

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

**EUROBANK TEKFEN A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 31 MARCH 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 unconsolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") at 31 March 2011 and the related unconsolidated 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 unconsolidated financial statements do not give a true and fair view of the financial position of Eurobank Tekfen A.Ş. at 31 March 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 Article 37 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.



Additional paragraph for convenience translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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, 11 May 2011

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF  
EUROBANK TEKFEN A.Ş. AS OF 31 MARCH 2011**

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The unconsolidated three 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 BANK**
- **Section Two**         **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **Section Three**       **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section Four**        **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**
- **Section Five**        **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED  
FINANCIAL STATEMENTS**
- **Section Six**         **EXPLANATIONS ON REVIEW REPORT**

The accompanying unconsolidated 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.

11 May 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 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:

Name-Surname/Title : Ahmet CİĞA/Manager  
Telephone Number : 0 212 371 34 84  
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**EUROBANK TEKFEN A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**SECTION ONE**

**GENERAL INFORMATION**

**I. 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.

**CONVENIENCE TRANSLATION OF PUBLICLY  
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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE 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 Bank's capital is owned by Eurobank EFG Holding and 29,24% by Tekfen Holding A.Ş. as of 31 March 2011.

Eurobank EFG Group is a European banking organization with total assets of EUR87,2 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. Eurobank EFG Group has an established presence in Greece, Bulgaria, Serbia, Romania, Turkey, Poland, Ukraine, United Kingdom, Luxemburg and South Cyprus. Eurobank EFG is a member of the EFG Bank European Financial Group, an international banking group that has presence across 40 countries. EFG Bank European Financial Group belongs to Latsis Family and is the third largest Swiss-based banking group.

Tekfen Group, which was established in 1956 as an engineering company, is composed of many companies and subsidiaries operating in domestic and foreign markets, which are gathered under the name Tekfen Holding A.Ş. Tekfen Group companies mainly operate in the construction and commitment services, banking and financial services, business centers and housing construction, international investment advisory services and intermediary services sectors. These companies are grouped under six main categories, namely, "Contracting Group", "Agricultural Industry Group", "Real Estate Development Group", "Banking Group", "Investment and Services Group" and "International Investment and Trading Group".



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**EUROBANK TEKFEN A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 BANK THEY POSSESS:**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors:</b>	Mehmet Nazmi Erten	Chairman	Undergraduate
<b>Board of Directors Members:</b>	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
<b>General Manager:</b>	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
<b>Vice General Managers:</b>	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
<b>Auditors:</b>	Dr. Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
	Hakan Dündar	Auditor	Graduate
<b>Audit Committee:</b>	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 UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

**IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:**

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Eurobank EFG Holding (Luxembourg) S.A.	266.000	%70,00	%70,00	-
Tekfen Holding A.Ş.	111.128	%29,24	%29,24	-
<b>Total</b>	<b>377.128</b>	<b>%99,24</b>	<b>%99,24</b>	-

Based on the Principal Agreement, the 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, Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between 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 BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:**

As of 31 March 2011, the Bank has 57 branches operating in Turkey (31 December 2010: 54). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2011, the Bank has 919 (31 December 2010: 875) employees.

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

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

**EUROBANK TEKFEN A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 MARCH 2011 AND 31 DECEMBER 2010**

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>92.565</b>	<b>111.751</b>	<b>204.316</b>	<b>100.941</b>	<b>108.844</b>	<b>209.785</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)</b>	<b>I-b</b>	<b>277.972</b>	<b>12.723</b>	<b>290.695</b>	<b>163.828</b>	<b>9.912</b>	<b>173.740</b>
2.1 Trading Financial Assets		277.972	12.723	290.695	163.828	9.912	173.740
2.1.1 Government Debt Securities		260.956	17	260.973	157.096	101	157.197
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		17.016	12.706	29.722	6.732	9.81	16.543
2.1.4 Other Marketable Securities		-	-	-	-	-	-
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		-	-	-	-	-	-
<b>III. BANKS</b>	<b>I-c</b>	<b>582.198</b>	<b>26.009</b>	<b>608.207</b>	<b>488.757</b>	<b>25.080</b>	<b>513.837</b>
<b>IV. MONEY MARKETS</b>		<b>9.002</b>		<b>9.002</b>			
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		9.002	-	9.002	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>816.536</b>	<b>109.143</b>	<b>925.679</b>	<b>229.715</b>	<b>113.220</b>	<b>342.935</b>
5.1 Share Certificates		2.950	-	2.950	2.950	-	2.950
5.2 Government Debt Securities		813.586	109.143	922.729	226.765	113.220	339.985
5.3 Other Marketable Securities		-	-	-	-	-	-
<b>VI. LOANS</b>	<b>I-e</b>	<b>1.017.198</b>	<b>557.621</b>	<b>1.574.819</b>	<b>1.099.037</b>	<b>521.907</b>	<b>1.620.944</b>
6.1 Loans		976.664	557.621	1.534.285	1.047.431	521.907	1.569.338
6.1.1 Loans to Bank's Risk Group		319	192	511	116	38	154
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		976.345	557.429	1.533.774	1.047.315	521.869	1.569.184
6.2 Loans under Follow-up		104.132	-	104.132	117.025	-	117.025
6.3 Specific Provisions (-)		63.598	-	63.598	65.419	-	65.419
<b>VII. FACTORING RECEIVABLES</b>	<b>I-e</b>	<b>86.762</b>	<b>3.433</b>	<b>90.195</b>	<b>83.504</b>	<b>7.517</b>	<b>91.021</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	<b>160.353</b>		<b>160.353</b>	<b>959.588</b>		<b>959.588</b>
8.1 Government Debt Securities		160.353	-	160.353	959.588	-	959.588
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>I-g</b>						
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		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	<b>I-h</b>	<b>134.332</b>		<b>134.332</b>	<b>134.332</b>		<b>134.332</b>
10.1 Unconsolidated Financial Subsidiaries		134.332	-	134.332	134.332	-	134.332
10.2 Unconsolidated non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>	<b>I-i</b>						
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	<b>I-j</b>						
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>I-k</b>						
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>		<b>30.307</b>		<b>30.307</b>	<b>31.203</b>		<b>31.203</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>		<b>18.670</b>		<b>18.670</b>	<b>18.125</b>		<b>18.125</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		18.670	-	18.670	18.125	-	18.125
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>I-l</b>						
<b>XVII. TAX ASSET</b>	<b>I-m</b>	<b>18.156</b>		<b>18.156</b>	<b>16.236</b>		<b>16.236</b>
17.1 Current Tax Asset		1	-	1	-	-	-
17.2 Deferred Tax Asset		18.155	-	18.155	16.236	-	16.236
<b>XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>I-n</b>	<b>9.331</b>		<b>9.331</b>	<b>8.633</b>		<b>8.633</b>
18.1 Held for Resale		9.331	-	9.331	8.633	-	8.633
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>I-o</b>	<b>59.660</b>	<b>5.256</b>	<b>64.916</b>	<b>25.239</b>	<b>5.294</b>	<b>30.533</b>
<b>TOTAL ASSETS</b>		<b>3.313.042</b>	<b>825.936</b>	<b>4.138.978</b>	<b>3.359.138</b>	<b>791.774</b>	<b>4.150.912</b>

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

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

**EUROBANK TEKFEN A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 MARCH 2011 AND 31 DECEMBER 2010**

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>1.097.873</b>	<b>754.529</b>	<b>1.852.402</b>	<b>1.155.584</b>	<b>733.168</b>	<b>1.888.752</b>
1.1 Deposits of Bank’s Risk Group		262.257	158.498	420.755	359.513	152.901	512.414
1.2 Other		835.616	596.031	1.431.647	796.071	580.267	1.376.338
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>14.486</b>	<b>11.526</b>	<b>26.012</b>	<b>9.178</b>	<b>9.485</b>	<b>18.663</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>775.102</b>	<b>184.058</b>	<b>959.160</b>	<b>728.654</b>	<b>178.822</b>	<b>907.476</b>
<b>IV. MONEY MARKETS</b>		<b>598.616</b>	-	<b>598.616</b>	<b>574.606</b>	-	<b>574.606</b>
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		598.616	-	598.616	574.606	-	574.606
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>11.330</b>	<b>4.808</b>	<b>16.138</b>	<b>13.445</b>	<b>2.186</b>	<b>15.631</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	<b>40.747</b>	<b>2.312</b>	<b>43.059</b>	<b>32.975</b>	<b>5.640</b>	<b>38.615</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	<b>II-e</b>	-	<b>874</b>	<b>874</b>	-	<b>1.067</b>	<b>1.067</b>
10.1 Financial Lease Payables		-	923	923	-	1.138	1.138
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	49	49	-	71	71
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-f</b>	-	<b>17.070</b>	<b>17.070</b>	-	<b>20.540</b>	<b>20.540</b>
11.1 Fair Value Hedge		-	17.070	17.070	-	20.540	20.540
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-g</b>	<b>32.711</b>	<b>17.430</b>	<b>50.141</b>	<b>31.350</b>	<b>14.981</b>	<b>46.331</b>
12.1 General Loan Loss Provision		11.742	7.355	19.097	12.873	4.956	17.829
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		15.253	-	15.253	12.810	-	12.810
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		5.716	10.075	15.791	5.667	10.025	15.692
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	<b>5.938</b>	-	<b>5.938</b>	<b>6.526</b>	-	<b>6.526</b>
13.1 Current Tax Liability		5.938	-	5.938	6.526	-	6.526
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS</b>	<b>II-i</b>	-	-	-	-	-	-
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-j</b>	<b>105.000</b>	-	<b>105.000</b>	<b>185.120</b>	-	<b>185.120</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-k</b>	<b>463.411</b>	<b>1.157</b>	<b>464.568</b>	<b>446.166</b>	<b>1.419</b>	<b>447.585</b>
16.1 Paid-in Capital		380.000	-	380.000	380.000	-	380.000
16.2 Capital Reserves		5.053	1.157	6.210	6.022	1.419	7.441
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(4.387)	1.157	(3.230)	1.119	1.419	2.538
16.2.4 Tangible Assets Revaluation Reserve		7.873	-	7.873	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		1.567	-	1.567	1.567	-	1.567
16.3 Profit Reserves		55.607	-	55.607	44.968	-	44.968
16.3.1 Legal Reserves		9.555	-	9.555	8.796	-	8.796
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		46.052	-	46.052	36.172	-	36.172
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		22.751	-	22.751	15.176	-	15.176
16.4.1 Prior Years' Income/ (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income/ (Loss)		22.751	-	22.751	15.176	-	15.176
<b>TOTAL LIABILITIES</b>		<b>3.145.214</b>	<b>993.764</b>	<b>4.138.978</b>	<b>3.183.604</b>	<b>967.308</b>	<b>4.150.912</b>

