

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND
REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 30 JUNE 2011**



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Eurobank Tekfen A.Ş.:

We have reviewed the accompanying consolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") and its consolidated subsidiaries at 30 June 2011 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. 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 Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Eurobank Tekfen A.Ş. and its consolidated subsidiaries at 30 June 2011 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

We draw your attention to the following matters:

As explained in detail in Note II. of Section One, EFG Eurobank Ergasias S.A., the ultimate parent of the Bank, announced that it is reviewing strategic options in Turkey and is having preliminary discussions on a transaction involving its controlling stake in the Bank.

As explained in detail in Note II. of Section One, on 29 August 2011 the Boards of Directors of EFG Eurobank Ergasias S.A. and Alpha Bank A.E. announced that they have reached agreement on a combination of the banks by way of a merger.



Additional Paragraph for Convenience Translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Z. Alper Önder, SMMM
Partner

Istanbul, 9 September 2011

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 30 JUNE 2011**

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The consolidated six month financial report includes the following sections in accordance with the “Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** **GENERAL INFORMATION ABOUT THE GROUP**
- **Section Two** **CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE GROUP**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section Four** **INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**
- **Section Six** **EXPLANATIONS ON REVIEW REPORT**

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investment in Associates	Joint Ventures
1. EFG Finansal Kiralama A.Ş.	-	-
2. EFG İstanbul Equities Menkul Değerler A.Ş.	-	-

The accompanying consolidated interim financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (“TL”), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been reviewed.

September 9, 2011

Mehmet N. ERTEN
Chairman of the
Board of Directors

Mehmet G. SÖNMEZ
Member of the Board of
Directors and
General Manager

A.İdil KURAL
Vice President and
Group Head of Financial
Control and Planning

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

O. Reha YOLALAN
Head of Audit Committee

Piergiorgio PRADELLI
Member of the Audit Committee

Paula HADJISOTIRIOU
Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

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

SECTION ONE

GENERAL INFORMATION

**I. PARENT BANK'S FOUNDATION DATE, START-UP STATUTE, HISTORY ABOUT THE
CHANGES IN THIS MENTIONED STATUTE:**

Tekfen Yatırım ve Finansman Bankası A.Ş. was established as an "investment bank" with the permission of the Council of Ministers No. 88/13253 on 26 August 1988 and authorised to conduct finance investment and foreign trade activities. Banking operations commenced on 7 August 1989.

Bank Ekspres A.Ş. ("Bank Ekspres") was established with the permission of the Council of Ministers in decision No. 91/2316 on 22 September 1991; "The Decree of Establishment Permission" was published in the Official Gazette numbered 21017 and dated 10 October 1991. The Articles of Association was published in the Trade Registry Gazette numbered 2969 and dated 18 February 1992. The Turkish Savings Deposit and Insurance Fund ("SDIF") took over the management of Bank Ekspres A.Ş. due to the poor fiscal structure of the bank on 23 October 1998.

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2.983.800.000 shares with a nominal value of Kr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57,69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency's ("BRSA") decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank's name was changed to Tekfenbank Anonim Şirketi (the "Bank"), which had two main shareholders: Tekfen Holding A.Ş. with 57,30% and TST International S.A. with 40,62%.

EFG Eurobank Ergasias S.A. ("Eurobank EFG") and Tekfen Holding A.Ş. ("Tekfen Group") signed an agreement as of 8 May 2006, that anticipated Eurobank EFG to purchase Tekfen Group's 70% share in Tekfenbank and Tekfen Leasing which is fully owned by Tekfenbank; where Tekfen Group retained its strategic partnership by keeping all remaining shares. On 23 February 2007, the sale of Tekfenbank A.Ş. to Eurobank EFG Holding (Luxembourg) S.A. ("Eurobank EFG Holding") was approved by the BRSA and the sale was completed after the share transfer on 16 March 2007.

According to the decision taken in the Extraordinary General Assembly Meeting held on 25 December 2007 the name of Tekfenbank A.Ş. was changed to Eurobank Tekfen A.Ş. ("The Bank") and registered to Turkish Trade Registry on 11 January 2008.

The name of the consolidated subsidiary Tekfen Finansal Kiralama A.Ş. was changed to EFG Finansal Kiralama A.Ş. following the change in the name of the Parent Bank with the decision taken in Extraordinary General Assembly Meeting of the Company held on 29 January 2008 and registered to Turkish Trade Registry on 4 February 2008.

The name of the subsidiary EFG Istanbul Menkul Değerler A.Ş. has been changed to EFG Istanbul Equities Menkul Değerler A.Ş. with Capital Market Board's permission dated 24 December 2010 and Ministry of Industry and Commerce permission dated 5 January 2011. This change has been approved by shareholders in the General Assembly meeting which has been held on 30 June 2011.

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

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

II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:

Based on the approval notice of the BRSA dated 23 February 2007; at 16 March 2007, 2.630.678.980 registered shares out of the 2.880.538.208 registered shares and 700.000 bonus shares owned by Tekfen Holding A.Ş., and 869.321.020 registered shares of the 2.031.010.000 registered shares owned by TST International Finance S.A. have been transferred to Eurobank EFG Holding.

In accordance with the authorization of BRSA dated 21 October 2008; 23,23% of Eurobank Tekfen A.Ş. shares owned by TST International Finance SA have been transferred to Tekfen Holding A.Ş.. After this share transfer, 70% of the Parent Bank's capital is owned by Eurobank EFG Holding and 29,26% by Tekfen Holding A.Ş. as of 30 June 2011.

On 14 July 2011, EFG Eurobank Ergasias SA, the ultimate parent of the Parent Bank, has made a public declaration:

"EFG Eurobank Ergasias S.A., announced that it is reviewing strategic options in Turkey and is having preliminary discussions on a transaction involving its controlling stake in the Bank. Under the prevailing economic conditions, such a prospective transaction will allow a redeployment of resources to the development of its existing international operations in countries where Eurobank EFG has a systemic presence while also further strengthening the liquidity and capital position of Eurobank EFG. Through this initiative, Eurobank Tekfen, a profitable and fast-growing bank in Turkey, will be able to take full advantage of the strong development trends in the large, competitive and very promising Turkish banking market."

Following this explanation; in the board meeting of the Bank on 21 July 2011, it was decided to make a confidentiality agreement with prospective buyers and the consulting company, and to authorize the Head Office in order to establish a "Data Room".

The Boards of Directors of, EFG Eurobank Ergasias SA, the ultimate parent of the Parent Bank, and Alpha Bank AE announced that they have reached agreement on a combination of Alpha Bank AE and EFG Eurobank Ergasias SA by way of a merger. Completion of the legal merger is expected by mid-December 2011 after approval in extraordinary General Meetings of Alpha Bank AE and EFG Eurobank Ergasias SA.

Eurobank EFG Group is a European banking organization operating in 10 countries including Greece and Turkey with total assets of EUR81,9 billion. The Group employs more than 22.500 people and offers its products and services both through its network of 1.600 branches, points of sale and alternative distribution channels. Shares of Eurobank EFG are traded since March 1999 at the Athens Stock Exchange Market, about 44,8% of the Bank shares belongs to EFG Bank European Financial Group (Luxembourg) whose ultimate parent is Latsis Family.

Tekfen Group owning 29,26% share of the Bank traces its roots back to a small engineering-consultancy services office established in 1956. It is now a major publicly-traded group with 44 companies and 7 affiliates. operating in contracting, agriindustry, real estate development, finance, and investment. In 2010, Tekfen Group holds a significant place in the Turkish business community with its TL2.262 million revenue and TL3.066 million worth of assets.

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman	Undergraduate
Board of Directors Members:	Prof.Dr.Nikolaos Karamouzis	Vice Chairman	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Evangelos Kavvalos	Member	Graduate
	Paula Hadjisotiriou	Member	Undergraduate
	Georgios Marinos	Member	Graduate
	Ass.Prof.Osman Reha Yolalan	Member	PhD
	Dr. Ahmet İpekçi	Member	PhD
	Aikaterini Delikoura	Member	Graduate
	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
General Manager:	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
Vice General Managers:	Bülent Nur Özkan	Senior Vice General Manager	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Ahmet Türkselçi	Human Resources	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate and Structured Finance	Graduate
	Fedon Hacaki	Loans	Graduate
	Ayşe İdil Kural	Financial Controlling and Planning	Undergraduate
	Cihan Vural	Internal Control and Audit	Undergraduate
	Şebnem Dönbekci	Retail Banking	Graduate
	Soner Ersoy	Information Technology	Undergraduate
	Zeliha Deniz Veral	Transaction Banking	Undergraduate
	Neşe Atabey	Medium and Small Scale Commercial Banking	Undergraduate
Auditors:	Dr.Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
	Hakan Dünder	Auditor	Graduate
Audit Committee:	Ass.Prof.Osman Reha Yolalan	Head of Audit Committee	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Paula Hadjisotiriou	Member	Undergraduate

There is no share of the above individuals in the Bank.

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

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

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Eurobank EFG Holding (Luxembourg) S.A.	399.000	70,13%	70,13%	-
Tekfen Holding A.Ş.	166.772	29,31%	29,31%	-
Total	565.772	99,44%	99,44%	-

(*) During Parent Bank's capital increase from TL380 million to TL570 million, in accordance with BRSA's approval dated 25 May 2011, numbered as 12584; TL148.955 thousand paid by shareholders and TL40.000 thousand from the internal sources totaling up to TL188.955 thousand has been transferred in to capital account as of 30 May 2011 and Parent Bank's capital has been increased to TL568.955 thousand. Regarding the remaining unpaid amount of TL1.045 thousand, the legal processes has been completed on 22 August 2011. The share percentages of Eurobank EFG Holding (Luxembourg) S.A. and Tekfen Holding A.Ş. have been as 70,00% and 29,26% respectively.

Based on the Principal Agreement, the Parent Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding (Luxembourg), Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between the fifth and tenth anniversary of the signing of this agreement, any shareholder from Tekfen Group is entitled to sell the shares of the Bank then held to shareholders from EFG Group in one transaction by exercising the put option with the exercise price determined as described in the agreement.

On the other hand, at any time between seventh and tenth anniversary of the signing of this agreement, shareholders from the EFG Group have the right to purchase the shares of the Bank then held by shareholders from Tekfen Group in one transaction by exercising the call option with the exercise price determined as described in the agreement.

