



2011 ANNUAL REPORT

T-BANK
ANNUAL
REPORT
2011

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A global vision well-integrated into the values of the local Turkish banking industry

With 27 branches located throughout Turkey, T-Bank offers customized and niche banking solutions, designed in accordance with its customers' needs and expectations.

Stemming from its global banking experience, steering the regional values through the synthesis of local economic and cultural standards, T-Bank enjoys the trust and loyalty of its various types of clients.

Well aware of the distinctive needs and development priorities of every location in which it operates, T-Bank designs products and services in line with its customers' needs. T-Bank is one of the most trustworthy institutions within the Turkish banking industry with a strong financial position and an extensive overseas correspondent banking network.

Financial Highlights and Key Ratios

Financial Highlights (TL thousands/US\$ thousands)					
	December 31, 2011		December 31, 2010		Change
	TL	US\$	TL	US\$	
Total Assets	2,203,333	1,169,746	1,509,774	977,706	46
Loan Portfolio (Gross)	1,484,709	788,229	1,020,368	660,775	46
Loan Portfolio (Net)	1,468,718	779,740	1,003,222	649,671	46
Securities Portfolio (Net)	337,252	179,047	268,428	173,830	26
Banks/Money Market Placements	160,413	85,163	93,939	60,833	71
Total Deposits	1,595,580	847,091	1,143,081	740,242	40
Borrowings	104,731	55,602	92,264	59,749	14
Shareholders' Equity	338,082	179,487	219,256	141,987	54
Guarantees and Collaterals	1,030,628	547,159	975,901	631,978	6
	December 31, 2011		December 31, 2010		Change
	TL	US\$	TL	US\$	
Net Interest Income	70,210	37,274	52,742	34,155	33
Net Commission Income	19,338	10,267	16,472	10,667	17
Profit Before Taxes	5,618	2,983	4,466	2,892	26
Net Profit	3,561	1,891	2,463	1,595	45
Key Financial Ratios					
	December 31, 2011 (%)		December 31, 2010 (%)		
Capital Adequacy Ratio	17.55		14.03		
Loans (Net)/Deposits	92.05		87.76		
Loans (Net)/Total Assets	66.66		66.45		
Liquid Assets/Total Assets (*)	20.94		21.93		
Non-Performing Loans (Net)/Total Loans (Net)	1.59		2.29		
Non-Performing Loans (Gross)/Total Loans (Gross)	2.65		3.93		
Non-Performing Loans (Net)/Total Assets	1.06		1.52		
Specific Loan Provisions/Non-Performing Loans	40.66		42.72		
Specific Loan Provisions+Guarantees/Non-Performing Loans	99.18		97.59		

* Includes financial assets at fair value through profit and loss and financial assets available-for-sale.

Loans/Total Assets (%)

2010		66.45
2011		66.66

Capital Adequacy Ratio (%)

2010		14.03
2011		17.55

Liquid Assets/Total Assets (*) (%)

2010		21.93
2011		20.94

** Includes securities portfolio.*

Loans/Deposits (%)

2010		87.76
2011		92.05

Further fortifying its capital structure during 2011, T-Bank strengthened client and stakeholder confidence through a capital injection of TL 130 million.



Galata Tower

With a continuous focus on maintaining its sustainable development, T-Bank increased its capital from TL 170 million to TL 300 million, as per the resolution adopted at the Extraordinary General Assembly held on May 30, 2011.

Brief History

T-Bank was established in 1985 as the Istanbul Branch of the Bank of Bahrain and Kuwait; it was converted in 1991 to an independent entity known as the Bank of Bahrain and Kuwait Bankası A.Ş.. Following an acquisition done by the Doğuş Group in 1992, the Bank was renamed Garanti Yatırım ve Ticaret Bankası A.Ş. In 1997, Mehmet Nazif Günel purchased Garanti Yatırım ve Ticaret Bankası A.Ş. and named it MNG Bank.

Following capital increase in 2006, Arab Bank and BankMed reached a mutual agreement with Mehmet Nazif Günel for the acquisition of 91% of MNG Bank's shares and on December 29, 2006 the Turkish Banking Supervision and Regulation Agency (BRSA) approved the transaction. In January 2007, the share transfer was completed and Arab Bank and BankMed purchased 50% and 41% of MNG Bank shares, respectively. On April 3, 2007, the Bank's name was changed to Turkland Bank A.Ş., or as it is known in its abbreviated form: T-Bank. In June 2010, BankMed raised its share in T-Bank's capital from 41% to 50% by acquiring the 9% stake of Mehmet Nazif Günel.

Following the last capital increase in November 2011, Arab Bank (Switzerland) Ltd. became a T-Bank shareholder. As per the resolution adopted at the Extraordinary General Assembly held on May 30, 2011, T-Bank's capital increased to TL 300 million, up from TL 170 million. Accordingly, the participation rates for current shareholders of the Bank are: Arab Bank 28%, Arab Bank (Switzerland) Ltd. 22% and BankMed 50%.

T-Bank benefits from the long-standing banking experience that Arab Bank and BankMed bring to it, with their solid track record and expertise in the areas of retail and corporate banking since the 1930s. The synergy created with shareholder banks is a valuable support for T-Bank and its clients.

While maintaining focus on its traditional strengths in corporate and commercial banking, T-Bank continues to expand its operations, most notably through the development of its Small and Medium size Enterprise (SME) Banking portfolio.

Amendments to the Articles of Association

In the General Assembly of May 30, 2011, the Article 7 of the Bank's Articles of Association was amended.

OLD ARTICLE Capital ARTICLE-7

a) The capital of the Bank is 170,000,000.- (one hundred and seventy million) Turkish Lira divided into 1,700,000,000 (one billion and seven hundred million) registered shares of a nominal value of 10 (ten) New Turkish Kurus each.

b) 70,000,000- (seventy million) Turkish Lira out of the capital is entirely paid-in. The recently raised 100,000,000- (one hundred million) Turkish Lira of capital has been entirely committed, free of any dispute. 2/3 (two thirds) of the raised capital will be paid-in in at most 3 (three) months after the registry date, on the exact deadline designated by the Board of Directors. The remaining 1/3 (one third) is to be paid-in in at most 9 (nine) months after the registry date, again on the exact deadline designated by the Board of Directors.

c) The Board of Directors is authorized to make calls and announcements about the designated deadline by which the increased capital will be entirely paid-in, and such announcements are made by registered and reply-paid letter.

d) Dividend coupons of Share Certificates are issued to the bearer and paid to whoever presents them. The dividends of the owners of registered certificates issued before the issuance of share certificates shall be paid against receipt and through an inscription at the back of the certificate.

e) Share certificates can be issued in bills representing one or more shares as per relevant resolutions of the Board of Directors.

NEW ARTICLE Capital ARTICLE- 7

a) The capital of the Bank is 300,000,000.- (three hundred million) Turkish Lira divided into 3,000,000,000 (three billion) registered shares of a nominal value of 10 (ten) Turkish Kurus each.

b) 170,000,000- (one hundred and seventy million) Turkish Lira out of the capital is entirely paid-in. The recently raised 130,000,000- (one hundred and thirty million) Turkish Lira of capital has been entirely committed, free of any dispute. The total amount of raised capital will be paid-in in at most 3 (three) months after the registry date, on the exact deadline designated by the Board of Directors.

c) The Board of Directors is authorized to make calls and announcements about the designated deadline by which the increased capital will be entirely paid-in, and such announcements are made by registered and reply-paid letter.

d) Dividend coupons of Share Certificates are issued to the bearer and paid to whoever presents them. The dividends of the owners of registered certificates issued before the issuance of share certificates shall be paid against receipt and through an inscription at the back of the certificate.

e) Share certificates can be issued in bills representing one or more shares as per relevant resolutions of the Board of Directors.



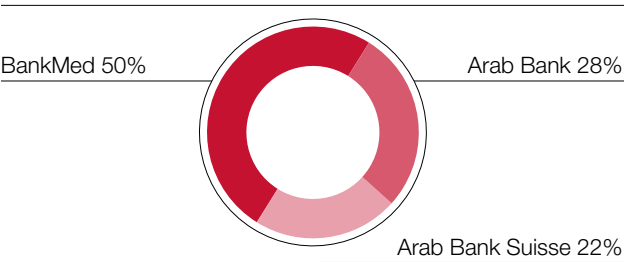
Maiden's Tower

Renowned for its experience in Private Banking and Trade Finance, Arab Bank (Switzerland) Ltd. became a T-Bank shareholder in 2011 with a shareholding of 22%.

Shareholders and Capital Structure

With a resolution by the Extraordinary General Assembly convened on May 30, 2011, T-Bank's capital was increased from TL 170 million to TL 300 million.