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

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

**EUROBANK TEKFEN A.Ş.  
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS  
AT 31 MARCH 2011 AND 31 DECEMBER 2010**

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31/03/2011)			(31/12/2010)		
			TL	FC	Total	TL	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>2.368.044</b>	<b>4.638.634</b>	<b>7.006.678</b>	<b>1.085.099</b>	<b>3.838.012</b>	<b>4.923.111</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>286.883</b>	<b>1.280.124</b>	<b>1.567.007</b>	<b>242.871</b>	<b>1.057.866</b>	<b>1.300.737</b>
1.1	Letters of Guarantee		286.289	91.608	377.897	242.048	93.820	335.868
1.1.1	Guarantees Subject to State Tender Law		10.031	11.244	21.278	11.201	11.066	22.267
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		276.255	80.364	356.619	230.847	82.754	313.601
1.2	Bank Acceptances		-	46.668	46.668	-	30.510	30.510
1.2.1	Import Letter of Acceptance		-	46.668	46.668	-	30.510	30.510
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	209.445	209.445	-	166.490	166.490
1.3.1	Documentary Letters of Credit		-	209.445	209.445	-	166.490	166.490
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Pre-financing 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		590	1.119	1.713	823	2.155	2.978
1.8	Other Guarantees		-	931.284	931.284	-	764.891	764.891
1.9	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>III-a-1</b>	<b>378.619</b>	<b>142.603</b>	<b>521.222</b>	<b>161.024</b>	<b>107.266</b>	<b>268.290</b>
2.1	Irrevocable Commitments		378.619	142.603	521.222	161.024	107.266	268.290
2.1.1	Asset Purchase and Sales Commitments		231.169	142.603	373.772	78.802	107.266	186.068
2.1.2	Deposit Purchase and Sales Commitments		50.000	-	50.000	-	-	-
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		21.326	-	21.326	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		58.941	-	58.941	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		13.656	-	13.656	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		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>1.702.542</b>	<b>3.215.907</b>	<b>4.918.449</b>	<b>681.204</b>	<b>2.672.880</b>	<b>3.354.084</b>
3.1	Hedging Derivative Financial Instruments		-	184.356	184.356	-	184.512	184.512
3.1.1	Transactions for Fair Value Hedge		-	184.356	184.356	-	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		1.702.542	3.031.551	4.734.093	681.204	2.488.368	3.169.572
3.2.1	Forward Foreign Currency Buy/Sell Transactions		239.923	648.211	888.134	165.397	443.123	608.520
3.2.1.1	Forward Foreign Currency Transactions-Buy		43.560	400.711	444.271	66.661	236.461	303.122
3.2.1.2	Forward Foreign Currency Transactions-Sell		196.363	247.500	443.863	98.736	206.662	305.398
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		256.279	931.699	1.187.978	142.663	970.911	1.113.574
3.2.2.1	Foreign Currency Swap-Buy		225.119	113.271	338.390	111.503	170.186	281.689
3.2.2.2	Foreign Currency Swap-Sell		31.160	303.620	334.780	31.160	250.729	281.889
3.2.2.3	Interest Rate Swap-Buy		-	257.404	257.404	-	274.998	274.998
3.2.2.4	Interest Rate Swap-Sell		-	257.404	257.404	-	274.998	274.998
3.2.3	Foreign Currency, Interest rate and Securities Options		1.206.340	1.451.641	2.657.981	373.144	1.074.334	1.447.478
3.2.3.1	Foreign Currency Options-Buy		624.595	637.390	1.261.985	186.331	467.544	653.875
3.2.3.2	Foreign Currency Options-Sell		581.745	677.805	1.259.550	186.813	465.376	652.189
3.2.3.3	Interest Rate Options-Buy		-	68.223	68.223	-	70.707	70.707
3.2.3.4	Interest Rate Options-Sell		-	68.223	68.223	-	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>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>5.850.863</b>	<b>6.552.987</b>	<b>12.403.850</b>	<b>6.167.620</b>	<b>6.250.869</b>	<b>12.418.489</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>1.555.066</b>	<b>309.279</b>	<b>1.864.345</b>	<b>2.251.336</b>	<b>310.312</b>	<b>2.561.648</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		929.854	11.236	941.090	1.707.414	14.204	1.721.618
4.3	Cheques Received for Collection		591.643	119.314	710.957	517.743	122.755	640.498
4.4	Commercial Notes Received for Collection		25.874	10.820	36.694	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		7.695	167.909	175.604	6.378	163.414	169.792
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>4.284.192</b>	<b>6.233.862</b>	<b>10.518.054</b>	<b>3.905.279</b>	<b>5.931.436</b>	<b>9.836.715</b>
5.1	Marketable Securities		2.803	-	2.803	9.010	-	9.010
5.2	Guarantee Notes		2.965.218	4.409.671	7.374.889	2.614.529	4.043.261	6.657.790
5.3	Commodity		39.013	7.468	46.481	33.033	8.761	41.794
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.258.706	1.811.704	3.070.410	1.232.935	1.879.414	3.112.349
5.6	Other Pledged Items		18.452	5.019	23.471	15.772	-	15.772
5.7	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>11.605</b>	<b>9.846</b>	<b>21.451</b>	<b>11.005</b>	<b>9.121</b>	<b>20.126</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>8.218.907</b>	<b>11.191.621</b>	<b>19.410.528</b>	<b>7.252.719</b>	<b>10.088.881</b>	<b>17.341.600</b>

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

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UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.  
UNCONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2011 AND 31 MARCH 2010**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2011- 31/03/2011	01/01/2010- 31/03/2010
	<b>INCOME AND EXPENSE ITEMS</b>			
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>81.919</b>	<b>94.646</b>
1.1	Interest on Loans		38.340	34.356
1.2	Interest Received from Reserve Requirements		-	1.097
1.3	Interest Received from Banks		13.593	9.620
1.4	Interest Received from Money Market Transactions		13	528
1.5	Interest Received from Marketable Securities Portfolio		24.359	47.424
1.5.1	Trading Financial Assets		373	31
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		10.757	9.041
1.5.4	Held-to-maturity Investments		13.229	38.352
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.614	1.621
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>IV-b</b>	<b>67.568</b>	<b>69.113</b>
2.1	Interest on Deposits (-)		25.748	26.815
2.2	Interest on Funds Borrowed (-)		23.983	33.083
2.3	Interest Expense on Money Market Transactions (-)		10.821	6.705
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		7.016	2.510
<b>III.</b>	<b>NET INTEREST INCOME (I + II)</b>		<b>14.351</b>	<b>25.533</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>6.573</b>	<b>6.331</b>
4.1	Fees and Commissions Received		7.417	6.920
4.1.1	Non-cash Loans		5.927	5.914
4.1.2	Other	<b>IV-k</b>	1.490	1.006
4.2	Fees and Commissions Paid (-)		844	589
4.2.1	Non-cash Loans (-)		3	2
4.2.2	Other (-)	<b>IV-k</b>	841	587
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>25.000</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>IV-c</b>	<b>7.873</b>	<b>5.117</b>
6.1	Trading Gains/(Losses) on Securities		3.603	5.190
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		3.287	(548)
6.3	Foreign Exchange Gains/(Losses)		983	475
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>2.307</b>	<b>5.367</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>56.104</b>	<b>42.348</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>IV-e</b>	<b>(479)</b>	<b>4.156</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>34.313</b>	<b>27.458</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>22.270</b>	<b>10.734</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>IV-g</b>	<b>22.270</b>	<b>10.734</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (-)</b>	<b>IV-h</b>	<b>(481)</b>	<b>1.662</b>
16.1	Current Tax Provision		-	-
16.2	Deferred Tax Provision		(481)	1.662
<b>XVII.</b>	<b>NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)</b>	<b>IV-i</b>	<b>22.751</b>	<b>9.072</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>IV-j</b>	<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>		<b>22.751</b>	<b>9.072</b>
	Earnings/(Loss) per share (1.000 nominal in TL full)		0,539	0,215

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

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

**EUROBANK TEKFEN A.Ş.**

**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2011 AND 31 MARCH 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	31/03/2011	31/03/2010
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(7.237)	(2.056)
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	1.447	1.402
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(5.790)	(5.608)
XI. CURRENT PERIOD INCOME/LOSS	22	(2.660)
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	22	(2.660)
1.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(5.768)	(8.268)

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**EUROBANK TEKFEN A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																		
	PRIOR PERIOD 31/03/2010	Note	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 Shareholders' Equity
I.	Period Opening Balance		380.000	1.567	-	-	7.698	-	15.305	-	21.965	-	7.328	7.787	-	-	-	441.650
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		380.000	1.567	-	-	7.698	-	15.305	-	21.965	-	7.328	7.787	-	-	-	441.650
	Changes in the Period																	
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	(4.305)	-	-	-	-	(4.305)
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	(3.963)	-	-	-	(3.963)
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or Loss		-	-	-	-	-	-	-	-	9.072	-	-	-	-	-	-	9.072
XX.	Profit Distribution		-	-	-	-	1.098	-	20.867	-	(21.965)	-	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	-	1.098	-	20.867	-	(21.965)	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+...+XVIII+XIX+XX)		380.000	1.567	-	-	8.796	-	36.172	-	9.072	-	3.023	3.824	-	-	-	442.454