V. INFORMATION ON THE PARENT BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 30 June 2011, the Parent Bank has 57 branches operating in Turkey (31 December 2010: 54). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 June 2011, the Group has 1.035 (31 December 2010: 959) employees.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

I. BALANCE SHEET		Note (Section Five)	(30/06/2011)			(31/12/2010)		
						TL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	208.653	116.989	325.642	100.945	108.844	209.789
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	334.126	33.644	367.770	180.762	9.860	190.622
2.1	Trading Financial Assets		334.126	33.644	367.770	180.762	9.860	190.622
2.1.1	Government Debt Securities		295.616	19	295.635	168.498	101	168.599
2.1.2	Share Certificates		1.421	-	1.421	-	-	-
2.1.3	Trading Derivative Financial Assets		30.441	33.625	64.066	6.715	9.759	16.474
2.1.4	Other Marketable Securities		6.648	-	6.648	5.549	-	5.549
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III.	BANKS	I-c	781.906	32.178	814.084	661.853	25.112	686.965
IV.	MONEY MARKETS							
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	832.371	77.079	909.450	229.723	113.220	342.943
5.1	Share Certificates		2.958	-	2.958	2.958	-	2.958
5.2	Government Debt Securities		829.413	77.079	906.492	226.765	113.220	339.985
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	I-e	1.268.132	628.677	1.896.809	1.099.951	521.907	1.621.858
6.1	Loans		1.227.231	628.677	1.855.908	1.047.431	521.907	1.569.338
6.1.1	Loans to Bank's Risk Group		218	55	273	116	38	154
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		1.227.013	628.622	1.855.635	1.047.315	521.869	1.569.184
6.2	Loans under Follow-up		110.383	-	110.383	123.116	-	123.116
6.3	Specific Provisions (-)		69.482	-	69.482	70.596	-	70.596
VII.	FACTORING RECEIVABLES	I-e	104.239	3.262	107.501	83.504	7.517	91.021
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	166.991	-	166.991	959.996	-	959.996
8.1	Government Debt Securities		166.991	-	166.991	959.996	-	959.996
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j	27.741	201.327	229.068	18.721	174.514	193.235
12.1	Financial Lease Receivables		33.513	234.674	268.187	22.975	208.514	231.489
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		5.772	33.347	39.119	4.254	34.000	38.254
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)		32.552	-	32.552	34.014	-	34.014
XV.	INTANGIBLE ASSETS (Net)		83.875	-	83.875	83.095	-	83.095
15.1	Goodwill		63.973	-	63.973	63.973	-	63.973
15.2	Other		19.902	-	19.902	19.122	-	19.122
XVI.	INVESTMENT PROPERTY (Net)	I-l	-	-	-	-	-	-
XVII.	TAX ASSET	I-m	21.524	-	21.524	20.351	-	20.351
17.1	Current Tax Asset		-	-	1	1.021	-	1.021
17.2	Deferred Tax Asset		21.523	-	21.523	19.330	-	19.330
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	10.591	-	10.591	8.633	-	8.633
18.1	Held for Resale		10.591	-	10.591	8.633	-	8.633
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-o	66.341	20.475	86.816	39.232	8.743	47.975
	TOTAL ASSETS		3.939.042	1.113.631	5.052.673	3.520.780	969.717	4.490.497

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET	Note (Section Five)	(30/06/2011)			(31/12/2010)		
					TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.257.676	654.083	1.911.759	1.147.832	724.416	1.872.248
1.1 Deposits of Bank’s Risk Group		247.153	138.130	385.283	351.761	144.149	495.910
1.2 Other		1.010.523	515.953	1.526.476	796.071	580.267	1.376.338
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	24.473	37.187	61.660	9.178	9.485	18.663
III. BORROWINGS	II-c	792.062	394.167	1.186.229	728.654	356.467	1.085.121
IV. MONEY MARKETS		1.053.661		1.053.661	673.055		673.055
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		140.659	-	140.659	98.449	-	98.449
4.3 Funds Provided Under Repurchase Agreements		913.002	-	913.002	574.606	-	574.606
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		18.933	7.680	26.613	20.901	5.789	26.690
VIII. OTHER LIABILITIES	II-d	67.388	7.465	74.853	32.976	5.640	38.616
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e						
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f		13.031	13.031		20.540	20.540
11.1 Fair Value Hedge		-	13.031	13.031	-	20.540	20.540
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	39.253	18.836	58.089	37.000	14.981	51.981
12.1 General Loan Loss Provision		14.871	8.164	23.035	12.873	4.956	17.829
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		17.073	-	17.073	18.362	-	18.362
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		7.309	10.672	17.981	5.765	10.025	15.790
XIII. TAX LIABILITY	II-h	9.386		9.386	7.761		7.761
13.1 Current Tax Liability		9.386	-	9.386	7.761	-	7.761
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	II-i						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j				185.120		185.120
XVI. SHAREHOLDERS' EQUITY	II-k	658.040	(648)	657.392	509.283	1.419	510.702
16.1 Paid-in Capital		568.955	-	568.955	380.000	-	380.000
16.2 Capital Reserves		(1.885)	(648)	(2.533)	6.089	1.419	7.508
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(5.288)	(648)	(5.936)	1.119	1.419	2.538
16.2.4 Tangible Assets Revaluation Reserve		3.336	-	3.336	3.336	-	3.336
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		67	-	67	1.634	-	1.634
16.3 Profit Reserves		81.225	-	81.225	89.216	-	89.216
16.3.1 Legal Reserves		14.011	-	14.011	10.568	-	10.568
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		67.214	-	67.214	78.648	-	78.648
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		9.745	-	9.745	33.978	-	33.978
16.4.1 Prior Years' Income or (Loss)		3.536	-	3.536	3.626	-	3.626
16.4.2 Current Year Income or (Loss)		6.209	-	6.209	30.352	-	30.352
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		3.920.872	1.131.801	5.052.673	3.351.760	1.138.737	4.490.497

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. OFF-BALANCE SHEET		Note (Section Five)	(30/06/2011)			(31/12/2010)		
			TL	FC	Total			
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		4.067.099	6.835.948	10.903.047	1.083.150	3.810.243	4.893.393
I.	GUARANTEES AND WARRANTIES	III-a-2-3	360.070	1.369.379	1.729.449	242.871	1.057.866	1.300.737
1.1	Letters of Guarantee		359.176	112.887	472.063	242.048	93.820	335.868
1.1.1	Guarantees Subject to State Tender Law		9.516	12.247	21.763	11.201	11.066	22.267
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		349.660	100.640	450.300	230.847	82.754	313.601
1.2	Bank Acceptances		300	60.247	60.547	-	30.510	30.510
1.2.1	Import Letter of Acceptance		300	60.247	60.547	-	30.510	30.510
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	229.620	229.620	-	166.490	166.490
1.3.1	Documentary Letters of Credit		-	229.620	229.620	-	166.490	166.490
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		594	1.568	2.162	823	2.155	2.978
1.8	Other Guarantees		-	965.057	965.057	-	764.891	764.891
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	536.350	288.517	824.867	161.024	107.266	268.290
2.1	Irrevocable Commitments		536.350	288.517	824.867	161.024	107.266	268.290
2.1.1	Asset Purchase and Sales Commitments		-	288.517	288.517	-	107.266	107.266
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4	Commitments for Loan Limits		25.637	-	25.637	17.112	-	17.112
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		217.888	-	217.888	53.338	-	53.338
2.1.8	Tax and Fund Liabilities from Export Commitments		1.275	-	1.275	1.275	-	1.275
2.1.9	Commitments for Credit Card Limits		16.959	-	16.959	8.191	-	8.191
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		252	-	252	306	-	306
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		3.170.679	5.178.052	8.348.731	679.255	2.645.111	3.324.366
3.1	Hedging Derivative Financial Instruments		-	129.256	129.256	-	184.512	184.512
3.1.1	Transactions for Fair Value Hedge		-	129.256	129.256	-	184.512	184.512
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		3.170.679	5.048.796	8.219.475	679.255	2.460.599	3.139.854
3.2.1	Forward Foreign Currency Buy/Sell Transactions		337.349	946.509	1.283.858	163.448	415.354	578.802
3.2.1.1	Forward Foreign Currency Transactions-Buy		49.065	596.166	645.231	64.712	223.514	288.226
3.2.1.2	Forward Foreign Currency Transactions-Sell		288.284	350.343	638.627	98.736	191.840	290.576
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		575.932	1.119.613	1.695.545	142.663	970.911	1.113.574
3.2.2.1	Foreign Currency Swap-Buy		544.772	74.254	619.026	111.503	170.186	281.689
3.2.2.2	Foreign Currency Swap-Sell		31.160	585.907	617.067	31.160	250.729	281.889
3.2.2.3	Interest Rate Swap-Buy		-	229.726	229.726	-	274.998	274.998
3.2.2.4	Interest Rate Swap-Sell		-	229.726	229.726	-	274.998	274.998
3.2.3	Foreign Currency, Interest rate and Securities Options		2.257.398	2.982.674	5.240.072	373.144	1.074.334	1.447.478
3.2.3.1	Foreign Currency Options-Buy		1.129.574	1.427.597	2.557.171	186.331	467.544	653.875
3.2.3.2	Foreign Currency Options-Sell		1.127.824	1.427.597	2.555.421	186.813	465.376	652.189
3.2.3.3	Interest Rate Options-Buy		-	63.740	63.740	-	70.707	70.707
3.2.3.4	Interest Rate Options-Sell		-	63.740	63.740	-	70.707	70.707
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.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		7.477.755	7.486.242	14.963.997	6.750.718	6.321.859	13.072.577
IV.	ITEMS HELD IN CUSTODY		2.301.236	351.814	2.653.050	2.805.538	310.312	3.115.850
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		1.486.149	6.541	1.492.690	1.991.310	14.204	2.005.514
4.3	Cheques Received for Collection		723.305	144.777	868.082	517.743	122.755	640.498
4.4	Commercial Notes Received for Collection		21.498	13.619	35.117	19.801	9.939	29.740
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		70.284	186.877	257.161	276.684	163.414	440.098
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		5.176.519	7.133.726	12.310.245	3.934.175	6.002.426	9.936.601
5.1	Marketable Securities		1.043	-	1.043	9.010	-	9.010
5.2	Guarantee Notes		3.577.150	4.958.542	8.535.692	2.614.529	4.043.261	6.657.790
5.3	Commodity		54.949	79.824	134.773	33.033	8.761	41.794
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.450.844	2.071.782	3.522.626	1.261.304	1.949.562	3.210.866
5.6	Other Pledged Items		92.533	23.578	116.111	16.299	842	17.141
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	702	702	11.005	9.121	20.126
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		11.544.854	14.322.190	25.867.044	7.833.868	10.132.102	17.965.970

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED
AT 30 JUNE 2011 AND 30 JUNE 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III.	INCOME STATEMENT	Note (Section Five)	01/01/2011- 30/06/2011	01/01/2010- 30/06/2010	01/04/2011- 30/06/2011	01/04/2010- 30/06/2010
	INCOME AND EXPENSE ITEMS					
I.	INTEREST INCOME	IV-a	194.649	205.907	104.234	104.230
1.1	Interest on Loans		82.849	70.081	44.510	35.726
1.2	Interest Received from Reserve Requirements		-	2.294	-	1.197
1.3	Interest Received from Banks		38.500	23.028	20.938	12.081
1.4	Interest Received from Money Market Transactions		62	790	49	262
1.5	Interest Received from Marketable Securities Portfolio		50.629	94.767	26.253	45.941
1.5.1	Trading Financial Assets		846	1.365	464	(57)
1.5.2	Financial Assets at Fair Value through Profit or Loss		14	-	6	-
1.5.3	Available-for-sale Financial Assets		29.902	16.650	19.145	7.609
1.5.4	Held-to-maturity Investments		19.867	76.752	6.638	38.389
1.6	Financial Lease Income		8.874	8.605	4.525	4.446
1.7	Other Interest Income		13.735	6.342	7.959	4.577
II.	INTEREST EXPENSE (-)	IV-b	147.414	150.058	76.023	79.168
2.1	Interest on Deposits (-)		54.424	55.566	28.854	29.481
2.3	Interest on Funds Borrowed (-)		47.646	70.463	21.786	35.488
2.4	Interest Expense on Money Market Transactions (-)		25.967	16.188	15.146	9.483
2.5	Interest on Securities Issued (-)		-	-	-	-
2.6	Other Interest Expenses (-)		19.377	7.841	10.237	4.716
III.	NET INTEREST INCOME (I + II)		47.235	55.849	28.211	25.062
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-j	31.214	30.077	15.346	16.657
4.1	Fees and Commissions Received		34.858	32.743	17.226	18.151
4.1.1	Non-cash Loans		12.258	13.294	6.334	7.382
4.1.2	Other		22.600	19.449	10.892	10.769
4.2	Fees and Commissions Paid (-)		3.644	2.666	1.880	1.494
4.2.1	Non-cash Loans (-)		463	246	228	140
4.2.2	Other (-)		3.181	2.420	1.652	1.354
V.	DIVIDEND INCOME		124	129	124	129
VI.	TRADING INCOME/(LOSS) (Net)	IV-c	20.554	13.842	12.158	8.096
6.1	Trading Gains/(Losses) on Securities		14.100	12.283	10.600	6.617
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		3.532	(306)	506	412
6.3	Foreign Exchange Gains/(Losses)		2.922	1.865	1.052	1.067
VII.	OTHER OPERATING INCOME	IV-d	4.648	6.827	2.144	1.387
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		103.775	106.724	57.983	51.331
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	4.466	10.263	4.719	5.057
X.	OTHER OPERATING EXPENSES (-)	IV-f	90.746	72.783	47.684	38.232
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		8.563	23.678	5.580	8.042
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)		8.563	23.678	5.580	8.042
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-g	2.354	4.272	1.816	1.603
16.1	Current Tax Provision		2.435	1.721	1.639	700
16.2	Deferred Tax Provision		(81)	2.551	177	903
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)		6.209	19.406	3.764	6.439
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income from Non-Current Assets Held for Resale		-	-	-	-
18.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3	Other Income from Discontinued Operations		-	-	-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Expense from Non-Current Assets Held for Resale		-	-	-	-
19.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3	Other Expenses from Discontinued Operations		-	-	-	-
XX.	INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Current tax provision		-	-	-	-
21.2	Deferred tax provision		-	-	-	-
XXII.	NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XVIII.	NET INCOME/(LOSS) (XVII+XXII)	IV-h	6.209	19.406	3.764	6.439
	Earnings/(Loss) per share (1.000 nominal in TL full)		0,136	0,460	0,078	0,153