As of November 22, 2011, the Bank's shareholding structure was amended as follows:



BankMed	1,499,999,989 shares (representing 50%)
Arab Bank	849,999,995 shares (representing 28%)
Arab Bank Suisse	650,000.000 shares (representing 22%)
Others	16 shares
Paid-in Capital	300,000,000

BankMed

BankMed Sal, originally established in 1944, is headquartered in Beirut, Lebanon. It has grown into one of the largest banks in Lebanon (in terms of total assets) and currently holds approximately 10% of market share. Retail banking, corporate banking, institutional banking, private banking, wealth management, brokerage and investment banking are the main services BankMed and its subsidiaries provide. In addition to T-Bank in Turkey, BankMed's overseas operations extend to (i) BankMed (Suisse) a fully owned subsidiary in Switzerland, engaged in conventional private banking activities, (ii) SaudiMed, a fully owned subsidiary in Saudi Arabia, involved in investment banking and asset management; and (iii) a branch in Cyprus.

BankMed is wholly owned and controlled by the Hariri Family through their shareholdings in GroupMed S.A.L. Holding, the owner of BankMed. The family also owns the Saudi Oger Group, one of the largest conglomerates in the Middle East with large-scale investments, including Türk Telekom, through the GroupMed S.A.L. Holding. As of December 2011, following the early adoption of IFRS 9, BankMed's total assets reached approximately US\$ 11.9 billion while total loans were above US\$ 4.1 billion with a total capital of US\$ 988 million. The Bank has a client base exceeding 150,000 and employs a total of 1,954 persons.

BankMed has implemented an expansion strategy that will enable it to enter selected high-growth potential markets in the MENA region; with the aim of diversifying sources of income and increasing shareholder value. The target markets carry strategic importance and provide BankMed with a platform to launch itself as a competitive player in the regional financial system.

Arab Bank

Arab Bank Plc was established in 1930 with a unique purpose that transcends that of banking and strives to enable the Arab world to grow and prosper both economically and socially. The role that Arab Bank has played in the advancement of Arab economies has also been a motivating force behind its financing of strategic infrastructure projects across the Middle East and North Africa (MENA).

Headquartered in Amman, Jordan, Arab Bank is now in its eighth decade of operation. It maintains a leading global network and enjoys a prominent position in MENA regional centers including Dubai, Manama, Doha and Beirut. Arab Bank's presence in key international financial centers including London, Zurich, Frankfurt, New York, Singapore and Sydney brings its global branch network to over 500 locations in 30 countries, spanning over five continents.

Arab Bank is uniquely positioned to be the partner of choice for MENA financial services expertise. The Bank is a diversified financial institution providing a broad range of products and services in areas such as corporate and institutional banking, consumer banking and treasury services, all of which cater to meet the needs of individuals, corporations, government agencies and other international financial institutions.

In 2011, the Arab Bank Group earned net profit of US\$ 305.9 million, with total assets of US\$ 45.6 billion; it also increased shareholders' equity reached to US\$ 7.7 billion.

Arab Bank Switzerland

Arab Bank (Switzerland) Ltd. was founded in 1962 and has a recognized Swiss bank status. As a Swiss bank, it is subject to all Swiss banking laws, rules and regulations and is supervised by the Swiss Financial Market Supervisory Authority (FINMA).

For 50 years, Arab Bank (Switzerland) Ltd. has been offering private banking services and has built an excellent reputation in the successful management of clients' assets. The Bank is also a premier partner in several commercial banking areas. The clients of Arab Bank (Switzerland) Ltd. originate from or are resident predominantly in Arab countries. As a member of the Arab Bank Group and as an independent sister company of Arab Bank plc, Arab Bank (Switzerland) Ltd. can draw upon a wide network of branches in the Arab world and in major financial centres around the globe.

At present, Arab Bank (Switzerland) Ltd. has approximately 22,000 shareholders, mainly in the Middle East. The ratio of our shareholders' equity is well above the standard set by Swiss and international monetary supervisory bodies, bearing witness to the bank's excellent capitalization.

Shares Held by the Chairman, Members of the Board and the General Manager and Deputy General Managers

Chairman, Members of the Board, the General Manager and Deputy General Managers did not hold any shares in T-Bank as of December 31, 2011.

Chairman's Message

Turkey was one of the global outliers in 2011, registering one of the highest growth rates in the world. In contrast, the global slowdown that was caused by the European sovereign debt crisis and the unfolding events in the Middle East and North Africa significantly reduced the appetite for risk assets in the global financial markets. The flight to the safety of US Treasuries combined with higher capital requirements prompted several banks around the globe to reduce their lending, hence impacting further world economic activity.

In Turkey the story was quite different. Following a real economic growth of 9% in 2010 and 8.5% in 2011, Turkey has confirmed its status as the fastest growing economy in Europe and amongst OECD countries. Growth was due to both exports and higher domestic demand, fueled by a strong investment climate.

The Turkish banking sector played an essential role in supporting this solid economic performance. Turkish banks' assets increased by 21% while their loan portfolio increased by 30% during the past year. Total loans now stand at 53% of GDP. Meanwhile, the sector is considered one of the strongest in the world in terms of capital adequacy with an overall ratio of 17%.

In this context, T-Bank has pushed ahead with its growth strategy in 2011, strongly believing in the potential of the Turkish economy in general, and the SME sector in particular. Our bank's capital was increased from TL 170 million to TL 300 million following the decision taken by our shareholders back in May 2011. As a result, we are now set to reach out to a much larger customer base in the Corporate, Commercial and SME sectors, further capitalizing on the synergies created by the stronger trade and economic ties between Turkey and the MENA region.

I would like to take this opportunity to express my gratitude to our shareholders and Board members for their unfaltering support; to our employees for their diligent efforts; and to our customers and all stakeholders for their continued trust.

Nemeh Sabbagh
Chairman

Nemeh Sabbagh
Chairman

Relying on the potential of the Turkish economy, T-Bank successfully maintained its growth strategy in 2011.



CEO's Message

In line with the strong growth of both the Turkish economy and the Turkish banking sector, T-Bank completed another successful year in its growth strategy, coming closer to achieving its objective of being one of the market leaders in the financing of the Turkish SME sector.

The support of the shareholders has always been one of our strengths. Since our shareholders are leading banks in the MENA region with a network of branches and subsidiaries spanning the five continents, we have greatly benefited from their experience as well as their expertise. Their support was further manifested in the capital increase from TL 170 million to TL 300 million, a further reinforcement of the capital structure. This underlines their strong belief in the great potential of Turkey in general, and T-Bank in particular. This will undoubtedly allow us to grow our client base and increase our market share.

T-Bank's efficient banking network is firmly rooted in 27 branches located in Turkey's most developed industrial and commercial regions. This has served us well with our customer's portfolio and with a large number of new clients from diverse segments; as T-Bank succeeded in increasing its deposit volume by 40%, up to TL 1.6 billion. T-Bank also displayed a consistent growth performance in its cash loans which grew by 46% in 2011. In parallel with the growing importance of SMEs in Turkey's recent rapid growth record, T-Bank has organized its operations around the niche SME banking perspective and has, in the last 3 years, added 13,000 new clients to its customer portfolio in this segment. Accordingly, T-Bank's cash loans to the SME sector grew by 30% in 2011. Aside from its superior standards of quality and swiftness in carrying out business processes, T-Bank's focused services for SMEs have also played a crucial role in its success in this field.

As for foreign trade, T-Bank offers a vast array of products and services, ranging from letters of credit and letters of guarantee, to foreign trade finance and cash funding services such as operating loans and pre-export finance. The Bank is keen on enhancing its role as one of the most prominent business partners of Turkish firms running export and import operations with the MENA region.

To further strengthen its organizational structure and service network, T-Bank continued to invest heavily in information technology in 2011. Throughout the year, major efforts were made to enhance the core banking software "Project Future" that will give T-Bank a crucial advantage in terms of operational efficiency, customer relationship management, product development and IT security. The design and development phases of the project are currently in progress. When finally completed in early 2013, the new core banking system will effectively enhance the bank's efficiency and improve customer service. T-Bank also began establishing a fiber-optic infrastructure to upgrade the speed and security of its communications in its branch network.

All these combined efforts on the financial, operational and organizational fronts were reflected in our performance in 2011.

In the future, T-Bank will continue to pursue its banking activities in line with its overall strategy and objectives, thanks to a strong shareholding and dynamic organizational structure. In this context, I would like to extend my gratitude to our customers for their trust and continued business; and to our shareholders, business partners and employees for their support.

Dinçer Alpman
CEO

Dinçer Alpman
CEO

All the combined efforts at T-Bank on the financial, operational and organizational fronts were reflected in our performance in 2011.



SECTION II

T-BANK: A PROMINENT BANK ACROSS THE MENA AND THE GLOBE

Thanks to the long-standing banking experience of its main shareholders and their strong correspondent relationships, T-Bank is well known and respected within the international financial sector.