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

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**EUROBANK TEKFEN A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																		
<b>CURRENT PERIOD 31/03/2011</b>		<b>Note</b>	<b>Paid-in Capital</b>	<b>Adjustment to Share Capital</b>	<b>Share Premium</b>	<b>Share Cancellation Profits</b>	<b>Legal Reserves</b>	<b>Status Reserves</b>	<b>Extraordinary Reserves</b>	<b>Other Reserves</b>	<b>Current Period Net Income/(Loss)</b>	<b>Prior Period Net Income/(Loss)</b>	<b>Marketable Securities Valuation Reserve</b>	<b>Tangible and Intangible Assets Revaluation Reserve</b>	<b>Bonus Shares Obtained from Investments</b>	<b>Hedging Reserves</b>	<b>Valuation Difference of AHS and Discontinued Operations</b>	<b>Total Shareholders' Equity</b>
<b>I.</b>	<b>Prior Period End Balance</b>		380.000	1.567	-	-	8.796	-	36.172	-	15.176	-	2.538	3.336	-	-	-	447.585
	<b>Changes in the Period</b>																	
<b>II.</b>	<b>Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Marketable Securities Valuation Differences</b>	(V-d)	-	-	-	-	-	-	-	-	-	-	(5.768)	-	-	-	-	(5.768)
<b>IV.</b>	<b>Hedging Reserves (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Revaluation Differences of Tangible Assets</b>	(V-e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Revaluation Differences of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Foreign Exchange Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Changes due to the Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Changes due to the Reclassification of the Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Effects of Changes in Equity of Investments in Associates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Capital Increase</b>	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>	<b>Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	22.751	-	-	-	-	-	-	22.751
<b>XVIII.</b>	<b>Profit Distribution</b>		-	-	-	-	759	-	9.880	-	(15.176)	-	4.537	-	-	-	-	-
18.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to Reserves		-	-	-	-	759	-	9.880	-	(15.176)	-	4.537	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		380.000	1.567	-	-	9.555	-	46.052	-	22.751	-	(3.230)	7.873	-	-	-	464.568

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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.**

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2011 AND 31 MARCH 2010**

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

VI. STATEMENT OF CASH FLOWS	(31/03/2011)	(31/03/2010)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>43.539</b>	<b>34.445</b>
1.1.1 Interest Received	148.384	157.798
1.1.2 Interest Paid	(106.998)	(101.312)
1.1.3 Dividend Received	25.000	-
1.1.4 Fees and Commissions Received	6.573	6.331
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	19.055	5.237
1.1.7 Payments to Personnel and Service Suppliers	(16.684)	(12.968)
1.1.8 Taxes Paid	-	-
1.1.9 Other	(31.791)	(20.641)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(88.816)</b>	<b>(199.947)</b>
1.2.1 Net (Increase)/Decrease in Trading Securities	(103.644)	(7.933)
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3 Net (Increase)/Decrease in Due from Banks	-	-
1.2.4 Net (Increase)/Decrease in Loans	50.529	(61.195)
1.2.5 Net (Increase)/Decrease in Other Assets	(35.036)	(15.411)
1.2.6 Net Increase/(Decrease) in Bank Deposits	(24.692)	(2.168)
1.2.7 Net Increase/(Decrease) in Other Deposits	(13.809)	22.112
1.2.8 Net Increase/(Decrease) in Funds Borrowed	37.949	(134.586)
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	(113)	(766)
<b>I. Net Cash Provided from Banking Operations</b>	<b>(45.277)</b>	<b>(165.502)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from Investing Activities</b>	<b>141.121</b>	<b>208.422</b>
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	(1.801)	(5.097)
2.4 Disposals of Property and Equipment	104	17.354
2.5 Cash Paid for Purchase of Investments Available-for-Sale	(593.069)	-
2.6 Cash Obtained from Sale of Investments Available-for-Sale	-	138.545
2.7 Cash Paid for Purchase of Investment Securities	-	-
2.8 Cash Obtained from Sale of Investment Securities	735.887	57.620
2.9 Other	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>(215)</b>	<b>(347)</b>
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	(215)	(347)
3.6 Other (*)	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>267</b>	<b>2.590</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>95.896</b>	<b>45.163</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>649.703</b>	<b>679.037</b>
<b>VII. Cash and Cash Equivalents at end of the Period</b>	<b>745.599</b>	<b>724.200</b>

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

**CONVENIENCE TRANSLATION OF PUBLICLY  
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**EUROBANK TEKFEN A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**SECTION THREE**

**ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION:**

The 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 unconsolidated 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, additions and changes in the related communiqué.

The unconsolidated 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 unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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.

**CONVENIENCE TRANSLATION OF PUBLICLY  
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**EUROBANK TEKFEN A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**ACCOUNTING POLICIES (Continued)**

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

The general strategy of the Bank 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 Bank 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 Bank 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 Bank 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 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:**

Based on the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if one exists.

The Bank has no joint ventures as of 31 March 2011 and 31 December 2010.

**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 Bank 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 Bank 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 amortised to profit or loss over the period maturity.

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**ACCOUNTING POLICIES (Continued)**

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 recognised in the income statement on an accrual basis by using the effective interest method.

The Bank 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 recognised 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 recognised 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 recognised as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Bank 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 recognised at the "settlement dates". The appropriate classification of financial assets of the Bank 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.

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**ACCOUNTING POLICIES (Continued)**

Trading financial assets are initially recognised 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 “amortised cost” using the effective interest method. All gains and losses arising from these evaluations are recognised 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 recognised 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 “amortised 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 recognised at the amortised 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 recognised in the expense accounts.

The Bank 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. 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 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 finalised.

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**ACCOUNTING POLICIES (Continued)**

**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 amortised 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.

"Unrealised gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognised 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 Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise 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 Bank 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 Bank 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 Bank has no discontinued operations.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

**a. Goodwill**

As of 31 March 2011 and 31 December 2010, the Bank has no goodwill.

**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 amortised 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.

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**ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognised 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 Bank 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 capitalised 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 capitalised 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. The Bank has implemented the "revaluation method" in accordance with the "Communiqué Regarding the Principles and Procedures for the Tangible Assets ("TAS 16")" while revaluating the buildings. The revaluation amount of the building acquired within the extent of financial lease agreement is presented in the financial statements by considering the sales commitment regarding the share transfer of the Bank.

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 recognised. 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 Bank does not provide financial leasing services as a "Lessor".

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

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:**

Provisions and contingent liabilities except for the specific and general provisions recognised 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 recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised 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 Bank, 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 recognised in financial statements since this may result in the recognition of income that may never be realised. 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 recognised 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 Bank 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 Bank 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 of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to 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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**ACCOUNTING POLICIES (Continued)**

**b. Deferred tax:**

The Bank 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.

**XIX. EXPLANATIONS ON BORROWINGS:**

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

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

**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 31 March 2011 and 31 December 2010, the Bank 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 for the year to the weighted average number of shares outstanding during the period concerned.

	<b>31 March 2011</b>	<b>31 March 2010</b>
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	20.476	8.165
Weighted Average Number of Issued Ordinary Shares (Thousand)	38.000.000	38.000.000
<b>Earnings Per Ordinary Shares (Disclosed in full TL)</b>	<b>0,0005</b>	<b>0,0002</b>
Net Income / (Loss) to be Appropriated to Privileged Shareholders	2.275	907
Number of Issued Privileged Shares	1.000.000	1.000.000
<b>Earnings Per Privileged Shares (Disclosed in full TL)</b>	<b>2,2750</b>	<b>0,9070</b>

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 Bank 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 31 March 2010 unconsolidated figures, to conform to changes in presentation of 31 March 2011 unconsolidated financial statements.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a. As of 31 March 2011, the unconsolidated capital adequacy ratio of the Bank is 17,64% (31 December 2010: 20,29%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the Bank’s target capital adequacy ratio of 12%.
- b. The capital adequacy ratio of the Bank 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 capital adequacy ratio:**

	<b>Risk Weights (*)</b>			
	<b>0%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>
<b>Amount subject to credit risk</b>				
<b>Balance sheet items (Net)</b>	<b>2.006.575</b>	<b>50.422</b>	<b>563.701</b>	<b>1.198.089</b>
Cash	19.218	-	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	111.701	-	-	-
Domestic, foreign banks, foreign head offices and branches	580.896	24.784	-	768
Interbank money market placements	9.000	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	73.397	-	-	-
Loans	63.457	25.512	550.462	960.509
Non-performing receivables (Net)	-	-	-	40.534
Lease receivables	-	-	-	-
Available-for-sale financial assets	904.256	-	-	2.950
Held-to-maturity investments	158.717	-	-	-
Receivables from the disposal of assets	-	-	-	-
Miscellaneous receivables	-	-	-	10.826
Interest and income accruals	22.801	126	13.239	10.502
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	134.332
Fixed assets	-	-	-	28.812
Other assets	63.132	-	-	8.856
<b>Off-balance sheet items</b>	<b>153.706</b>	<b>60.678</b>	<b>252.719</b>	<b>948.945</b>
Non-cash loans and commitments	153.706	24.603	252.719	924.111
Derivative financial instruments	-	36.075	-	24.834
Non-risk weighted accounts	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>2.160.281</b>	<b>111.100</b>	<b>816.420</b>	<b>2.147.034</b>

(\*) 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 Banks’ 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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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**d. Summary information about capital adequacy ratio ("CAR"):**

	31 March 2011	31 December 2010
Amount subject to credit risk (ASCR)	2.577.464	2.389.036
Amount subject to market risk (ASMR)	360.838	176.588
Amount subject to operational risk (ASOR)	222.011	213.602
<b>Shareholders' equity</b>	<b>557.334</b>	<b>563.792</b>
<b>Shareholders' equity/(ASCR+ASMR+ASOR)</b>	<b>%17,64</b>	<b>%20,29</b>

**e. Information about shareholders' equity items:**

	31 March 2011	31 December 2010
<b>CORE CAPITAL</b>		
Paid-in capital	380.000	380.000
Nominal capital	380.000	380.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	1.567	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	9.555	8.796
First legal reserve (Turkish Commercial Code 466/1)	5.650	4.891
Second legal reserve (Turkish Commercial Code 466/2)	3.905	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	46.052	36.172
Reserves allocated by the General Assembly	46.052	36.172
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	22.751	15.176
Current period profit	22.751	15.176
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	4.537	-
Primary subordinated loans (up to 15% of core capital)(*)	-	-
Uncovered portion of loss with reserves (-)	-	-
Current period loss	-	-
Prior period loss	-	-
Special costs (-)(**)	10.448	10.904
Prepaid expenses (-)(***)	-	4.734
Intangible assets (-)	18.670	18.125
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>435.344</b>	<b>407.948</b>

(\*) 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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<b>SUPPLEMENTARY CAPITAL</b>	<b>31 March 2011</b>	<b>31 December 2010</b>
General provisions	19.097	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	105.000	135.755
45% of marketable securities valuation reserve	(3.230)	1.142
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(3.230)	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)	-	-
<b>Total Supplementary Capital</b>	<b>122.368</b>	<b>156.227</b>
<b>TIER III CAPITAL</b>	-	-
<b>CAPITAL</b>	<b>557.712</b>	<b>564.175</b>
<b>DEDUCTIONS FROM THE CAPITAL (*)</b>	<b>378</b>	<b>383</b>
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	378	383
Other	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>557.334</b>	<b>563.792</b>

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**II. EXPLANATIONS ON MARKET RISK:**

Risk calculations are performed both with the standard method and the internal method. Regular legal reporting is performed on a weekly and monthly basis with the standard method. Fluctuations in risks are actively followed and are communicated to the top management. The Market Risk Unit also reports legally on a consolidated basis quarterly. The limitations in the treasury risk parameters, as approved by the Board of Directors, are summarized as follows:

- Position limit, maximum loss limit and minimum holding period for the available-for-sale, trading and held-to-maturity portfolio,
- Position limit, maximum loss limit and minimum holding period for derivative products,
- Distinct position limit and maximum loss limit of each foreign currency unit and total foreign currency.