The accompanying explanations and notes form an integral part of these financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011 AND 30 JUNE 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	30/06/2011	30/06/2010
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(9.619)	(4.650)
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	-	(4.954)
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	1.924	1.921
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(7.695)	(7.683)
XI. CURRENT PERIOD INCOME/LOSS	(779)	(4.468)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(779)	(4.468)
11.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	-	-
	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(8.474)	(12.151)

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
CURRENT PERIOD 30/06/2010		Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		380.000	1.567	-	-	9.322	-	45.062	-	36.927	1.598	7.328	7.787	-	-	-	489.591	-	489.591
	Changes in the Period																			
II.	Increase/Decrease due to the Merger																			
III.	Marketable Securities Valuation Differences	(V-d)											(8.188)					(8.188)		(8.188)
IV.	Hedging Reserves (Effective Portion)																			
4.1	Cash Flow Hedge																			
4.2	Foreign Investment Hedge																			
V.	Revaluation Differences of Tangible Assets	(V-e)												(3.963)				(3.963)		(3.963)
VI.	Revaluation Differences of Intangible Assets																			
VII.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII.	Foreign Exchange Difference																			
IX.	Changes due to the Disposal of Assets																			
X.	Changes due to the Reclassification of the Assets																			
XI.	Effects of Changes in Equity of Investments in Associates																			
XII.	Capital Increase	(V-c)																		
12.1	Cash																			
12.2	Internal Resources																			
XIII.	Share Premium																			
XIV.	Share Cancellation Profits																			
XV.	Adjustment to Share Capital																			
XVI.	Other																			
XVII.	Current Year Income or Loss										19.406	-						19.406		19.406
XVIII.	Profit Distribution						1.246		23.609	67	(36.927)	12.005								
18.1	Dividend Paid																			
18.2	Transfers to Reserves						1.246		23.609	67	(24.855)	(67)								
18.3	Other										(12.072)	12.072								
	Period End Balance (I+II+III+... +XVIII)		380.000	1.567	-	-	10.568	-	68.671	67	19.406	13.603	(860)	3.824	-	-	-	496.846	-	496.846

The accompanying explanations and notes form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
CURRENT PERIOD 30/06/2011		Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		380.000	1.567	-	-	10.568	-	78.648	67	30.352	3.626	2.538	3.336	-	-	-	510.702	-	510.702
	Changes in the Period																			
II.	Increase/Decrease due to the Merger																			
III.	Marketable Securities Valuation Differences	(V-d)											(8.474)					(8.474)		(8.474)
IV.	Hedging Reserves (Effective Portion)																			
4.1	Cash Flow Hedge																			
4.2	Foreign Investment Hedge																			
V.	Revaluation Differences of Tangible Assets	(V-e)																		
VI.	Revaluation Differences of Intangible Assets																			
VII.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII.	Foreign Exchange Difference																			
IX.	Changes due to the Disposal of Assets																			
X.	Changes due to the Reclassification of the Assets																			
XI.	Effects of Changes in Equity of Investments in Associates																			
XII.	Capital Increase	(V-c)	188.955	(1.567)					(33.896)					(4.537)				148.955		148.955
12.1	Cash		148.955															148.955		148.955
12.2	Internal Resources		40.000	(1.567)					(33.896)					(4.537)						
XIII.	Share Premium																			
XIV.	Share Cancellation Profits																			
XV.	Adjustment to Share Capital																			
XVI.	Other																			
XVII.	Current Year Income or Loss										6.209							6.209		6.209
XVIII.	Profit Distribution						3.443		22.462		(30.352)	(90)		4.537						
18.1	Dividend Paid																			
18.2	Transfers to Reserves						3.443		22.462		(30.352)			4.537				90		90
18.3	Other										(90)							(90)		(90)
	Period End Balance (I+II+III+... +XVIII)		568.955				14.011		67.214	67	6.209	3.536	(5.936)	3.336				657.392		657.392

The accompanying explanations and notes form an integral part of these financial statements.

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**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2011 AND 30 JUNE 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VI. STATEMENT OF CASH FLOWS	(30/06/2011)	(30/06/2010)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(16.336)	29.849
1.1.1 Interest Received	168.553	224.179
1.1.2 Interest Paid	(156.392)	(150.436)
1.1.3 Dividend Received	124	129
1.1.4 Fees and Commissions Received	31.214	30.077
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	21.871	14.583
1.1.7 Payments to Personnel and Service Suppliers	(47.677)	(37.288)
1.1.8 Taxes Paid	-	(805)
1.1.9 Other	(34.029)	(50.590)
1.2 Changes in Operating Assets and Liabilities	(137.379)	(73.870)
1.2.1 Net (Increase)/Decrease in Trading Securities	(172.839)	(32.636)
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3 Net (Increase)/Decrease in Due from Banks	(21.204)	(62.945)
1.2.4 Net (Increase)/Decrease in Loans	(313.878)	(208.460)
1.2.5 Net (Increase)/Decrease in Other Assets	(46.519)	(70.320)
1.2.6 Net Increase/(Decrease) in Bank Deposits	(47.108)	7.914
1.2.7 Net Increase/(Decrease) in Other Deposits	82.391	73.867
1.2.8 Net Increase/(Decrease) in Funds Borrowed	309.797	189.594
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	71.981	29.116
I. Net Cash Provided from Banking Operations	(153.715)	(44.021)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	224.950	176.853
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(1.808)	8.135
2.4 Disposals of Property and Equipment	104	17.354
2.5 Cash Paid for Purchase of Investments Available-for-Sale	(566.507)	-
2.6 Cash Obtained from Sale of Investments Available-for-Sale	-	93.236
2.7 Cash Paid for Purchase of Investment Securities	(408)	508
2.8 Cash Obtained from Sale of Investment Securities	793.569	57.620
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities	140.479	(48)
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Used for Repayment Of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	-	(48)
3.6 Other	140.479	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	815	8.430
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	212.529	141.214
VI. Cash and Cash Equivalents at Beginning of the Period	788.178	689.751
VII. Cash and Cash Equivalents at end of the Period	1.000.707	830.965

The accompanying explanations and notes form an integral part of these financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No.26430 dated 10 February 2007 and changes in the related communiqué.

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities, which are carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

Additional paragraph for convenience translation into English:

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which these consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. The Group can also sustain a lengthened liability structure by using long-term borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank’s foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of “Foreign exchange gains or losses”.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES:

Consolidated financial statements are prepared in accordance with the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”).

Consolidation principles for subsidiaries:

Subsidiaries are entities controlled directly or indirectly by the Parent Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors regarding the Parent Bank.

In the full consolidation method, 100% of subsidiaries’ assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank’s assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group’s investment in each subsidiary and the Group’s portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, in the shareholder’s equity. Minority interests are presented separately in the Group’s income.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

The Group has no joint ventures or investment in associates as of 30 June 2011 and 31 December 2010.

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ACCOUNTING POLICIES (Continued)

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on the derivative being used for hedging purposes or not and depends on the type of the item being hedged.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortized to profit or loss over the period maturity.

Certain derivative transactions, even though they provide effective economic hedges under the Group’s risk management position, do not qualify for hedge accounting under the specific rules in “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement (“TAS 39”)” and are therefore treated as “Financial assets at fair value through profit or loss”.

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Financial assets at fair value 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”. Differences in the fair value of trading derivative instruments are accounted under “Trading income/loss” in the income statement.

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method.

The Group ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

All fees and commissions income/expenses are recognized on an accrual basis, except for certain commission income and fees from various banking services, which are recorded as income at the time of collection. Fees and commissions income/expenses received/paid from/to the other institutions are recognized as transactional costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognized as income at the time of collection.

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ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group classifies and accounts its financial assets as “Fair value through profit or loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognized at the “settlement dates”. The appropriate classification of financial assets of the Group is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

a) Financial assets at fair value through profit or loss:

Financial assets, which are classified as “Financial assets at fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at “amortized cost” using the effective interest method. All gains and losses arising from these evaluations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of Section Three.

b) Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortized cost” using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

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

c) Loans and receivables:

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognized at the amortized cost value calculated using the effective interest method. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

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ACCOUNTING POLICIES (Continued)

The Group provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006 and changes in the related communiqué. In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjuncture on the basis of the prudence principle are taken into consideration by the Bank in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the “Specific Provisions” account and recorded as an income to “Provision for Loan Losses and Other Receivables” shown as net with the provisions recorded in the year. Uncollectible receivables are written-off after all the legal procedures have been finalized.

d) Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as “Loans and receivables”, “Held-to-maturity assets” or “Financial asset at fair value through profit or loss”.

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortized cost using the effective interest method. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

“Unrealized gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders’ equity as “Marketable Securities Valuation Reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement. For the amortized cost calculation of inflation-indexed government domestic debt securities according to the effective interest value, estimated cash flows are being used based on the CPI index values in CBT expectations survey.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective interest method, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in detail in Note VII of this Section.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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ACCOUNTING POLICIES (Continued)

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements (“Repo”) are classified as “Financial assets at fair value through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Group has no securities lending transactions.

XI. EXPLANATIONS ON ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS:

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No. 26333.

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

The excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (i.e. trademarks) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquiree before the business combination; if it can be distinguished from the goodwill and if the asset’s fair value can be measured reliably.

In line with “Turkish Financial Reporting Standard for Business Combinations” (“TFRS 3”), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination.

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ACCOUNTING POLICIES (Continued)

b. Other intangible assets

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit of the asset and differs from 3 years to 15 years.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

The Group has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The depreciation rates are stated below:

Buildings	2%
Movables, Movables Acquired by Financial Leasing	5-50%

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “Recoverable amount”, it is written down to its “Recoverable amount” and the provision for the diminution in value is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset.

The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

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ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group realizes financial leasing transactions in the capacity of "lessor" by means of EFG Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under unearned interest income account.

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

The Group provides specific provisions for lease receivables based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining Provisions for Financial Lease Receivables, Factoring Receivables and Receivables of Financing Companies" published in the Official Gazette No. 26588 dated 20 July 2007 and changes in the related communiqué.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognized for loans and other receivables are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. 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 asset and the related income are recognized in the financial statements in which the change occurs.

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ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

Obligations related to employee termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under “Reserve for Employee Rights” account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group arising from this liability.

XVIII. EXPLANATIONS ON TAXATION :

a. Current tax:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2011 (2010: 20%). The corporate tax rate is calculated on the total income after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period 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.

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b. Deferred tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements for the Parent Bank and for each consolidated subsidiary separately.

XIX. EXPLANATIONS ON BORROWINGS:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortized cost” using the effective interest method.

The Group utilizes various hedging techniques to minimize the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Group.

XX. EXPLANATIONS ON SHARE CERTIFICATES AND ISSUANCE OF SHARE CERTIFICATES:

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 2011 and 31 December 2010, the Group has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit/ (loss) for the year to the weighted average number of shares outstanding during the period concerned.

