

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

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2011**



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

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

We have audited the accompanying consolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2011 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published or declared by the Banking Regulation and Supervision Agency ("the BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.



Independent Auditor's Opinion:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Eurobank Tekfen A.Ş. and its consolidated subsidiaries at 31 December 2011 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Without qualifying our opinion we draw your attention to the following matters:

As explained in detail in Note II. of Section One, On 9 April 2012 the ultimate parent of the Bank, EFG Eurobank Ergasias SA, publicly announced that it has reached an agreement with Burgan Bank to sell its Turkish operations. Under the terms of the agreement, Burgan Bank will acquire 99.26% of Bank's shares from EFG Eurobank Ergasias SA and Tekfen Holding A.Ş. where the transaction is expected to close in third quarter of 2012 subject to regulatory approvals by the competent authorities. The other shareholder of the Bank, Tekfen Holding A.Ş., publicly announced that it has signed an agreement which enables to transfer the shares representing 29.26 % of Bank's capital owned by Tekfen Holding A.Ş. to EFG Eurobank Holding (Luxembourg) S.A or to any other beneficiary determined by EFG Eurobank Holding (Luxembourg) S.A, by allowing an early exercise of the call option.

Additional Paragraph for Convenience Translation:

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

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

Zeynep Uras, SMMM
Partner

Istanbul, April 11, 2012

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

**THE CONSOLIDATED FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 31 DECEMBER 2011**

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

- **Section One** GENERAL INFORMATION ABOUT THE GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER EXPLANATIONS
- **Section Seven** INDEPENDENT AUDITOR'S REPORT

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

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

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira, 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 independently audited.

14 March 2012

Mehmet N. ERTEN
Chairman of the
Board of Directors

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

A.İdil KURAL
Finance Executive
Vice President

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
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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

GENERAL INFORMATION (Continued)

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

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

In accordance with the authorization of BRSA dated 21 October 2008; 23,23% of Eurobank Tekfen A.Ş. shares owned by TST International Finance SA have been transferred to Tekfen Holding A.Ş.. After this share transfer, 70% of the Parent Bank's capital is owned by Eurobank EFG Holding and 29,26% by Tekfen Holding A.Ş. as of 31 December 2011.

On 14 July 2011, EFG Eurobank Ergasias SA, the ultimate parent of the Bank, had made the following public declaration:

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

Following this declaration, in the Board of Directors meeting of the Bank held on July 21, 2011, it had been decided to give permission to General Management to sign confidentiality agreements and to form a "data room" with prospective buyers and consulting firms.

On 9 April 2012, EFG Eurobank Ergasias SA has made the following declaration:

"EFG Eurobank Ergasias SA announces it has reached an agreement with Burgan Bank to sell its Turkish operations. Under the terms of the transaction, Burgan will acquire 99.3% of Eurobank Tekfen, from Eurobank EFG and the Tekfen Group. The transaction is expected to close in Q3 2012 subject to regulatory approvals by the competent authorities."

On 9 April 2012, Tekfen Holding A.Ş. has made the following declaration:

"Tekfen Holding A.Ş. and EFG Eurobank Holding (Luxembourg) S.A., a subsidiary of Eurobank EFG, concluded an agreement which enables to transfer the shares representing 29.26 % of Eurobank Tekfen capital owned by Tekfen Holding to Eurobank Holding or to any other beneficiary determined by Eurobank Holding, by allowing an early exercise of the call option described in the Shareholders' Agreement signed on March 16, 2007. In this context; Eurobank Holding is released to transfer its shares to any third party by waiving pre-emption rights of Tekfen Holding on the Bank shares derived from the Shareholders' Agreement signed on 16 March 2007. Tekfen Holding will be able to keep its position as a Partner in the Bank by contracting a Shareholders' Agreement with the third party with which Eurobank Holding signs a sales agreement. The transactions shall be subject to the approval and permission of Banking Regulation and Supervision Agency and the relevant national authorities of which the parties are subject to. "

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

GENERAL INFORMATION (Continued)

The Boards of Directors of EFG Eurobank Ergasias S.A. ("Eurobank") and Alpha Bank AE ("Alpha Bank") publicly announced on 29 August 2011 that they had reached agreement on a combination of Eurobank and Alpha Bank by way of a merger. On 15 November 2011, each of the Extraordinary General Meetings of Eurobank and Alpha Bank resolved the merger of Eurobank with Alpha Bank under the new corporate name "Alpha Eurobank S.A." with the condition that all Greek regulatory permits will be given. These permits were obtained by 23 January 2012.

On 30 January 2012, Alpha Bank announced that the merger between Alpha Bank and Eurobank depends on the current macroeconomic developments directly impacting the banking sector (the PSI). On 14 March 2012, Alpha Bank announced its intention to take action to revoke the decisions of the 15 November 2011 General Meeting of its Shareholders.

Eurobank announced that all the legal requirements for the completion of the merger have been satisfied and are not dependent upon the outcome of the PSI or the terms thereof and no actual events occurred in the meantime that could legally inhibit the completion, and reserves its position.

Eurobank EFG Group is a European banking organization operating in 10 countries including Greece and Turkey with total assets of EUR81,9 billion. The Group employs more than 22.500 people and offers its products and services both through its network of 1.600 branches, points of sale and alternative distribution channels. Shares of Eurobank EFG are traded since March 1999 at the Athens Stock Exchange Market, about 44,7% of the Bank shares belongs to EFG Bank European Financial Group (Luxembourg) whose ultimate parent is Latsis Family.

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

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

GENERAL INFORMATION (Continued)

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman	Undergraduate
Board of Directors Members:	Prof.Dr.Nikolaos Karamouzis	Vice Chairman	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Evangelos Kavvalos	Member	Graduate
	Paula Hadjisotiriou	Member	Undergraduate
	Georgios Marinos	Member	Graduate
	Ass.Prof.Osman Reha Yolalan	Member	PhD
	Dr. Ahmet İpekçi	Member	PhD
	Aikaterini Delikoura	Member	Graduate
	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
General Manager:	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
Vice General Managers:	Bülent Nur Özkan	Senior Vice General Manager	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Ahmet Türkselçi	Human Resources	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate Banking	Graduate
	Fedon Hacaki	Loans	Graduate
	Ayşe İdil Kural	Financial Affairs	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	Commercial Banking	Undergraduate
Auditors:	Dr.Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
	Hakan Dündar	Auditor	Graduate
Audit Committee:	Ass.Prof.Osman Reha Yolalan	Head of Audit Committee	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Paula Hadjisotiriou	Member	Undergraduate

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

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

GENERAL INFORMATION (Continued)

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

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Eurobank EFG Holding (Luxembourg) S.A.	399.000	70,00%	70,00%	-
Tekfen Holding A.Ş.	166.772	29,26%	29,26%	-
Total	565.772	99,26%	99,26%	-

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

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

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

On 9 April 2012, Tekfen Holding A.Ş. has made the following declaration:

"Tekfen Holding A.Ş. and EFG Eurobank Holding (Luxembourg) S.A. concluded an agreement which enables to transfer the shares representing 29.26 % of Eurobank Tekfen capital owned by Tekfen Holding to Eurobank Holding or to any other beneficiary determined by Eurobank Holding by allowing an early exercise of the call option described in the Shareholders' Agreement signed on March 16, 2007. In this context; Eurobank Holding is released to transfer its shares to any third party by waiving pre-emption rights of Tekfen Holding on the Bank shares derived from the Shareholders' Agreement signed on 16 March 2007. Tekfen Holding will be able to keep its position as a partner in the Bank by contracting a Shareholders' Agreement with the third party with which Eurobank Holding signs a sales agreement. Under the condition that a Shareholders' Agreement may not be contracted, in return for the shares of Tekfen Holding to be transferred to the third party that Eurobank Holding may sale its shares, USD 189 million shall be paid to Tekfen Holding as determined in the Shareholders Agreement signed on March 16, 2007 with Eurobank Holding. Provided that a new Shareholders' Agreement is signed between Tekfen Holding and the prospective buyer of the Bank shares owned by Eurobank Holding, enabling to maintain the partnership; the difference USD 189 million and between the option consideration and the book value of Tekfen Holding's shares (which is TL 189 million by 30 September 2011) shall be paid to Tekfen Holding."

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

As of 31 December 2011, the Parent Bank has 59 branches operating in Turkey (31 December 2010: 54). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2011, the Group has 1.041 (31 December 2010: 959) employees.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2011 AND 31 DECEMBER 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET	Note (Section Five)	(31/12/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	237.963	111.042	349.005	100.945	108.844	209.789
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	392.471	27.762	420.233	180.762	9.860	190.622
2.1 Trading Financial Assets		392.471	27.762	420.233	180.762	9.860	190.622
2.1.1 Government Debt Securities		359.867	1.128	360.995	168.498	101	168.599
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		31.341	26.634	57.975	6.715	9.759	16.474
2.1.4 Other Marketable Securities		1.263	-	1.263	5.549	-	5.549
2.2 Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	I-c	426.907	16.078	442.985	661.853	25.112	686.965
IV. MONEY MARKETS							
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	857.428	-	857.428	229.723	113.220	342.943
5.1 Share Certificates		3.958	-	3.958	2.958	-	2.958
5.2 Government Debt Securities		853.470	-	853.470	226.765	113.220	339.985
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS	I-e	1.560.830	768.513	2.329.343	1.099.951	521.907	1.621.858
6.1 Loans		1.523.429	768.513	2.291.942	1.047.431	521.907	1.569.338
6.1.1 Loans to Bank's Risk Group		99	29	128	116	38	154
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		1.523.330	768.484	2.291.814	1.047.315	521.869	1.569.184
6.2 Loans under Follow-up		114.466	-	114.466	123.116	-	123.116
6.3 Specific Provisions (-)		77.065	-	77.065	70.596	-	70.596
VII. FACTORING RECEIVABLES	I-e	122.696	6.325	129.021	83.504	7.517	91.021
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f	167.789	-	167.789	959.996	-	959.996
8.1 Government Debt Securities		167.789	-	167.789	959.996	-	959.996
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
X. SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-j	32.515	211.142	243.657	18.721	174.514	193.235
12.1 Financial Lease Receivables		38.931	242.268	281.199	22.975	208.514	231.489
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		6.416	31.126	37.542	4.254	34.000	38.254
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-k	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)	I-l	32.717	-	32.717	34.014	-	34.014
XV. INTANGIBLE ASSETS (Net)	I-m	85.344	-	85.344	83.095	-	83.095
15.1 Goodwill		63.973	-	63.973	63.973	-	63.973
15.2 Other		21.371	-	21.371	19.122	-	19.122
XVI. INVESTMENT PROPERTY (Net)	I-n	-	-	-	-	-	-
XVII. TAX ASSET	I-o	14.484	-	14.484	20.351	-	20.351
17.1 Current Tax Asset		168	-	168	1.021	-	1.021
17.2 Deferred Tax Asset		14.316	-	14.316	19.330	-	19.330
XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-p	15.120	-	15.120	8.633	-	8.633
18.1 Held for Resale		15.120	-	15.120	8.633	-	8.633
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-r	40.464	8.445	48.909	39.232	8.743	47.975
TOTAL ASSETS		3.986.728	1.149.307	5.136.035	3.520.780	969.717	4.490.497

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2011 AND 31 DECEMBER 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET	Note (Section Five)	(31/12/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.490.931	683.844	2.174.775	1.147.832	724.416	1.872.248
1.1 Deposits of Bank’s Risk Group		389.102	186.835	575.937	351.761	144.149	495.910
1.2 Other		1.101.829	497.009	1.598.838	796.071	580.267	1.376.338
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	23.375	31.470	54.845	9.178	9.485	18.663
III. BORROWINGS	II-c	788.844	417.185	1.206.029	728.654	356.467	1.085.121
IV. MONEY MARKETS		845.518		845.518	673.055		673.055
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	98.449	-	98.449
4.3 Funds Provided Under Repurchase Agreements		845.518	-	845.518	574.606	-	574.606
V. MARKETABLE SECURITIES ISSUED (Net)							
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS							
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		30.591	13.920	44.511	20.901	5.789	26.690
VIII. OTHER LIABILITIES	II-d	40.523	3.339	43.862	32.976	5.640	38.616
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e						
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f					20.540	20.540
11.1 Fair Value Hedge		-	-	-	-	20.540	20.540
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	50.289	22.675	72.964	37.000	14.981	51.981
12.1 General Loan Loss Provision		18.034	9.980	28.014	12.873	4.956	17.829
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		21.111	-	21.111	18.362	-	18.362
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		11.144	12.695	23.839	5.765	10.025	15.790
XIII. TAX LIABILITY	II-h	13.587		13.587	7.761		7.761
13.1 Current Tax Liability		13.587	-	13.587	7.761	-	7.761
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	II-i						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j				185.120		185.120
XVI. SHAREHOLDERS' EQUITY	II-k	679.944		679.944	509.283	1.419	510.702
16.1 Paid-in Capital		570.000	-	570.000	380.000	-	380.000
16.2 Capital Reserves		(227)	-	(227)	6.089	1.419	7.508
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(3.739)	-	(3.739)	1.119	1.419	2.538
16.2.4 Tangible Assets Revaluation Reserve		3.445	-	3.445	3.336	-	3.336
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		67	-	67	1.634	-	1.634
16.3 Profit Reserves		81.225	-	81.225	89.216	-	89.216
16.3.1 Legal Reserves		14.011	-	14.011	10.568	-	10.568
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		67.214	-	67.214	78.648	-	78.648
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		28.946	-	28.946	33.978	-	33.978
16.4.1 Prior Years' Income or (Loss)		3.536	-	3.536	3.626	-	3.626
16.4.2 Current Year Income or (Loss)		25.410	-	25.410	30.352	-	30.352
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		3.963.602	1.172.433	5.136.035	3.351.760	1.138.737	4.490.497