Limit and risk monitoring for treasury operations, the calculation of risk parameters and various control processes have been more effectively performed with the implementation of Kondor program in 2008.

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:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	7.464
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	592
(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	20.811
(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)	28.867
<b>(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)</b>	<b>360.838</b>

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**III. EXPLANATIONS ON OPERATIONAL RISK:**

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

**IV. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Bank’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 Bank due to the free floating currency regime.

The 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>31 March 2011</u>	<u>31 December 2010</u>	<u>31 March 2011</u>	<u>31 December 2010</u>	<u>31 March 2011</u>	<u>31 December 2010</u>
<b>31 March 2011/ 31 December 2010</b>						
<b>Bid rate</b>	<b>TL2,1822</b>	<b>TL2,0551</b>	<b>TL1,5363</b>	<b>TL1,5376</b>	<b>TL1,8516</b>	<b>TL1,8872</b>
1. Day bid rate	TL2,1822	TL2,0551	TL1,5363	TL1,5376	TL1,8516	TL1,8872
2. Day bid rate	TL2,1816	TL2,0491	TL1,5483	TL1,5460	TL1,8598	TL1,8933
3. Day bid rate	TL2,1929	TL2,0437	TL1,5549	TL1,5567	TL1,8943	TL1,8912
4. Day bid rate	TL2,1763	TL2,0406	TL1,5485	TL1,5416	TL1,8912	TL1,8731
5. Day bid rate	TL2,1842	TL2,0260	TL1,5433	TL1,5403	TL1,8982	TL1,8567

The simple arithmetic average of the 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>31 March 2011</u>	<u>31 December 2010</u>	<u>31 March 2011</u>	<u>31 December 2010</u>	<u>31 March 2011</u>	<u>31 December 2010</u>
Arithmetic average-30 days	TL2,2015	TL2,0027	TL1,5714	TL1,5135	TL1,9184	TL1,8138

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**Information on currency risk of the Bank:**

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

	EUR	USD	Yen	Other FC	Total
<b>31 March 2011</b>					
<b>Assets</b>					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	6.143	105.483	-	125	111.751
Due From Banks	17.784	6.276	148	1.801	26.009
Financial Assets at Fair Value Through Profit or Loss	99	234	-	-	333
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	109.143	-	-	109.143
Loans (*)	450.512	322.264	-	465	773.241
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	5.111	143	-	2	5.256
<b>Total Assets (*)</b>	<b>479.649</b>	<b>543.543</b>	<b>148</b>	<b>2.393</b>	<b>1.025.733</b>
<b>Liabilities</b>					
Bank Deposits	25.976	19	-	18	26.013
Foreign Currency Deposits	224.080	494.683	2	9.751	728.516
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	144.026	40.032	-	-	184.058
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	2.618	2.189	-	1	4.808
Hedging Derivative Financial Liabilities	-	17.070	-	-	17.070
Other Liabilities	1.698	11.784	-	15	13.497
<b>Total Liabilities (*)</b>	<b>398.398</b>	<b>565.777</b>	<b>2</b>	<b>9.785</b>	<b>973.962</b>
<b>Net On-balance Sheet Position</b>	<b>81.251</b>	<b>(22.234)</b>	<b>146</b>	<b>(7.392)</b>	<b>51.771</b>
<b>Net Off-balance Sheet Position</b>	<b>(106.429)</b>	<b>13.066</b>	<b>(163)</b>	<b>7.482</b>	<b>(86.044)</b>
Financial Derivative Assets	610.605	536.091	11.573	60.159	1.218.428
Financial Derivative Liabilities	717.034	523.025	11.736	52.677	1.304.472
<b>Non-Cash Loans (**)</b>	<b>427.306</b>	<b>831.097</b>	<b>1.765</b>	<b>19.956</b>	<b>1.280.124</b>
<b>31 December 2010</b>					
Total Assets (*)	430.729	564.408	1.571	9.330	1.006.038
Total Liabilities (*)	365.111	559.732	1.530	25.311	951.684
<b>Net On-balance Sheet Position</b>	<b>65.618</b>	<b>4.676</b>	<b>41</b>	<b>(15.981)</b>	<b>54.354</b>
<b>Net Off-balance Sheet Position</b>	<b>(80.489)</b>	<b>8.383</b>	<b>343</b>	<b>16.173</b>	<b>(55.590)</b>
Financial Derivative Assets	285.410	539.192	74.790	24.925	924.317
Financial Derivative Liabilities	365.899	530.809	74.447	8.752	979.907
<b>Non-Cash Loans (**)</b>	<b>395.716</b>	<b>641.729</b>	<b>2.074</b>	<b>18.347</b>	<b>1.057.866</b>

(\*) The above table shows the Bank'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 TL212.187 (31 December 2010: TL223.820) classified as Turkish Lira assets in the 31 March 2011 financial statements are added to the table above. Besides this, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL12.390 (31 December 2010: TL9.556), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL11.290 (31 December 2010: TL9.249), "General Provisions" amounting to TL7.355 (31 December 2010: TL4.956) and "Marketable Securities Valuation Reserve" amounting to TL1.157 (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 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’s Asset and Liability Committee determines the assets and liability management policy by assessing the relationship between market rates and net interest income due to repricing characteristics of interest-earning assets and interest-bearing liabilities.

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:**

<b>31 March 2011</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	204.316	204.316
Due From Banks	21.675	-	575.758	-	-	10.774	608.207
Financial Assets at Fair Value Through Profit/Loss	4.610	13.410	263.662	6.963	2.050	-	290.695
Interbank Money Market Placements	9.002	-	-	-	-	-	9.002
Available-for-Sale Financial Assets	-	82.820	593.408	182.126	64.375	2.950	925.679
Loans	427.625	461.680	519.931	112.684	102.559	40.535	1.665.014
Held-to-Maturity Investments	-	-	160.353	-	-	-	160.353
Other Assets	4.168	-	-	-	-	271.544	275.712
<b>Total Assets</b>	<b>467.080</b>	<b>557.910</b>	<b>2.113.112</b>	<b>301.773</b>	<b>168.984</b>	<b>530.119</b>	<b>4.138.978</b>
<b>Liabilities</b>							
Bank Deposits	25.977	-	-	-	-	2.262	28.239
Other Deposits	1.185.431	351.169	99.734	-	-	187.829	1.824.163
Funds From Interbank Money Market	598.616	-	-	-	-	-	598.616
Miscellaneous Payables	-	-	-	-	-	16.138	16.138
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	14.926	146.031	797.257	946	-	105.000	1.064.160
Other Liabilities (*)	3.807	4.188	16.288	17.356	2.323	563.700	607.662
<b>Total Liabilities</b>	<b>1.828.757</b>	<b>501.388</b>	<b>913.279</b>	<b>18.302</b>	<b>2.323</b>	<b>874.929</b>	<b>4.138.978</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>56.522</b>	<b>1.199.833</b>	<b>283.471</b>	<b>166.661</b>	<b>-</b>	<b>1.706.487</b>
<b>Balance Sheet Short Position</b>	<b>(1.361.677)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(344.810)</b>	<b>(1.706.487)</b>
Off-balance Sheet Long Position	93.037	5.762	280	-	-	-	99.079
Off-balance Sheet Short Position	-	-	-	(77.206)	(15.363)	-	(92.569)
<b>Total Position</b>	<b>(1.268.640)</b>	<b>62.284</b>	<b>1.200.113</b>	<b>206.265</b>	<b>151.298</b>	<b>(344.810)</b>	<b>6.510</b>

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

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<b>31 December 2010</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	190	-	-	-	-	209.595	209.785
Due From Banks	491.489	-	-	-	-	22.348	513.837
Financial Assets at Fair Value Through Profit/Loss	7.158	157.628	7.033	1.822	99	-	173.740
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	66.195	40.049	-	185.439	48.302	2.950	342.935
Loans	358.002	951.156	277.332	71.208	2.661	51.606	1.711.965
Held-to-Maturity Investments	793.117	-	-	166.471	-	-	959.588
Other Assets	6.430	-	-	-	-	232.632	239.062
<b>Total Assets</b>	<b>1.722.581</b>	<b>1.148.833</b>	<b>284.365</b>	<b>424.940</b>	<b>51.062</b>	<b>519.131</b>	<b>4.150.912</b>
<b>Liabilities</b>							
Bank Deposits	33.264	-	-	-	-	19.660	52.924
Other Deposits	1.267.051	286.678	59.853	-	-	222.246	1.835.828
Funds From Interbank Money Market	574.606	-	-	-	-	-	574.606
Miscellaneous Payables	-	-	-	-	-	15.631	15.631
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	577.075	24.582	57.366	183.096	250.477	-	1.092.596
Other Liabilities (*)	6.995	3.805	5.014	626	21.085	541.802	579.327
<b>Total Liabilities</b>	<b>2.458.991</b>	<b>315.065</b>	<b>122.233</b>	<b>183.722</b>	<b>271.562</b>	<b>799.339</b>	<b>4.150.912</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>833.768</b>	<b>162.132</b>	<b>241.218</b>	<b>-</b>	<b>-</b>	<b>1.237.118</b>
<b>Balance Sheet Short Position</b>	<b>(736.410)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(220.500)</b>	<b>(280.208)</b>	<b>(1.237.118)</b>
Off-balance Sheet Long Position	93.114	494	-	-	-	-	93.608
Off-balance Sheet Short Position	-	-	(1.709)	(77.264)	(15.376)	-	(94.349)
<b>Total Position</b>	<b>(643.296)</b>	<b>834.262</b>	<b>160.423</b>	<b>163.954</b>	<b>(235.876)</b>	<b>(280.208)</b>	<b>(741)</b>

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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.