T-Bank as Turkey's Niche Bank

T-Bank provides unique banking solutions to its customers in line with its niche banking approach with 27 branches located in Turkey's most prominent industrial and commercial hubs. It continues to develop its network in a consistent approach. T-Bank enjoys a robust position in the banking sector with its expertise in treasury and asset management, investment services and trade finance. This allows the bank to fully cater to its customers' demands while seeking to improve the quality of its products and services on a daily basis. T-Bank has been able to transform its main shareholders' proficient correspondent banking network in the Middle East and North Africa region into one with a significant competitive advantage, allowing the Bank to develop robust relations with prominent global banks so as to strengthen its financial structure and create crucial value added in the scope and quality of its services.

Review of Operations in 2011

Dynamic Organizational Structure

Conducting its operations in line with its "niche service" approach, T-Bank holds a reputable position in the banking sector based on its high value added in timely and customized solutions adapted to the changing needs of its customers. With the advantage of being a strong mid-size bank, T-Bank is able to develop healthy relationships with customers while significantly increasing profitability and productivity in business processes.

In 2011, as in previous periods, T-Bank transformed the feedback from its customers with whom it enjoys close relations into innovative solutions adding value to its banking operations.

By continuing its marketing activities to enhance its customer portfolio on an on-going basis throughout the year, T-Bank gained numerous new customers active in diverse economic areas. The Bank is keen to further increase its market share through its proactive marketing strategy.

Sectoral Breakdown of Loan Portfolio as of December 31, 2011 (TL thousands)

Sector	Cash Loans		Non-cash Loans	
	Total	%	Total	%
Agriculture	33,638	2.27	11,226	0.97
Farming and Animal Husbandry	27,626	1.86	10,369	0.89
Forestry	5,916	0.40	799	0.07
Fishing	96	0.01	58	0.01
Industry	688,967	46.40	373,770	32.23
Mining	115,883	7.81	89,836	7.75
Manufacturing	572,626	38.57	278,257	24.00
Power, Gas and Water	458	0.03	5,677	0.49
Construction	189,305	12.75	356,133	30.71
Services	452,540	30.48	299,899	25.86
Wholesale and Retail Trade	211,431	14.24	142,517	12.29
Hospitality	70,214	4.73	6,724	0.58
Transportation and Communication	52,031	3.50	21,183	1.83
Financial Institutions	33,780	2.28	68,146	5.88
Real-Estate and Leasing Services	50,663	3.41	5,035	0.43
Self-Employed	12,456	0.84	29,496	2.54
Education Services	2,600	0.18	274	0.02
Healthcare and Social Services	19,365	1.30	26,514	2.29
Other	120,259	8.10	118,624	10.23
TOTAL	1,484,709	100.00	1,159,642	100.00

Effective Branch Network

By the end of 2011, T-Bank had instituted 27 branches, structuring their services around the niche banking approach. By establishing its branches in Turkey's industrially and commercially developed provinces, the Bank offers its customers a vast product range from different segments, through an efficient banking system.

A Representative of International Know-How in Turkey

T-Bank's main shareholders Arab Bank, BankMed and Arab Bank Switzerland have a long-standing experience in the international arena. This creates significant opportunities for the Bank in operations particularly in the Middle East and North Africa region. Turkey's increasing clout in these regions makes this synergy commercially even more valuable. Today, T-Bank is singled out as the most important partner for Turkish entrepreneurs willing to operate in this area.

Segment-Based Specialization

To upgrade service quality, T-Bank divided its customer portfolio into two segments: SME and corporate. T-Bank's target audience in the SME sector consists of small and medium sized local production and trade companies, suppliers and manufacturers with an annual turnover between TL 1 million and TL 12.5 million. The Bank's activities directed toward the corporate/commercial segment are mainly focused on high-turnover companies active in manufacturing, tourism, construction, energy and logistics. Another distinctive characteristic of companies active in this segment is their financing requirement for foreign trade operations.

High Asset Quality

T-Bank enjoys a privileged position in the sector with its customer portfolio comprising financially sound companies in terms of profitability and credibility, and pays utmost attention to preserving its current profitable asset quality in marketing efforts to gain new customers. In this regard, the Bank prefers to expand its customer portfolio with successful companies active in diverse sectors.

A Pioneer in Cash Management Services

T-Bank maintains a client base large enough to ensure the profitability of its cash management services. Effective cash management services is considered as one of the most important cross selling activities that support the growth of corporate banking activities and also provides an additional source of income through commercial deposits.

Structuring its operations with a niche banking approach, T-Bank distinguishes itself from its peers with its high asset quality and leading cash management services.



İstiklal Avenue

T-Bank has strengthened its focus on the SMEs; the driving force behind the Turkish economy.

Corporate and Commercial Banking

The Corporate and Commercial Banking Department has been structured so as to serve customers whose annual turnover exceeds TL 12.5 million, a segment including public companies and financial institutions.

With its well-experienced and competent human resources, T-Bank offers its corporate and commercial banking clients a wide range of customized products. Having comprehensively analyzed customer demands in this field, the Bank plans to devise innovative products in foreign trade finance, cash management and project finance, so as to increase customer satisfaction in the period ahead.

As a principle, T-Bank looks to establish long-term relationships with its customers whom it considers business partners. Its customer base has continued to demonstrate steady growth in 2011; with the Bank's perspective emphasizing the risk-return balance at least as much as profitability. T-Bank adopts a risk-centered approach in processes such as strengthening relations with companies in the customer portfolio and gaining new customers, which in turn allows the Bank to remain a financially robust and reliable institution in its sector.

As a result of the development of new customer relationships and expansion of the Bank's corporate banking operations, T-Bank's profitability has increased. Along with a boost from the capital increase during the last quarter of 2011, Corporate and Commercial Banking plans to continue its successful performance into 2012.

T-Bank has structured its current branch network to cover areas where investment, production and foreign trade activities are concentrated. The Bank plans to utilize its current branch network in a more efficient manner in 2012 to diversify its product offers to its existing customers and to gear up marketing efforts to gain new ones.

Boasting numerous professionals well-experienced in the field of foreign trade, T-Bank successfully delivers international financial services in the Middle East, North Africa and Europe. Powered by its shareholders' in-depth international know-how and its rapid decision making processes, the Bank is keen on crowning its international corporate and commercial banking operations with even more ambitious projects in the coming period. With the increase in capital, T-Bank is now expected to firmly forge ahead in foreign trade and to make further contributions to the commercial relations between Turkey and countries in the Middle East and North Africa.

SME Banking

From branches located in Turkey's industrial and commercial hubs, T-Bank has been conducting highly successful SME Banking operations since 2007. Recently, the Bank has structured its efforts toward SMEs because they are considered to be the driving force of the Turkish economy. It has focused on catering to all customer expectations and demands with its vast product range and flexible pricing policy. Constantly monitoring international and domestic economic developments to streamline its operations, T-Bank has projected this expertise into the field of SME Banking and offered advisory services to firms on opportunities and risk. In this scope, T-Bank's branch experts continue to provide services to SMEs with regards to market conditions, exchange rates, economic agenda, foreign trade, fiscal policy and taxation policy in 2011.

In line with its principle of delivering services that meet customer demand and expectations, T-Bank has increased the SMEs in its portfolio in a consistent fashion. Another factor which has helped T-Bank stand out in SME Banking is the emphasis it has placed on sustainability of service quality. Considered to be among the sector's best professionals, T-Bank's portfolio managers have proactively offered thorough solutions to problems encountered by SMEs, thus reinforcing the trust between the Bank and its customers.

In the SME Banking segment, T-Bank aims to offer services to companies and personal enterprises whose annual turnover varies between TL 1 million and TL 12.5 million. In 2011, T-Bank's cash loans in the SME segment increased by 30% over the previous year. In the last four years, the Bank has added 13,000 new accounts to its SME Banking account portfolio and its operational volume.

Following a growth perspective based on customer-centered services and sustainable growth, T-Bank's SME Banking Department has achieved efficient credit/risk compatibility through in-depth knowledge of customers, detailed financial analysis and continuous risk monitoring. In addition, the Bank is keen on securing strong collaterals from all its customers.

The Department views its customers as permanent business partners; its portfolio managers formulate comprehensive solutions to meet customers' strategic and financial demands. The Department's credit pricing operations take into consideration T-Bank's general profitability and efficient risk management criteria, as well as customer financial data, limit-risk indicators and collaterals. In addition, portfolio managers of SME Banking provide customers with information about possible risk and opportunities involved in the process.

Moreover, T-Bank has diversified its services to offer all-round financial solutions to an SME, T-Bank delivers a wide array of services such as those targeting customers' cash needs, as well as non-cash needs, checks, salary and tax payments, utility bill payments, treasury bonds, foreign trade transactions and other cash management products.

Considering technological innovation as a top priority, T-Bank uninterruptedly continues its efforts to improve its IT infrastructure to allow for the fast and efficient assessment of business and loan demand processes in SME Banking.