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

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

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

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31/12/2011)			(31/12/2010)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		2.647.391	5.324.441	7.971.832	1.083.150	3.810.243	4.893.393
I.	GUARANTEES AND WARRANTIES	III-a-2-3	390.407	1.273.023	1.663.430	242.871	1.057.866	1.300.737
1.1	Letters of Guarantee		389.239	134.270	523.509	242.048	93.820	335.868
1.1.1	Guarantees Subject to State Tender Law		10.543	13.874	24.417	11.201	11.066	22.267
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		378.696	120.396	499.092	230.847	82.754	313.601
1.2	Bank Acceptances		600	90.689	91.289	-	30.510	30.510
1.2.1	Import Letter of Acceptance		600	90.689	91.289	-	30.510	30.510
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	194.259	194.259	-	166.490	166.490
1.3.1	Documentary Letters of Credit		-	194.259	194.259	-	166.490	166.490
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		568	1.835	2.403	823	2.155	2.978
1.8	Other Guarantees		-	851.970	851.970	-	764.891	764.891
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	342.923	76.976	419.899	161.024	107.266	268.290
2.1	Irrevocable Commitments		342.923	76.976	419.899	161.024	107.266	268.290
2.1.1	Asset Purchase and Sales Commitments		52.134	76.976	129.110	78.802	107.266	186.068
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		1.000	-	1.000	2.000	-	2.000
2.1.4	Commitments for Loan Limits		42.404	-	42.404	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		225.721	-	225.721	53.338	-	53.338
2.1.8	Tax and Fund Liabilities from Export Commitments		1.111	-	1.111	1.275	-	1.275
2.1.9	Commitments for Credit Card Limits		20.375	-	20.375	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		178	-	178	306	-	306
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b	1.914.061	3.974.442	5.888.503	679.255	2.645.111	3.324.366
3.1	Hedging Derivative Financial Instruments		-	-	-	-	184.512	184.512
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	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		1.914.061	3.974.442	5.888.503	679.255	2.460.599	3.139.854
3.2.1	Forward Foreign Currency Buy/Sell Transactions		319.982	860.454	1.180.436	163.448	415.354	578.802
3.2.1.1	Forward Foreign Currency Transactions-Buy		158.223	431.818	590.041	64.712	223.514	288.226
3.2.1.2	Forward Foreign Currency Transactions-Sell		161.759	428.636	590.395	98.736	191.840	290.576
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		433.135	1.179.013	1.612.148	142.663	970.911	1.113.574
3.2.2.1	Foreign Currency Swap-Buy		389.593	115.639	505.232	111.503	170.186	281.689
3.2.2.2	Foreign Currency Swap-Sell		43.542	455.834	499.376	31.160	250.729	281.889
3.2.2.3	Interest Rate Swap-Buy		-	303.770	303.770	-	274.998	274.998
3.2.2.4	Interest Rate Swap-Sell		-	303.770	303.770	-	274.998	274.998
3.2.3	Foreign Currency, Interest rate and Securities Options		1.160.944	1.934.975	3.095.919	373.144	1.074.334	1.447.478
3.2.3.1	Foreign Currency Options-Buy		585.822	911.891	1.497.713	186.331	467.544	653.875
3.2.3.2	Foreign Currency Options-Sell		575.122	921.336	1.496.458	186.813	465.376	652.189
3.2.3.3	Interest Rate Options-Buy		-	50.874	50.874	-	70.707	70.707
3.2.3.4	Interest Rate Options-Sell		-	50.874	50.874	-	70.707	70.707
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		8.745.123	8.338.138	17.083.261	6.750.718	6.321.859	13.072.577
IV.	ITEMS HELD IN CUSTODY		2.432.707	375.479	2.808.186	2.805.538	310.312	3.115.850
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		1.428.986	6.740	1.435.726	1.991.310	14.204	2.005.514
4.3	Cheques Received for Collection		793.066	150.112	943.178	517.743	122.755	640.498
4.4	Commercial Notes Received for Collection		23.092	12.165	35.257	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		187.563	206.462	394.025	276.684	163.414	440.098
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		6.312.416	7.958.460	14.270.876	3.934.175	6.002.426	9.936.601
5.1	Marketable Securities		1.043	-	1.043	9.010	-	9.010
5.2	Guarantee Notes		4.538.879	5.622.426	10.161.305	2.614.529	4.043.261	6.657.790
5.3	Commodity		69.684	96.345	166.029	33.033	8.761	41.794
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.572.911	2.144.073	3.716.984	1.261.304	1.949.562	3.210.866
5.6	Other Pledged Items		129.899	95.616	225.515	16.299	842	17.141
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	4.199	4.199	11.005	9.121	20.126
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			11.392.514	13.662.579	25.055.093	7.833.868	10.132.102	17.965.970

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2011 AND 31 DECEMBER 2010**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2011-31/12/2011	01/01/2010-31/12/2010
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	456.050	433.432
1.1	Interest on Loans		214.580	149.647
1.2	Interest Received from Reserve Requirements		-	3.712
1.3	Interest Received from Banks		73.356	52.067
1.4	Interest Received from Money Market Transactions		1.213	1.064
1.5	Interest Received from Marketable Securities Portfolio		108.510	193.400
1.5.1	Trading Financial Assets		6.155	7.809
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		68.890	30.930
1.5.4	Held-to-maturity Investments		33.465	154.661
1.6	Financial Lease Income		19.032	16.673
1.7	Other Interest Income		39.359	16.869
II.	INTEREST EXPENSE (-)	IV-b	327.798	315.392
2.1	Interest on Deposits (-)		131.757	112.442
2.2	Interest on Funds Borrowed (-)		96.152	142.289
2.3	Interest Expense on Money Market Transactions (-)		58.073	39.199
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		41.816	21.462
III.	NET INTEREST INCOME (I - II)		128.252	118.040
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-1	55.072	58.586
4.1	Fees and Commissions Received		62.811	64.279
4.1.1	Non-cash Loans		25.708	25.341
4.1.2	Other		37.103	38.938
4.2	Fees and Commissions Paid (-)		7.739	5.693
4.2.1	Non-cash Loans (-)		833	461
4.2.2	Other (-)		6.906	5.232
V.	DIVIDEND INCOME	IV-c	123	129
VI.	TRADING INCOME / (LOSS) (Net)	IV-d	42.133	27.170
6.1	Trading Gains/(Losses) on Securities		38.779	26.052
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		(849)	847
6.3	Foreign Exchange Gains/(Losses)		4.203	271
VII.	OTHER OPERATING INCOME	IV-e	8.097	9.123
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		233.677	213.048
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	19.753	19.866
X.	OTHER OPERATING EXPENSES (-)	IV-g	179.762	154.745
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		34.162	38.437
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIII.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)	IV-h	34.162	38.437
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	8.752	8.085
16.1	Current Tax Provision		2.192	4.098
16.2	Deferred Tax Provision		6.560	3.987
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)	IV-j	25.410	30.352
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-Current Assets Held for Resale		-	-
18.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3	Other Income from Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense from Non-Current Assets Held for Resale		-	-
19.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3	Other Expenses from Discontinued Operations		-	-
XX.	INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	IV-k	25.410	30.352
23.1	Income / (Loss) of the Group		25.410	30.352
23.2	Income / (Loss) of Minority Interest		-	-
	Earnings / (Loss) per share (1.000 nominal in TL full)		0,500	0,723

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 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	31/12/2011	31/12/2010
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(5.804)	9.045
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	136	(5.564)
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	1.134	(696)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(4.534)	2.785
XI. CURRENT PERIOD INCOME/LOSS	(1.634)	(12.026)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(1.634)	(12.026)
11.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(6.168)	(9.241)

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD 31/12/2010	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance		380.000	1.567	-	-	9.322	-	45.062	-	36.927	1.598	7.328	7.787	-	-	-	489.591	-	489.591
Changes in the Period																			
II. Increase/Decrease due to the Merger																			
III. Marketable Securities Valuation Differences												(4.790)					(4.790)		(4.790)
IV. Hedging Reserves (Effective Portion)																			
4.1 Cash Flow Hedge																			
4.2 Foreign Investment Hedge																			
V. Revaluation Differences of Tangible Assets													(4.451)				(4.451)		(4.451)
VI. Revaluation Differences of Intangible Assets																			
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII. Foreign Exchange Difference																			
IX. Changes due to the Disposal of Assets																			
X. Changes due to the Reclassification of the Assets																			
XI. Effects of Changes in Equity of Investments in Associates																			
XII. Capital Increase																			
12.1 Cash																			
12.2 Internal Resources																			
XIII. Share Premium																			
XIV. Share Cancellation Profits																			
XV. Adjustment to Share Capital																			
XVI. Other																			
XVII. Current Year Income or Loss										30.352							30.352		30.352
XVIII. Profit Distribution						1.246		33.586	67	(36.927)	2.028								
18.1 Dividend Paid																			
18.2 Transfers to Reserves						1.246		33.586	67	(24.855)	(10.044)								
18.3 Other										(12.072)	12.072								
Period End Balance (I+II+III+... +XVIII)		380.000	1.567	-	-	10.568	-	78.648	67	30.352	3.626	2.538	3.336	-	-	-	510.702	-	510.702

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
	CURRENT PERIOD 31/12/2011	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		380.000	1.567	-	-	10.568	-	78.648	67	30.352	3.626	2.538	3.336	-	-	-	510.702	-	510.702
	Changes in the Period																			
II.	Increase/Decrease due to the Merger																			
III.	Marketable Securities Valuation Differences	(V-d)											(6.277)					(6.277)		(6.277)
IV.	Hedging Reserves (Effective Portion)																			
	4.1 Cash Flow Hedge																			
	4.2 Foreign Investment Hedge																			
V.	Revaluation Differences of Tangible Assets	(V-e)												109				109		109
VI.	Revaluation Differences of Intangible Assets																			
VII.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII.	Foreign Exchange Difference																			
IX.	Changes due to the Disposal of Assets																			
X.	Changes due to the Reclassification of the Assets																			
XI.	Effects of Changes in Equity of Investments in Associates																			
XII.	Capital Increase	(V-c)	190.000	(1.567)					(33.896)					(4.537)				150.000		150.000
	12.1 Cash		150.000															150.000		150.000
	12.2 Internal Resources		40.000	(1.567)					(33.896)					(4.537)						
XIII.	Share Premium																			
XIV.	Share Cancellation Profits																			
XV.	Adjustment to Share Capital																			
XVI.	Other																			
XVII.	Current Year Income or Loss										25.410							25.410		25.410
XVIII.	Profit Distribution						3.443		22.462		(30.352)			4.537						
	18.1 Dividend Paid																			
	18.2 Transfers to Reserves						3.443		22.462		(30.352)			4.537				90		90
	18.3 Other											(90)						(90)		(90)
	Period End Balance (I+II+III+... +XVIII)		570.000				14.011		67.214	67	25.410	3.536	(3.739)	3.445				679.944		679.944

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED
31 DECEMBER 2011 AND 31 DECEMBER 2010**

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

VI. STATEMENT OF CASH FLOWS	Note	(31/12/2011)	(31/12/2010)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		19.042	(19.257)
1.1.1 Interest received		426.079	437.603
1.1.2 Interest paid		(329.885)	(320.784)
1.1.3 Dividend received		123	129
1.1.4 Fees and commissions received		55.072	58.586
1.1.5 Other income		-	-
1.1.6 Collections from previously written-off loans and other receivables		29.249	45.393
1.1.7 Payments to personnel and service suppliers		(51.358)	(80.115)
1.1.8 Taxes paid		-	-
1.1.9 Other	VI-b	(110.238)	(160.069)
1.2 Changes in operating assets and liabilities		(526.246)	(39.365)
1.2.1 Net (increase)/decrease in trading securities		(218.029)	(56.119)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net increase/(decrease) in due from banks		33.736	(10.591)
1.2.4 Net (increase)/decrease in loans		(776.292)	(350.362)
1.2.5 Net (increase)/decrease in other assets		(25.807)	(7.603)
1.2.6 Net (increase)/decrease in bank deposits		(38.381)	-
1.2.7 Net increase/(decrease) in other deposits		334.729	47.685
1.2.8 Net increase/(decrease) in funds borrowed		116.514	289.629
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	VI-b	47.284	47.996
I. Net cash provided from banking operations		(507.204)	(58.622)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		271.528	152.057
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		(10.634)	(25.056)
2.4 Disposals of property and equipment		3.669	17.323
2.5 Cash paid for purchase of investments available-for-sale		(514.485)	-
2.6 Cash obtained from sale of investments available-for-sale		-	107.296
2.7 Cash paid for purchase of investment securities		(408)	(408)
2.8 Cash obtained from sale of investment securities		793.386	52.902
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		150.000	(57)
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		-	(57)
3.6 Other		150.000	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		2.196	5.049
V. Net (increase)/decrease in cash and cash equivalents (I+II+III+IV)		(83.480)	98.427
VI. Cash and cash equivalents at beginning of the period		788.177	689.751
VII. Cash and cash equivalents at end of the period	VI-a	704.697	788.178