<b>31 March 2011</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	0,70	0,23	-	10,14
Financial Assets at Fair Value Through Profit/Loss	-	6,75	-	7,35
Interbank Money Market Placements	-	-	-	6,10
Available-for-Sale Financial Assets	-	9,30	-	7,59
Loans	5,48	4,88	-	12,11
Held-to-Maturity Investments	-	-	-	17,67
<b>Liabilities</b>				
Bank Deposits	0,78	-	-	-
Other Deposits (*)	2,32	3,39	-	7,99
Funds From Interbank Money Market	-	-	-	6,26
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,00	2,24	-	8,35

<b>31 December 2010</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
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	-	9,07
Financial Assets at Fair Value Through Profit/Loss	9,50	6,75	-	8,81
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	8,47	-	8,13
Loans	5,27	4,83	3,59	11,25
Held-to-Maturity Investments	-	-	-	18,06
<b>Liabilities</b>				
Bank Deposits	0,63	-	-	6,50
Other Deposits (*)	2,26	2,63	-	8,11
Funds From Interbank Money Market	-	-	-	6,43
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 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 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 Bank 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 utilised at a minimum level. The Bank does not need these funds due to the existing liquidity position but utilises 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
<b>Average (%)</b>	116,26	137,16	97,35	126,51	9,56
<b>Maximum (%)</b>	136,29	177,64	112,75	161,30	10,67
<b>Minimum (%)</b>	91,50	120,01	76,52	108,41	7,79



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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Breakdown of assets and liabilities according to their outstanding maturities:**

31 March 2011	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	19.233	185.083	-	-	-	-	-	204.316
Due From Banks	10.774	20.907	-	575.758	-	-	768	608.207
Financial Assets at Fair Value Through Profit or Loss	-	4.535	5.869	215.768	58.312	6.211	-	290.695
Interbank Money Market Placements	-	9.002	-	-	-	-	-	9.002
Available-for-Sale Financial Assets	-	-	-	336.520	460.208	126.001	2.950	925.679
Loans	-	427.187	449.612	519.931	125.190	102.559	40.535	1.665.014
Held-to-Maturity Investments	-	-	-	160.353	-	-	-	160.353
Other Assets (*)	-	28.622	25.534	5.465	22.790	13	193.288	275.712
<b>Total Assets</b>	<b>30.007</b>	<b>675.336</b>	<b>481.015</b>	<b>1.813.795</b>	<b>666.500</b>	<b>234.784</b>	<b>237.541</b>	<b>4.138.978</b>
<b>Liabilities</b>								
Bank Deposits	2.262	25.977	-	-	-	-	-	28.239
Other Deposits	187.829	1.185.431	351.169	99.734	-	-	-	1.824.163
Funds Borrowed From Other Financial Institutions	-	14.925	141.360	57.145	10.519	840.211	-	1.064.160
Funds From Interbank Money Market	-	598.616	-	-	-	-	-	598.616
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	4.762	2.048	-	-	-	9.328	16.138
Other Liabilities (**)	-	63.695	4.058	30.671	4.061	121	505.056	607.662
<b>Total Liabilities</b>	<b>190.091</b>	<b>1.893.406</b>	<b>498.635</b>	<b>187.550</b>	<b>14.580</b>	<b>840.332</b>	<b>514.384</b>	<b>4.138.978</b>
<b>Net Liquidity Gap</b>	<b>(160.084)</b>	<b>(1.218.070)</b>	<b>(17.620)</b>	<b>1.626.245</b>	<b>651.920</b>	<b>(605.548)</b>	<b>(276.843)</b>	<b>-</b>
<b>31 December 2010</b>								
Total Assets	39.975	1.968.002	479.457	614.253	636.522	164.734	247.969	4.150.912
Total Liabilities	241.906	2.528.261	316.086	129.832	187.320	250.572	496.935	4.150.912
<b>Net Liquidity Gap</b>	<b>(201.931)</b>	<b>(560.259)</b>	<b>163.371</b>	<b>484.421</b>	<b>449.202</b>	<b>(85.838)</b>	<b>(248.966)</b>	<b>-</b>

(\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, subsidiaries, 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 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:**

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

	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
<b>31 March 2011</b>				
Segment revenue	10.088	8.280	12.736	31.104
Unallocated costs	-	-	-	(33.834)
<b>Net Operating Profit</b>	<b>10.088</b>	<b>8.280</b>	<b>12.736</b>	<b>(2.730)</b>
Dividend income	-	-	-	25.000
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.270</b>
Tax expense	-	-	-	481
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.751</b>
Segment assets	255.491	1.496.751	2.111.023	3.863.266
Investments in associates, subsidiaries and joint ventures	-	-	-	134.332
Unallocated assets	-	-	-	141.380
<b>Total Assets</b>	<b>255.491</b>	<b>1.496.751</b>	<b>2.111.023</b>	<b>4.138.978</b>
Segment liabilities	639.579	1.221.278	1.705.858	3.566.715
Unallocated liabilities	-	-	-	572.263
<b>Total Liabilities</b>	<b>639.579</b>	<b>1.221.278</b>	<b>1.705.858</b>	<b>4.138.978</b>

	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
<b>31 March 2010</b>				
Segment revenue	6.535	9.038	26.775	42.348
Unallocated costs	-	-	-	(31.614)
<b>Net Operating Profit</b>	<b>6.535</b>	<b>9.038</b>	<b>26.775</b>	<b>10.734</b>
Dividend income	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.734</b>
Tax expense	-	-	-	(1.662)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.072</b>
<b>31 December 2010</b>				
Segment assets	226.479	1.572.612	2.112.759	3.911.850
Investments in associates, subsidiaries and joint ventures	-	-	-	134.332
Unallocated assets	-	-	-	104.730
<b>Total Assets</b>	<b>226.479</b>	<b>1.572.612</b>	<b>2.112.759</b>	<b>4.150.912</b>
Segment liabilities	675.282	1.224.652	1.706.404	3.606.338
Unallocated liabilities	-	-	-	544.574
<b>Total Liabilities</b>	<b>675.282</b>	<b>1.224.652</b>	<b>1.706.404</b>	<b>4.150.912</b>

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**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO 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:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Cash/Foreign currency	8.394	10.824	6.919	10.671
CBRT	84.171	100.927	94.022	98.173
Other	-	-	-	-
<b>Total</b>	<b>92.565</b>	<b>111.751</b>	<b>100.941</b>	<b>108.844</b>

2. Information on the account of the CBRT:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Demand Unrestricted Amount	84.171	27.530	94.022	26.781
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	73.397	-	71.392
<b>Total</b>	<b>84.171</b>	<b>100.927</b>	<b>94.022</b>	<b>98.173</b>

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 12%, for deposits/participation accounts up to 1-month maturity (including 1-month) 10%, for deposits/participation accounts up to 3-month maturity (including 3-month) 9%, for deposits/participation accounts up to 6-month maturity (including 6-month) 7%, 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 9%. For foreign exchange currency liabilities USD or EUR, required reserves ratio is 11% .

As of the preparation date of these financial statements, required reserves ratios mentioned above will be changed to ratios below which will be effective from 29 April 2011 onwards. For deposits/participation accounts up to 1-month maturity (including 1-month) required reserves ratio is 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 6%, for deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts 5%, for liabilities other than deposits/participation funds it is 13%. For foreign currency demand deposits, notice deposits and foreign currency private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities the ratio is 12%, for foreign currency deposits/ foreign currency participation accounts with 1-year and longer maturity and cumulative foreign currency deposits/ foreign currency participation accounts 11%, for other foreign currency liabilities up to 1 year maturity (including 1-year) 12%, for other foreign currency liabilities up to 3-year maturity (including 3-year) 11,5%, and for other foreign currency liabilities longer than 3-year maturity it is 11%.

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

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

- As of 31 March 2011, there are TL17.174 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:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Forward Transactions	11.010	1.263	5.096	548
Swap Transactions	1.812	654	1.361	855
Futures Transactions	-	-	-	-
Options	4.187	10.789	251	8.408
Other	7	-	24	-
<b>Total</b>	<b>17.016</b>	<b>12.706</b>	<b>6.732</b>	<b>9.811</b>

**c. Information on banks:**

- Information on banks:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Banks	582.198	26.009	488.757	25.080
Domestic	6.440	15.377	2.190	2.924
Foreign	575.758	10.632	486.567	22.156
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>582.198</b>	<b>26.009</b>	<b>488.757</b>	<b>25.080</b>

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

- Characteristics and carrying values of available-for-sale financial assets given as collateral:  
As of 31 March 2011, there are TL467 available-for-sale financial assets given as collateral/blocked (31 December 2010: TL467) and those subject to repurchase agreements amounts to TL551.789 (31 December 2010: TL53.411).
- Information on available-for-sale financial assets:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Debt Securities	925.080		339.985	
Quoted on Stock Exchange	815.937		226.765	
Not Quoted (*)	109.143		113.220	
Share Certificates	2.950		2.950	
Quoted on Stock Exchange	-		-	
Not Quoted	2.950		2.950	
Impairment Provision (-)	2.351		-	
<b>Total</b>	<b>925.679</b>		<b>342.935</b>	

(\*) 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:

	31 March 2011		31 December 2010	
	Cash	Non-cash	Cash	Non-cash
<b>Direct Loans Granted To Shareholders</b>	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
<b>Indirect Loans Granted To Shareholders (*)</b>	<b>583.138</b>	<b>25.322</b>	<b>507.892</b>	<b>21.045</b>
<b>Loans Granted To Employees</b>	<b>2.224</b>	-	<b>2.251</b>	-
<b>Total</b>	<b>585.362</b>	<b>25.322</b>	<b>510.143</b>	<b>21.045</b>