	30 June 2011	30 June 2010
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	5.588	17.465
Weighted Average Number of Issued Ordinary Shares (Thousand)	41.236.239	38.000.000
Earnings Per Ordinary Shares (Disclosed in full TL)	0,0001	0,0005
Net Income / (Loss) to be Appropriated to Privileged Shareholders	621	1.941
Weighted Average Number of Issued Privileged Shares	1.000.000	1.000.000
Earnings Per Privileged Shares (Disclosed in full TL)	0,6210	1,9406

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares “bonus shares” to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

XXV. EXPLANATIONS ON RELATED PARTIES:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with “Turkish Accounting Standard for Related Parties” (“TAS 24”). The transactions with related parties are disclosed in detail in Note V of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

Operational field is distinguishable section of the Group that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or a unique product. Operating segments are disclosed in Note VII in Section Four.

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2010 and 30 June 2010 consolidated figures, to conform to changes in presentation of 30 June 2011 consolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 30 June 2011, the consolidated capital adequacy ratio of the Group is 15,99% (31 December 2010: 18,66%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Group’s risk parameters.
- b. The capital adequacy ratio of the Group is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” and “Regulation Regarding Banks’ Shareholders’ Equity” (together referred as “Regulation Regarding Capital Adequacy”) published as of 1 November 2006. The following tables show the details of “Risk weighted assets” and the calculation of “Shareholders’ Equity” for the capital adequacy ratio calculation.
- c. **Information related to consolidated capital adequacy ratio:**

	Risk Weights (*)							
	Parent Bank				Consolidated			
	0%	20%	50%	100%	0%	20%	50%	100%
Amount subject to credit risk								
Balance sheet items (Net)	2.148.861	34.583	672.921	1.411.795	2.152.553	185.560	679.944	1.570.947
Cash	18.794	-	-	-	18.815	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of	226.008	-	-	-	226.008	-	-	-
Domestic, foreign banks, foreign head	588.031	17.349	-	808	588.031	167.853	-	42.508
Interbank money market	-	-	-	-	-	-	-	-
Receivables from reverse repurchase	-	-	-	-	-	-	-	-
Reserve requirements with the Central	80.819	-	-	-	80.819	-	-	-
Loans	88.699	17.164	655.960	1.165.909	88.699	17.164	655.960	1.165.909
Non-performing receivables (Net)	-	-	-	40.436	-	-	-	40.901
Lease receivables	-	-	-	-	64	1	7.023	221.265
Available-for-sale financial assets	878.213	-	-	2.950	878.639	-	-	2.958
Held-to-maturity investments	158.717	-	-	-	158.717	-	-	-
Receivables from the disposal of assets	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	13.007	-	-	-	13.003
Interest and income accruals	52.763	70	16.961	17.307	52.763	542	16.961	18.250
Investments in associates, subsidiaries	-	-	-	134.332	-	-	-	-
Fixed assets	-	-	-	30.333	-	-	-	31.118
Other assets	56.817	-	-	6.713	59.998	-	-	35.035
Off-balance sheet items	278.441	78.617	241.703	1.122.207	278.441	78.617	241.703	1.121.993
Non-cash loans and commitments	278.441	22.846	241.703	1.080.007	278.441	22.846	241.703	1.080.007
Derivative financial instruments	-	55.771	-	42.200	-	55.771	-	41.986
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	2.427.302	113.200	914.624	2.534.002	2.430.994	264.177	921.647	2.692.940

(*) In accordance with “The Regulation Related to the Change of the Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette on 10 October 2007 and 22 March 2008, the risk weights of 10%, 150% and 200% are added to the calculation of the principal amount subject to credit risk. Since that the Groups’ assets do not include any type of assets that shall be weighted within these mentioned risk weights, these risk weights are not included to the related table.

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d. Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Amount subject to credit risk (ASCR)	3.013.954	2.389.036	3.206.599	2.519.417
Amount subject to market risk (ASMR)	108.200	176.588	116.638	183.850
Amount subject to operational risk (ASOR)	222.011	213.602	320.994	293.423
Shareholders' equity	601.295	563.792	582.693	559.183
Shareholders' equity/(ASCR+ASMR+ASOR)	17,98%	20,29%	15,99%	18,66%

e. Information about consolidated shareholders' equity items:

	30 June 2011	31 December 2010
CORE CAPITAL		
Paid-in capital	568.955	380.000
Nominal capital	568.955	380.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	14.011	10.568
First legal reserve (Turkish Commercial Code 466/1)	7.606	6.663
Second legal reserve (Turkish Commercial Code 466/2)	6.405	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	67.214	78.648
Reserves allocated by the General Assembly	67.214	78.648
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	9.745	33.978
Current period profit	6.209	30.352
Prior period profit	3.536	3.626
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	67	67
Primary subordinated loans (up to 15% of core capital) (*)	-	-
Minority Shares	-	-
Uncovered portion of loss with reserves (-)	-	-
Current period loss (net)	-	-
Prior period loss	-	-
Special costs (-)(**)	11.652	12.907
Prepaid expenses (-)(***)	-	5.487
Intangible assets (-)	19.902	19.122
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Consolidation goodwill (Net) (-)	63.973	63.973
Total Core Capital	564.465	403.339

(*) According to the "Amendment of the Regulation pertaining to the Equity of Banks" published in the official gazette no 27870 dated 10 March 2011, name of the line has been changed as "the primary subordinated loan which can not exceed the limits listed in eight paragraph"

(**) According to the amendment stated above, name of the "special cost" has been changed as "operating lease development cost"

(***) As per the amendment stated above, "prepaid expenses" are no longer deducted from the core capital.

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SUPPLEMENTARY CAPITAL	30 June 2011	31 December 2010
General provisions	23.035	17.829
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.501	1.501
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	135.755
45% of marketable securities valuation reserve	(5.936)	1.142
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(5.936)	1.142
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	18.600	156.227
TIER III CAPITAL	-	-
CAPITAL	583.065	559.566
DEDUCTIONS FROM THE CAPITAL	372	383
Shares in unconsolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	372	383
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	582.693	559.183

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II. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

The market risk is the potential losses that can occur from the fluctuations of foreign currency rates, interest rates, market prices of stocks and commodity. Risk calculations are performed by both the standard method and the internal method. Position limits and maximum loss limits of held to maturity, available for sale and trading portfolios, derivative and foreign currency positions are followed up properly according to the treasury risk parameters set which are approved by Board of Directors.

The below table represents the details of the market risk calculation in accordance with the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No.26333 dated 1 November 2006, namely “Calculation of Market Risk with Standard Method”:

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	6.782
(II) Capital to be Employed for Specific Risk -Standard Method	248
(III) Capital to be Employed for Currency Risk - Standard Method	2.283
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	18
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	9.331
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	116.638

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III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

Operational Risks is the potential losses that can arise as a result of inadequacies or errors in internal processes, systems or personal and potential losses due to external events including legal risks.

As of 31 December 2010, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

The difference between the Group’s foreign currency denominated and foreign currency indexed on and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in “Net Foreign Currency Position” (cross currency risk).

A series of limits for the tenure of spot and forward foreign exchange positions is set in the risk parameters section of the budget approved by the Board of Directors annually. There is a conservative foreign currency position management policy in the Group due to the free floating currency regime.

The Parent Bank’s publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date:

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
30 June 2011/31 December 2010						
Bid rate	TL2,3397	TL2,0551	TL1,6157	TL1,5376	TL2,0062	TL1,8872
1. Day bid rate	TL2,3397	TL2,0551	TL1,6157	TL1,5376	TL2,0062	TL1,8872
2. Day bid rate	TL2,3492	TL2,0491	TL1,6302	TL1,5460	TL2,0071	TL1,8933
3. Day bid rate	TL2,3303	TL2,0437	TL1,6324	TL1,5567	TL2,0158	TL1,8912
4. Day bid rate	TL2,3211	TL2,0406	TL1,6354	TL1,5416	TL2,0219	TL1,8731
5. Day bid rate	TL2,3109	TL2,0260	TL1,6233	TL1,5403	TL2,0171	TL1,8567

The simple arithmetic average of the Parent Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>	<u>30 June</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Arithmetic average-30 days	TL2,2929	TL2,0027	TL1,5944	TL1,5135	TL1,9789	TL1,8138

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Information on currency risk of the Group:

The Group’s real foreign currency position, both in financial and economic terms, is presented in the table below:

	EUR	USD	Yen	Other FC	Total
30 June 2011					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	5.237	111.585	-	167	116.989
Due From Banks	7.850	22.463	198	1.667	32.178
Financial Assets at Fair Value Through Profit or Loss	56	252	-	-	308
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	77.079	-	-	77.079
Loans (*)	493.407	403.134	-	1.460	898.001
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	119.097	102.705	-	-	221.802
Total Assets (*)	625.647	717.218	198	3.294	1.346.357
Liabilities					
Bank Deposits	16	24	-	2.598	2.638
Foreign Currency Deposits	193.886	439.186	4.221	14.152	651.445
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	253.176	140.538	453	-	394.167
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	2.774	4.894	12	-	7.680
Hedging Derivative Financial Liabilities	-	13.031	-	-	13.031
Other Liabilities	5.038	13.025	-	291	18.354
Total Liabilities (*)	454.890	610.698	4.686	17.041	1.087.315
Net On-balance Sheet Position	170.757	106.520	(4.488)	(13.747)	259.042
Net Off-balance Sheet Position	(193.330)	(89.800)	4.019	13.780	(265.331)
Financial Derivative Assets	1.188.895	930.021	31.498	92.111	2.242.525
Financial Derivative Liabilities	1.382.225	1.019.821	27.479	78.331	2.507.856
Non-Cash Loans (**)	424.835	927.338	750	16.456	1.369.379
31 December 2010					
Total Assets (*)	520.726	652.406	1.571	9.330	1.184.033
Total Liabilities (*)	442.843	653.429	1.530	25.311	1.123.113
Net On-balance Sheet Position	77.883	(1.023)	41	(15.981)	60.920
Net Off-balance Sheet Position	(93.436)	23.205	343	16.173	(53.715)
Financial Derivative Assets	272.463	539.192	74.790	24.925	911.370
Financial Derivative Liabilities	365.899	515.987	74.447	8.752	965.085
Non-Cash Loans (**)	395.716	641.729	2.074	18.347	1.057.866

(*) The above table shows the Group’s foreign currency net position based on main currencies. Foreign currency indexed assets, classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Due to this, foreign currency indexed loans amounting to TL266.062 (31 December 2010: TL223.820) classified as Turkish Lira assets in the 30 June 2011 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to TL33.336 (31 December 2010: TL9.504), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL36.970 (31 December 2010: TL9.249), “General Provisions” amounting to TL8.164 (31 December 2010: TL4.956) and “Marketable Securities Valuation Reserve” amounting to TL(648) (31 December 2010: TL1.419) are not included in the table above.

(**) Non cash loans are not included in the total of “Net Off-Balance Sheet Position”.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Bank’s interest rate sensitive assets and liabilities. The interest sensitivity of risks regarding the interest rate both on the on-balance sheet and off-balance sheet are monitored following several analyses and are discussed in Asset and Liability Committee bi weekly.

The Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Liquidity management is critical in the combination of investments, available-for-sale assets and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during the volatile periods of the market are minimised.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

30 June 2011	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	325.642	325.642
Due From Banks	636.241	160.926	-	-	-	16.917	814.084
Financial Assets at Fair Value Through Profit/Loss	7.839	271.116	71.892	8.322	533	8.068	367.770
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	61.964	575.932	50.958	151.069	66.143	3.384	909.450
Loans	509.055	991.480	351.594	110.811	469	40.901	2.004.310
Held-to-Maturity Investments	-	-	166.991	-	-	-	166.991
Other Assets	12.106	11.861	45.769	156.598	7.203	230.889	464.426
Total Assets	1.227.205	2.011.315	687.204	426.800	74.348	625.801	5.052.673
Liabilities							
Bank Deposits	2.595	-	-	-	-	3.235	5.830
Other Deposits	1.006.497	599.777	80.871	-	-	218.784	1.905.929
Funds From Interbank Money Market	944.354	109.307	-	-	-	-	1.053.661
Miscellaneous Payables	-	-	-	-	-	26.613	26.613
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	651.016	168.791	209.193	144.684	12.545	-	1.186.229
Other Liabilities (*)	7.645	10.032	43.988	9.901	3.130	799.715	874.411
Total Liabilities	2.612.107	887.907	334.052	154.585	15.675	1.048.347	5.052.673
Balance Sheet Long Position	-	1.123.408	353.152	272.215	58.673	-	1.807.448
Balance Sheet Short Position	(1.384.902)	-	-	-	-	(422.546)	(1.807.448)
Off-balance Sheet Long Position	67.266	2.039	4.416	-	-	-	73.721
Off-balance Sheet Short Position	-	-	-	(47.318)	(16.157)	-	(63.475)
Total Position	(1.317.636)	1.125.447	357.568	224.897	42.516	(422.546)	10.246

(*) Shareholders’ Equity is presented in Non Interest Bearing column.

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31 December 2010	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	190	-	-	-	-	209.599	209.789
Due From Banks	543.734	120.822	-	-	-	22.409	686.965
Financial Assets at Fair Value Through Profit/Loss	7.089	166.133	9.930	1.822	99	5.549	190.622
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	66.195	40.049	-	185.439	48.302	2.958	342.943
Loans	358.002	951.156	277.332	71.208	2.661	52.520	1.712.879
Held-to-Maturity Investments	793.117	-	408	166.471	-	-	959.996
Other Assets	12.565	8.766	36.471	129.719	12.137	187.645	387.303
Total Assets	1.780.892	1.286.926	324.141	554.659	63.199	480.680	4.490.497
Liabilities							
Bank Deposits	33.264	-	-	-	-	19.660	52.924
Other Deposits	1.251.042	286.678	59.853	-	-	221.751	1.819.324
Funds From Interbank Money Market	666.113	6.942	-	-	-	-	673.055
Miscellaneous Payables	-	-	-	-	-	26.690	26.690
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	590.694	25.381	82.947	301.983	269.236	-	1.270.241
Other Liabilities (*)	6.988	3.648	4.346	390	21.085	611.806	648.263
Total Liabilities	2.548.101	322.649	147.146	302.373	290.321	879.907	4.490.497
Balance Sheet Long Position	-	964.277	176.995	252.286	-	-	1.393.558
Balance Sheet Short Position	(767.209)	-	-	-	(227.122)	(399.227)	(1.393.558)
Off-balance Sheet Long Position	93.042	493	-	-	-	-	93.535
Off-balance Sheet Short Position	-	-	(1.709)	(77.265)	(15.376)	-	(94.350)
Total Position	(674.167)	964.770	175.286	175.021	(242.498)	(399.227)	(815)

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b. Average interest rates for monetary financial instruments:

Below the average interest rates are calculated by weighting the simple rates with their principals.

30 June 2011	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey				-
Due From Banks		0,49		10,47
Financial Assets at Fair Value Through Profit/Loss		6,75		8,04
Interbank Money Market Placements				-
Available-for-Sale Financial Assets		9,14		8,60
Loans	6,43	6,46		13,57
Held-to-Maturity Investments				17,67
Liabilities				
Bank Deposits				-
Other Deposits (*)	3,52	3,78		9,36
Funds From Interbank Money Market				6,62
Miscellaneous Payables				-
Marketable Securities Issued				-
Funds Borrowed From Other Financial Institutions	3,71	3,35		9,48

31 December 2010	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey				-
Due From Banks		0,13		8,75
Financial Assets at Fair Value Through Profit/Loss	9,50	6,75		8,57
Interbank Money Market Placements				6,43
Available-for-Sale Financial Assets		8,47		8,13
Loans	6,07	6,07	3,59	11,41
Held-to-Maturity Investments				18,05
Liabilities				
Bank Deposits	0,63			6,50
Other Deposits (*)	2,26	2,63		8,11
Funds From Interbank Money Market				1,13
Miscellaneous Payables				-
Marketable Securities Issued				-
Funds Borrowed From Other Financial Institutions	1,97	2,31	3,09	15,19

(*) Demand deposits are included in the calculation of the weighted average interest rates.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

Liquidity risk is the risk arising from not having adequate cash or not having adequate cash inflows to fund cash outflows on time due to the imbalance of cash flows. This risk is eliminated by having banks and placements with short-term maturities, liquid and sellable marketable securities portfolios and sound equity structure, and unused borrowing resources. When volatility in the markets arises, the Board of Directors can decrease the limits of all existing placements without considering the credit worthiness.

The Parent Bank's management and Asset Liability Committee follow-up the interest margin on the diversified maturities between assets and liabilities, and monitor the model studies to measure the possible margin cost of the payments and sudden outflows in the scope of scenario analyses.

When the foreign markets are appropriate, the Group periodically uses long-term borrowings in terms of foreign currency for its long-term liquidity requirement. The Central Bank, ISE Repo Market, Interbank Money Market and banks' transaction limits which can be used for sudden outflows in the short-term are utilized at a minimum level. The Group does not need these funds due to the existing liquidity position but utilizes the funds for the opportunities of short-term transactions.

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. In accordance with the regulation published on 11 December 2009, for the 14 day period subject to the reserve requirement calculation the simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. Liquidity ratios realized in 2011 are as follows:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC + TL	FC + TL
Average (%)	120,05	130,87	96,10	119,03	11,03
Maximum (%)	136,29	177,64	112,75	161,30	13,75
Minimum (%)	91,50	114,52	76,52	102,49	7,79

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INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

30 June 2011	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (*)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	18.832	306.810	-	-	-	-	-	325.642
Due From Banks	16.917	635.433	160.926	-	-	-	808	814.084
Financial Assets at Fair Value Through Profit or Loss	-	7.616	91.917	222.937	36.540	692	8.068	367.770
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	7.452	337.520	432.985	128.109	3.384	909.450
Loans	-	367.747	601.210	630.146	194.560	169.746	40.901	2.004.310
Held-to-Maturity Investments	-	-	-	166.991	-	-	-	166.991
Other Assets (**)	-	69.444	28.018	49.170	183.061	7.215	127.518	464.426
Total Assets	35.749	1.387.050	889.523	1.406.764	847.146	305.762	180.679	5.052.673
Liabilities								
Bank Deposits	3.242	2.588	-	-	-	-	-	5.830
Other Deposits	218.784	1.006.497	599.777	80.871	-	-	-	1.905.929
Funds Borrowed From Other Financial Institutions	-	17.858	35.406	186.592	150.316	796.057	-	1.186.229
Funds From Interbank Money Market	-	944.354	109.307	-	-	-	-	1.053.661
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	7.814	1.760	-	-	-	17.039	26.613
Other Liabilities (**)	-	102.682	10.185	53.291	2.543	8	705.702	874.411
Total Liabilities	222.026	2.081.793	756.435	320.754	152.859	796.065	722.741	5.052.673
Net Liquidity Gap	(186.277)	(694.743)	133.088	1.086.010	694.287	(490.303)	(542.062)	-
31 December 2010								
Total Assets	40.046	2.036.023	617.520	651.339	780.783	176.871	187.915	4.490.497
Total Liabilities	241.412	2.623.010	326.871	163.319	301.281	265.658	568.946	4.490.497
Net Liquidity Gap	(201.366)	(586.987)	290.649	488.020	479.502	(88.787)	(381.031)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

(**) Shareholders' equity is presented under "Other liabilities" item in the "Unclassified" column.

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VII. EXPLANATIONS ON OPERATING SEGMENTS:

The Parent Bank manages its banking operations through three main business units: retail banking, corporate banking and treasury.

Retail banking provides products and services to individual and small business customers. Products and services include primarily deposit, loan, credit card, automatic payment services, internet banking and other various banking services.

Corporate banking provides loan, deposit, cash management products, foreign trade products, non-cash loans, foreign currency transaction services and other corporate banking services to corporate clients.

Treasury transactions include fixed income security investments, fund management, foreign currency transactions, money market transactions, derivative transactions and other related services.

Stated balance sheet and income statement items based on operating segments:

30 June 2011	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	20.086	20.503	33.346	29.716	103.651
Unallocated costs	-	-	-	(17.442)	(95.212)
Net Operating Profit	20.086	20.503	33.346	12.274	8.439
Dividend income	-	-	-	-	124
Profit Before Tax	-	-	-	-	8.563
Tax expense	-	-	-	-	(2.354)
Net Profit	-	-	-	-	6.209
Segment assets	338.324	1.803.307	2.231.699	477.094	4.850.424
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	202.249
Total Assets	338.324	1.803.307	2.231.699	477.094	5.052.673
Segment liabilities	770.405	1.153.057	1.959.055	490.300	4.372.817
Unallocated liabilities	-	-	-	-	679.856
Total Liabilities	770.405	1.153.057	1.959.055	490.300	5.052.673

(*) Other includes operations of subsidiaries of the Bank which are EFG Finansal Kiralama A.Ş. and EFG İstanbul Menkul Değerler A.Ş..

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30 June 2010	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	14.567	16.310	48.563	27.155	106.595
Unallocated costs	-	-	-	(16.250)	(83.046)
Net Operating Profit	14.567	16.310	48.563	10.905	23.549
Dividend income	-	-	-	-	129
Profit Before Tax	-	-	-	-	23.678
Tax expense	-	-	-	-	(4.272)
Net Profit	-	-	-	-	19.406
31 December 2010					
Segment assets	226.479	1.572.612	2.112.759	409.945	4.321.795
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	168.702
Total Assets	226.479	1.572.612	2.112.759	409.945	4.490.497
Segment liabilities	675.282	1.206.888	1.706.404	427.709	4.016.283
Unallocated liabilities	-	-	-	-	474.214
Total Liabilities	675.282	1.206.888	1.706.404	427.709	4.490.497

(*) Other includes operations of subsidiaries of the Bank which are EFG Finansal Kiralama A.Ş. and EFG İstanbul Menkul Değerler A.Ş..

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a. Information related to cash and the account of The Central Bank of the Republic of Turkey (the “CBRT”):

1. Information on cash and the account of the CBRT:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Cash/Foreign currency	8.486	10.329	6.923	10.671
CBRT	200.167	106.660	94.022	98.173
Other	-	-	-	-
Total	208.653	116.989	100.945	108.844

2. Information on the account of the CBRT:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Demand Unrestricted Amount	200.167	25.841	94.022	26.781
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	80.819	-	71.392
Total	200.167	106.660	94.022	98.173

3. Information on reserve requirements:

As of balance sheet date, according to CBRT’s “Required Reserves Announcement “ No 2005/1, required reserves ratios for commercial banks operating in Turkey, are as follows; for demand deposits, notice deposits and private current accounts it is 16%, for deposits/participation accounts up to 1-month maturity (including 1-month) 16%, for deposits/participation accounts up to 3-month maturity (including 3-month) 13%, for deposits/participation accounts up to 6-month maturity (including 6-month) 9%, for deposits/participation accounts up to 1-year maturity is 6%, for deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts 5%, and for liabilities other than deposits/participation funds it is 13%. For FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities it is 12%, for FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts it is 11%, for other FX liabilities up to 1 year maturity (including 1-year) it is 12%, for other FX liabilities up to 3-year maturity (including 3-year) it is 11,5%, for other FX liabilities longer than 3-year maturity it is 11%.

Required reserves ratios mentioned above will be changed to the ratios below which will be effective from 22 July 2011 onwards. For foreign currency deposit accounts with 1-year and longer maturity 10%, for other foreign currency liabilities up to 3-year maturity 10%, and for other foreign currency liabilities longer than 3-year maturity it is 9%. As of the approval date of this financial report, effective from 5 August 2011 the foreign exchange required reserve ratios have been further decreased by 0.5 point for all maturities.

No interest is charged by CBRT for Turkish Lira and foreign currency denominated reserve requirements.