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

**CONVENIENCE TRANSLATION OF PUBLICLY
ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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**EUROBANK TEKFEN A.Ş.
CONSOLIDATED PROFIT APPROPRIATION STATEMENTS FOR THE YEARS ENDED
31 DECEMBER 2011 AND 31 DECEMBER 2010**

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

VII. PROFIT APPROPRIATION STATEMENT	(31/12/2011) (*)	(31/12/2010) (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	42.820	19.263
1.2. TAXES AND DUTIES PAYABLE (-)	5.451	4.087
1.2.1. Corporate Tax (Income tax)	-	-
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties	5.451	4.087
A. NET INCOME FOR THE YEAR (1.1-1.2)	37.369	15.176
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	759
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)](*)	-	14.417
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To Owners of Ordinary Shares	-	-
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Owners of Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Privileged Share	-	-
1.9.3. To Owners of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.10. SECOND LEGAL RESERVES (-)	-	-
1.11. STATUTORY RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	9.880
1.13. OTHER RESERVES	-	4.537
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of privileged shares	-	-
2.3.3. To owners of preferred shares	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To holders of profit and loss sharing certificates	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)	-	-
3.1. TO OWNERS OF ORDINARY SHARES	-	-
3.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1. TO OWNERS OF ORDINARY SHARES	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(**) Presents the approved "Profit Distribution Statement" of the Parent Bank in the General Assembly Meeting held on 31 March 2011.

(***) Disclosed as 1.000 nominal in full TL.

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

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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

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

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

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

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

Additional paragraph for convenience translation into English:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

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

ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

b. Held-to-maturity financial assets:

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

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

c. Loans and receivables:

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

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ACCOUNTING POLICIES (Continued)

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

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

d. Available-for-sale financial assets:

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

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

"Unrealized gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders' equity as "Marketable Securities Valuation Reserve", until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

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

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

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ACCOUNTING POLICIES (Continued)

b. Other intangible assets

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

The Group has adopted the "revaluation method" in accordance with the "Communiqué Regarding the Principles and Procedures for the Tangible Assets ("TAS 16")" for its buildings. Independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in Section V is presented in the financial statements by considering the sales option regarding the share transfer of the Group.

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

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

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

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

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

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

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ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset.

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

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

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ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

XVIII. EXPLANATIONS ON TAXATION :

a. Current tax:

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

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

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

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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ACCOUNTING POLICIES (Continued)

b. Deferred tax:

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

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

	31 December 2011	31 December 2010
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	25.410	30.352
Weighted Average Number of Issued Ordinary Shares (Thousand)	50.811.844	42.000.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	0,500	0,723

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

XXV. EXPLANATIONS ON RELATED PARTIES:

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

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

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

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2010 consolidated figures, to conform to changes in presentation of 31 December 2011 consolidated report notes.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 31 December 2011, the consolidated capital adequacy ratio of the Group is 15,54% (31 December 2010: 18,66%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Group's risk parameters.
- b. The capital adequacy ratio of the Group is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" and "Regulation Regarding Banks' Shareholders' Equity" (together referred as "Regulation Regarding Capital Adequacy") published as of 1 November 2006. The following tables show the details of "Risk weighted assets" and the calculation of "Shareholders' Equity" for the capital adequacy ratio calculation.
- c. Information related to consolidated capital adequacy ratio:

	Risk Weights											
	Parent Bank						Consolidated					
	%0	%20	%50	%100	%150	%200	%0	%20	%50	%100	%150	%200
Amount subject to credit risk												
Balance sheet items (Net)	1.921.807	40.529	733.768	1.781.089	2.066	5.186	1.923.800	40.572	741.027	1.906.439	2.066	5.186
Cash	23.162	-	-	-	-	-	23.170	-	-	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	241.802	-	-	-	-	-	241.802	-	-	-	-	-
Domestic, foreign banks, foreign head offices and branches	427.342	11.260	-	944	-	-	427.342	11.303	-	3.510	-	-
Interbank money market	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-	-	-	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	84.033	-	-	-	-	-	84.033	-	-	-	-	-
Loans	90.118	29.269	733.768	1.510.207	2.066	5.186	90.118	29.269	733.768	1.510.207	2.066	5.186
Non-performing receivables (Net)	-	-	-	36.336	-	-	-	-	-	37.401	-	-
Lease receivables	-	-	-	-	-	-	-	-	7.259	235.412	-	-
Available-for-sale financial assets	823.865	-	-	3.950	-	-	823.865	-	-	3.958	-	-
Held-to-maturity investments	159.331	-	-	-	-	-	159.331	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	72	-	-	-	-	-	72	-	-
Miscellaneous receivables	-	-	-	2.012	-	-	-	-	-	2.010	-	-
Interest and income accruals	38.879	-	-	50.599	-	-	38.879	-	-	51.638	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	134.332	-	-	-	-	-	-	-	-
Fixed assets	-	-	-	35.665	-	-	-	-	-	36.469	-	-
Other assets	33.275	-	-	6.972	-	-	35.260	-	-	25.762	-	-
Off-balance sheet items	92.242	56.790	217.144	1.093.815	2.066	5.186	92.242	56.790	217.144	1.093.815	2.066	5.186
Non-cash loans and commitments	92.242	13.516	217.144	1.060.398	2.066	5.186	92.242	13.516	217.144	1.060.398	2.066	5.186
Derivative financial instruments	-	43.274	-	33.417	-	-	-	43.274	-	33.417	-	-
Non-risk weighted accounts	-	-	-	-	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	2.014.049	97.319	950.912	2.874.904	2.066	5.186	2.016.042	97.362	958.171	3.000.254	2.066	5.186

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INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

d. Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Amount subject to credit risk (ASCR)	3.383.295	2.389.036	3.512.283	2.519.417
Amount subject to market risk (ASMR)	81.713	176.588	87.825	183.850
Amount subject to operational risk (ASOR)	222.011	213.602	320.994	293.423
Shareholders' equity	624.598	563.792	609.351	559.183
Shareholders' equity/(ASCR+ASMR+ASO)	16,94%	20,29%	15,54%	18,66%

e. Information about consolidated shareholders' equity items:

	31 December 2011	31 December 2010
CORE CAPITAL		
Paid-in capital	570.000	380.000
Nominal capital	570.000	380.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	14.011	10.568
First legal reserve (Turkish Commercial Code 466/1)	7.606	6.663
Second legal reserve (Turkish Commercial Code 466/2)	6.405	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	67.214	78.648
Reserves allocated by the General Assembly	67.214	78.648
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and	-	-
Profit	28.946	33.978
Current period profit	25.410	30.352
Prior period profit	3.536	3.626
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred	67	67
Primary subordinated loans (up to 15% of core capital) (*)	-	-
Minority Shares	-	-
Uncovered portion of loss with reserves (-)	-	-
Current period loss (net)	-	-
Prior period loss	-	-
Special costs (-) (**)	11.006	12.907
Prepaid expenses (-) (***)	-	5.487
Intangible assets (-)	21.371	19.122
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Consolidation goodwill (Net) (-)	63.973	63.973
Total Core Capital	583.888	403.339

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

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

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

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SUPPLEMENTARY CAPITAL	31 December 2011	31 December 2010
General provisions	28.014	17.829
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.550	1.501
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	135.755
45% of marketable securities valuation reserve	(3.739)	1.142
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(3.739)	1.142
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	25.825	156.227
TIER III CAPITAL	-	-
CAPITAL	609.713	559.566
DEDUCTIONS FROM THE CAPITAL	362	383
Shares in unconsolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	362	383
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	609.351	559.183

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK:

Credit risk represents the risks and losses that could arise when the other party in a contract to which the Group is a party, does not comply with the requirements of the contract and cannot timely fulfill its liabilities either completely or partly. With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region. Sectoral concentration limit has been specified as 20% in the Bank Risk Parameters. Credit limits allocated are subject to revision at least once a year. When a revision becomes due, limits for which the credit worthiness has not been reviewed are suspended (except for cash provisions).

Regarding the maintenance of credit risk under control, there are other limitations in the scope of the Parent Bank Credit Policies apart from the Banking Law limitations related to Management Levels' Authority limits in credit allocation.

Limits regarding credit extension and transactions according to the Parent Bank Credit Policies are specified as:

- Authority to decide to grant a credit within preapproved limits belongs to the Branch Manager. However, the Branch Manager can delegate this authority to the Marketing Unit Director in writing.
- Maturity extension authority belongs to the Corporate Credits Allocation Director; it cannot be delegated.
- Providing the circumstances set by Board of Directors, credit limit transfer is under the authorization of Branch Manager.
- No transaction can be put into effect without a General Credit Contract (except for Financial Institutions).
- No credit can be allocated to firms with total negative equity except for credits with cash collateral.

The creditworthiness of debtors of credit and other receivables is periodically followed-up in accordance with the relevant legislation. Account status documents taken for the credits have been audited in the manner specified in the legislation. However, account status documents do not need to be audited for cash-based transactions. As a result of the periodical follow-up of creditworthiness, credit limits are changed, when necessary. Taking the creditworthiness into account, collaterals are received for credits and other receivables. With the aim of controlling the credit risk, certain limitations exist in the Parent Bank's Credit Policies in relation to customer selection. According to this:

- Credits shall not be given for speculative purposes,
- Credits shall also not be given to real or legal persons who have been subjected to sequestration, bankruptcy and schemes of arrangement with creditors and those who have bounced cheques and notes without an acceptable explanation.
- The bank does not provide loans for arms manufacturers and traders, religious organisations, gambling companies, media companies, political organisations, sport clubs and companies operating in nuclear industry.

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The Parent Bank's derivative transactions are mainly composed of foreign exchange and interest rate swaps, money and interest options and forward transactions. The credit risks of these products are managed by deducting them from the company's credit limit which is specified only for these types of transactions, in proportion to the term of the transaction. Market risk is managed by the Treasury.

In forward transactions no type of coercive action outside of the other party's consent is taken. Such transactions are rare, and normally never occur.

Indemnified non-cash credits are subjected to the same risk weight as the credits which are past due date.

With regard to the credits renewed and re-structured with a new payment plan by the Parent Bank, the method adopted is the one specified by the relevant legislation. Within the framework of risk management systems a risk separation is not practiced as to the maturity of the liabilities.

The Group does not perform any kind of banking activity abroad.

When evaluated within the context of the financial operations of other financial institutions acting as active participants in the international banking market, the Group does not have significant credit risk concentration.

In the current period, the share of the Group's receivables due to cash loans extended to its 100 largest customers is 33% (31 December 2010: 35%) within the total cash loan portfolio.

In the current period, the share of the Group's receivables due to non-cash loans extended to its 100 largest customers is 46% (31 December 2010: 46%) within the total non-cash loans portfolio.

In the current period, the share of the Group's receivables due to the total of cash and non cash loans extended to its 100 largest customers is 38% (31 December 2010: 40%) within cash loans in balance sheet and non-cash loans in off-balance sheet.

As of 31 December 2011, the Group's general loan loss provision is amounting to TL28.014 (31 December 2010: TL17.829).

a. Information on types of loans and specific provisions:

	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
31 December 2011						
Standard Loans	2.153.044	41.495	10.434	235.407	125.363	2.565.743
Loans under close monitoring	84.447	2.296	226	8.250	3.658	98.877
Non-performing loans	107.293	465	92	5.893	723	114.466
Specific provision (-)	71.563	413	81	4.828	180	77.065
Total	2.273.221	43.843	10.671	244.722	129.564	2.702.021
31 December 2010						
Standard Loans	1.428.088	36.042	2.743	185.337	90.994	1.743.204
Loans under close monitoring	101.274	1.142	49	7.898	27	110.390
Non-performing loans	116.558	421	24	6.091	22	123.116
Specific provision (-)	65.025	368	24	5.177	2	70.596
Total	1.580.895	37.237	2.792	194.149	91.041	1.906.114

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b. Information on loans and receivables past due but not impaired:

31 December 2011	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	110.648	2.037	389	17.131	5.813	136.018
Past due 30-60 days	7.713	1.159	90	7.179	-	16.141
Past due 60-90 days	11.787	442	36	797	8	13.070
Total	130.148	3.638	515	25.107	5.821	165.229

31 December 2010	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	87.064	1.448	40	7.341	5.982	101.875
Past due 30-60 days	12.195	841	34	2.279	-	15.349
Past due 60-90 days	12.211	310	12	5.619	-	18.152
Total	111.470	2.599	86	15.239	5.982	135.376

c. Information on debt securities, treasury bills and other bills:

31 December 2011	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch's Rating				
Ba2 (*)	360.995	853.470	167.789	1.382.254
Not rated	-	-	-	-
Total	360.995	853.470	167.789	1.382.254

(*) Consists of Turkish Republic government bonds and treasury bills.