(\*) As of 31 March 2011, the balance includes TL582.654 (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:

	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
<b>Cash Loans</b>				
<b>Non-Specialised Loans</b>	1.524.889	-	42.789	56.802
Discount and Purchase Notes	62.191	-	272	-
Export Loans	304.451	-	9.209	893
Import Loans	-	-	-	-
Loans Granted to Financial Sector	7.880	-	-	-
Foreign Loans	294	-	-	-
Consumer Loans	37.899	-	693	-
Credit Cards	3.879	-	26	-
Precious Metal Loans	-	-	-	-
Other (*)	1.108.295	-	32.589	55.909
<b>Specialised Loans</b>	-	-	-	-
<b>Other Receivables</b>	-	-	-	-
<b>Total</b>	<b>1.524.889</b>	-	<b>42.789</b>	<b>56.802</b>

(\*) Factoring receivables amounting to TL90.195 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
<b>Consumer Loans-TL</b>	<b>4.292</b>	<b>29.875</b>	<b>34.167</b>
Real estate loans	-	2.909	2.909
Automotive loans	-	800	800
Consumer loans	4.292	26.156	30.448
Other	-	10	10
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>1.724</b>	<b>1.724</b>
Real estate loans	-	1.724	1.724
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>1.926</b>	<b>-</b>	<b>1.926</b>
With installments	-	-	-
Without installments	1.926	-	1.926
<b>Individual Credit Cards- FC</b>	<b>47</b>	<b>-</b>	<b>47</b>
With installments	-	-	-
Without installments	47	-	47
<b>Personnel Loans-TL</b>	<b>223</b>	<b>1.569</b>	<b>1.792</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	223	1.569	1.792
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>427</b>	<b>-</b>	<b>427</b>
With installments	-	-	-
Without installments	427	-	427
<b>Personnel Credit Cards-FC</b>	<b>5</b>	<b>-</b>	<b>5</b>
With installments	-	-	-
Without installments	5	-	5
<b>Credit Deposit Account-TL (Real Person)</b>	<b>909</b>	<b>-</b>	<b>909</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7.829</b>	<b>33.168</b>	<b>40.997</b>

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>9.028</b>	<b>102.285</b>	<b>111.313</b>
Real estate Loans		1.484	1.484
Automotive Loans	134	3.824	3.958
Consumer Loans	8.894	96.977	105.871
Other		-	-
<b>Commercial Installments Loans-FC</b>			
<b>Indexed</b>	<b>920</b>	<b>18.624</b>	<b>19.544</b>
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans	920	18.624	19.544
Other		-	-
<b>Commercial Installments Loans-FC</b>			
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans		-	-
Other		-	-
<b>Corporate Credit Cards-TL</b>	<b>1.466</b>	-	<b>1.466</b>
With installment		-	-
Without installment	1.466	-	1.466
<b>Corporate Credit Cards-FC</b>	<b>34</b>	-	<b>34</b>
With installment		-	-
Without installment	34	-	34
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>8.136</b>	-	<b>8.136</b>
<b>Credit Deposit Account-FC (Legal Person)</b>			
<b>Total</b>	<b>19.584</b>	<b>120.909</b>	<b>140.493</b>

5. Loans according to types of borrowers:

	31 March 2011	31 December 2010
Public	-	-
Private	1.624.480	1.660.359
<b>Total</b>	<b>1.624.480</b>	<b>1.660.359</b>

6. Distribution of domestic and foreign loans:

	31 March 2011	31 December 2010
Domestic Loans	1.624.186	1.660.082
Foreign Loans	294	277
<b>Total</b>	<b>1.624.480</b>	<b>1.660.359</b>

7. Loans given to investments in associates and subsidiaries:

None (31 December 2010: None).

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8. Specific provisions provided against loans:

	31 March 2011	31 December 2010
Loans and Other Receivables with Limited Collectability	141	206
Loans and Other Receivables with Doubtful Collectability	861	1.212
Uncollectible Loans and Other Receivables	62.596	64.001
<b>Total</b>	<b>63.598</b>	<b>65.419</b>

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
<b>31 March 2011</b>			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	341	4.879
<b>31 December 2010</b>			
(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
<b>Prior Period End Balance</b>	<b>2.304</b>	<b>4.642</b>	<b>110.079</b>
Additions (+)	1.288	106	1.661
Transfers from Other Categories of Non performing Loans (+)	-	2.114	2.514
Transfers to Other Categories of Non-performing Loans (-)	2.114	2.514	-
Collections (-) (*)	427	1.610	13.911
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>1.051</b>	<b>2.738</b>	<b>100.343</b>
Specific Provision (-)	141	861	62.596
<b>Net Balance on Balance Sheet</b>	<b>910</b>	<b>1.877</b>	<b>37.747</b>



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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 March 2011</b>			
Period-End Balance	-	809	32.160
Specific Provision (-)	-	310	13.373
<b>Net Balance on balance sheet</b>	<b>-</b>	<b>499</b>	<b>18.787</b>
<b>31 December 2010</b>			
Period-End Balance	208	1.251	37.360
Specific Provision (-)	10	397	14.617
<b>Net Balance on balance sheet</b>	<b>198</b>	<b>854</b>	<b>22.743</b>

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>910</b>	<b>1.877</b>	<b>37.747</b>
Loans Given to Real Persons and Legal Persons (Gross)	1.051	2.738	100.153
Specific Provision Amount (-)	141	861	62.406
Loans Given to Real Persons and Legal Persons (Net)	910	1.877	37.747
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	190
Specific Provision Amount (-)	-	-	190
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>2.098</b>	<b>3.430</b>	<b>46.078</b>
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)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-

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**f. Information on held-to-maturity investments:**

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

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	28.782	-	513.047	-
Other	-	-	-	-
<b>Total</b>	<b>28.782</b>	<b>-</b>	<b>513.047</b>	<b>-</b>

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

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	115.211	-	99.612	-
Other	-	-	-	-
<b>Total</b>	<b>115.211</b>	<b>-</b>	<b>99.612</b>	<b>-</b>

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

	31 March 2011	31 December 2010
Government Bond	160.353	959.588
Treasury Bill	-	-
Other Debt Securities	-	-
<b>Total</b>	<b>160.353</b>	<b>959.588</b>

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

	31 March 2011	31 December 2010
Debt Securities	160.353	959.588
Quoted	160.353	959.588
Not Quoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>160.353</b>	<b>959.588</b>

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

	31 March 2011	31 December 2010
<b>Beginning Balance</b>	<b>959.588</b>	<b>992.817</b>
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year (*)	-	-
Disposals through Sales and Redemptions(-)	799.235	33.229
Impairment Provision (-)	-	-
<b>Period End Balance</b>	<b>160.353</b>	<b>959.588</b>

(\*) Movement of held-to-maturity investments within the period includes changes in interest accruals, with security disposals through redemption amounting to TL735.887

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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 subsidiaries that are consolidated in consolidated accounts:

	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 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	221.013	30.930	82	4.510	8	1.299	427	-
2	256.142	82.320	2.694	4.189	9	3.305	3.464	-

5. Movement schedules of subsidiaries:

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

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

<b>Subsidiaries</b>	<b>31 March 2011</b>	<b>31 December 2010</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	22.232	22.232
Finance Companies	-	-
Other Financial Subsidiaries	112.100	112.100

7. Subsidiaries quoted on stock exchange:

None.

**i. Information on joint ventures:**

None.

**j. Information on lease receivables (net):**

None.

**k. Information on hedging derivative financial assets:**

As of 31 March 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 31 March 2011, the Bank has netted-off the calculated deferred tax asset of TL21.305 (31 December 2010: TL18.491) and deferred tax liability of TL3.150 (31 December 2010: TL2.255) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL18.155 (31 December 2010: TL16.236) in the financial statements.

As of 31 March 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	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Valuation Differences of Marketable Securities	9.948	20.313	1.989	4.063
Provision for Legal Cases	10.938	10.908	2.188	2.181
Reserve for Employment Termination Benefit and Unused Vacation	5.598	5.151	1.120	1.030
Valuation Differences of Derivative Instruments	-	3.237	-	647
Carried Financial Loss	80.038	52.848	16.008	10.570
<b>Deferred Tax Assets</b>	<b>106.522</b>	<b>92.457</b>	<b>21.305</b>	<b>18.491</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	11.205	11.151	2.242	2.230
Valuation Differences of Derivative Instruments	4.500	-	900	-
Other	39	123	8	25
<b>Deferred Tax Liabilities</b>	<b>15.744</b>	<b>11.274</b>	<b>3.150</b>	<b>2.255</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<b>90.778</b>	<b>81.183</b>	<b>18.155</b>	<b>16.236</b>

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2011	31 December 2010
<b>Balance as of 1 January</b>	<b>16.236</b>	<b>18.017</b>
Current year deferred tax income/(expense) (net)	481	(4.087)
Deferred tax charged to equity (net)	1.438	2.306
<b>Balance at the End of the Period</b>	<b>18.155</b>	<b>16.236</b>

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

The Bank has assets held for resale amounting to TL9.331 (31 December 2010: TL8.633) and has no discontinued operations.