In line with its organic growth strategy, T-Bank has geared its marketing efforts oriented toward SMEs operating in Turkey's industrial and commercial hubs in the coming period. The Bank considers its robust capital structure and efficient branch network as key success factors for such a growth strategy.

T-Bank is focusing on the SME segment and in 2011 achieved 30% growth in this area.



Topkapı Palace

The Credit Allocation-Monitoring Department is a vital support function to many of the bank's client facing departments.

Credit Allocation-Monitoring Department

The Credit Allocation-Monitoring Department delivers services to its customers via four specialized departments:

- Corporate/Commercial
- SME
- Construction/Contracting
- Individual Loans

Specialized according to the demands of different customer segments and sectors, this department offers the most innovative and accurate solutions for customers' loan demands. Systemic innovation and business flow restructuring have allowed for more efficient credit allocation mechanisms and as such T-Bank has responded to clients' demand in a much more rapid fashion in 2011.

Customer-Oriented System

T-Bank implements its niche service philosophy without compromising risk-centered management criteria. In this regard, the Credit Allocation-Monitoring Department works together with the Bank's Marketing Groups and undertakes numerous and frequent customer visits. As such, customer demands can be evaluated in a more efficient manner and customers are provided a comfortable working environment with suitable limit and credit conditions.

Early Warning System

T-Bank places great emphasis on the continuous enhancement of its Early Warning Model, to better identify potential risk and take preventive measures before they occur. A new advanced software solution is currently being developed that will consolidate and rate potentially negative information, thus improving the accuracy of the Bank's credit assessment processes. The Credit Monitoring Unit, part of the Credit Allocation Department, oversees all phases of the loan application/approval process and compiles all the necessary internal and loan monitoring reports.

Score Card Model

In the SME and Corporate and Commercial segments, T-Bank employs a rating and a score card model based on Basel II criteria. The models assist in loan decisions, allowing for the implementation of a more accurate loan analysis process. As a result of validation efforts completed in 2011, the accuracy percentage of the models have been increased providing yet another important step taken toward enhancing the Bank's asset quality.

Treasury

As a key decision-making center for T-Bank, the Treasury Department carries out its transactions within the limits of market and counterparty risks, as approved by the Board of Directors. The Treasury Department's tasks include managing the Bank's liquidity in foreign currency and Turkish lira, overseeing the Bank's assets and liabilities in terms of maturity and interest rates and providing information to the Bank's senior management on these issues all with the objective of making the utmost contribution to T-Bank's securities portfolio and foreign exchange position, in terms of profitability. Customer needs for treasury products are met via the branch distribution channels.

The prudent management style of T-Bank's main shareholders has been decisive in setting market risk limits by the Treasury Department. Accordingly, T-Bank's securities portfolio is limited to 25% of total assets.

Financial Institutions

Correspondent Banking and Foreign Trade Finance

The Financial Institutions (FI) Department monitors and expands relationships with correspondent banks and financial institutions. The FI Department also works on originating the financing of foreign trade business as a diversification to the Bank's funding base. T-Bank has also been able to secure substantial bank credit limits from international banks and export credit agencies to meet its own financing requirements, as well as those of its customers.

In 2011, the volume of foreign trade transactions mediated by T-Bank reached US\$ 500 million; aside from letters of credit and letters of guarantee, the Bank secured cash facilities such as foreign trade finance and working capital from correspondent banks, in line with its customers' needs.

T-Bank's main shareholders Arab Bank Plc and BankMed Sal run their operations in 30 countries through 500 branches, with a particular emphasis on the Middle East and North Africa region, which in turn grants T-Bank a significant competitive edge in the field of foreign trade finance. Powered by its main shareholders, the Bank provides customers operating in the region with high quality foreign trade finance at competitive prices which considerably boosts its operational profitability.

Information Technology

The Information Technology Department puts technology to the service of its clients and employees in line with the Bank's strategies and policies, and in the most efficient manner to enable more effective, faster and higher quality business operations.

Effective System Architecture

The Core Banking System operates on three application servers, including two expandable, high-performance IBM P6 database servers and an EMC Symmetrix storage device located at the Head Office. The system has a multi-layer structure and provides a safe infrastructure.

The Bank's main system server operates on a Unix system, whereas other servers and personal computers operate on Windows and Linux platforms. With respect to databases, the Core Banking System uses Oracle Server 10 g while noncore systems use SQL Server software. Additional database servers, set to be real time with the active servers, coupled with backups of other critical services are located at our Disaster Recovery Center outside Istanbul for emergency purposes.

As a broker for foreign trade transactions amount of US\$ 500 million in 2011, T-Bank has offered non-cash services such as letters of guarantee and letters of credit, as well as cash funds as foreign trade financing and working capital loans through correspondent banks to satisfy its clients' needs.



Sarayburnu Lighthouse

Pursuant to the protocol signed with Türk Telekom in 2011, efforts to replace the existing T-Bank branch lines with the faster and more reliable fiber optic network infrastructure have been initiated.

At T-Bank, Microsoft Active Directory is used for the computer system infrastructure. For this purpose, Cisco systems are used for the network connections in branches and the Head Office and IBM servers on the server side. Lotus Notes is used for the workflow systems infrastructure as well as e-mail. Together with internal and external electronic communications, this system forms the infrastructure for auxiliary workflow software related to the Core Banking System and the workflow software necessary for office automation systems.

Another priority issue for the Information Technology Department is the security of operations. In this respect, the Bank uses Checkpoint as its firewall, Websense for content filtering and web security and Trend Micro and Cisco IRONPORT products for anti-virus protection and e-mail security. Security contracts are renewed each year to ensure that the most up-to-date information technology is appropriately used for data security.

2011 Initiatives

Initiated in 2010, efforts to upgrade the Core Banking, CRM and Treasury and Internet banking systems continued into 2011.

As part of this effort dubbed “Project Future,” the Bank plans to employ cutting-edge banking software utilized worldwide as its Core Banking, CRM and Treasury systems. T-Bank aims to differentiate its services, enhance customer experience and attain even greater operational efficiency thanks to the new system which offers great advantages in terms of core banking, CRM, treasury and securities custody. Under the scope of Project Future, there are ongoing efforts to implement a local Internet Banking solution. The analysis process is complete and the design and development work is ongoing; the project will be launched by early 2013.

T-Bank has started to replace its current branch communication network with a more reliable and rapid fiber-optic infrastructure, under a protocol signed with Türk Telekom in 2011. Fiber-optic cables have already been laid in the branches and the machinery infrastructure has been ordered. The project will be finished in the first half of 2012.

Another important area in T-Bank’s IT efforts during 2011 dealt with management software and capacity management applications. Corporate Content Management (FileNet) running in integration with business flows was launched and physical documents were transferred to an electronic format in 2011.



Ortaköy

T-Bank views its highly experienced, knowledgeable and competent human resources as its most valuable asset. In line with this perspective, the Bank adopts achievement-oriented human resources policies and programs.

Human Resources

Human Resources Practices and Bonus System

T-Bank's human resource practices are based on the principles of transparency, equality and fairness. At recruitment, the priority aim is to match the right person to the right position. Accordingly, experienced or new university graduates to be trained are recruited to meet the requirements of the position. The multi-phase recruitment process is made up of résumé evaluations, structured interviews, inventory applications and other measurement techniques. The applicants are meticulously assessed in many aspects. A performance evaluation is carried out through the assessment of employee contributions to business results and their competence level in accordance with the Bank's objectives and strategies. The evaluation results are used to configure the employees' career and training path programs.

Bonus System

When the overall annual targets of the Banks are achieved, bonuses are paid on the basis of their branch/department target realization and their displayed level of personal skills.

Managers in the Head Office are evaluated by their senior managers on the basis of their personal performance throughout the year and their impact on the Bank's performance. As a result of these evaluations, the amount of the bonus to be paid is decided upon.

On the condition that a branch reaches its annual target, the bonus to be paid to the Branch Manager is calculated based on the branch's target realization ratio. Based on the Bank's 2010 financial performance, managers and executives were paid a gross bonus of TL 1,920 thousand in July 2011.

T-Bank's steadily growing structure, vast education platforms available to employees and an organizational structure that encourages employee contribution to the Bank's performance make it a favored workplace. Accordingly, T-Bank's Human Resources Department is always on the look out for valuable talent.

In 2011, the third edition of the Internal Customer Satisfaction questionnaire was implemented. The performance of all Head Office departments was evaluated by the branches and departments that they serve. The results were shared with relevant departments, and are being used by these departments to improve service quality, utilizing newly devised action plans and practices.

Training

T-Bank's training activities comprise orientation programs to ensure prompt adaptation of new recruits. Trainee Programs organized on basic banking topics for non-experienced employees, technical and personal development programs for experienced bank employees and Executive Development Training for management levels.

In 2011, T-Bank's Training Department continued with the Training Catalogue launched in 2010 that allows every employee to demand and take part in training sessions they require and select. This training program, given by leading training firms and experienced internal trainers, was able to satisfy the employees' training needs for technical banking as well as personal development during 2011.