31 December 2010	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch's Rating				
Ba2 (*)	168.599	339.985	959.996	1.468.580
Not rated	-	-	-	-
Total	168.599	339.985	959.996	1.468.580

(*) Consists of Turkish Republic government bonds and treasury bills.

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d. Information on rating concentration:

The Group evaluates its credit risk based on an internal rating system and the portfolio is classified from least probability of default to highest. Beginning from the last quarter of 2007, the Group uses a new rating system for corporate loans. As of 31 December 2011, financial institutions have been excluded from the scope of the rating system. Different rating systems have been used for corporate loans, consumer loans and credit cards. The information about the concentration of cash and non cash loans which are classified with the rating system is presented below.

	31 December 2011	31 December 2010
Above average (%)	9,07	10,98
Average (%)	66,44	61,93
Below average (%)	22,06	24,66
Not rated (%)	2,43	2,44

e. Information on the amount subject to credit risk :

	31 December 2011	31 December 2010
Balance sheet items subject to credit risk:	4.581.379	4.118.063
Loans and advances to banks and financial institutions	474.712	687.242
Loans and advances to customers	2.670.294	1.905.837
- Corporate	2.241.494	1.580.618
- Consumer	43.843	37.237
- Credit cards	10.671	2.792
- Factoring receivables	129.564	91.041
- Financial lease receivables	244.722	194.149
Trading Financial Assets	362.258	174.148
- Government bonds	360.995	168.599
- Share certificates	-	-
- Other securities	1.263	5.549
Investment Securities	1.025.217	1.302.939
- Government bonds	1.021.259	1.299.981
- Share certificates	3.958	2.958
- Other securities	-	-
Other assets	48.898	47.897
Off- balance sheet items subject to credit risk:	5.030.959	3.230.778
Financial guarantees	1.663.430	1.300.737
Credit commitments and other liabilities	3.367.529	1.930.041
Total	9.612.338	7.348.841

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f. Fair value of collaterals (loans and advances to customers):

31 December 2011	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	57.045	468	77	3.000	2.241	62.831
Non-performing loans	43.497	103	3	700	507	44.810
Total	100.542	571	80	3.700	2.748	107.641

31 December 2010	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	88.568	566	19	6.750	27	95.930
Non-performing loans	66.301	104	-	475	16	66.896
Total	154.869	670	19	7.225	43	162.826

Type of Collaterals	31 December 2011	31 December 2010
Real-estate mortgage	97.750	156.480
Car pledge	5.269	5.784
Cash and cash equivalents	4.622	562
Total	107.641	162.826

g. Concentration of credit risk based on borrowers and geographical regions:

	Loans and Advances given to customers		Loans and Advances given to Banks and other financial Institutions		Marketable Securities (*)		Other Loans (**)	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Loan concentration based on type of borrowers	2.426.637	1.712.602	31.727	277	1.387.475	1.477.087	5.766.499	4.158.875
Private Sector	2.377.733	1.673.756	27.817	-	1.263	5.549	3.487.680	2.375.468
Public Sector	-	-	-	-	1.382.254	1.468.580	-	-
Banks	-	-	3.910	277	-	-	2.062.498	1.716.473
Individuals	48.904	38.846	-	-	-	-	216.321	66.934
Share certificates	-	-	-	-	3.958	2.958	-	-
Concentration based on geographical regions	2.426.637	1.712.602	31.727	277	1.387.475	1.477.087	5.766.499	4.158.875
Domestic	2.426.637	1.712.602	31.727	-	1.387.475	1.477.087	3.673.742	2.619.754
European Union Countries	-	-	-	277	-	-	2.037.649	1.488.532
OECD Countries (***)	-	-	-	-	-	-	518	4.425
Off-shore banking regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	50.434	37.856
Other Countries	-	-	-	-	-	-	4.156	8.308
Total	2.426.637	1.712.602	31.727	277	1.387.475	1.477.087	5.766.499	4.158.875

(*) Consist of marketable securities classified as Financial Assets at FV through P/L, Available for Sale Financial Assets and Held to Maturity Securities.

(**) Including the items defined as loan in Article 48 of the Banking Act No. 5411 other than those listed in first three columns of Uniform Chart of Accounts ("UCA").

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

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h. Concentration of credit risk based on borrowers and geographical regions:

	Assets	Liabilities	Non-Cash Loans	Capital Expenditures	Net Profit
31 December 2011					
Domestic (*)	4.573.733	3.275.189	1.630.474	122.019	25.410
European Union Countries	437.420	1.173.798	26.969	-	-
OECD Countries (**)	22	104	496	-	-
Off-shore banking regions	-	498	-	-	-
USA, Canada	2.538	4.881	1.638	-	-
Other Countries	303	1.621	3.853	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
Total	5.014.016	4.456.091	1.663.430	122.019	25.410
31 December 2010					
Domestic (*)	3.859.739	2.737.531	1.274.713	120.067	30.352
European Union Countries	506.075	1.212.906	11.188	-	-
OECD Countries (**)	-	18.018	4.425	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	4.276	3.400	2.448	-	-
Other Countries	340	7.940	7.963	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
Total	4.370.430	3.979.795	1.300.737	120.067	30.352

(*) Local fixed capital investments is composed of fixed and intangible assets and securities that are not traded in an organised market; those securities are İMKB Takas and Saklama Bankası A.Ş TL958 (31 Aralık 2010: TL958) and Kredi Garanti Fonu A.Ş TL3.000 (31 Aralık 2010: TL2.000), with a total amount of TL3.958 and classified under Available for Sale Assets in the Balance Sheet.

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

i. Sectoral concentration for cash loans:

	31 December 2011				31 December 2010			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	43.351	2,63	23.319	3,01	39.721	3,52	16.850	3,18
Farming and Livestock	37.446	2,27	13.976	1,80	37.852	3,35	11.221	2,12
Forestry	980	0,06	-	-	-	-	-	-
Fishing	4.925	0,30	9.343	1,21	1.869	0,17	5.629	1,06
Manufacturing	724.330	44,00	396.679	51,19	539.340	47,68	199.546	37,69
Mining	70.057	4,26	18.074	2,33	16.215	1,43	16.622	3,14
Production	642.384	39,02	347.294	44,82	517.458	45,75	182.614	34,49
Electric, Gas, Water	11.889	0,72	31.311	4,04	5.667	0,50	310	0,06
Construction	263.001	15,98	75.388	9,73	168.056	14,86	47.405	8,95
Services	538.125	32,69	276.975	35,75	321.465	28,41	254.319	48,02
Wholesale and Retail Trade	325.740	19,79	34.254	4,42	165.336	14,62	9.335	1,76
Hotel and Food Services	62.215	3,78	172.286	22,24	43.347	3,83	178.529	33,72
Transportation and Telecommunication	63.717	3,87	50.965	6,58	23.344	2,06	27.550	5,20
Financial Institutions	38.617	2,35	18.144	2,34	18.347	1,62	17.013	3,21
Real Estate and Leasing Services	30.438	1,85	1.326	0,17	26.961	2,38	1.010	0,19
Professional Services	-	-	-	-	-	-	-	-
Education Services	5.843	0,35	-	-	4.949	0,44	-	-
Health and Social Services	11.555	0,70	-	-	39.181	3,46	20.882	3,94
Other	77.318	4,70	2.477	0,32	62.353	5,53	11.304	2,16
Total	1.646.125	100,00	774.838	100,00	1.130.935	100,00	529.424	100,00

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III. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

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

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

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	5.634
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	1.392
(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	-
(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)	7.026
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	87.825

b. Average Market Risk Table of Calculated Market Risk during the Period at Month Ends:

	31 December 2011			31 December 2010		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	6.990	7.503	5.584	5.159	3.665	5.040
Share Certificates Risk	306	354	50	876	273	576
Currency Risk	1.589	862	1.391	3.689	1.617	3.220
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	1.830	20.811	1	842	9.153	-
Total Amount Subject to Risk	133.938	369.125	87.825	132.075	183.850	110.450

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IV. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

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

As of 31 December 2011, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

V. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

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

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

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

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2011</u>	<u>31 December 2010</u>	<u>31 December 2011</u>	<u>31 December 2010</u>	<u>31 December 2011</u>	<u>31 December 2010</u>
31 December 2011/ 31 December 2010						
Bid rate	TL2,4438	TL2,0551	TL1,8889	TL1,5376	TL2,4340	TL1,8872
1. Day bid rate	TL2,4438	TL2,0551	TL1,8889	TL1,5376	TL2,4340	TL1,8872
2. Day bid rate	TL2,4592	TL2,0491	TL1,9065	TL1,5460	TL2,4465	TL1,8933
3. Day bid rate	TL2,4702	TL2,0437	TL1,8897	TL1,5567	TL2,4278	TL1,8912
4. Day bid rate	TL2,4633	TL2,0406	TL1,8847	TL1,5416	TL2,4158	TL1,8731
5. Day bid rate	TL2,4613	TL2,0260	TL1,8833	TL1,5403	TL2,4116	TL1,8567

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

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2011</u>	<u>31 December 2010</u>	<u>31 December 2011</u>	<u>31 December 2010</u>	<u>31 December 2011</u>	<u>31 December 2010</u>
Arithmetic average-30 days	TL2,4510	TL2,0027	TL1,8605	TL1,5135	TL2,3862	TL1,8138

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Information on currency risk of the Group:

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

	EUR	USD	Yen	Other FC	Total
31 December 2011					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	103.577	7.309	2	154	111.042
Due From Banks	4.453	9.682	683	1.260	16.078
Financial Assets at Fair Value Through Profit or Loss	7	1.327	-	-	1.334
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-	-
Loans (*)	520.428	578.524	-	3.163	1.102.115
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	116.108	102.961	518	-	219.587
Total Assets (*)	744.573	699.803	1.203	4.577	1.450.156
Liabilities					
Bank Deposits	1	25	-	8.463	8.489
Foreign Currency Deposits	209.957	449.255	2	16.141	675.355
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	260.940	156.951	485	445	418.821
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	6.186	7.731	2	1	13.920
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	1.133	15.027	-	18	16.178
Total Liabilities (*)	478.217	628.989	489	25.068	1.132.763
Net On-balance Sheet Position	266.356	70.814	714	(20.491)	317.393
Net Off-balance Sheet Position	(260.740)	(69.084)	(609)	20.321	(310.112)
Financial Derivative Assets	639.917	743.286	32.737	100.069	1.516.009
Financial Derivative Liabilities	900.657	812.370	33.346	79.748	1.826.121
Non-Cash Loans (**)	345.726	914.477	964	11.856	1.273.023
31 December 2010					
Total Assets (*)	520.726	652.406	1.571	9.330	1.184.033
Total Liabilities (*)	442.843	653.429	1.530	25.311	1.123.113
Net On-balance Sheet Position	77.883	(1.023)	41	(15.981)	60.920
Net Off-balance Sheet Position	(93.436)	23.205	343	16.173	(53.715)
Financial Derivative Assets	272.463	539.192	74.790	24.925	911.370
Financial Derivative Liabilities	365.899	515.987	74.447	8.752	965.085
Non-Cash Loans (**)	395.716	641.729	2.074	18.347	1.057.866

(*) The above table shows the 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 TL327.277 (31 December 2010: TL223.820) and foreign currency indexed borrowings amounting to TL1.636 (31 December 2010: none) classified as Turkish Lira assets in the 31 December 2011 financial statements are added to the table above. Besides this, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL26.428 (31 December 2010: TL9.504), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL31.326 (31 December 2010: TL9.249), "General Provisions" amounting to TL9.980 (31 December 2010: TL4.956) and "Valuation Differences of Marketable Securities" (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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VI. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Group'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 Parent 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 minimized.

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

31 December 2011	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	349.005	349.005
Due From Banks	427.840	-	-	-	-	15.145	442.985
Financial Assets at Fair Value Through Profit/Loss	15.319	203.296	173.054	25.432	1.869	1.263	420.233
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	606.817	199.959	-	46.694	3.958	857.428
Loans	566.876	1.112.221	395.083	177.155	169.628	37.401	2.458.364
Held-to-Maturity Investments	-	-	167.789	-	-	-	167.789
Other Assets	9.117	11.402	57.957	160.420	4.762	196.573	440.231
Total Assets	1.019.152	1.933.736	993.842	363.007	222.953	603.345	5.136.035
Liabilities							
Bank Deposits	8.459	-	-	-	-	6.082	14.541
Other Deposits	1.447.876	406.365	86.137	-	-	219.856	2.160.234
Funds From Interbank Money Market	845.518	-	-	-	-	-	845.518
Miscellaneous Payables	-	-	-	-	-	44.511	44.511
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	661.438	164.530	222.314	148.384	9.363	-	1.206.029
Other Liabilities (*)	34.580	10.138	28.001	-	-	792.483	865.202
Total Liabilities	2.997.871	581.033	336.452	148.384	9.363	1.062.932	5.136.035
Balance Sheet Long Position	-	1.352.703	657.390	214.623	213.590	-	2.438.306
Balance Sheet Short Position	(1.978.719)	-	-	-	-	(459.587)	(2.438.306)
Off-balance Sheet Long Position	-	7.150	-	6.685	-	-	13.835
Off-balance Sheet Short Position	(4.800)	-	(2.264)	-	-	-	(7.064)
Total Position	(1.983.519)	1.359.853	655.126	221.308	213.590	(459.587)	6.771

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

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

Interest Rate Risk Sensitivity Analysis:

Change in interest rates 31 December 2011	Effect on income statement	Effect on equity
(+) 1%	(1.687)	(4.141)
(-) 1%	1.725	4.327

Change in interest rates 31 December 2010	Effect on income statement	Effect on equity
(+) 1%	(241)	(6.467)
(-) 1%	243	6.808

The effect of changes in interest rates by (+) 1% and (-) 1% on income statement and equity is demonstrated on the above table as net off tax amounts.