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(Continued)**

b. Information on financial assets at fair value through profit or loss:

- As of 30 June 2011, there are TL107.335 financial assets at fair value through profit or loss subject to repo transactions (31 December 2010: TL50)
- Positive differences related to trading derivative financial assets:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Forward Transactions	17.931	2.358	5.079	496
Swap Transactions	1.367	480	1.361	855
Futures Transactions	-	-	-	-
Options	11.141	30.787	251	8.408
Other	2	-	24	-
Total	30.441	33.625	6.715	9.759

c. Information on banks:

- Information on banks:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Banks	781.906	32.178	661.853	25.112
Domestic	192.888	15.421	175.286	2.956
Foreign	589.018	16.757	486.567	22.156
Headquarters and Branches Abroad	-	-	-	-
Total	781.906	32.178	661.853	25.112

d. Information on available-for-sale financial assets:

- Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 30 June 2011, there are TL67.597 available-for-sale financial assets given as collateral/blocked (31 December 2010: TL467) and those subject to repurchase agreements amounts to TL752.879 (31 December 2010: TL53.411).

- Information on available-for-sale financial assets:

	30 June 2011	31 December 2010
Debt Securities	907.562	339.985
Quoted on Stock Exchange	830.483	226.765
Not Quoted (*)	77.079	113.220
Share Certificates	2.958	2.958
Quoted on Stock Exchange	-	-
Not Quoted	2.958	2.958
Impairment Provision (-)	1.070	-
Total	909.450	342.943

(*) Eurobonds are classified as “Not Quoted” debt securities.

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e. Explanations on loans:

1. Information on all types of loan or advance balances given to shareholders and employees of the Bank :

	30 June 2011		31 December 2010	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders (*)	603.278	41.936	507.892	21.045
Loans Granted To Employees	2.432	-	2.251	-
Total	605.710	41.936	510.143	21.045

(*) As of 30 June 2011, the balance includes TL603.049 (31 December 2010: TL507.773) interbank placement with the Bank’s shareholder EFG Eurobank Ergasias S.A. where the total amount is cash collateralized.

2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled and other receivables :

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialised Loans	1.880.549	14.767	29.275	38.818
Discount and Purchase Notes	90.303	-	45	-
Export Loans	348.357	-	7.106	1.002
Import Loans	-	-	-	-
Loans Granted to Financial Sector	47.742	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	40.476	-	1.155	-
Credit Cards	6.451	-	45	-
Precious Metal Loans	-	-	-	-
Other (*)	1.347.220	14.767	20.924	37.816
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1.880.549	14.767	29.275	38.818

(*) Factoring receivables amounting to TL107.501 are presented in other non-specialised loans.

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3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	2.761	34.469	37.230
Real estate loans		4.468	4.468
Automotive loans	34	1.028	1.062
Consumer loans	2.727	28.973	31.700
Other			-
Consumer Loans-FC Indexed		1.726	1.726
Real estate loans		1.726	1.726
Automotive loans			-
Consumer loans			-
Other			-
Consumer Loans-FC			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Individual Credit Cards-TL	3.181		3.181
With instalments			-
Without instalments	3.181		3.181
Individual Credit Cards- FC	62		62
With instalments			-
Without instalments	62		62
Personnel Loans-TL	239	1.644	1.883
Real estate loans			-
Automotive loans			-
Consumer loans	239	1.644	1.883
Other			-
Personnel Loans-FC Indexed			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Personnel Loans-FC			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Personnel Credit Cards-TL	546		546
With instalments			-
Without instalments	546		546
Personnel Credit Cards-FC	3		3
With instalments			-
Without instalments	3		3
Credit Deposit Account-TL (Real Person)	792		792
Credit Deposit Account-FC (Real Person)			-
Total	7.584	37.839	45.423

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4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	9.855	123.678	133.533
Real estate loans		1.679	1.679
Automotive loans	85	4.045	4.130
Consumer loans	9.770	117.244	127.014
Other		710	710
Commercial Installments Loans-FC			
Indexed	1.938	33.091	35.029
Real estate loans			-
Automotive loans		243	243
Consumer loans	1.938	32.848	34.786
Other			-
Commercial Installments Loans-FC			
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Corporate Credit Cards-TL	2.674		2.674
With installment			-
Without installment	2.674		2.674
Corporate Credit Cards-FC	30		30
With installment			-
Without installment	30		30
Credit Deposit Account-TL (Legal Person)	10.550		10.550
Credit Deposit Account-FC (Legal Person)			
Total	25.047	156.769	181.816

5. Loans according to types of borrowers:

	30 June 2011	31 December 2010
Public		-
Private	1.963.409	1.660.359
Total	1.963.409	1.660.359

6. Distribution of domestic and foreign loans:

	30 June 2011	31 December 2010
Domestic Loans	1.963.409	1.660.082
Foreign Loans		277
Total	1.963.409	1.660.359

7. Loans given to investments in associates and subsidiaries:

None (31 December 2010: None).

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8. Specific provisions provided against loans:

	30 June 2011	31 December 2010
Loans and Other Receivables with Limited Collectability	418	232
Loans and Other Receivables with Doubtful Collectability	489	1.554
Uncollectible Loans and Other Receivables	68.575	68.810
Total	69.482	70.596

9. Information on non-performing loans (Net):

(i). Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
30 June 2011			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	5.346
31 December 2010			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	213	278	4.692

(ii). Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Prior Period End Balance	2.434	5.327	115.355
Additions (+)	5.721	139	3.278
Transfers from Other Categories of Non-performing Loans (+)	-	3.044	4.687
Transfers to Other Categories of Non-performing Loans (-)	3.061	4.670	-
Collections (-) (*)	654	2.025	19.192
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	4.440	1.815	104.128
Specific Provision (-)	418	489	68.575
Net Balance on Balance Sheet	4.022	1.326	35.553

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(iii). Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2011			
Period-End Balance	726	208	36.274
Specific Provision (-)	79	10	17.767
Net Balance on balance sheet	647	198	18.507
31 December 2010			
Period-End Balance	338	1.413	37.965
Specific Provision (-)	36	478	15.145
Net Balance on balance sheet	302	935	22.820

(iv). Information on non-performing loans based on types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	4.022	1.326	35.553
Loans Given to Real Persons and Legal Persons (Gross)	4.196	1.815	98.547
Specific Provision Amount (-)	369	489	63.264
Loans Given to Real Persons and Legal Persons (Net)	3.827	1.326	35.283
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	244	-	5.581
Specific Provision Amount (-)	49	-	5.311
Other Loans and Receivables (Net)	195	-	270
Prior Period (Net)	2.202	3.773	46.545
Loans Given to Real Persons and Legal Persons (Gross)	2.304	4.642	109.890
Specific Provision Amount (-)	206	1.212	63.812
Loans Given to Real Persons and Legal Persons (Net)	2.098	3.430	46.078
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	130	685	5.465
Specific Provision Amount (-)	26	342	4.998
Other Loans and Receivables (Net)	104	343	467

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f. Information on held-to-maturity investments:

1. Information on held-to-maturity financial assets subject to repurchase agreements:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	50.635	-	513.047	-
Other	-	-	-	-
Total	50.635	-	513.047	-

2. Information on held-to-maturity financial assets given as collateral/blocked:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	107.855	-	100.020	-
Other	-	-	-	-
Total	107.855	-	100.020	-

3. Information on government debt securities held-to-maturity:

	30 June 2011	31 December 2010
Government Bond	166.991	959.996
Treasury Bill	-	-
Other Debt Securities	-	-
Total	166.991	959.996

4. Information on investment securities held-to-maturity:

	30 June 2011	31 December 2010
Debt Securities	166.991	959.996
Quoted	166.991	959.996
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	166.991	959.996

5. Movement of held-to-maturity investments within the period:

	30 June 2011	31 December 2010
Beginning Balance	959.996	993.301
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year (*)	-	408
Disposals through Sales and Redemptions (-) (*)	793.005	33.713
Impairment Provision (-)	-	-
Period End Balance	166.991	959.996

(*) Movement of held-to-maturity investments within the period includes changes in interest accruals, with security disposals through redemption amounting to TL736.295.

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g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

2. Main financial figures of the unconsolidated subsidiaries in order of the above table:

None.

3. Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage(%)
1	EFG Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	EFG İstanbul Equities Menkul Değerler A.Ş.	Istanbul/Turkey	99,99	0,01

4. Main financial figures of the consolidated subsidiaries in the order of the above table:

	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	252.093	32.108	71	9.125	14	2.477	988	-
2	238.207	86.390	2.567	9.871	408	7.375	7.754	-

5. Movement schedules of subsidiaries:

	30 June 2011	31 December 2010
Balance at the beginning of the Period	134.332	134.332
Movements during the Period		
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the end of the Period	134.332	134.332
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99,99%	99,99%

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6. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	30 June 2011	31 December 2010
Banks		-
Insurance Companies		-
Factoring Companies		-
Leasing Companies	22.232	22.232
Finance Companies		-
Other Financial Subsidiaries	112.100	112.100
Total	134.332	134.332

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

j. Information on lease receivables (net):

Presentation of financial lease receivables based on their days to maturity:

	30 June 2011		31 December 2010	
	Gross	Net	Gross	Net
Less than 1 year	80.835	65.266	65.534	49.552
Between 1-4 years	158.104	136.435	131.512	111.061
More than 4 years	29.248	27.367	34.443	32.622
Total	268.187	229.068	231.489	193.235

k. Information on hedging derivative financial assets:

As of 30 June 2011, there are no positive differences related with hedging derivative financial assets (31 December 2010: None).

l. Information on investment property:

None.

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m. Information on deferred tax asset:

As of 30 June 2011, the Group has netted-off the calculated deferred tax asset of TL23.940 (31 December 2010: TL21.712) and deferred tax liability of TL2.417 (31 December 2010: TL2.382) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL21.523 (31 December 2010: TL19.330) in the financial statements. As of 30 June 2011 the Group has not a deferred tax liability (31 December 2010: None).

As of 30 June 2011 and 31 December 2010, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Provision for Legal Cases	12.580	11.006	2.516	2.201
Reserve for Employee Rights	12.375	10.492	2.475	2.098
Reserve for Employment Termination Benefit and Unused Vacation	4.387	4.393	877	879
Carried Financial Loss	74.716	52.848	14.943	10.570
Valuation Differences of Marketable Securities	9.384	20.316	1.877	4.063
Valuation Differences of Derivative Instruments	-	3.237	-	647
Other	6.260	6.271	1.252	1.254
Deferred Tax Assets	119.702	108.563	23.940	21.712
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	11.851	11.609	2.370	2.322
Valuation Differences of Derivative Instruments	7	-	1	-
Other	228	301	46	60
Deferred Tax Liabilities	12.086	11.910	2.417	2.382
Deferred Tax Assets / (Liabilities) (Net)	107.616	96.653	21.523	19.330

Movement of deferred tax asset/ liabilities is presented below:

	30 June 2011	31 December 2010
Balance as of 1 January	19.330	21.009
Current year deferred tax income/(expense) (net)	81	(3.985)
Deferred tax charged to equity (net)	2.112	2.306
Balance at the End of the Period	21.523	19.330

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n. Information on assets held for resale and discontinued operations :

The Group has assets held for resale amounting to TL10.591 (31 December 2010: TL8.633) and has no discontinued operations.