Head Office employees participated in training programs organized by The Banks Association of Turkey in 2011. Many employees serving at the Head Office as well as at T-bank branches participated in training and certification programs organized by private educational institutions as well.

Also in 2011, the Training Department organized two seminars: Economic Outlook with presentation by T-Bank Chief Economist Veyis Fertekligil. All employees took part in these events, that focused particularly on branch relationship managers. At these seminars, employees were informed about the current economic situation in Turkey and around the world complemented with comments by Mr. Fertekligil.

T-Bank perceives its highly experienced, knowledgeable and competent human resources as the main strategic asset.

Number of Employees and Branches	2011	2010	2009	2008	2007
Head Office Employees	215	226	199	190	189
Branch Employees	281	284	265	267	201
Total Number of Employees	496	510	464	457	390
Number of Branches	27	27	25	25	16

Demographic Information	2011	2010	2009	2008	2007
Male (%)	52	53	51	51	49
Female (%)	48	47	49	49	51
Average Age of Employees	36	35	35	34	34

Looking Forward to the Future

As of end-2011, T-Bank has 496 employees at its Head Office and across its 27 branches; taking qualified and experienced human resources as a prime competition advantage.

With its dynamic structure, thanks to its human resource practices in compliance with the Bank's general strategies, T-Bank's Human Resources Department ensures noteworthy efficiency increases in business processes.

Social Responsibility

T-Bank attributes great importance on supporting social responsibility projects with the participation of its employees. Accordingly, the Bank is extending clothing and book distributions to people in need

In 2011, T-Bank contributed to the aid campaign initiated after the earthquake in Van by extending clothing and food support. The Bank also contributed to education related projects after receiving a letter from a teacher in Harran county in the Urfa province and provided students with winter clothing, school bags and classroom materials together with some training materials for the school. Similarly, upon the request for assistance from students to help the library in a high school in Zonguldak, T-Bank employees provided books to stock a new library.

Another social responsibility project which was undertaken with the participation of T-Bank employees is the aid campaign for Yedikule Animal Shelter. Under the motto "They Need Us", donated aid materials within the scope of the campaign were delivered to Yedikule Animal Shelter by the Bank's employees.

T-Bank along with its employees are dedicated to upholding the responsibility they have towards the society they live and operate in, and will continue down this path in the upcoming years.

Serving at T-Bank has become a privilege not only for career management but also for the social benefits it offers.

Internal Communications and T-Club

T-Bank strives to enhance employee motivation and communications through internal communication activities and T-Club events. The Bank believes that such activities reinforce a sense of belonging as a critical means of increasing employee performance quality.

Internal Communications

An activity was held in 2011 to create synergy among T-Bank employees, entitled “Happy Hour”, organized in the final hours of the business day, on the last Friday of each month. This activity is held on the meeting floor of the Head Office which allows employees to engage in conversations with their colleagues in a pleasant social atmosphere.

The following are other activities regularly organized by T-Bank with the objective of increasing internal communication and employee motivation:

- Organization of the Bank’s intranet portal “Birlik-T” as an active information-sharing platform (regularly updated with ample information on news of promotions and appointments, T-Bank activities and T-Bank news from the media);
- Exclusive discounts for T-Bank employees at restaurants, hairdressing salons and health centers frequented by employees during lunch breaks, and the announcement of such discounts through the portal Birlik-T;
- Sending messages of congratulations celebrating employee birthdays, anniversaries of joining the Bank, and birth announcements;
- Customized presents for employees who have recently had a child;
- Introduction of new members of the T-Bank family to their colleagues via e-mails complete with their photographs.

T-Club

Being a T-Bank employee is a privilege for all professionals, not only from a career-management perspective, but also because of the social benefits it entails. All Bank employees and their families are members of the T-Club, which organizes numerous activities that add value to their personal lives. In this regard, in 2011, a painting contest entitled “Love of Nature and Animals” was organized among the children of T-Bank employees. Award-winning paintings from the painting competition were displayed at the Head Office and all participating works were featured in the Bank’s 2012 desk-top calendar. Another employee activity organized by the Club in 2011 was applied photography courses under the direction of experts in the field. Moreover, a photo contest entitled “Istanbul and Labor” was held in 2011 and all participating works were exhibited at the Head Office.

T-Club members have also created the music group, T-Band. In 2011, the group received musical training with the support of T-Bank and participated in a special musical contest to represent the Bank. The following are other social activities organized by T-Club in 2011:

- The Traditional Children’s Festival on April 23;
- Bowling Tournament (held twice a year);
- Discount tickets for theater plays, exhibitions, performances, concerts, musicals and other cultural events.

SECTION III

T-BANK MANAGEMENT AND CORPORATE GOVERNANCE IMPLEMENTATIONS

Within the scope of corporate governance, T-Bank relentlessly continues its corporate development, using financial risk and opportunity in the best possible way.

Board of Directors

Nemeh Sabbagh

Chairman

Nemeh Sabbagh, CEO of Arab Bank, is a graduate of International Economics at Johns Hopkins University and has a Master's degree in Finance from the University of Chicago. He began his banking career at the World Bank in 1973 and has served at various banks, including the National Bank of Kuwait for 19 years, as the CEO of the Arab National Bank for seven and a half years and as Executive General Manager of BankMed for four years.

Amin Rasheed Sa'id Hussein

Vice Chairman

Amin Hussein is a graduate of Physics at Yarmouk University, Jordan. He holds an MBA from Fort Hays State University, USA. He started his career at Arab Bank Plc and served as Executive Vice President and Head of Financial Institutions and Transactional Services. In 2010, he was appointed the Country Manager of Bahrain at Arab Bank Plc.

Mohamed Ali Beyhum

Board Member

Mohamed Ali Beyhum is a graduate of the faculty of Mechanical Engineering at the American University of Beirut, Lebanon. He also holds an MS in Industrial Management from Columbia University. At the start of his career, he worked at Irving Trust Company and the Bank of New York in the US gaining ample experience in the sector. He then relocated to Lebanon where he served as Vice President and Senior Representative at the Beirut office of the Bank of New York. He joined BankMed as an Advisor to the Executive Office before assuming his current position as Executive General Manager of the Bank.

Dinçer Alpman

Board Member and CEO

Dinçer Alpman is a graduate of Management Engineering at Istanbul Technical University. He started his banking career at Pamukbank in 1988 and went on to work at Marmara Bank, Tekfen İnşaat and Alternatif Bank. Before joining T-Bank, he spent 10 years at DenizBank as Executive Vice President in charge of Retail Banking.

Henri Jacquand

Board Member

Henri Jacquand is a graduate of Ecole des Hautes Etudes Commerciales in France and holds an MBA from the University of Chicago. During his managerial career, he served as Vice President at Citibank, New York, Executive Vice President at CIC Group and Executive Vice President at Rabobank. He is currently Advisor to the Chairman/General Manager of BankMed.

Riad Burhan Taher Kamal

Board Member

Riad Kamal is a graduate of Civil Engineering and also holds a Master's degree in Structural Engineering from the University of London. He has worked at Arabtec Construction since 1974, where he currently serves as the Chairman and Managing Director.



Haydarpaşa Railway Station

Faten Matar**Board Member**

Faten Matar is a Business Administration graduate from the American University of Beirut. He started his banking career at Citibank in 1978 for four years before joining Universal Bank. In 1986, he returned to Citibank and worked for 10 years in managerial positions. Between 1998 and 2000, he worked as the Vice General Manager of Byblos Bank. In the latter stage of his career, he served as the General Manager of Banque de la Méditerranée Sal and Allied Bank Sal. He is currently Advisor to the Executive General Manager of BankMed.

Nadya Nabil Tawfik Talhouni**Board Member**

Nadya Nabil Tawfik Talhouni is a graduate of Bryn Mawr College in the USA and holds a degree in Economics with a minor in Political Science. She worked for Citibank NA as Financial Institutions Securities Business Manager before joining Arab Bank in July 2002. She currently serves as Senior Vice President and the Global Head of Cash Management and Trade Finance at Arab Bank.

Mustafa Selçuk Tamer**Board Member**

Selçuk Tamer is a graduate from the University of Ankara with a degree in Business Administration from the Faculty of Political Sciences. He started his banking career in 1976 and worked at a number of banks. Prior to his current position as a Board member at T-Bank, he served as Assistant General Manager and finally Vice Chairman at Yapı ve Kredi Bankası A.Ş., for 18 years.

M. Behçet Perim**Board Member**

Behçet Perim is a graduate of Boğaziçi University with a degree in Electrical and Electronic Engineering in addition to an MBA from the same institution. He started his banking career in 1991 at Interbank where he served for three years. His career continued at Bank Ekspres for another three years before moving to Denizbank for 10 years. Mr. Perim served as Executive Vice President in charge of Risk Management and Internal Control at DenizBank, before joining T-Bank as a Board member.