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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.

31 December 2011	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	0,20	-	13,83
Financial Assets at Fair Value Through Profit/Loss	-	11,78	-	10,58
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	8,49
Loans	6,88	7,10	3,59	16,57
Held-to-Maturity Investments	-	-	-	17,68
Liabilities				
Bank Deposits	-	-	-	0,25
Other Deposits (*)	3,94	4,62	-	10,96
Funds From Interbank Money Market	-	-	-	6,25
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,77	3,50	2,42	10,61

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

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

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VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

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

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

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

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

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC + TL	FC + TL
Average (%)	131,56	139,39	98,14	125,10	12,02
Maximum (%)	224,15	203,77	116,38	161,30	13,91
Minimum (%)	91,50	114,52	76,52	102,49	7,79

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Breakdown of assets and liabilities according to their outstanding maturities:

31 December 2011	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (*)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	24.483	324.522	-	-	-	-	-	349.005
Due From Banks	15.145	427.840	-	-	-	-	-	442.985
Financial Assets at Fair Value Through Profit or Loss	-	10.094	196.257	161.840	48.562	2.218	1.263	420.234
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	343.526	95.486	305.918	108.540	3.958	857.428
Loans	-	397.295	467.873	1.102.442	279.410	173.943	37.400	2.458.363
Held-to-Maturity Investments	-	-	-	167.789	-	-	-	167.789
Other Assets (*)	-	42.715	21.471	60.032	177.462	4.773	133.778	440.231
Total Assets	39.628	1.202.466	1.029.127	1.587.589	811.352	289.474	176.399	5.136.035
Liabilities								
Bank Deposits	6.082	8.459	-	-	-	-	-	14.541
Other Deposits	219.856	1.447.876	406.365	86.137	-	-	-	2.160.234
Funds Borrowed From Other Financial Institutions	-	5.747	130.991	104.569	171.316	793.406	-	1.206.029
Funds From Interbank Money Market	-	845.518	-	-	-	-	-	845.518
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	10.553	1.448	-	-	-	32.510	44.511
Other Liabilities (**)	-	73.139	9.553	35.031	3.419	188	743.872	865.202
Total Liabilities	225.938	2.391.292	548.357	225.737	174.735	793.594	776.382	5.136.035
Net Liquidity Gap	(186.310)	(1.188.826)	480.770	1.361.852	636.617	(504.120)	(599.983)	-
31 December 2010								
Total Assets	40.046	2.036.023	617.520	651.339	780.783	176.871	187.915	4.490.497
Total Liabilities	241.412	2.623.010	326.871	163.319	301.281	265.658	568.946	4.490.497
Net Liquidity Gap	(201.366)	(586.987)	290.649	488.020	479.502	(88.787)	(381.031)	-

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

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

Financial liabilities according to their remaining maturities:

31 December 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	14.541	-	-	-	-	14.541
Other deposits	1.646.720	441.256	89.705	-	-	2.177.681
Borrowings	88.322	202.722	160.009	502.640	2.935.851	3.889.544
Funds from money market	845.653	-	-	-	-	845.653
Total	2.595.236	643.978	249.714	502.640	2.935.851	6.927.419
31 December 2010						
Liabilities						
Bank deposits	52.929	-	-	-	-	52.929
Other deposits	1.476.253	289.568	61.716	-	-	1.827.537
Borrowings	601.816	44.559	121.781	506.961	369.775	1.644.892
Funds from money market	609.978	63.200	-	-	-	673.178
Total	2.740.976	397.327	183.497	506.961	369.775	4.198.536

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Contractual maturity analysis of the Group's derivative instruments:

31 December 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	709.205	457.416	586.410	77.301	-	1.830.332
- Outflow	713.951	451.221	591.099	77.866	-	1.834.137
Interest rate derivatives:						
- Inflow	171	828	2.334	13.580	63	16.976
- Outflow	174	828	2.282	13.529	63	16.876
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total cash inflow	709.376	458.244	588.744	90.881	63	1.847.308
Total cash outflow	714.125	452.049	593.381	91.395	63	1.851.013

31 December 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	518.865	145.752	208.354	50.144	-	923.115
- Outflow	518.866	146.272	212.653	58.587	-	936.378
Interest rate derivatives:						
- Inflow	198	580	8.677	9.357	257	19.069
- Outflow	198	580	8.677	9.360	257	19.072
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	632	-	1.176	7.523	2.320	11.651
- Outflow	3.767	-	4.805	21.296	2.595	32.463
Total cash inflow	519.695	146.332	218.207	67.024	2.577	953.835
Total cash outflow	522.831	146.852	226.135	89.243	2.852	987.913

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VIII. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Financial Assets and Liabilities at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand placements and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the Parent Bank's current interest rates as of balance sheet date.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the Parent Bank's current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The expected fair value of bank placements, money market placements and bank deposits are determined by calculating the discounted cash flows using the current market interest rates of similar assets and liabilities.

The following table summarises the carrying values and fair values of some financial assets and liabilities of the Group.

	Carrying Value		Fair Value	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Financial Assets	3.926.566	3.702.783	4.112.195	3.744.342
Due from Money Market	-	-	-	-
Due from Banks	442.985	686.965	444.171	687.520
Available-for-Sale Financial Assets	857.428	342.943	857.428	342.943
Held-to-maturity Investments	167.789	959.996	169.488	982.115
Loans	2.458.364	1.712.879	2.641.108	1.731.764
Financial Liabilities	3.425.315	3.169.179	3.376.556	3.202.158
Bank Deposits	14.541	52.924	14.537	52.927
Other Deposits	2.160.234	1.819.324	2.167.093	1.822.790
Borrowings	1.206.029	1.270.241	1.150.415	1.299.751
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	44.511	26.690	44.511	26.690

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b. Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- a) Quoted market prices (non-adjusted) (1st level)
- b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- c) Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value according to the foregoing principles is given in the table below:

31 December 2011	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	362.258	57.975	-	420.233
Government Debt Securities	360.995	-	-	360.995
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	57.975	-	57.975
Other Marketable Securities	1.263	-	-	1.263
Government Debt Securities	853.470	-	-	853.470
Government Debt Securities	853.470	-	-	853.470
Other Marketable Securities	-	-	-	-
Total Assets	1.215.728	57.975	-	1.273.703
Trading Derivative Financial Liabilities	-	-	-	-
Hedging Derivative Financial Liabilities	-	54.845	-	54.845
Total Liabilities	-	54.845	-	54.845

31 December 2010	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	174.148	16.474	-	190.622
Government Debt Securities	168.599	-	-	168.599
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	16.474	-	16.474
Other Marketable Securities	5.549	-	-	5.549
Government Debt Securities	339.985	-	-	339.985
Government Debt Securities	339.985	-	-	339.985
Other Marketable Securities	-	-	-	-
Total Assets	514.133	16.474	-	530.607
Trading Derivative Financial Liabilities	-	-	-	-
Hedging Derivative Financial Liabilities	-	18.663	-	18.663
Total Liabilities	-	20.540	-	20.540

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As explained in the note of VII-d, share certificates classified as available for sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

IX. EXPLANATION REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PARTIES:

The Bank carries out marketable security trading and custody services on behalf of customers and on their account. The details of items held in custody is given in off-balance sheet commitments.

X. EXPLANATIONS ON OPERATING SEGMENTS:

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

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

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

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

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

31 December 2011	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	42.061	60.577	81.864	49.052	233.554
Unallocated costs	-	-	-	(32.726)	(199.515)
Net Operating Profit	42.061	60.577	81.864	16.326	34.039
Dividend income	-	-	-	-	123
Profit Before Tax	-	-	-	-	34.162
Tax expense	-	-	-	-	(8.752)
Net Profit	-	-	-	-	25.410
Segment assets	443.226	2.188.363	2.050.458	283.710	4.965.757
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	170.278
Total Assets	443.226	2.188.363	2.050.458	283.709	5.136.035
Segment liabilities	923.126	1.275.791	1.862.868	382.463	4.444.248
Unallocated liabilities	-	-	-	-	691.787
Total Liabilities	923.126	1.275.791	1.862.868	382.463	5.136.035

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

31 December 2010	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	27.162	37.202	97.913	50.571	212.848
Unallocated costs	-	-	-	(31.489)	(174.540)
Net Operating Profit	27.162	37.202	97.913	19.082	38.308
Dividend income	-	-	-	-	129
Profit Before Tax	-	-	-	-	38.437
Tax expense	-	-	-	-	(8.085)
Net Profit	-	-	-	-	30.352
Segment assets	226.479	1.572.612	2.112.759	409.945	4.321.795
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	168.702
Total Assets	226.479	1.572.612	2.112.759	409.945	4.490.497
Segment liabilities	675.282	1.206.888	1.706.404	427.709	4.016.283
Unallocated liabilities	-	-	-	-	474.214
Total Liabilities	675.282	1.206.888	1.706.404	427.709	4.490.497

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

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Cash/Foreign currency	9.149	14.021	6.923	10.671
CBRT	228.814	97.021	94.022	98.173
Other	-	-	-	-
Total	237.963	111.042	100.945	108.844

2. Information on the account of the CBRT:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Demand Unrestricted Amount	228.814	12.988	94.022	26.781
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	84.033	-	71.392
Total	228.814	97.021	94.022	98.173

3. Information on reserve requirements:

As of balance sheet date, according to CBRT's "Required Reserves Announcement " No 2005/1, required reserves ratios for commercial banks operating in Turkey, are as follows; for demand deposits, notice deposits and private current accounts, deposits/participation accounts up to 1-month, up to 3 month it is 11, for deposits/participation accounts up to 6-month maturity (including 6-month) 8%, 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%, for liabilities other than deposits/participation funds it is 5% , for liabilities other than deposits/participation funds accounts up to 1-year maturity is 11%, for liabilities other than deposits/participation funds accounts up to 1-year maturity is 8% and for liabilities other than deposits/participation funds accounts longer than 3-year maturity is 5%. For FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities it is 11%, for FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts it is 9%, for other FX liabilities up to 1 year maturity (including 1-year) it is 11%, for other FX liabilities up to 3-year maturity (including 3-year) it is 9%, for other FX liabilities longer than 3-year maturity it is 6%.

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 December 2011, there are TL291.929 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 December 2011		31 December 2010	
	TL	FC	TL	FC
Forward Transactions	12.654	1.622	5.079	496
Swap Transactions	9.793	2.006	1.361	855
Futures Transactions	-	-	-	-
Options	8.894	23.006	251	8.408
Other	-	-	24	-
Total	31.341	26.634	6.715	9.759

c. Information on banks:

- Information on banks:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Banks	426.907	16.078	661.853	25.112
Domestic	2.531	3.507	175.286	2.956
Foreign	424.376	12.571	486.567	22.156
Headquarters and Branches Abroad	-	-	-	-
Total	426.907	16.078	661.853	25.112

- Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
EU Countries	435.394	504.447	-	-
USA, Canada	1.553	4.276	-	-
OECD Countries (*)	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	436.947	508.723	-	-

(*) OECD countries except EU countries, USA and Canada

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

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

As of 31 December 2011, there are TL86.205 available-for-sale financial assets given as collateral/blocked (31 December 2010: 467) and those subject to repurchase agreements amounts to TL441.590 (31 December 2010: TL53.411).

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

	31 December 2011	31 December 2010
Debt Securities	855.509	339.985
Quoted on Stock Exchange	855.509	226.765
Not Quoted (*)	-	113.220
Share Certificates	3.958	2.958
Quoted on Stock Exchange	-	-
Not Quoted	3.958	2.958
Impairment Provision (-)	2.039	-
Total	857.428	342.943

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

e. Explanations on loans:

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

	31 December 2011		31 December 2010	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders (*)	433.544	35.225	507.892	21.045
Loans Granted To Employees	3.175	-	2.251	-
Total	436.719	35.225	510.143	21.045

(*) As of 31 December, the balance includes TL433.508 (31 December 2010: TL507.773) interbank placement with the Bank’s shareholder EFG Eurobank Ergasias S.A. where the total amount is cash collateralized.