Prior Period End:	30 June 2011	31 December 2010
Cost	8.873	2.301
Accumulated Depreciation (-)	240	160
Net Book Value	8.633	2.141
Current Year End:		
Net book value at beginning of the period	8.633	2.141
Additions	6.863	6.721
Disposals (-)	4.792	148
Impairment	16	17
Depreciation (-)	97	98
Cost	10.913	8.873
Accumulated Depreciation (-)	322	240
Closing Net Book Value	10.591	8.633

o. Information on other assets:

As of 30 June 2011, other assets amount to TL86.816 (31 December 2010: TL47.975) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 30 June 2011:

	Demand	With 7 day notification	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	19.879	-	10.830	504.873	114.808	20.881	5.105	-	676.376
Foreign Currency Deposits	102.316	-	47.241	399.926	62.751	37.263	1.948	-	651.445
Residents in Turkey	100.980	-	47.229	379.776	62.642	37.098	1.613	-	629.338
Residents Abroad	1.336	-	12	20.150	109	165	335	-	22.107
Public Sector Deposits	25.558	-	81	8	416	-	-	-	26.063
Commercial Deposits	69.502	-	64.628	279.676	10.989	60.542	19.366	-	504.703
Other Institutions Deposits	1.529	-	4.248	40.022	1.514	14	15	-	47.342
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	3.242	-	2.588	-	-	-	-	-	5.830
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	40	-	2.588	-	-	-	-	-	2.628
Foreign Banks	3.202	-	-	-	-	-	-	-	3.202
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	222.026	-	129.616	1.224.505	190.478	118.700	26.434	-	1.911.759

ii. 31 December 2010:

	Demand	With 7 day notification	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	17.667	-	11.931	459.642	34.902	5.441	1.821	-	531.404
Foreign Currency Deposits	110.870	-	162.422	371.360	50.953	4.670	1.263	-	701.538
Residents in Turkey	108.974	-	162.419	353.032	50.695	4.537	994	-	680.651
Residents Abroad	1.896	-	3	18.328	258	133	269	-	20.887
Public Sector Deposits	11.440	-	-	946	392	-	-	-	12.778
Commercial Deposits	80.185	-	259.138	145.044	18.283	20.519	2	-	523.171
Other Institutions Deposits	1.589	-	119	26.908	21.799	10	8	-	50.433
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	19.660	-	33.264	-	-	-	-	-	52.924
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	69	-	33.264	-	-	-	-	-	33.333
Foreign Banks	19.591	-	-	-	-	-	-	-	19.591
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	241.411	-	466.874	1.003.900	126.329	30.640	3.094	-	1.872.248

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2. Information on saving deposits insurance:

i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Saving Deposits				
Saving Deposits	153.831	140.905	522.545	390.499
Foreign Currency Savings Deposit	33.162	35.021	228.181	170.091
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Total	186.993	175.926	750.726	560.590

ii. There are no deposits covered under foreign authorities’ insurance since the Parent Bank is incorporated in Turkey.

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	30 June 2011	31 December 2010
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	90.954	77.360
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	1.843	2.850
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	92.797	80.210

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b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Trading Derivative Financial Liabilities				
Forward Transactions	8.887	1.303	4.255	404
Swap Agreements	8.878	894	4.577	854
Futures Transactions	-	-	-	-
Options	6.661	34.990	337	8.227
Other	47	-	9	-
Total	24.473	37.187	9.178	9.485

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	44.201	55.867	35.340	60.136
From Foreign Banks, Institutions and Funds	747.861	338.300	693.314	296.331
Total	792.062	394.167	728.654	356.467

2. Information on maturity structure of borrowings:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Short-term	44.201	117.970	35.340	112.414
Medium and Long-term	747.861	276.197	693.314	244.053
Total	792.062	394.167	728.654	356.467

3. Additional information on the major concentration of the Bank’s liabilities:

The Group’s main funding sources are deposits and borrowings. As of 30 June 2011, deposits and borrowings from Group’s risk group comprise 20% of total deposits and 75% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL74.853 (31 December 2010: TL38.616) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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e. Information on financial lease agreements:

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which place significant commitments on the Group.

f. Information on hedging derivative financial liabilities:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Fair value hedge	-	13.031	-	20.540
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	13.031	-	20.540

The Parent Bank has terminated the currency swaps, amounting to USD20 million on 6 June 2011 which were subjected to a hedging relationship within terms of TAS 39 before termination date. The Bank has also sold on the same day the Eurobonds amounting to USD20 million that were subjected to the same hedge relationship. Due to the termination of the related financial hedging instrument, hedge accounting has been ceased in accordance with TAS 39.

According to TAS 39 the Parent Bank hedged against the possible fair value effects of changes in market interest rates on its Eurobonds with a nominal value of USD20 million maturing on 15 January 2014, a nominal value of USD10 million maturing on 14 January 2013 and a nominal value of USD10 million maturing on 3 April 2018 by swap transactions with a nominal value of USD40 million. In determining the effectiveness; changes in the fair values of the Eurobonds subject to hedging and the hedging instruments were used and it has been concluded that the related transaction has been an effective hedge.

g. Information on provisions:

1. Information on general provisions:

	30 June 2011	31 December 2010
Provisions for Group I loans and receivables	16.198	12.141
Provisions for Group II loans and receivables	1.950	1.996
Provisions for non cash loans	3.156	2.138
Other	1.731	1.554
Total	23.035	17.829

Information required regarding the number of changes and extended terms in the original payment schedule of loans in accordance with the changes made in “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Provided” on 28 May 2011:

- i) Rescheduled loan and other receivables that are standard:
None.

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ii) Rescheduled loan and other receivables that are closely monitored:

30 June 2011	Up-to-1-month	1-3 months	3-12 months	1-5 years	5 years and above	Total
Number of rescheduled loan agreement	19	2	5	-	-	26
Risk amount	17.260	23	1.167	-	-	18.450

2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have been working more than one year, when employment is terminated due to obligatory reasons or they retire, when they have fulfilled 25 working years (women 20) and are eligible for retirement (for women 58 years, for men 60 years), when they have been called up for military service or when they die. After the amendment of legislation on 23 May 2002, some of the transition process articles related to the working period before retirement were enacted.

The payment amount which is one month’s salary for each working year is restricted to TL2.731,85 (31 December 2010: TL2.623,23). Employee termination benefits are not funded as there is no funding requirement.

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. Independent actuaries are used in determining the liability of the Group. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	30 June 2011	31 December 2010
Discount rate (%)	4,76	4,76
Salary increase rate (%)	6,00	6,00
Average remaining work period (Year)	11,37	11,37

Movement of reserve for employment termination benefits during the period:

	30 June 2011	31 December 2010
Prior Period Ending Balance	4.109	3.381
Additions due to acquisition during the period	845	1.535
Paid During the Period (-)	321	807
Balance at the End of the Period	4.633	4.109

In addition, as of 30 June 2011 the Group has accounted for vacation rights provision amounting to TL2.498 (31 December 2010: TL2.027) and personnel bonus provision amounting to TL9.942 (31 December 2010: TL12.226).

3. Other provisions:

(i) Information on provisions for possible risks:
None.

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(ii) Information on other provisions:

The Group set aside reserves amounting to TL12.580 (31 December 2010: TL11.006) for lawsuits, TL3.636 (31 December 2010: TL2.908) for non-cash loans, TL1.501 (31 December 2010: TL1.620) for customer cheques commitments, TL26 (31 December 2010: TL29) for credit card loyalty points and TL238 (31 December 2010: TL227) for other receivables.

4. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 30 June 2011, the provision related to the foreign currency difference of foreign indexed loans amounts to TL139 (31 December 2010: TL1.191) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 30 June 2011, the corporate tax provision is TL790 (31 December 2010: TL464).

2. Information on taxes payable:

	30 June 2011	31 December 2010
Corporate Tax Payable	790	464
Taxation of Marketable Securities	2.712	2.363
Property Tax	132	158
Banking Insurance Transaction Tax	2.000	1.633
Value Added Tax Payable	613	281
Other	1.672	1.622
Total	7.919	6.521

3. Information on premium payables:

	30 June 2011	31 December 2010
Social Security Premiums-Employee	627	535
Social Security Premiums-Employer	732	616
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	36	30
Unemployment Insurance-Employer	72	59
Other	-	-
Total	1.467	1.240

4. Information on deferred tax liability:

As of 30 June 2011, the Group has netted-off the calculated deferred tax asset of TL23.940 (31 December 2010: TL21.712) and deferred tax liability of TL2.417 (31 December 2010: TL2.382) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL21.523 (31 December 2010: TL19.330) in the financial statements. As of 30 June 2011 the Group has not a deferred tax liability (31 December 2010: None).

i. Information on payables for assets held for resale and discontinued operations:

None.

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j. Information on subordinated loans:

Information regarding the number of the subordinated loans, their maturity, interest rate and the institutions that subordinated loans are provided from and the linkage to derivative instruments, if any:

None.

Loans will not be directly or indirectly collateralized or linked to any derivative instruments.

1. Information about subordinated loans:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	185.120	-
From Other Foreign Institutions	-	-	-	-
Total	-	-	185.120	-

k. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	30 June 2011	31 December 2010
Common Stock	568.955	380.000
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Bank has paid-in-capital of TL380.000 and does not apply the registered share capital system.

3. Information on the share capital increases during the period and their sources:

Date of Capital Increase	Amount of Capital Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 May 2011	188.955	148.955	33.896	6.104

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4. Information on capital increases from capital reserves during the current period:

Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures	Other (*)
4.537			1.567

(*) Inflation based correction differences of paid-in capital

5. Information on capital commitments, up until the end of the fiscal year and the subsequent interim period:

None.

6. Information on capital by considering the Group’s profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Group within several risk limits and legal limits.

7. Information on privileges given to shares representing the capital:

Based on the Principal Agreement, the Group has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

8. Information on marketable securities valuation reserve:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures				-
Valuation Difference	(5.288)	(648)	1.119	1.419
Foreign Currency Difference				-
Total	(5.288)	(648)	1.119	1.419

9. Information on tangible assets revaluation reserve:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Movables				-
Immovables	3.336		3.336	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables				-
Total	3.336		3.336	

10. Information on distribution of prior year’s profit:

According to the General Assembly meeting decision on 30 June 2011, the consolidated profit of 2010 amounting to TL30.352 has been allocated to TL3.443 as legal reserves, TL22.462 as extraordinary reserves, TL90 as prior years’ loss and TL4.537 as real estate sales income based on cooperate tax legislation.

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS**

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	30 June 2011	31 December 2010
Foreign currency buy/sell commitments	498.786	124.291
Commitments for cheques	217.888	53.338
Time deposit purchase-sales commitments	62.070	61.777
Loan limit commitments	25.637	17.112
Commitments for credit card limits	16.959	8.191
Share capital commitments to associates and subsidiaries	2.000	2.000
Tax and fund obligations arising from export commitments	1.275	1.275
Blocked cheques given to customers	252	282
Commitments for promotions on credit cards	-	24
Total	824.867	268.290

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

i. Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

	30 June 2011	31 December 2010
Other guarantees	965.057	764.891
Letter of guarantees	472.063	335.868
Letter of credits	229.620	166.490
Bank acceptance loans	60.547	30.510
Factoring guarantees	2.162	2.978
Total	1.729.449	1.300.737

ii. Revocable, irrevocable guarantees, contingencies and other similar guarantees:

	TL	FC
Irrevocable letters of guarantee	282.340	75.500
Guarantees given to customs	34.410	1.676
Revocable letters of guarantee	33.264	5.959
Letters of guarantee given in advance	7.842	29.320
Other letters of guarantee	1.320	432
Total	359.176	112.887

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3. i. Total amount of non-cash loans:

	30 June 2011	31 December 2010
Non-cash loans given against cash loans	966.404	766.210
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	966.404	766.210
Other non-cash loans	763.045	534.527
Total	1.729.449	1.300.737

ii. Information on non-cash loans classified in 1st and 2nd group:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	345.069	1.361.299	5.513	6.126
Letters of Guarantee	344.175	112.025	5.513	437
Bank Acceptances	300	60.111	-	136
Letters of Credit	-	229.620	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	594	1.568	-	-
Other Commitments and Contingencies	-	957.975	-	5.553

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL11.442. As of 30 June 2011, the Group has recorded a TL3.636 provision regarding these risks.

b. Investment Funds:

As of 30 June 2011, the Group is the founder of 5 investment funds (31 December 2010: 5) with a total fund value of TL31.623 (31 December 2010: TL29.675). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency Inc..

c. Information on contingent assets and contingent liabilities:

As of 30 June 2011, the total amount of legal cases against the Group is TL16.297 (31 December 2010: TL14.614) and the Group sets aside a provision of TL12.580 (31 December 2010: TL11.006) regarding these risks.