Executive Management

Doruk Parman

Executive Vice President-Marketing and Sales

Doruk Parman is a graduate of Middle East Technical University with a degree in Mechanical Engineering. He received his MBA from Bilkent University followed by a doctorate in Banking from Marmara University. Mr. Parman started his business career at Interbank and later served at DenizBank for 10 years in a number of positions including Senior Vice President of Retail Banking Division, before his current position as Executive Vice President at T-Bank.

Hakkı Yıldırım

Executive Vice President-Human Resources

Hakkı Yıldırım is a graduate of Middle East Technical University and holds a degree in Industrial Engineering. He earned his MBA and PhD in Management and Organization at Yeditepe University. His banking career began in 1993 at Türkiye İş Bankası; he later worked with İktisat Bankası, Alternatifbank and Denizbank. Prior to his current position as Executive Vice President at T-Bank, he served as Alternative Distribution Channels Senior Vice President at Denizbank,

İlhan Zeki Köroğlu

Executive Vice President-Operation and Information Technologies

İlhan Zeki Köroğlu is a graduate of Middle East Technical University with a degree in Public Administration. He started his banking career at Pamukbank and assumed critical positions at Körfezbank and Garanti Investment. Prior to becoming Executive Vice President-Operation and Information Technologies at T-Bank, he served as Executive Vice President at Alternatifbank.

Mehmet Özgüner

Executive Vice President-Financial Affairs

Mehmet Özgüner is a graduate from the department of Mining Engineering at Middle East Technical University. He started his banking career in 1994 at the Banking School of Ziraat Bankası and later served as an Internal Auditor on the Board of Internal Auditors at Osmanlı Bankası for six years. In 2002, he joined T-Bank's Board of Internal Auditors; the following year, he was appointed Chairman of the Board. Since 2004, he has served as Executive Vice President-Financial Affairs at the Bank.

Münevver Eröz

Executive Vice President-Treasury and Financial Institutions

Münevver Eröz is a graduate from the Business Administration Department at Boğaziçi University and holds an MBA from Koç University. She joined the banking industry in 1987 at the Saudi American Bank, serving in several managerial positions over a ten-year period. She joined the Bank in 1997 and has been Executive Vice President since 2000.

Yurdakul Özdoğan

Executive Vice President-Credit Allocation and Follow-up

Yurdakul Özdoğan holds a degree in Economics from the Faculty of Political Sciences at Ankara University. He started his banking career at Pamukbank, before serving at Toprakbank, İktisatbank and Finansbank. Prior to becoming T-Bank's Executive Vice President-Credit Allocation and Follow-up, his last position was Senior Vice President of Credit at Oyakbank.

Ali Has

Head, Audit Committee

Ali Has graduated from Istanbul University, Faculty of Business Administration and then started his career in 1994 at Yapı Kredi Bank in the Foreign Transactions Department. He has served at İş Factoring Finansal Hizmetler A.Ş. and TEB A.Ş. and is currently Chairman of T-Bank Audit Committee. Ali Has holds a certificate as a Certified Internal Auditor (CIA).

Statutory Auditors

Osman Baydoğan

Statutory Auditor

Osman Baydoğan is a graduate of Ege University's Business Administration Department. He worked in Financial and Administrative Affairs Departments of various leading construction companies between 1978 and 1985. Beginning in 1985, his next 13 years were spent at Al Baraka Türk Katılım Bankası where his last position was Risk Follow-up Manager. From 1998 to 2004, Mr. Baydoğan served as Financial Affairs Coordinator at Eksim Şirketler Grubu and is currently Executive Director at Inter Trade.

Özgür Çelik

Statutory Auditor

Özgür Çelik graduated from Istanbul University and holds a degree in Business Administration. He started his career in 1997 as a research intern and spent three years at KPMG, Istanbul as a Senior Accountant. He later worked as an Assistant Finance and Accounting Manager of an affiliate company of NEXT Plc, before joining Oger Telecom in 2007. He currently serves as Financial Controller at Oger Telekomünikasyon A.Ş. and Oger Telecom Yönetim Hizmetleri Ltd. Şti., a subsidiary of Oger Telecom in Turkey.

Credit Committee and Other Committees

Credit Committee

Dinçer Alpman, CEO and Board Member
Henri Jacquand, Board Member
M. Selçuk Tamer, Board Member

T-Bank Executive Committee

Dinçer Alpman, CEO and Board Member
M. Selçuk Tamer, Board Member
M. Behçet Perim, Board Member
Doruk Parman, Executive Vice President
Hakkı Yıldırım, Executive Vice President
İlhan Zeki Köroğlu, Executive Vice President
Mehmet Özgüner, Executive Vice President
Münevver Eröz, Executive Vice President
Yurdakul Özdoğan, Executive Vice President
Ali Has, Head of the Internal Audit

T-Bank Assets and Liabilities Committee

Dinçer Alpman, CEO
M. Behçet Perim, Audit Committee Board Member in Charge of Risk Management Group, Internal Audit and Internal Control Center
Doruk Parman, Executive Vice President
İlhan Zeki Köroğlu, Executive Vice President
Mehmet Özgüner, Executive Vice President
Münevver Eröz, Executive Vice President
Yurdakul Özdoğan, Executive Vice President
Elif Ertemel, Retail Banking Director
Serhan Yazıcı, Corporate Banking Director
Alper Üstündağ, Treasury Manager
Elida Stupljanin, Financial Institutions Manager
Gülgün F. Öztaş, Risk Management Group Head
İsmail Dokur, Budget Planning and Management Reporting Manager
Veyis Fertekligil, Chief Economist, Economic Research

T-Bank Audit Committee

Mohamed Ali Beyhum, Board Member
Amin Rasheed Sa'id Hussein, Vice Chairman
M. Behçet Perim, Board Member

T-Bank Corporate Governance Committee

Mohammed Ali Beyhum, Board Member
Amin Rasheed Sa'id Hussein, Vice Chairman of the Board of Directors
M. Behçet Perim, Board Member

T-Bank Risk Management Committees

• Executive Risk Committee

Dinçer Alpman, CEO
M. Behçet Perim, Audit Committee Board Member in Charge of Risk Management Group, Internal Audit and Internal Control Center
Doruk Parman, Executive Vice President-Member
İlhan Zeki Köroğlu, Executive Vice President-Member
Mehmet Özgüner, Executive Vice President-Member
Münevver Eröz, Executive Vice President-Member
Yurdakul Özdoğan, Executive Vice President-Member
Gülgün F. Öztaş, Risk Management Group Head-Member

• Operational Risk Committee

Dinçer Alpman, CEO
M. Behçet Perim, Audit Committee Board Member
Doruk Parman, Executive Vice President-Member
İlhan Zeki Köroğlu, Executive Vice President-Member
Ali Has, Head of the Internal Audit -Member
Gülgün F. Öztaş, Risk Management Group Head-Member
Şehsuvar Erol, Internal Control Center Department Head-Member

• Information Technologies Risk Committee

Dinçer Alpman, CEO
M. Behçet Perim, Audit Committee Board Member
İlhan Zeki Köroğlu, Executive Vice President-Member
Ali Has, President of the Internal Audit -Member
Gülgün F. Öztaş, Risk Management Group Head-Member
Şehsuvar Erol, Internal Control Center Department Head-Member

Risk Management, Internal Control and Internal Audit Managers

M. Behçet Perim

Audit Committee Member in Charge of Risk Management, Internal Control and Internal Audit

Behçet Perim graduated from Boğaziçi University with a degree in Electrical and Electronic Engineering in addition to an MBA from the same university. He started his banking career in 1991 at Interbank where he served for three years, then continued his career at Bank Ekspres for three years before moving to Denizbank for ten years. He served as Executive Vice President in charge of Risk Management and Internal Control at Denizbank, before his current position as Audit Committee member in charge of Risk Management and Internal Control and Internal Audit at T-Bank.

Ali Has

Head of the Internal Audit

A graduate of Istanbul University, Faculty of Business Administration, Ali Has started his career in 1994 at Yapı Kredi Bank's Department of Overseas Operations. Prior to his current position as Department Head of Internal Audit, he served at İş Faktoring Finansal Hizmetler A.Ş. and TEB A.Ş. Mr. Has, holds a certificate as a Certified Internal Auditor (CIA).

Gülgün Figen Öztaş

Group Head, Risk Management Group

Gülgün Figen Öztaş is a graduate of Business Administration at Marmara University, Faculty of Economics. She also holds a Master of Science in Financial Economics Quantitative Finance from Bilgi University. She began her career in the banking sector at Türkiye İş Bankası in 1994 as a Financial Analyst. Starting from 1995, she served as a Senior Analyst at TSKB and joined the Risk Management Group of T-Bank in 2005. Ms. Öztaş is a Certified Financial Risk Manager.