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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
Cash Loans				
Non-Specialised Loans	2.318.324	12.012	55.764	34.863
Discount and Purchase Notes	148.172	-	3.238	-
Export Loans	459.013	-	3.146	773
Import Loans	-	-	-	-
Loans Granted to Financial Sector	31.727	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	41.495	-	2.296	-
Credit Cards	10.434	-	226	-
Precious Metal Loans	-	-	-	-
Other (*)	1.627.483	12.012	46.858	34.090
Specialised Loans				
Other Receivables				
Total	2.318.324	12.012	55.764	34.863

(*) Factoring receivables amounting to TL129.021 are presented in other non-specialised loans.

3. Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and Other Receivables	1.615.954	-	36.131	4.487
Non-specialised Loans	1.615.954	-	36.131	4.487
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	702.370	12.012	19.633	30.376
Non-specialised Loans	702.370	12.012	19.633	30.376
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	2.318.324	12.012	55.764	34.863

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

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	1.467	36.826	38.293
Real estate loans	-	4.537	4.537
Automotive loans	17	967	984
Consumer loans	1.450	31.322	32.772
Other	-	-	-
Consumer Loans-FC Indexed	-	1.764	1.764
Real estate loans	-	1.764	1.764
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	4.431	-	4.431
With installments	-	-	-
Without installments	4.431	-	4.431
Individual Credit Cards- FC	51	-	51
With installments	-	-	-
Without installments	51	-	51
Personnel Loans-TL	279	2.317	2.596
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	279	2.317	2.596
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	576	-	576
With installments	-	-	-
Without installments	576	-	576
Personnel Credit Cards-FC	3	-	3
With installments	-	-	-
Without installments	3	-	3
Credit Deposit Account-TL (Real Person)	1.138	-	1.138
Credit Deposit Account-FC (Real Person)	-	-	-
Total	7.945	40.907	48.852

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	22.113	138.127	160.240
Real estate loans	-	1.516	1.516
Automotive loans	117	4.305	4.422
Consumer loans	21.867	130.948	152.815
Other	129	1.358	1.487
Commercial Installments Loans-FC Indexed	2.549	32.738	35.287
Real estate loans	-	-	-
Automotive loans	-	235	235
Consumer loans	2.549	32.503	35.052
Other	-	-	-
Commercial Installments Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	5.582	-	5.582
With installment	-	-	-
Without installment	5.582	-	5.582
Corporate Credit Cards-FC	17	-	17
With installment	-	-	-
Without installment	17	-	17
Credit Deposit Account-TL (Legal Person)	19.051	-	19.051
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	49.312	170.865	220.177

6. Loans according to types of borrowers:

	31 December 2011	31 December 2010
Public	-	-
Private	2.420.963	1.660.359
Total	2.420.963	1.660.359

7. Distribution of domestic and foreign loans:

	31 December 2011	31 December 2010
Domestic Loans	2.420.963	1.660.082
Foreign Loans	-	277
Total	2.420.963	1.660.359

8. Loans given to investments in associates and subsidiaries:

None (31 December 2010: None).

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9. Specific provisions provided against loans:

	31 December 2011	31 December 2010
Loans and Other Receivables with Limited Collectability	505	232
Loans and Other Receivables with Doubtful Collectability	2.120	1.554
Uncollectible Loans and Other Receivables	74.440	68.810
Total	77.065	70.596

10. 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
31 December 2011			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	46	238	5.831
31 December 2010			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	213	278	4.692

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables (*)
Prior Period End Balance	2.434	5.327	115.355
Additions (+)	20.107	1.820	7.514
Transfers from Other Categories of Non-performing Loans (+)	-	12.621	10.094
Transfers to Other Categories of Non-performing Loans (-)	12.638	10.077	-
Collections (-) (*)	5.288	2.682	30.121
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	4.615	7.009	102.842
Specific Provision (-)	505	2.120	74.440
Net Balance on Balance Sheet	4.110	4.889	28.402

(*) The balance consists loans amounting to TL282 that are transferred to restructured or rescheduled loan accounts from non-performing loan accounts according to related regulations.

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2011			
Period-End Balance	846	-	32.527
Specific Provision (-)	169	-	19.098
Net Balance on balance sheet	677	-	13.429
31 December 2010			
Period-End Balance	338	1.413	37.965
Specific Provision (-)	36	478	15.145
Net Balance on balance sheet	302	935	22.820

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	4.110	4.889	28.402
Loans Given to Real Persons and Legal Persons (Gross)	4.347	6.264	97.773
Specific Provision Amount (-)	451	1.916	69.681
Loans Given to Real Persons and Legal Persons (Net)	3.896	4.348	28.092
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	268	745	5.069
Specific Provision Amount (-)	54	204	4.759
Other Loans and Receivables (Net)	214	541	310
Prior Period (Net)	2.202	3.773	46.545
Loans Given to Real Persons and Legal Persons (Gross)	2.304	4.642	109.890
Specific Provision Amount (-)	206	1.212	63.812
Loans Given to Real Persons and Legal Persons (Net)	2.098	3.430	46.078
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	130	685	5.465
Specific Provision Amount (-)	26	342	4.998
Other Loans and Receivables (Net)	104	343	467

11. Policy followed-up for the collection of uncollectible loans and other receivables:

The Group aims to collect uncollectible loans and other receivables through the liquidation of collaterals and by legal procedures.

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12. Explanations on the write-off policy:

The write off transactions from the Group's assets are performed in accordance with the regulation.

13. Information on the provision movement of total non-performing loans:

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2011	70.204	368	24	70.596
Additions	17.035	560	73	17.668
Reversals (-)	10.668	515	16	11.199
Write-offs	-	-	-	-
Foreign Currency Difference	-	-	-	-
31 December 2011	76.571	413	81	77.065

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2010	85.764	1.115	249	87.128
Additions	37.913	125	246	38.284
Reversals (-)	12.870	71	312	13.253
Write-offs	40.603	801	159	41.563
Foreign Currency Difference	-	-	-	-
31 December 2010	70.204	368	24	70.596

f. Information on held-to-maturity investments:

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

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	114.785	-	513.047	-
Other	-	-	-	-
Total	114.785	-	513.047	-

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

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	49.300	-	100.020	-
Other	-	-	-	-
Total	49.300	-	100.020	-

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

	31 December 2011	31 December 2010
Government Bond	167.789	959.996
Treasury Bill	-	-
Other Debt Securities	-	-
Total	167.789	959.996

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

	31 December 2011	31 December 2010
Debt Securities	167.789	959.996
Quoted	167.789	959.996
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	167.789	959.996

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

	31 December 2011	31 December 2010
Beginning Balance	959.996	993.301
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year (*)	-	408
Disposals through Sales and Redemptions (-)	792.207	33.713
Impairment Provision (-)	-	-
Period End Balance	167.789	959.996

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

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

3. Information on consolidated subsidiaries:

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

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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	287.637	35.299	49	20.051	33	5.668	3.676	-
2 (*)	94.826	86.298	2.480	18.982	551	7.283	11.591	-

- (*) As of 23 November 2011, a new company has been established with the title of EFG İstanbul Portföy Yönetimi A.Ş., where EFG İstanbul Equities Menkul Değerler A.Ş., has participated in the total amount of TL999.999,96 group "A" shares of the before mentioned company which constitutes 99,99% of its TL1.000.000 nominal valued shares.

5. Movement schedules of subsidiaries:

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

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

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

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

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j. Information on lease receivables (net):

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

	31 December 2011		31 December 2010	
	Gross	Net	Gross	Net
Less than 1 year	94.434	78.475	65.534	49.552
Between 1-4 years	165.492	145.321	131.512	111.061
More than 4 years	21.273	19.861	34.443	32.622
Total	281.199	243.657	231.489	193.235

k. Information on hedging derivative financial assets:

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

l. Information on property and equipment (Net):

	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2009				
Cost	28.302	631	57.798	86.731
Accumulated depreciation (-)	3.050	460	41.235	44.745
Net book value	25.252	171	16.563	41.986
31 December 2010				
Net book value at beginning of the period	25.252	171	16.563	41.986
Additions	-	-	15.792	15.792
Disposals (-), (net)	17.699	-	6	17.705
Impairment	-	-	-	-
Depreciation (-)	137	76	5.281	5.494
Revaluation Increase	(565)	-	-	(565)
Cost at Period End	8.146	631	73.579	82.356
Accumulated Depreciation at Period End (-)	1.295	536	46.511	48.342
Closing Net Book Value at Period End	6.851	95	27.068	34.014

	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2010				
Cost	8.146	631	73.579	82.356
Accumulated depreciation (-)	1.295	536	46.511	48.342
Net book value	6.851	95	27.068	34.014
31 December 2011				
Net book value at beginning of the period	6.851	95	27.068	34.014
Additions	-	-	5.719	5.719
Disposals (-), (net)	-	9	-	9
Impairment	-	-	-	-
Depreciation (-)	137	45	6.961	7.143
Revaluation Increase	136	-	-	136
Cost at Period End	8.282	373	47.176	55.831
Accumulated Depreciation at Period End (-)	1.432	332	21.350	23.114
Closing Net Book Value at Period End	6.850	41	25.826	32.717

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m. Information on intangible assets:

1. Book value and accumulated depreciation at the beginning and the end of the period:

	31 December 2011	31 December 2010
Gross Book Value	92.628	99.571
Accumulated Depreciation (-)	7.284	16.476
Net Book Value	85.344	83.095

2. Information on movements between the beginning and end of the period:

	31 December 2011	31 December 2010
Beginning of the Period	83.095	68.122
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	4.957	17.198
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	2.708	2.225
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	85.344	83.095

n. Information on investment property:

None.

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o. Information on deferred tax asset:

As of 31 December 2011, the Group has netted-off the calculated deferred tax asset of TL16.990 (31 December 2010: TL21.712) and deferred tax liability of TL2.674 (31 December 2010: TL2.382) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL14.316 (31 December 2010: TL19.330) in the financial statements. As of 31 December 2011 the Group has not a deferred tax liability (31 December 2010: None).

As of 31 December 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 December 2011	31 December 2010	31 December 2011	31 December 2010
Provision for Legal Cases	15.689	11.006	3.139	2.201
Reserve for Employee Rights	12.610	10.492	2.522	2.098
Other Provisions	4.004	4.393	801	879
Carried Financial Loss	39.072	52.848	7.814	10.570
Valuation Differences of Marketable Securities	1.745	20.316	349	4.063
Valuation Differences of Derivative Instruments	7.743	3.237	1.549	647
Unearned Revenue	3.227	-	645	-
Other	854	6.271	171	1.254
Deferred Tax Assets	84.943	108.563	16.990	21.712
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	13.230	11.609	2.646	2.322
Other	138	301	28	60
Deferred Tax Liabilities	13.368	11.910	2.674	2.382
Deferred Tax Assets / (Liabilities) (Net)	71.575	96.653	14.316	19.330

Movement of deferred tax asset/ liabilities is presented below:

	31 December 2011	31 December 2010
Balance as of 1 January	19.330	21.009
Current year deferred tax income/(expense) (net)	(6.560)	(3.985)
Deferred tax charged to equity (net)	1.546	2.306
Balance at the End of the Period	14.316	19.330

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

The Group has assets held for resale amounting to TL15.120 (31 December 2010: TL8.633) and has no discontinued operations.

Prior Period End:	31 December 2011	31 December 2010
Cost	8.873	2.301
Accumulated Depreciation (-)	240	160
Net Book Value	8.633	2.141
Current Year End:		
Net book value at beginning of the period	8.633	2.141
Additions	15.129	6.721
Disposals (-)	8.416	148
Impairment	22	(17)
Depreciation (-)	204	98
Cost	15.473	8.873
Accumulated Depreciation (-)	353	240
Closing Net Book Value	15.120	8.633

r. Information on other assets:

As of 31 December 2011, other assets amount to TL48.909 (31 December 2010: TL47.975) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 December 2011:

	Demand	With 7 day notification	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	22.721	-	17.794	589.745	141.910	17.493	6.712	-	796.375
Foreign Currency Deposits	106.218	-	58.191	444.560	45.356	17.843	3.187	-	675.355
Residents in Turkey	105.098	-	58.179	403.751	45.254	17.746	1.960	-	631.988
Residents Abroad	1.120	-	12	40.809	102	97	1.227	-	43.367
Public Sector Deposits	3.684	-	-	8	-	-	-	-	3.692
Commercial Deposits	86.165	-	165.469	330.604	29.311	26.203	20.179	-	657.931
Other Institutions Deposits	1.068	-	11.021	13.163	1.593	20	16	-	26.881
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	6.082	-	8.459	-	-	-	-	-	14.541
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	44	-	8.459	-	-	-	-	-	8.503
Foreign Banks	6.038	-	-	-	-	-	-	-	6.038
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	225.938	-	260.934	1.378.080	218.170	61.559	30.094	-	2.174.775

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	110.870	-	162.422	371.360	50.953	4.670	1.263	-	701.538
Residents in Turkey	108.974	-	162.419	353.032	50.695	4.537	994	-	680.651
Residents Abroad	1.896	-	3	18.328	258	133	269	-	20.887
Public Sector Deposits	11.440	-	-	946	392	-	-	-	12.778
Commercial Deposits	80.185	-	259.138	145.044	18.283	20.519	2	-	523.171
Other Institutions Deposits	1.589	-	119	26.908	21.799	10	8	-	50.433
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	19.660	-	33.264	-	-	-	-	-	52.924
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	69	-	33.264	-	-	-	-	-	33.333
Foreign Banks	19.591	-	-	-	-	-	-	-	19.591
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	241.411	-	466.874	1.003.900	126.329	30.640	3.094	-	1.872.248