Upon the investigation of CBRT inspectors prosecuted at the Parent Bank, it is determined that the obligations in reserve requirement ratio calculations of some periods have been calculated erroneously. CBRT demanded with a directive, dated 13 April 2011, to send revised reserve requirement ratio calculations regarding the periods in which the obligations to be changed. The calculations that have been revised have been sent to CBRT by the Parent Bank on 25 May 2011 and the directive as the result of the investigation is awaited.

d. Brief information on the Bank’s rating given by International Rating Institutions:

MOODY’S (Dated on 11 March 2011 out of data from 30 June 2010)

Category	Rating	Outlook
(Financial Strength Rating)	D-	Negative
(Long Term Foreign Currency)	Ba3	Negative
(Short Term Foreign Currency)	Not Prime	-
(Long Term Local Currency)	Ba3	Negative
(Short Term Local Currency)	Not Prime	-

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans (*):

	30 June 2011		30 June 2010	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	52.037	7.732	48.052	6.961
Medium/Long-term Loans	13.371	7.640	8.451	5.440
Interest on Loans Under Follow-up	2.069	-	1.177	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	67.477	15.372	57.680	12.401

(*) Includes fee and commission income related with cash loans.

2. Information on interest income on banks:

	30 June 2011		30 June 2010	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	9.121	9	3.607	40
From Foreign Banks	29.292	78	17.240	2.141
Headquarters and Branches Abroad	-	-	-	-
Total	38.413	87	20.847	2.181

3. Information on interest income received from investments in associates and subsidiaries:

None (30 June 2010: None).

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b. Information on interest expense:

1. Information on interest expense on borrowings (*):

	30 June 2011		30 June 2010	
	TL	FC	TL	FC
Banks	41.156	6.490	64.734	5.729
The CBRT	-	-	-	-
Domestic Banks	1.637	862	1.104	623
Foreign Banks	39.519	5.628	63.630	5.106
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	41.156	6.490	64.734	5.729

(*) Includes fee and commission expense related with cash loans.

2. Information on interest expense given to investments in associates and subsidiaries:

None (30 June 2010: None).

c. Information on trading loss/income (Net):

	30 June 2011	30 June 2010
Income	1.894.985	382.828
Income from Capital Market Transactions	31.042	22.999
From Derivative Financial Transactions	76.853	29.147
Foreign Exchange Gains	1.787.090	330.682
Loss (-)	1.874.431	368.986
Loss from Capital Market Transactions	16.942	10.716
From Derivative Financial Transactions	73.321	29.453
Foreign Exchange Loss	1.784.168	328.817
Net Income/(Loss)	20.554	13.842

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains is TL9.533 (30 June 2010: TL109).

d. Information on other operating income:

As of 30 June 2011, the Parent Bank’s other operating income is TL4.648 (30 June 2010: TL6.827). TL1.875 of the amount is composed of profit from sales of the fixed assets that were classified as “Asset Held for Resale”.

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e. Provision expenses related to loans and other receivables:

	30 June 2011	30 June 2010
Specific Provisions for Loans and Other Receivables	(145)	9.733
II. Group Loans and Receivables	(237)	1.749
IV. Group Loans and Receivables	515	4.556
V. Group Loans and Receivables	(423)	3.428
General Provision Expenses	4.611	525
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	-	5
Financial Assets at Fair Value Through Profit or Loss	-	5
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	-	-
Other	-	-
Total	4.466	10.263

f. Information related to other operating expenses:

	30 June 2011	30 June 2010
Personnel Expenses	47.677	37.288
Reserve For Employee Termination Benefits	1.317	1.177
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	3.548	2.591
Impairment Expenses of Intangible Assets	71	-
Amortisation Expenses of Intangible Assets	1.225	790
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	18	-
Depreciation Expenses of Assets Held for Resale	97	40
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	25.710	22.671
Operational Lease Expenses	7.167	5.929
Maintenance Expenses	523	411
Advertising Expenses	493	790
Other Expense	17.527	15.541
Loss on Sales of Assets	190	-
Other	10.893	8.226
Total	90.746	72.783

(*) As of 30 June 2011, TL472 (30 June 2010: TL377) of the Reserve For Employee Termination Benefits is expense from employee vacation fee provision.

g. Information on net income/ (loss) before taxes from discontinued and continuing operations:

The Group has no discontinued operations. The Group’s net income/(loss) before taxes from continuing operations is TL8.563.

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h. Information on provision for taxes from discontinued and continuing operations:

The Group has no discontinued operations and the explanations below represent the provision for taxes of continuing operations.

1. If the disclosure of usual banking transactions, income and expenditure items’ composition is necessary to understand the annual performance of Group, the composition and amount of these items:

As of 30 June 2011, the Group has current tax expense amounting to TL2.435 and deferred tax expense amounting to TL81.

2. Explanations on deferred tax income or expense arising from the temporary differences occurred or have been closed:

The Group has net deferred tax income amounting to TL81 composing from TL2.998 deferred tax income as a result of temporary differences incurred, TL4.374 deferred tax income as a result of carried financial loss and TL7.291 deferred tax expense due to temporary differences closed.

3. Information on recognition of temporary difference, financial loss, diminution of tax and exceptions on income statement:

As of 30 June 2011, the Group has TL4.293 deferred tax expense arising from temporary differences and TL4.374 deferred tax income as a result of carried financial loss.

i. Information on continuing and discontinued operations’ current period net profit/(loss):

The Group has no discontinued operations and the below article (j) represents the current period net profit and loss from continuing operations.

j. Information on net income/(loss) for the period:

- (i) If the disclosure of usual banking transactions, income and expenditure items’ composition is necessary to understand the annual performance of Bank, the composition and amount of these items:

None.

- (ii) If an estimation change significantly affects the profit or has the probability of affecting the profit of following period, the effect for related periods:

None.

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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k. Information on other income and expenses:

As of 30 June 2011, the Group’s fee and commission income amounts to TL34.858 (30 June 2010: TL32.743) and TL22.600 (30 June 2010: TL19.449) of the related amount is classified under “Other fee and commission income” account.

	30 June 2011	30 June 2010
Other Fee and Commissions Received		
Commissions From Brokerage Activity in Istanbul Stock Exchange	8.634	8.045
Commissions From Brokerage Activity in Turkish Derivative Exchange	6.058	7.699
Investment Consultancy Fees	4.163	837
Commissions on Investment Fund Services	816	745
Credit Card and POS Transaction Commission	558	-
Transfer Commissions	453	310
Expertise and Account Operating Fees	426	364
Insurance Commissions	256	104
Commissions from Correspondent Banks	113	72
Ortak Nokta Commissions	18	17
Letter of Credit Commissions	15	14
Other	1.090	1.242
Total	22.600	19.449

As of 30 June 2011, Group’s fee and commission expense amounts to TL3.644 (30 June 2010: TL2.666) and TL3.181 (30 June 2010: TL2.420) of the related amount is classified under “Other fee and commission expense” account.

	30 June 2011	30 June 2010
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	972	917
Credit Card Transaction Commission	739	154
EFT Commissions	184	129
Ortak Nokta Clearing Commissions	174	359
Commissions Granted to Correspondent Banks	96	57
Transfer Commissions	32	51
Other	984	753
Total	3.181	2.420

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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V. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

a. The volume of transactions relating to the Group’s risk group, outstanding loan and deposit transactions and profit and loss of the period:

Prior period financial information is presented as of 31 December 2010 for balance sheet and as at 30 June 2010 for income statements items.

1. 30 June 2011:

Groups’ Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	-	119	21.045	35	332
Balance at the End of the Period	-	-	229	41.936	44	19
Interest and Commission Income Received	-	-	52	44	-	1

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

2. 31 December 2010:

Groups’ Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	-	185	25.937	47	1.724
Balance at the End of the Period	-	-	119	21.045	35	332
Interest and Commission Income Received	-	-	39	47	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

3. Information on deposits and repurchase transactions of the Group’s risk group:

Groups’ Risk Group(*) Deposit	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	470.517	605.391	25.401	4.915
End of the Period	-	-	297.528	470.517	87.755	25.401
Interest Expense on Deposits	-	-	12.218	26.478	2.696	200

(*) Defined n Article 49 of subsection 2 of the Banking Act No. 5411.

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Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	-	-	998	31
End of the Period	-	-	-	-	75	998
Interest Expense on Repurchase Transactions	-	-	-	-	-	14

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

4. Information on forward and option agreements and other similar agreement with the Group's risk group:

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	-	-	743.351	82.136	-	-
Balance at the end of the period	-	-	1.767.040	743.351	-	-
Total Profit/Loss	-	-	(17.100)	1.876	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	61.504	59.494	-	-
Balance at the end of the period	-	-	64.630	61.504	-	-
Total Profit/Loss	-	-	(1.703)	(4.312)	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

b. With respect to the Group's risk group:

1. The relations with entities that are included in the Group's risk group and controlled by the Group:

The Group performs various transactions with related parties during its banking activities. These are commercial transactions realised with market prices.

2. The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

	Total Risk Group	Share in Financial Statements (%)
Borrowings (Subordinated loans and others)	894.367	75,40
Banks	603.049	74,08
Deposit	385.283	20,15
Non-cash loans	41.955	2,43
Loans	273	0,01
Funds from repurchase transactions	75	0,01

As of 30 June 2011, the Group has realized interest and commission expense amounting to TL43.107 on loans borrowed from the direct and indirect shareholders of the Bank, interest income amounting to TL28.964 from placement transactions with the direct and indirect shareholders of the Bank.

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3. Equity accounting transactions: None.
4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

The Parent Bank, has financial leasing agreements with EFG Finansal Kiralama A.Ş. and net financial leasing payables arising from these agreements amount to TL695 (31 December 2010: TL1.067). The interest expense amount paid for the related financial leasing agreements is TL41 (30 June 2010: TL72).

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group’s risk group and the amount composes 1,30% (31 December 2010: 1,30%) of the Group’s total cash and non-cash loans.

As of 30 June 2011 there are no purchase-sales transactions on any other assets except real estate and risk group, which includes in the Bank.

As of 30 June 2011 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

As of 30 June 2011, the Bank has paid TL93 (30 June 2010: TL84) to EFG IT Shared Services SA and TL43 to BE-Business Exchanges SA (30 June 2010: None).

As of 30 June 2011, the Group has paid TL826 (30 June 2010: TL726) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

As of 30 June 2011, the Bank paid a rent amount of TL147 (30 June 2010: TL139) to Toros Tarım Sanayi ve Ticaret A.Ş., included in Tekfen’s risk group, for the related management expenses of the Archive building.

As of 30 June 2011, the Bank has paid a rent amount of TL1.116 (30 June 2010: TL1.103) to Tekfen Holding A.Ş.

As of 30 June 2011, the Parent Bank has paid TL203 (30 June 2010: TL94) to EFG Eurobank Securities SA, TL50 (30 June 2010: None) to Eurobank EFG Fund Management Company SA, TL66 to EFG Capital SA (30 June 2010: TL68).

c. Information on benefits provided to top management:

As of 30 June 2011, benefits provided to top management amount to TL8.407 (30 June 2010: TL9.452).

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VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- (i) On 14 July 2011, EFG Eurobank Ergasias SA, the ultimate parent of the Parent Bank, has announced that it is reviewing strategic options regarding its 70% share of the Bank in the light of recent events in Greece.
- (ii) On 29 August 2011, the boards of directors of EFG Eurobank Ergasias SA, the ultimate parent of the Parent Bank, and Alpha Bank AE announced that they have reached agreement on a combination of Alpha Bank and Eurobank EFG by way of a merger.
- (iii) During Parent Bank’s capital increase from TL380 million to TL570 million, the legal process regarding the unpaid amount of TL1.045 thousand has been completed on 22 August 2011.

SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 30 June 2011 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated 9 September 2011 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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