Şehsuvar Erol

Department Head, Internal Control Center

Şehsuvar Erol is a graduate of Economics at Istanbul University. He started his banking career at Koçbank in 1992 as an Assistant Auditor and has worked as a Senior Financial Analyst at TSKB. After serving at DenizBank for nine years, he joined the Internal Control Center of T-Bank in 2007.

Attendance at the Board of Directors, Audit Committee and Other Committee Meetings

All Board and Committee members attended all the meetings unless a valid excuse was presented.

Summary Report of the Board of Directors Submitted to the General Assembly

The year 2011 witnessed a new chapter in the repercussions of the global financial crisis, reaching the European sovereign debt market, and threatening the already vulnerable global economic recovery. Risk assets suffered across markets, and bank lending, especially in Europe retrenched to meet higher capital requirements.

In this global and European context, Turkey was truly an outlier. The economic growth of 9% in 2010 and 8.5% in 2011 confirmed Turkey's position as the fastest growing economy in Europe and among OECD nations.

The Turkish banking sector has played a key role in shaping Turkey's strong economic performance. Banks credit to the economy represents 53% of GDP. The sector is well capitalized with a capital adequacy ratio of 17% and non-performing loans have declined to 2.72%.

Though a small player in the sector, T-Bank has witnessed significant growth and is on its way to achieving the objective of becoming one of the key market makers in the fast growing

Turkish SME sector. In line with this growth strategy, the shareholders of T-Bank increased its capital from TL 170 million to TL 300 million in May 2011.

T-Bank's deposits increased by 40% to TL 1,596 million, while the Bank's cash loans to the SME sector grew by 30% with 13,000 new clients added to its customer portfolio in this segment in the last three years. Profits increased by 45% in 2011 to TL 3.6 million in 2011.

T-Bank continued to invest in information technology with a view to enhancing operational efficiency, customer relations management, product development and IT security. Our aim will continue to be to provide the best possible banking services to the largest possible customer base especially in the corporate, commercial and SME sectors.

We are most grateful to our clients for their continued trust. We are certain that T-Bank will continue to grow with the support of its employees, management and shareholders in the years to come.

Nemeh Sabbagh
Chairman

Dinçer Alpman
CEO

Related Party Transactions

T-Bank's Group Risk Exposure by Sector (TL thousands)						
	Cash Loans	Risk Share (%)	Non-cash Loans	Risk Share (%)	Total Loans	Risk Share (%)
Financial Institutions	192	0.01	7,522	0.65	7,714	0.28
Communications	-	0.00	1,116	0.10	1,116	0.04
Information Technology	-	0.00	1,187	0.10	1,187	0.04
Others		0.00	43	0.00	43	0.00
Total	192	0.01	9,868	0.85	10,060	0.37

Persons and Companies that Provide Support Services

T-Bank receives support services as part of its main banking activity in compliance with "Implementing Regulation for Support Services Banks Can Receive and the Authorization of Support Service Organizations". In accordance with business requirements, T-Bank has purchased software applications from various domestic and foreign companies. The Bank works in cooperation with Provus Bilişim A.Ş. for credit card operations and Securverdi for cash-in-transit service.



Ayasofya Mosque

SECTION IV

FINANCIAL INFORMATION AND RISK MANAGEMENT

Owing to effective risk management strategies, T-Bank has an asset quality well above the sector average.

Risk Management Policies

The T-Bank Risk Management Group was established in 2001 as an independent unit reporting directly to the Audit Committee member responsible for internal audit, internal control and risk management.

Risk Management carries out processes such as quantification of credit, market, interest rate, liquidity and operational risk along with the determination of their limits and control processes. T-Bank views risk management as an integral part of the overall banking process and as such, it is of the utmost importance to increase awareness of risk management throughout all the levels of the organizational structure of T-Bank.

The Risk Management Group submits to the executive management and the Audit Committee regular daily, weekly, monthly and quarterly reports monitoring all risk, concentrations, statutory limits and the Bank's own limits. These reports feature VaR analyses, market risk limits, stress tests and scenario analyses, liquidity and interest risk reports, as well as economic capital and capital adequacy analyses. Also presented to the weekly Assets and Liabilities Committee (ALCO) meeting, these reports include daily value at risk analyses, weekly interest risk, economic capital calculation and market risk limits. Volatility and closing values of a vast number of market risk instruments are closely monitored and reported on a daily basis.

In order to measure and analyze in greater detail all instruments subject to risk, the market risk program was updated and enhanced during 2011. Quarterly, stress tests and scenario analyses concerning economic capital, scenarios about capital adequacy, liquidity and profitability, T-Bank credit portfolio's default risk in comparison with similar banks and a credit risk report on developments in the Bank's credit portfolio are submitted to the Audit Committee. The Board of Directors and Management can track the Bank's performance and limits through these detailed reports.

T-Bank's assets and liabilities management policy focuses on ensuring that the Bank has sufficient funds to meet the demand for loans from its customers as well as satisfying the necessary regulatory requirements. Issues related to the composition of assets and liabilities, financial ratios and maturities are discussed and resolved at the weekly Assets and Liabilities Committee (ALCO) meetings.

A quarterly presentation dealing with the Bank's main areas of risk is also submitted to the Audit Committee. In this presentation, economic capital calculations concerning credit, market and operational risk are submitted to the Board of

Directors. The Audit Committee and executive management are informed about any breaches of risk limits. The relevant limits are periodically monitored by the Risk Management and executive management and updated when necessary.

The Board limits economic capital to 50% of the shareholders' equity, the market risk VaR to 2.5% of the shareholders' equity and the securities portfolio to 25% of the Bank's assets. Breaches of risk limits are reported to the Audit Committee and executive management. In October 2010, new risk limits prepared by the Risk Management Group and executive management, were approved by the Board of Directors.

The Risk Management Group has reached an agreement with an international firm to ensure the systemic and automatic calculation of Basel capital adequacy requirements. The objective of this project is to enter to the system all rules stated by Banking Regulation and Supervision Agency (BRSA) in its draft statute and to accurately calculate the amount of capital to be held by the Bank and thus to avoid all human error. Launched in July 2011, this project is planned to be completed in the first quarter of 2012. Once the project is fully implemented, the system will be able to automatically calculate and prepare legal reports on the Bank's credit risk, market risk and operational risk according to standardized methods.

Credit Risk

The backbone of T-Bank's sustainable growth policy is credit risk management. The Board of Directors delegates credit approval duties and provides guidance in the determination of credit limits concerning various companies and groups. The Credit Monitoring Department is primarily responsible for monitoring credit risk and identifying early warning signs of default. The capital requirement resulting from the Bank's lending practices is calculated according to the Banking Law and BRSA regulations.

In an effort to upgrade T-Bank's rating system according to Basel II standards, a ratings committee, responsible for developing a new internal rating system according to Basel II rating criteria, was established. An agreement has been concluded with Finar (the Dun & Bradstreet representative in Turkey), which provides consultancy services in this field. Within the framework of this contract, meetings were held with in-house specialists and a rating system based on "expert views" was created and launched in January 2009. In June 2011, the validation of the Finar rating system was completed. Propositions formulated by the firm, following their approval by executive management, were integrated into the system and implemented as of October 2011.

Additionally, repo, derivative and money market transactions carried out by T-Bank's Treasury are closely monitored for risk emanating from the counterparty's default probability.

Market Risk

The concept of market risk is used to define value fluctuations in the Bank's positions, resulting from price changes. At T-Bank this concept is analyzed under two categories: trading risk and asset-liability mismatch risk. The Risk Management Group has been calculating the VaR on a daily basis using a one-day holding period and a 99% confidence level since November 2004. Both parametric and historical VaR methods are employed and parametric VaR results are used to calculate the capital requirement for trading risk.

In addition, thanks to a market risk system purchased in late 2010, VaR is calculated by methods including possible non-linear moves in the market via advanced probability simulations and accordingly more detailed scenario analyses are carried out. The efficiency of the VaR method is tested through the "backtesting" method and the calculation of the number of days in which actual loss is higher than the calculated VaR.

Interest Rate Risk

T-Bank maintains a policy of keeping risk exposure within conservative self-imposed limits and at levels consistent with internal policies. The Risk Management Group regularly prepares weekly interest rate GAP and Duration GAP analyses, as well as sensitivity analyses covering the entire balance sheet to adequately monitor interest rate exposure.

Liquidity Risk

In line with its prudential banking approach, T-Bank holds large amounts of liquidity. The liquidity position, monthly liquidity GAP analyses and stress tests are regularly monitored by the Risk Management Group.

Operational Risk

At T-Bank, operational processes are performed by the Central Operations Department at the Head Office level. Operation managers in the branches, who act independently from branch managers and report directly to the Central Operations Department, are responsible for the execution of all such operations.