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

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Saving Deposits				
Saving Deposits	166.180	140.905	630.195	390.499
Foreign Currency Savings Deposit	31.995	35.021	255.521	170.091
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Total	198.175	175.926	885.716	560.590

- ii. There are no deposits covered under foreign authorities’ insurance since the Parent Bank is incorporated in Turkey.
3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	31 December 2011	31 December 2010
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	93.358	77.360
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	1.948	2.850
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	95.306	80.210

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Forward Transactions	10.556	1.107	4.255	404
Swap Agreements	9.051	2.357	4.577	854
Futures Transactions	-	-	-	-
Options	3.768	28.006	337	8.227
Other	-	-	9	-
Total	23.375	31.470	9.178	9.485

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	34.140	47.950	35.340	60.136
From Foreign Banks, Institutions and Funds	754.704	369.235	693.314	296.331
Total	788.844	417.185	728.654	356.467

2. Information on maturity structure of borrowings:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Short-term	34.140	122.325	35.340	112.414
Medium and Long-term	754.704	294.860	693.314	244.053
Total	788.844	417.185	728.654	356.467

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

The Group's main funding sources are deposits and borrowings. As of 31 December 2011, deposits and borrowings from Group's risk group comprise 26% (31 December 2010: 26%) of total deposits and 76% (31 December 2010: 78%) of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL43.862 (31 December 2010: TL38.616) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

e. Information on financial lease agreements:

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

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f. Information on hedging derivative financial liabilities:

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

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

Also bank has terminated the currency swaps amounting to USD 40 million which were subjected to a hedging relationship within terms of TAS 39 at 5 August 2011 before termination date. The Bank also sold on the same day the Eurobonds with a nominal value of USD20 million maturing on 15 January 2014, a nominal value of USD10 million maturing on 14 January 2013 and a nominal value of USD10 million maturing on 3 April 2018 by swap transactions with a nominal value of USD40 million.

Due to the termination of the related financial hedging instrument, hedge accounting has been ceased in accordance with TAS 39.

g. Information on provisions:

1. Information on general provisions:

	31 December 2011	31 December 2010
Provisions for Group I loans and receivables	20.290	12.141
Provisions for Group II loans and receivables	2.843	1.996
Provisions for non cash loans	3.089	2.138
Other	1.792	1.554
Total	28.014	17.829

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

i) Rescheduled loan and other receivables that are standard:

None.

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

31 December 2011	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Total
Number of Loans With Restructured Payment Plan	135	17	100	8	1	261
Risk Amount	10.162	3.159	19.743	1.183	4	34.251

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2. Information on reserve for employment termination benefits:

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

The payment amount which is one month's salary for each working year is restricted to TL2.805,04 (31 December 2010: TL2.362,23). Employee termination benefits are not funded as there is no funding requirement.

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

	31 December 2011	31 December 2010
Discount rate (%)	3,81	4,76
Salary increase rate (%)	6,00	6,00
Average remaining work period (Year)	11,98	11,37

Movement of reserve for employment termination benefits during the period:

	31 December 2011	31 December 2010
Prior Period Ending Balance	4.109	3.381
Additions due to acquisition during the period	2.071	1.535
Paid During the Period (-)	516	807
Balance at the End of the Period	5.664	4.109

In addition, as of 31 December 2011 the Group has accounted for vacation rights provision amounting to TL1.981 (31 December 2010: TL2.027) and personnel bonus provision amounting to TL13.466 (31 December 2010: TL12.226).

3. Other provisions:

(i) Information on provisions for possible risks:

None.

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(ii) Information on other provisions:

The Group set aside reserves amounting to TL14.525 (31 December 2010: TL11.006) for lawsuits, TL4.102 (31 December 2010: TL2.908) for non-cash loans, TL2.020 (31 December 2010: TL1.620) for customer cheques commitments, TL37 (31 December 2010: TL29) for credit card loyalty points and TL1.755 (31 December 2010: TL227) for other receivables. For the tax examination that has been conducted in 2011, TL1.400 provision is allocated.

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

As of 31 December 2011, the provision related to the foreign currency difference of foreign indexed loans amounts to TL518 (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 December 2011, the corporate tax provision is TL532 (31 December 2010: TL464).

2. Information on taxes payable:

	31 December 2011	31 December 2010
Corporate Tax Payable	532	464
Taxation of Marketable Securities	3.559	2.363
Property Tax	145	158
Banking Insurance Transaction Tax	2.748	1.633
Value Added Tax Payable	2.043	281
Other	1.944	1.622
Total	10.971	6.521

3. Information on premium payables:

	31 December 2011	31 December 2010
Social Security Premiums-Employee	1.134	535
Social Security Premiums-Employer	1.272	616
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	70	30
Unemployment Insurance-Employer	140	59
Other	-	-
Total	2.616	1.240

4. Information on deferred tax liability:

As of 31 December 2011, the Group has netted-off the calculated deferred tax asset of TL16.990 (31 December 2010: TL21.712) and deferred tax liability of TL2.674 (31 December 2010: TL2.382) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL14.316 (31 December 2010: TL19.330) in the financial statements. As of 31 December 2011 the Group has not a deferred tax liability (31 December 2010: None).

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

None.

j. Information on subordinated loans:

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

During paid-in capital raise from TL 380.000 to TL 570.000, affiliate amount TL 105.000 that is capital contribution of Eurobank EFG Holding (Luxembourg) S.A has been covered by payment of subordinated loans before maturity that is derived from indirect main partner EFG Eurobank Ergesia S.A.

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

1. Information about subordinated loans:

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

k. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	31 December 2011	31 December 2010
Common Stock	570.000	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 TL570.000 and does not apply the registered share capital system.

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

Date of Capital Increase	Amount of Capital Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 May 2011	188.955	148.955	33.896	6.104
22 Aug 2011	1.045	1.045	-	-

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

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

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

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

None.

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

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

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

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

8. Information on marketable securities valuation reserve:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(3.739)	-	1.119	1.419
Foreign Currency Difference	-	-	-	-
Total	(3.739)	-	1.119	1.419

9. Information on tangible assets revaluation reserve:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	3.445	-	3.336	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.345	-	3.336	-

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

Group classified the TL3.443 of the consolidated 2010 net income TL30.352 as legal provision charge, TL22.462 as extraordinary provovision charge. The TL4.537 sales amount is classified as Real Estate Profit per Corporate Taxation Code and the TL90 as previous year loss.

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 December 2011	31 December 2010
Commitments for cheques	225.721	53.338
Foreign currency buy/sell commitments	129.110	124.291
Loan limit commitments	42.404	17.112
Commitments for credit card limits	20.375	8.191
Share capital commitments to associates and subsidiaries	1.000	2.000
Tax and fund obligations arising from export commitments	1.111	1.275
Blocked cheques given to customers	178	282
Time deposit purchase-sales commitments	-	61.777
Commitments for promotions on credit cards	-	24
Total	419.899	268.290

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

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

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

	31 December 2011	31 December 2010
Other guarantees	851.970	764.891
Letter of guarantees	523.509	335.868
Letter of credits	194.259	166.490
Bank acceptance loans	91.289	30.510
Factoring guarantees	2.403	2.978
Total	1.663.430	1.300.737

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

	TL	FC
Irrevocable letters of guarantee	309.531	98.832
Revocable letters of guarantee	35.139	5.714
Guarantees given to customs	31.496	1.222
Letters of guarantee given in advance	11.237	24.569
Other letters of guarantee	1.836	3.933
Total	389.239	134.270

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

	31 December 2011	31 December 2010
Non-cash loans given against cash loans	857.514	766.210
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	857.514	766.210
Other non-cash loans	805.916	534.527
Total	1.663.430	1.300.737

ii. Information on concentration on non cash loans:

	31 December 2011				31 December 2010			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	4.456	1,14	16.330	1,28	8.185	3,37	6.075	0,57
Farming and Livestock	2.578	0,66	16.311	1,28	8.086	3,33	6.060	0,57
Forestry	370	0,09	-	-	-	-	-	-
Fishing	1.508	0,39	19	-	99	0,04	15	-
Manufacturing	136.036	34,85	783.257	61,53	88.264	36,34	631.955	59,74
Mining	18.020	4,62	48.256	3,79	5.088	2,09	42.501	4,02
Production	115.400	29,56	718.215	56,42	82.084	33,80	560.815	53,01
Electric, Gas, Water	2.616	0,67	16.786	1,32	1.092	0,45	28.639	2,71
Construction	119.122	30,51	94.216	7,40	66.111	27,22	98.678	9,33
Services	125.414	32,13	374.235	29,39	71.394	29,40	302.254	28,57
Wholesale and Retail Trade	72.343	18,53	100.673	7,91	30.915	12,73	74.731	7,06
Hotel and Food Services	1.205	0,31	116.529	9,15	936	0,39	105.869	10,01
Transportation and Telecommunication	13.661	3,50	48.848	3,84	7.581	3,12	50.164	4,74
Financial Institutions	21.669	5,55	75.026	5,89	21.200	8,73	54.817	5,18
Real Estate and Leasing Ser.	9.077	2,33	17.077	1,34	8.963	3,69	15.645	1,48
Professional Services	-	-	-	-	-	-	-	-
Education Services	170	0,04	-	-	3	-	-	-
Health and Social Services	7.289	1,87	16.082	1,26	1.796	0,74	1.028	0,10
Other	5.379	1,37	4.985	0,40	8.917	3,67	18.904	1,79
Total	390.407	100,00	1.273.023	100,00	242.871	100,00	1.057.866	100,00

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

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	377.018	1.269.016	6.066	3.244
Letters of Guarantee	375.850	133.537	6.066	511
Bank Acceptances	600	90.689	-	-
Letters of Credit	-	194.259	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	568	1.835	-	-
Other Commitments and Contingencies	-	848.696	-	2.733

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL8.086 As of 31 December 2011, the Group has recorded a TL4.102 provision regarding these risks.

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b. Information on derivative financial instruments:

	31 December 2011	31 December 2010
Types of Trading Transactions		
Foreign currency related derivative transactions (I)	5.179.215	2.448.445
Currency forward transactions	1.180.436	578.803
Currency swap transactions	1.004.608	563.578
Futures transactions	-	-
Options	2.994.171	1.306.064
Interest related derivative transactions (II)	709.288	691.409
Forward rate agreements	-	-
Interest rate swaps	607.540	549.995
Interest rate options	101.748	141.414
Interest rate futures	-	-
Other Trading Derivative Instruments (III)	-	-
A. Total trading derivative transactions (I+II+III)	5.888.503	3.139.854
Types of hedging transactions	-	184.512
Fair value hedges	-	184.512
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging related derivatives	-	184.512
Total derivative transactions (A+B)	5.888.503	3.324.366

c. Investment Funds:

As of 31 December 2011, the Group is the founder of 5 investment funds (31 December 2010: 5) with a total fund value of TL25.292 (31 December 2010: TL29.675). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency Inc..

d. Information on contingent assets and contingent liabilities:

As of 31 December 2011, the total amount of legal cases against the Group is TL18.974 (31 December 2010: TL14.614) and the Group sets aside a provision of TL14.525 (31 December 2010: TL11.006) regarding these risks.

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

e. Brief information on the Bank's rating given by International Rating Institutions:

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

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

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	138.728	20.233	99.669	14.158
Medium/Long-term Loans	33.172	18.436	18.647	11.924
Interest on Loans Under Follow-up	4.011	-	5.249	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	175.911	38.669	123.565	26.082

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

2. Information on interest income on banks:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	14.419	43	10.005	73
From Foreign Banks	58.570	324	38.553	3.436
Headquarters and Branches Abroad	-	-	-	-
Total	72.989	367	48.558	3.509

3. Information on interest income on marketable securities:

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
From Trading Financial Assets	6.122	-	7.759	50
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	64.363	4.527	22.755	8.175
From Held-to-Maturity Investments	33.498	-	154.661	-
Total	103.983	4.527	185.175	8.225

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

None (31 December 2010: None).

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b. Information on interest expense:

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

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
Banks	81.634	14.518	130.568	11.721
The CBRT	-	-	-	-
Domestic Banks	3.022	1.657	2.572	1.398
Foreign Banks	78.612	12.861	127.996	10.323
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	81.634	14.518	130.568	11.721

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

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

None (31 December 2010: None).

3. Interest expense on issued marketable securities:

None (31 December 2010: None).