<b>Prior Period</b>	<b>31 March 2011</b>	<b>31 December 2010</b>
Cost	8.873	2.301
Accumulated Depreciation (-)	240	160
<b>Net Book Value</b>	<b>8.633</b>	<b>2.141</b>
<b>Current Period</b>		
Net book value at beginning of the period	8.633	2.141
Additions	4.742	6.721
Disposals (-), net	3.999	148
Impairment	2	17
Depreciation (-)	47	98
Cost at end of the period	9.614	8.873
Accumulated Depreciation at end of the period (-)	283	240
<b>Closing Net Book Value</b>	<b>9.331</b>	<b>8.633</b>

**o. Information on other assets:**

As of 31 March 2011, other assets amount to TL64.916 (31 December 2010: TL30.533) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**a. Information on deposits:**

1. Information on maturity structure of deposits:

i. 31 March 2011:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	19.056	-	7.984	433.463	49.455	7.205	2.511	-	519.674
Foreign Currency Deposits	108.456	-	88.999	467.584	49.714	12.265	1.498	-	728.516
Residents in Turkey	106.909	-	88.999	448.715	49.547	12.055	1.188	-	707.413
Residents Abroad	1.547	-	-	18.869	167	210	310	-	21.103
Public Sector Deposits	15.240	-	-	981	-	-	-	-	16.221
Commercial Deposits	43.551	-	52.384	316.538	26.816	79.423	18.969	-	537.681
Other Institutions Deposits	1.526	-	1.169	18.627	741	8	-	-	22.071
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	2.271	-	25.968	-	-	-	-	-	28.239
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	61	-	25.968	-	-	-	-	-	26.029
Foreign Banks	2.210	-	-	-	-	-	-	-	2.210
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>190.100</b>	<b>-</b>	<b>176.504</b>	<b>1.237.193</b>	<b>126.726</b>	<b>98.901</b>	<b>22.978</b>	<b>-</b>	<b>-1.852.402</b>

ii. 31 December 2010:

	Demand	With 7 days notifications	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	111.342	-	170.703	371.360	50.953	4.670	1.263	-	710.291
Residents in Turkey	109.446	-	170.700	353.032	50.695	4.537	994	-	689.404
Residents Abroad	1.896	-	3	18.328	258	133	269	-	20.887
Public Sector Deposits	11.440	-	-	946	392	-	-	-	12.778
Commercial Deposits	80.208	-	266.866	145.044	18.283	20.519	2	-	530.922
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>241.906</b>	<b>-</b>	<b>482.883</b>	<b>1.003.900</b>	<b>126.329</b>	<b>30.640</b>	<b>3.094</b>	<b>-</b>	<b>-1.888.752</b>

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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	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<b>Saving Deposits</b>				
Saving Deposits	135.518	140.905	384.156	390.499
Foreign Currency Savings Deposit	34.767	35.021	184.084	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	-	-	-	-
<b>Total</b>	<b>170.285</b>	<b>175.926</b>	<b>568.240</b>	<b>560.590</b>

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

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

	31 March 2011	31 December 2010
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	97.284	77.360
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	2.939	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	-	-
<b>Total</b>	<b>100.223</b>	<b>80.210</b>



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**b. Information on trading derivative financial liabilities:**

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Forward Transactions	7.050	716	4.255	404
Swap Transactions	2.675	847	4.577	854
Futures Transactions	-	-	-	-
Options	4.601	9.963	337	8.227
Other	160	-	9	-
<b>Total</b>	<b>14.486</b>	<b>11.526</b>	<b>9.178</b>	<b>9.485</b>

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	44.562	57.137	35.340	60.136
From Foreign Banks, Institutions and Funds	730.540	126.921	693.314	118.686
<b>Total</b>	<b>775.102</b>	<b>184.058</b>	<b>728.654</b>	<b>178.822</b>

2. Information on maturity structure of borrowings:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Short-term	44.562	64.815	35.340	63.842
Medium and Long-term	730.540	119.243	693.314	114.980
<b>Total</b>	<b>775.102</b>	<b>184.058</b>	<b>728.654</b>	<b>178.822</b>

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

The Bank's main funding sources are deposits and borrowings. As of 31 March 2011, deposits and borrowings from Bank's risk group comprise 23% of total deposits and 79% of total borrowings.

**d. Information on other liabilities:**

Other liabilities amounting to TL43.059 (31 December 2010: TL38.615) 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 Bank.

	31 March 2011		31 December 2010	
	Gross	Net	Gross	Net
Less than 1 year	849	803	902	840
Between 1-4 years	74	71	236	227
More than 4 years	-	-	-	-
<b>Total</b>	<b>923</b>	<b>874</b>	<b>1.138</b>	<b>1.067</b>

**f. Information on hedging derivative financial liabilities:**

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
Fair value hedge	-	17.070	-	20.540
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
<b>Total</b>	-	<b>17.070</b>	-	<b>20.540</b>

According to TAS 39 the Bank hedged against the possible fair value effects of changes in market interest rates on its Eurobonds with a nominal value of USD40 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 USD60 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:

	31 March 2011	31 December 2010
Provisions for Group I loans and receivables	12.626	12.141
Provisions for Group II loans and receivables	2.062	1.996
Provisions for non cash loans	2.795	2.138
Other	1.614	1.554
<b>Total</b>	<b>19.097</b>	<b>17.829</b>

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2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Bank 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 with the working period before retirement were enacted.

The payment amount which is one month's salary for each working year is restricted to TL2.623,23 (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 Bank. 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.

	31 March 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:

	31 March 2011	31 December 2010
Prior Period Ending Balance	3.632	3.012
Provisions Recognised During the Period	381	1.398
Paid During the Period (-)	164	778
<b>Balance at the End of the Period</b>	<b>3.849</b>	<b>3.632</b>

In addition, as of 31 March 2011 the Bank has accounted for vacation rights provision amounting to TL1.749 (31 December 2010: TL1.519) and personnel bonus provision amounting to TL9.655 (31 December 2010: TL7.659).

3. Other provisions:

i) Information on provisions for possible risks:

None.

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ii) Information on other provisions:

The Bank set aside reserves amounting to TL10.938 (31 December 2010: TL10.908) for lawsuits, TL3.013 (31 December 2010: TL2.908) for non-cash loans, TL1.575 (31 December 2010: TL1.620) for customer cheques commitments, TL32 (31 December 2010: TL29) for credit card loyalty points and TL233 (31 December 2010: TL227) for other receivables.

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

As of 31 March 2011, the provision related to the foreign currency difference of foreign indexed loans amounts to TL1.301 (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 31 March 2011, the bank provided no corporate tax provision (31 December 2010: None).

2. Information on taxes payable:

	31 March 2011	31 December 2010
Corporate Tax Payable	-	-
Taxation of Marketable Securities	2.013	2.336
Property Tax	112	158
Banking Insurance Transaction Tax	1.556	1.421
Value Added Tax Payable	103	216
Other	964	1.288
<b>Total</b>	<b>4.748</b>	<b>5.419</b>

3. Information on premium payables:

	31 March 2011	31 December 2010
Social Security Premiums–Employee	449	417
Social Security Premiums–Employer	648	603
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	31	29
Unemployment Insurance–Employer	62	58
Other	-	-
<b>Total</b>	<b>1.190</b>	<b>1.107</b>

4. As of 31 March 2011, the Bank has netted-off the calculated deferred tax asset of TL21.305 (31 December 2010: TL18.491) and deferred tax liability of TL3.150 (31 December 2010: TL2.255) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL18.155 (31 December 2010: TL16.236) in the financial statements.

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

None.

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**j. Information about 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:

<b>Institution</b>	<b>Amount</b>	<b>Opening date</b>	<b>Maturity</b>	<b>Interest rate (%)</b>
EFG Eurobank Ergasias S.A.	105.000	15 February 2011	(*)	0,00

(\*) As per BRSA's allowance No 390 dated as 15 February 2011; for increase in Banks' capital from TL380 million to TL570 million, Banks' main shareholder Eurobank EFG Holding Luxembourg SA' s TL105 million is added into accounts as tier-II capital until it has been used for increase in Banks' capital.

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

**1. Information about subordinated loans:**

	<b>31 March 2011</b>		<b>31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	105.000	-	185.120	-
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>105.000</b>	<b>-</b>	<b>185.120</b>	<b>-</b>

**k. Information on shareholders' equity:**

**1. Presentation of paid-in capital:**

	<b>31 March 2011</b>	<b>31 December 2010</b>
Common Stock	380.000	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.

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3. Information on the share capital increases during the period and their sources:  
None.
4. Information on capital increases from capital reserves during the current period:  
None.
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 Bank'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 Bank within several risk limits and legal limits.
7. Information on privileges given to shares representing the capital:  
Based on the Principal Agreement, the 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.
8. Information on marketable securities valuation reserve:

	31 March 2011		31 December 2010	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(4.387)	1.157	1.119	1.419
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(4.387)</b>	<b>1.157</b>	<b>1.119</b>	<b>1.419</b>

9. Information on tangible assets revaluation reserve:

	31 March 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	4.537	-	-	-
<b>Total</b>	<b>7.873</b>	<b>-</b>	<b>3.336</b>	<b>-</b>

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

According to the General Assembly meeting decision on 31 March 2011, the profit of 2010 amounting to TL15.176 has been allocated to TL759 as legal reserves, TL9.880 as extraordinary reserves and TL4.537 as real estate sales income based on cooperate tax legislation.

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

**a. Information on off balance sheet commitments:**

1. The amount and type of irrevocable commitments:

	<b>31 March 2011</b>	<b>31 December 2010</b>
Asset purchase and sales commitments	190.333	61.777
Foreign currency buy/sell commitments	183.439	124.291
Commitments for cheques	58.941	53.338
Time deposit purchase-sales commitments	50.000	-
Loan limit commitments	21.326	17.112
Commitments for credit card limits	13.656	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
<b>Total</b>	<b>521.222</b>	<b>268.290</b>

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:

	<b>31 March 2011</b>	<b>31 December 2010</b>
Other guarantees	931.284	764.891
Letter of guarantees	377.897	335.868
Letter of credits	209.445	166.490
Bank acceptance loans	46.668	30.510
Factoring guarantees	1.713	2.978
<b>Total</b>	<b>1.567.007</b>	<b>1.300.737</b>

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

	<b>TL</b>	<b>FC</b>
Irrevocable letters of guarantee	232.247	61.257
Guarantees given to customs	24.779	1.563
Revocable letters of guarantee	21.792	5.308
Letters of guarantee given in advance	6.041	23.206
Other letters of guarantee	1.430	274
<b>Total</b>	<b>286.289</b>	<b>91.608</b>

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

	31 March 2011	31 December 2010
Non-cash loans given against cash loans	932.615	766.210
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	932.615	766.210
Other non-cash loans	634.392	534.527
<b>Total</b>	<b>1.567.007</b>	<b>1.300.737</b>

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

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-cash Loans (*)</b>	<b>270.952</b>	<b>1.268.495</b>	<b>13.093</b>	<b>9.394</b>
Letters of Guarantee	270.358	90.641	13.093	571
Bank Acceptances	-	46.367	-	301
Letters of Credit	-	208.943	-	502
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	594	1.119	-	-
Other Commitments and Contingencies	-	921.425	-	8.020

(\*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to TL5.073 As of 31 March 2011, the Bank has recorded a provision amounting to TL3.013 regarding these risks.

