to issued securities

None.

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**3. Information on trading gain/loss:**

	Current Period	Prior Period
<b>Gain</b>	<b>252.095</b>	<b>55.855</b>
Gain from money market transactions	13	--
Gain from financial derivative transactions	6.480	758
Gain from exchange transactions	245.602	55.097
<b>Loss (-)</b>	<b>(252.039)</b>	<b>(56.195)</b>
Loss from money market transactions	18	6
Loss from financial derivative transactions	6.900	1.896
Loss from exchange transactions	245.121	54.293
<b>Net Trading Gain/Loss</b>	<b>56</b>	<b>(340)</b>

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

	Current Period	Prior Period
From Communication Income	195	222
Gain on sales of assets	57	161
From Reversal of Provisions of Prior Year	--	28
Other	21	9
<b>Total</b>	<b>273</b>	<b>420</b>

**5. Information on impairment in 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>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	518	631
Other	1	72
<b>Total</b>	<b>990</b>	<b>1.702</b>

**6. Information on other operating expense:**

	Current Period	Prior Period
Personnel Expenses	7.161	6.074
Employee Termination Benefits Expense	470	571
Tangible Fixed Asset Impairment Expense	--	--
Amortization Expenses of Tangible Assets	467	438
Intangible Fixed Asset Impairment Expense	--	--
Goodwill Impairment Expense	--	--
Amortization Expenses of Intangible Assets	129	123
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	1.595	1.350
<i>Operating Lease Expenses</i>	264	258
<i>Maintenance Expenses</i>	53	46
<i>Advertisement Expenses</i>	111	276
<i>Other Expenses</i>	1.167	770
Losses from sales of Assets	--	--
Other	538	681
<b>Total</b>	<b>10.364</b>	<b>9.242</b>

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

The pre-tax income amount from continued operations is TL 8.178 (31 March 2010: TL 6.128).

**8. Information on tax provision related to continued operations and discontinued operations****8.1 Current period taxation benefit or charge and deferred tax benefit or charge:**

For the year ended 31 March 2011, taxation charge is 1.933 TL (31 March 2010: TL 1.690) and deferred tax income is TL 308 (31 March 2010: TL 476 as deferred tax expense).

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

The Bank has TL 308 as deferred tax income arising from origination of temporary differences (31 March 2010: TL 476 deferred tax income).

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

The Bank has TL 308 as deferred tax income represented in the income statement computed over temporary difference and tax deductions and exemptions (31 March 2010: TL 476 deferred tax expense).

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

Current period profit from continued operations is TL 6.553 (31 March 2010: TL 4.914 profit).

**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 period performance:*

None.

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

There is not any change in accounting estimation related to financial statements.

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

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

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

It is not included to interim financial table disclosures.

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

It is not included to interim financial table disclosures.



## VII. INFORMATION ON THE BANK'S RISK GROUP

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

## 1.1 Information on the loans of the Bank's risk group

## Current Period:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank'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	--	505	--	49.222	2.615	102.601
Balance at the end of the period	--	505	--	41.222	804	113.569
<b>Interest and Commission</b>						
Income received	--	1	--	--	3	--

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

Loans given to the 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:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank'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	--	505	--	13.238	3.287	70.797
Balance at the end of the period	--	505	--	49.222	2.615	102.601
<b>Interest and Commission Income</b>						
received	--	--	--	--	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 Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank'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	157	215	78	33.789	26.951	10.544
Balance at the end of the period	265	157	1.355.718	78	82.761	26.951
Interest expense on deposits	--	--	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 Bank's risk group:**

Bank's Risk Group (*)	Associates and related parties				Bank's Direct and Indirect Associates		Individuals and Corporations included in the Bank's risk group	
	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 then ended 31 March 2011, TL 465 (31 March 2010: TL 456) has been paid to the top level management of the Bank as salary and similar benefits.

## SECTION SIX OTHER DISCLOSURES AND FOOTNOTES

### 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 23/03/2011, 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. The new ratios that in forced from 01/04/2011 are:

#### *Turkish Lira required reserve ratio*

TL Liabilities	Reserve Deposit 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, foreign currency, Turkish Lira liabilities required reserve ratio for deposits/participation were differentiated according to the maturity structure of funds. The new ratios that in forced from 13/05/2011 are:

TL Liabilities	Reserve Deposit 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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FC Liabilities	Reserve Deposit Ratios (%)
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 INDEPENDENT AUDITOR'S REPORT**

### **I. INFORMATION ON INDEPENDENT AUDITOR'S REVIEW REPORT**

The unconsolidated interim financial statements as of and for the 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 interim review report dated 6 May 2011 is presented in the introduction of this report.

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

None.