4. Maturity structure of the interest expense on deposits :

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 month	Up to 3 Month	Up to 6 month	Up to 1 year	More than 1 year		
TL								
Bank Deposits	27	63	-	-	-	-	-	90
Saving Deposits	-	804	48.411	10.217	1.638	444	-	61.514
Public Sector Deposits	-	41	17	34	-	-	-	92
Commercial Deposits	-	7.106	27.170	1.609	4.365	1.531	-	41.781
Other Deposits	-	225	1.880	764	1	1	-	2.871
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	27	8.239	77.478	12.624	6.004	1.976	-	106.348
FC								
Foreign Currency Deposits	-	2.474	19.581	1.834	1.263	87	-	25.239
Bank Deposits	-	170	-	-	-	-	-	170
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	-	2.644	19.581	1.834	1.263	87	-	25.409
Grand Total	27	10.883	97.059	14.458	7.267	2.063	-	131.757

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c. Information on dividend income:

	31 December 2011	31 December 2010
Trading Financial Assets	17	93
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	106	36
Other	-	-
Total	123	129

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

	31 December 2011	31 December 2010
Income	4.234.773	1.593.170
Income from Capital Market Transactions	66.257	52.625
From Derivative Financial Transactions	89.048	81.407
Foreign Exchange Gains	4.079.468	1.459.138
Loss (-)	4.192.640	1.566.000
Loss from Capital Market Transactions	27.478	26.573
From Derivative Financial Transactions	89.897	80.560
Foreign Exchange Loss	4.075.265	1.458.867
Net Income/(Loss)	42.133	27.170

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains/loss is TL10.190 (31 December 2010: TL11.193 Profit).

e. Information on other operating income:

As of 31 December 2011, the Group's other operating income is TL8.097 (31 December 2010: TL9.123). TL3.554 of the amount is composed of profit from sales of the fixed assets that were classified as Asset Held for Resale of the Parent Bank.

Provision expenses related to loans and other receivables:

	31 December 2011	31 December 2010
Specific Provisions for Loans and Other Receivables	8.058	16.213
III. Group Loans and Receivables	1.666	2.059
IV. Group Loans and Receivables	4.202	7.574
V. Group Loans and Receivables	2.190	6.580
General Provision Expenses	8.692	3.630
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	103	23
Financial Assets at Fair Value Through Profit or Loss	103	23
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	2.900	-
Total	19.753	19.866

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f. Information related to other operating expenses:

	31 December 2011	31 December 2010
Personnel Expenses	95.942	80.115
Reserve For Employee Termination Benefits	2.074	1.816
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	7.360	5.491
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	2.709	2.225
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	22	-
Depreciation Expenses of Assets Held for Resale	204	98
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	53.298	47.226
Operational Lease Expenses	14.889	12.412
Maintenance Expenses	1.096	1.062
Advertising Expenses	871	1.390
Other Expense	36.442	32.362
Loss on Sales of Assets	189	6
Other	17.964	17.768
Total	179.762	154.745

(*) As of 31 December 2011, the employee vacation fee provision is TL74 (31 December: TL260).

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

The Group has no discontinued operations. The Group's net income/(loss) before taxes from continuing operations is TL34.162.

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

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

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

As of 31 December 2011, the Group has current tax expense amounting to TL2.192 and deferred tax expense amounting to TL6.560.

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

The Group has net deferred tax expense amounting to TL6.560 composing from TL12.471 deferred tax income as a result of temporary differences incurred, TL2.755 deferred tax expense as a result of carried financial loss and TL16.276 deferred tax expense due to temporary differences closed.

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Reconciliation of theoretical tax expense and current year tax expense using the legal tax rate of the Group:

	31 December 2011	31 December 2010
Profit / Loss Before Tax	34.162	38.437
General Loan Loss Provision	10.185	3.592
Non-Deductible Expenses	1.184	862
Dividend Income	(123)	(36)
Other	(1.648)	(2.430)
Total	43.760	40.425
Corporate Tax Rate	20%	20%
Current Year Tax Income / Loss	8.752	8.085

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

As of 31 December 2011, the Group has TL3.805 deferred tax expense arising from temporary differences and TL2.755 deferred tax expense as a result of carried financial loss.

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

The Group has no discontinued operations and the below article (k) 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 December 2011, the Group’s fee and commission income amounts to TL62.811 (31 December 2010: TL64.279) and TL37.103 (31 December 2010: TL38.938) of the related amount is classified under “Other fee and commission income” account.

	31 December 2011	31 December 2010
Other Fee and Commissions Received		
Commissions From Brokerage Activity in Istanbul Stock Exchange	13.032	16.160
Commissions From Brokerage Activity in Turkish Derivative Exchange	8.819	13.994
Investment Consultancy Fees	5.489	2.419
Credit Card and POS Transaction Commission	1.887	170
Commissions on Investment Fund Services	1.331	1.436
Transfer Commissions	968	733
Expertise and Account Operating Fees	923	502
Insurance Commissions	599	183
Commissions from Correspondent Banks	280	184
Ortak Nokta Commissions	30	37
Letter of Credit Commissions	29	30
Other	3.716	3.090
Total	37.103	38.938

As of 31 December 2011, Group’s fee and commission expense amounts to TL7.739 (31 December 2010: TL5.693) and TL6.906 (31 December 2010: TL5.232) of the related amount is classified under “Other fee and commission expense” account.

	31 December 2011	31 December 2010
Other Fee and Commissions Given		
Credit Card Transaction Commission	2.418	508
Stock Exchange Contribution Expenses	1.687	1.817
Ortak Nokta Clearing Commissions	504	674
EFT Commissions	377	275
Commissions Granted to Correspondent Banks	203	150
Transfer Commissions	68	99
Other	1.649	1.709
Total	6.906	5.232

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V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS' EQUITY

a. Information on change in the shareholder structure of the Parent Bank:

There is a capital increase in the Parent Bank in current year and the shares of Tekfen Holding A.Ş. increased from 29,24% to 29,26%. There is no change in the 70% share of Eurobank EFG Holding (Luxembourg).

b. Information on distribution of profit:

Group, classified the TL3.443 of the consolidated 2010 net income TL30.352 as legal provision charge, TL22.462 as extraordinary provision charge. The TL4.537 sales amount is classified as Real Estate Profit per Corporate Taxation Code and the 90 TL as previous year loss.

c. Information on capital increase:

Date of Capital Increase	Amount of Capital Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 May 2011	188.955	148.955	33.896	6.104
22 Aug 2011	1.045	1.045	-	-

d. Information on valuation differences of marketable securities:

Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation reserve" account under equity, until the financial assets are sold, disposed or impaired.

	31 December 2011		31 December 2010	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(3.739)	-	1.119	1.419
Foreign Currency Difference	-	-	-	-
Total	(3.739)	-	1.119	1.419

e. Information on revaluation differences of tangible and intangible assets :

The reversal from revaluation reserve for immovables amounting to TL109 (31 December 2010: TL4.451) net of tax is accounted under "Revaluation differences of tangible assets and intangible assets".

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH
FLOWS**

a. Information on cash and cash equivalent assets:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash, foreign currency, cash in transit and purchased bank cheques together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

(i). Cash and cash equivalents at the beginning of period:

	31 December 2011	31 December 2010
Cash	160.614	119.085
Cash, Foreign Currency and Other	17.594	14.615
Demand Deposits in Banks	143.020	104.470
Cash Equivalents	627.564	570.666
Interbank Money Market	-	25.000
Time Deposits in Bank	627.564	545.666
Total Cash and Cash Equivalents	788.178	689.751

The total amount from the operations that occurred in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

(ii). Cash and cash equivalents at the end of the period:

	31 December 2011	31 December 2010
Cash	264.972	160.614
Cash, Foreign Currency and Other	23.170	17.594
Demand Deposits in Banks	241.802	143.020
Cash Equivalents	439.725	627.564
Interbank Money Market	-	-
Time Deposits in Bank	439.725	627.564
Total Cash and Cash Equivalents	704.697	788.178

b. Information on other items presented in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents :

"Other" items presented in "Net operating income before changes in operating assets and liabilities" amount to TL110.238 (31 December 2010: negative TL160.069) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

"Net increase/decrease in liabilities" items presented in "Changes in operating assets and liabilities" amount to TL47.284 (31 December 2010: TL47.996) and consist of changes in other liabilities and miscellaneous payables.

As of 31 December 2011, the effect of change in foreign exchange rate on cash and cash equivalents is calculated as approximately TL2.196 (31 December 2010: TL5.049).

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VII. EXPLANATIONS AND NOTES RELATED TO GROUP'S RISK GROUP

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

Prior period financial information is presented as of 31 December 2011 for balance sheet and as at 31 December 2010 for income statements items.

1. 31 December 2011:

Groups' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	119	21.045	35	332
Balance at the End of the Period	-	-	36	35.225	92	-
Interest and Commission Income Received	-	-	115	107	-	1

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

2. 31 December 2010:

Groups' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	185	25.937	47	1.724
Balance at the End of the Period	-	-	119	21.045	35	332
Interest and Commission Income Received	-	-	62	84	-	1

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

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

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	-	-	470.517	605.391	25.401	4.915
End of the Period	-	-	485.949	470.517	89.989	25.401
Interest Expense on Deposits	-	-	27.969	49.039	5.587	1.160

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

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	-	-	998	31
End of the Period	-	-	-	-	99	998
Interest Expense on Repurchase Transactions	-	-	-	-	20	15

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

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

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	-	-	743.351	82.136	-	-
Balance at the end of the period	-	-	1.519.894	743.351	-	-
Total Profit/Loss	-	-	(14.543)	552	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	61.504	59.494	-	-
Balance at the end of the period	-	-	-	61.504	-	-
Total Profit/Loss	-	-	(5.445)	(5.807)	-	-

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings (Subordinated loans and others)	921.276	76,39
Deposit	575.938	26,48
Banks	433.508	97,86
Non-cash loans	35.225	2,13
Loans	128	0,01
Funds from repurchase transactions	99	0,01

As of 31 December 2011, the Group has realized interest expense amounting to TL87.577 on loans borrowed from the direct and indirect shareholders of the Bank, interest income amounting to TL58.894 from placement transactions with the direct and indirect shareholders of the Bank.

3. Equity accounting transactions: None.

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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:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group’s risk group and the amount composes 1,18% (31 December 2010: 1,30%) of the Group’s total cash and non-cash loans.

As of 31 December 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 December 2011 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

As of 31 December 2011, the Parent Bank has paid TL169 (31 December 2010: TL200) to EFG IT Shared Services SA, TL93 to BE-Business Exchanges SA (31 December 2010: TL39).

As of 31 December 2011, the Group has paid TL1.726 (31 December 2010: TL1.565) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

As of 31 December 2011, the Group has paid a rent amount of TL311 (31 December 2010: TL278) 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 December 2011, the Parent Bank has paid a rent amount of TL2.342 (31 December 2010: TL2.124) to Tekfen Holding A.Ş. for Head Office floors.

The Group has realized TL297 (31 December 2010: TL197) commission income from brokerage services given to EFG Eurobank Securities S.A, TL115 (31 December 2010: none) profit from EFG Eurobank Securities Investment Firm S.A. The Group has commission income from capital market transactions, and a consultancy fee of TL69 (31 December 2010: TL146) to EFG Capital International and commission expense to EFG Audit&Consulting TL1 (31 December 2010: TL35).

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c. Information on benefits provided to top management:

As of 31 December 2011, top management of the Group includes the Chairman of the Board, General Director and Associate General Director. The total benefit expense is TL14.332 (31 December 2010: TL12.253), which includes gross salary, travel, meal, life insurance, car and other expenses.

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE
BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

a. Information on domestic, foreign branches and foreign representatives:

	Number	Employee number			
Domestic Branch	59	954			
			Country of Incorporation		
Foreign Representative	-	-			
				Total Asset	Statutory share capital
Foreign Branch	-	-		-	-
Off-Shore Banking Region Branch	-	-		-	-

b. There is no event that would affect opening or closing a domestic branch, a foreign branch or a representative office.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

According to the declaration made by the Parent Bank's main partner, EFG Eurobank Ergasias SA, on 9 April 2012:

EFG Eurobank Ergasias SA announces it has reached an agreement with Burgan Bank to sell its Turkish operations. Under the terms of the transaction, Burgan will acquire 99.26% of Eurobank Tekfen, from Eurobank EFG and the Tekfen Group. The transaction is expected to close in third quarter of 2012 subject to regulatory approvals by the competent authorities.

According to the declaration made by one of the shareholders of the Parent Bank, Tekfen Holding A.Ş., on 9 April 2012:

Tekfen Holding A.Ş. and EFG Eurobank Holding (Luxembourg) S.A., a subsidiary of Eurobank EFG, concluded an agreement which enables to transfer the shares representing 29.26 % of Eurobank Tekfen capital owned by Tekfen Holding to Eurobank Holding or to any other beneficiary determined by Eurobank Holding, by allowing an early exercise of the call option described in the Shareholders' Agreement signed on March 16, 2007. In this context; Eurobank Holding is released to transfer its shares to any third party by waiving pre-emption rights of Tekfen Holding on the Bank shares derived from the Shareholders' Agreement signed on 16 March 2007. Tekfen Holding will be able to keep its position as a Partner in the Bank by contracting a Shareholders' Agreement with the third party with which Eurobank Holding signs a sales agreement. The transactions shall be subject to the approval and permission of Banking Regulation and Supervision Agency and the relevant national authorities of which the parties are subject to.

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SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS RELATED TO BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 December 2011 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated 11 April 2012 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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