**b. Investment Funds:**

As of 31 March 2011, the Bank is the founder of 3 investment funds (31 December 2010: 3) with a total fund value of TL26.264 (31 December 2010: TL27.252). 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 31 March 2011, the total amount of legal cases against the Bank is TL14.556 (31 December 2010: TL14.499) and the Bank sets aside a provision of TL10.938 (31 December 2010: TL10.908) regarding these risks.

**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 INCOME STATEMENT**

**a. Information on interest income:**

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

	31 March 2011		31 March 2010	
	TL	FC	TL	FC
<b>Interest Income on Loans</b>				
Short-term Loans	24.165	3.626	23.693	3.382
Medium/Long-term Loans	5.630	3.642	4.381	2.674
Interest on Loans Under Follow-up	1.277	-	226	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>31.072</b>	<b>7.268</b>	<b>28.300</b>	<b>6.056</b>

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

**2. Information on interest income on banks:**

	31 March 2011		31 March 2010	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	52	6	20	6
From Foreign Banks	13.508	27	8.583	1.011
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>13.560</b>	<b>33</b>	<b>8.603</b>	<b>1.017</b>

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

	31 March 2011	31 March 2010
Interest Received From Investments in Associates and Subsidiaries	1	1

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**b. Information on interest expense:**

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

	31 March 2011		31 March 2010	
	TL	FC	TL	FC
Banks	22.805	1.178	32.133	950
The CBRT	-	-	-	-
Domestic Banks	740	449	475	312
Foreign Banks	22.065	729	31.658	638
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>22.805</b>	<b>1.178</b>	<b>32.133</b>	<b>950</b>

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

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

	31 March 2011	31 March 2010
Interest Paid to Investment in Associates and Subsidiaries	178	730

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

	31 March 2011	31 March 2010
<b>Income</b>	<b>939.236</b>	<b>161.504</b>
Income from Capital Market Transactions	11.901	8.084
Income From Derivative Financial Transactions	40.569	10.403
Foreign Exchange Gains (*)	886.766	143.017
<b>Loss (-)</b>	<b>931.363</b>	<b>156.387</b>
Loss from Capital Market Transactions	8.298	2.894
Loss From Derivative Financial Transactions	37.282	10.951
Foreign Exchange Loss (*)	885.783	142.542
<b>Net Income/(Loss)</b>	<b>7.873</b>	<b>5.117</b>

(\*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains/loss is TL9.573 (31 March 2010: TL2.216).

**d. Information on other operating income:**

As of 31 March 2011, the Bank's other operating income is TL2.307 (31 March 2010: TL5.367).

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**e. Provision expenses related to loans and other receivables of the Bank:**

	<b>31 March 2011</b>	<b>31 March 2010</b>
Specific Provisions for Loans and Other Receivables	(1.764)	3.397
III. Group Loans and Receivables	164	992
IV. Group Loans and Receivables	345	2.966
V. Group Loans and Receivables	(2.273)	(561)
General Provision Expenses	1.131	710
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	154	49
Financial Assets at Fair Value Through Profit or Loss	154	49
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	-	-
<b>Total</b>	<b>(479)</b>	<b>4.156</b>

**f. Information related to other operating expenses:**

	<b>31 March 2011</b>	<b>31 March 2010</b>
Personnel Expenses	16.684	12.968
Reserve For Employee Termination Benefits(*)	611	414
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.591	1.092
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	553	368
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	47	17
Impairment Expenses of Fixed Assets Held for Sale	-	-
<b>Other Operating Expenses</b>	<b>10.889</b>	<b>8.866</b>
Operational Lease Expenses	3.258	2.623
Maintenance Expenses	135	95
Advertising Expenses	220	187
Other Expense	7.276	5.961
Loss on Sales of Assets	11	-
Other	3.927	3.733
<b>Total</b>	<b>34.313</b>	<b>27.458</b>

(\*) As of 31 March 2011, TL230 (31 March 2010: TL14) of the Reserve For Employee Termination Benefits is expense from employee vacation fee provision.

**g. Information on provision for taxes from discontinued or continuing operations:**

The Bank has no discontinued operations. The Bank’s net income/(loss) before taxes from continuing operations is TL22.270.

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

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

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 31 March 2011, the Bank has no current tax expense and has deferred tax income amounting to TL481.

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

The Bank has net deferred tax income amounting to TL481 composing from deferred tax income as TL253 from temporary differences and TL5.438 from carried financial loss; TL5.210 deferred tax expense from temporary differences.

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

As of 31 March 2011, the Bank has TL4.957 deferred tax expense arising from temporary differences and there is TL5.438 deferred tax income from carried financial loss.

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

The Bank 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:**

1. 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.

2. 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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**k. Information on other income and expenses:**

As of 31 March 2011, the Bank’s fee and commission income amounts to TL7.417 (31 March 2010: TL6.920) and TL1.490 (31 March 2010: TL1.006) the related amount is classified under “Other fee and commission income” account.

	31 March 2011	31 March 2010
<b>Other Fee and Commissions Received</b>		
Commissions on Investment Fund Services	244	271
Transfer Commissions	211	147
Account Operating Fees	210	129
Insurance Commissions	60	54
Commissions from Correspondent Banks	52	33
Ortak Nokta Commissions	51	8
Letter of Credit Commissions	7	7
Other	655	357
<b>Total</b>	<b>1.490</b>	<b>1.006</b>

As of 31 March 2011, Bank’s fee and commission expense amounts to TL844 (31 March 2010: TL589) and TL841 (31 March 2010: TL587) of the related amount is classified under “Other fee and commission expense” account.

	31 March 2011	31 March 2010
<b>Other Fee and Commissions Given</b>		
Credit Card Transaction Commission	190	74
Ortak Nokta Clearing Commissions	93	172
EFT Commissions	88	58
Commissions Granted to Correspondent Banks	49	29
Transfer Commissions	15	25
Other	406	229
<b>Total</b>	<b>841</b>	<b>587</b>

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**V. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP**

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

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

1. 31 March 2011:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	14.242	119	21.045	35	332
Balance at the End of the Period	-	16.893	484	25.322	27	332
<b>Interest and Commission Income Received</b>	<b>1</b>	<b>10</b>	<b>31</b>	<b>16</b>	<b>-</b>	<b>-</b>

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

2. 31 December 2010:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	3.070	185	25.937	47	1.724
Balance at the End of the Period	-	14.242	119	21.045	35	332
<b>Interest and Commission Income Received</b>	<b>1</b>	<b>12</b>	<b>6</b>	<b>19</b>	<b>-</b>	<b>-</b>

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

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

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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
<b>Deposit</b>						
Beginning of the Period	16.496	71.330	470.517	605.391	25.401	4.915
End of the Period	18.928	16.496	376.712	470.517	25.115	25.401
<b>Interest Expense on Deposits</b>	<b>178</b>	<b>730</b>	<b>7.656</b>	<b>13.429</b>	<b>549</b>	<b>112</b>

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

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(Continued)

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	-	-	-	477	998
Interest Expense on Repurchase Transactions	-	-	-	-	-	8

(\*) 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 Bank's risk group:

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	14.896	13	743.351	82.136	-	-
Balance at the end of the period	11.080	14.896	1.011.029	743.351	-	-
<b>Total Profit/Loss</b>	<b>165</b>	<b>38</b>	<b>2.215</b>	<b>755</b>	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	61.504	59.494	-	-
Balance at the end of the period	-	-	61.454	61.504	-	-
<b>Total Profit/Loss</b>	-	-	<b>360</b>	<b>(1.543)</b>	-	-

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

**b. With respect to the Bank's risk group:**

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

The Bank 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	835.540	78,52
Banks	582.654	95,80
Deposit	420.755	22,71
Non-cash loans	42.547	2,72
Financial lease payables (net)	874	100,00
Loans	511	0,03
Funds from repurchase transactions	477	0,08

As of 31 March 2011, the Bank has realized interest expense amounting to TL22.253 on loans borrowed from the direct and indirect shareholders of the Bank, interest income amounting to TL13.535 from placement transactions with the direct and indirect shareholders of the Bank.

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

**EUROBANK TEKFEN A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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 Bank, has financial leasing agreements with EFG Finansal Kiralama A.Ş. and net financial leasing payables arising from these agreements amount to TL874 (31 December 2010: TL1.067). The interest expense amount paid for the related financial leasing agreements is TL23 (31 March 2010: TL221).

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank's risk group and the amount composes 1.33% (31 December 2010: 1,30%) of the Bank's total cash and non-cash loans.

As of 31 March 2011 there are no purchase-sales transactions on any other assets except real – estate and risk group which includes in the Bank.

As of 31 March 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 Bank is included.

As of 31 March 2011, the Bank has paid TL36 (31 March 2010: TL35) to EFG IT Shared Services SA and TL43 to BE-Business Exchanges SA (31 March 2010: none).

As of 31 March 2011, the Bank paid TL392 (31 March 2010: TL335) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen's risk group, for operating Tekfen Tower and the Archive building.

As of 31 March 2011, the Bank paid a rent amount of TL74 (31 March 2010: TL69) 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 31 March 2011, the Bank has paid a rent amount of TL573 (31 March 2010: TL590) to Tekfen Holding A.Ş for the floors on which the Bank's Head Office Units are located.

**c. Information on benefits provided to top management:**

As of 31 March 2011, benefits provided to top management amount to TL1.800 (31 March 2010: TL1.347).



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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

As per the Board of Director's decision dated 27 January 2011, the Bank has decided to increase its paid-in capital from TL380 million to TL570 million by 190 million where TL150 million of the capital increase will arise from the cash contribution of shareholders and TL40 million of the increase will be derived from internal resources. Following this decision TL148.954 of the cash contribution has been paid by shareholders in April without waiting for the legal payment term. The amount will be transferred to paid-in capital after obtaining BRSA approval.

**SECTION SIX**

**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

The unconsolidated financial statements for the period ended 31 March 2011 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the independent auditor's report dated 11 May 2011 has been presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR**

None.

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