The Risk Management Group updated operational risk in line with the basic indicator approach included in Basel II directives. In 2008, the Risk Management Group initiated studies on Business Continuity Planning, which were completed in 2009. The Bank's ultimate objective is to identify quantifiable and non-quantifiable risks on the basis of processes and transactions by using Advanced Measurement

Methods and to provide reports to the Bank's executive management as regards operational risks, controls and surplus risks. In line with this objective, the Bank has reached an agreement with an international firm, purchased a new analysis package and initiated the system installation and data entry stages. The initiative is planned to be completed and put into place in the first quarter of 2012. The analysis package will allow the Risk Management Group to regularly record operational risk and loss to which the Bank is subject, independently of execution and daily risk management processes.

The Risk Management Group updated the Business Continuity initiatives for the Bank in 2009. Within this project, critical business processes were identified. Subsequently, the Emergency Action, Crisis Management and Business Recovery Plans and relevant teams were created. Risk Management updates the plans and teams twice a year. In 2011, tests were organized concerning the business continuity plan and Emergency Rescue Center.

Operational risk related to information technology systems of an institution are dubbed IT risks. Enterprises are increasingly dependent on the Internet and IT systems, making the risk within these systems worthy of attention and evaluation. Accordingly, in order to identify the risk faced by T-Bank's IT systems and to keep risk at a minimum level, the Risk Management Group began monitoring IT risk independently from operational risk.

In 2008, two risk management committees were established at the Bank for this purpose. Convening under the umbrella of the Risk Management Group, the IT Risk Management Sub-Committee calculates the likelihood and impact of IT risk on the Bank and annually updates the impacts and possibilities of IT risk. This sub-committee reports risk assessment results exceeding the critical threshold to the Superior Committee for IT Risk, to ensure that necessary action is taken and monitored as regards reducing, accepting, avoiding and transferring risk.

In 2009, the IT Continuity and IT Risk Management Policy was completed and implemented upon approval by the Board. In 2011, T-Bank focused further on studies concerning the minimization of operational IT risk. T-Bank started installing an operational risk system to be able to monitor all operational and IT risks systematically that could be faced by the Bank, in line with Basel II standards. The system, whose installation is currently under way, will allow the Bank to anticipate the risks it could face beforehand and determine the optimum capital level.

The Assessments of Audit Committee on Internal Systems

T-Bank's Audit Committee is responsible, on behalf of the Board of Directors, for monitoring the effectiveness and adequacy of the Bank's internal systems (Internal Control, Risk Management and Internal Audit Systems) and their compliance the accounting and reporting systems- in line with relevant laws and legislation- as well as the cohesiveness of the information produced. At T-Bank, Internal Systems are under the responsibility of Internal Audit, Internal Control Center and the Risk Management Group.

Aside from Internal Systems, the Operational Risk Committee and the IT Risk Committee - originally formed to define and manage operational risk in a more competent way- also continued their activities in 2011. The committees held periodic meetings with the Internal System Group members and relevant senior managers, including the CEO, for the purpose of conducting detailed analysis of the Bank's exposure to operational risk and the rapid implementation of action plans geared to minimize this risk.

Functioning under the Internal Systems Group, Internal Audit provides reasonable assurance that the Bank's activities comply with the law, as well as other relevant legislation and the Bank's strategies, policies, procedures, principles and targets and that internal control and risk management systems are efficient and adequate. The ultimate goal is to enhance the Bank's activities and add value to them, allowing the organization to attain its objectives.

No effort has been spared to ensure the adequacy and effectiveness of the in-house internal control and risk management environment and the tools utilized to facilitate their functions. The auditors' recommendations and conclusions are shared with the Bank's executive management and the Board Audit Committee and serve to guide decision-making processes across all divisions. Furthermore, actions based on the results of the auditing process are carefully implemented and systematically monitored.

The priority target set by the Audit Committee is that the Bank's audit operations remain in conformity with the highest international audit standards. The audits listed in the 2011 audit plan devised in a risk-centered manner and approved by the Board of Directors have been completed to a very large extent. Additionally, for all the departments whose audit processes have been completed, the audit performance was measured with analytic audit scores. Units whose audit score is below the average were brought under special scrutiny during the preparation of the annual audit plan. Thanks to a new software utilized by Internal Audit in its audit activities, processes such as receiving feedback from the departments as regards to the findings of the audit process, the follow-up of findings that have not been resolved and the standard reporting of such findings, have become much more efficient.

T-Bank attaches great importance to the professional development of inspectors active in the Internal Audit Department. Inspectors serving at the Department are encouraged to obtain certificates which will enhance compliance with international audit standards. In this respect, the nine-strong Internal Audit personnel holds four internationally valid certificates: three CIA (Certified Internal Auditor) and one CFSA (Certified Financial Services Auditor) certificates.

T-Bank has also an inspector with Capital Markets Activities Advanced Level License among its Internal Audit staff. The Bank is one of the leading banks in the sector in terms of Internal Audit personnel's competence, with regard to the number of the certificates and the average years of experience.

Internal Control Center continues to ensure that the Bank's activities comply with the legislation in force as well as the Bank's own internal regulations, thus protecting the cohesion and reliability of T-Bank's accounting and reporting systems and designing internal control systems for activities and processes.

The Internal Control Center contributes to the attainment of the Bank's objectives in the following areas:

- Reliability and cohesion of information on financial and administrative issues,
- Productivity of activities,
- Correct and efficient use of resources,
- Compliance with laws and regulations.

The Internal Control and Compliance Center functions through the Branches Internal Control Unit, the Head Office Internal Control Unit and the Compliance Unit. The internal control function is carried out in harmony with the Bank's objectives in terms of period, scope and methodology in a rapid, up-to-date and proactive manner. During control activities, state-of-the-art technology is used. The Internal Control and Compliance Center strives to keep all transactions undertaken by the Bank under continuous control utilizing computer assisted audit techniques, especially Audit Command Language (ACL).

During central controls carried out by the Head Office Internal Control Unit, the consistency of working methods of various business lines with IT applications, their reliability and the Bank's accounting processes were controlled; for the purpose of identifying areas that could pose operational risk and for undertaking the necessary control activities. In line with the audit plan, T-Bank branches were controlled by the Branches Internal Control Unit.

In line with the Program for Compliance with Obligations Regarding the Prevention of Laundering Crime Proceeds and Financing Terror, the Compliance Unit carried out controlling, monitoring and training activities regarding the Compliance Program on Anti Money-Laundering and Suppression of Terrorism Financing. The Internal Control Center Compliance Unit assessed all of the Bank's work processes, procedures and newly devised products and services against possible risk, closely monitored the implementation process of transactions, attended meetings on processes and products and contributed to the development process of activities on behalf of Internal Control Systems.

All findings, evaluations and suggestions identified during the assessment and control activities of Internal Control and Compliance Center were presented regularly to senior management and quarterly activity reports were submitted to the Audit Committee.

Issues and major subjects that bear potential risk factors are discussed and reviewed by the Operational Risk Committee led by the CEO. All issues are carefully considered and kept on the agenda until they are remedied.

The Risk Management Group at T-Bank is responsible for identifying risk faced by the Bank. They proceed by analyzing, measuring, reporting and monitoring these risks and then set up appropriate risk management policies to mitigate them.

The fundamental structures in the risk management system include the Risk Management Group established in 2001 and the Executive Risk Committee formed in 2002. Limits for credit risk, market risk, economic capital and VaR were reviewed, and new stop-loss limits for Treasury positions were set by the Board of Directors in 2010 and continued to be valid in 2011.

Economic capital calculations cover all types of risk classes, including credit, market and operational risk. All limits are calculated by the Risk Management Group and reported to executive management and the Audit Committee.

In order to control market risk in a more efficient and systematic fashion, the Risk Management Group started using a market risk package in 2010. This market package was updated and enhanced the following year; it enables the measurement of VaR and stress tests with new methods.

As for the credit risk, T-Bank has purchased a new application to calculate the Basel capital requirements set to take effect in July 2012 and established and instituted a Basel Compliance Committee. Thanks to these efforts, the system will be able to make healthy and accurate Basel calculations before July 2012. An application previously purchased by T-Bank to calculate operational risk in a more systematic manner, was upgraded throughout the year and data was stored in the system. This new application will allow T-Bank to profit from such advanced applications in coming periods, too.

T-Bank considers its Internal Audit, Internal Control and Risk Management Departments to be essential components of the Bank's organizational structure. It has continued to invest in their development during 2011 to foster behavior that respects and values the role that these departments play, not only in augmenting the Bank's overall performance, but also in protecting the interests of the corporate stakeholders.

Statutory Auditor's Report

To the Shareholders of TURKLAND-BANK A.Ş.

We have audited the transactions and accounts of TURKLAND-BANK A.Ş. for the year 2011 in accordance with the Banking Law, the Turkish Commercial Code, other legislation and the Bank's Articles of Incorporation. We have concluded that the Bank's balance sheet and income statement are in compliance with accounting records and the records with the documents.

Based on our conclusion, we cordially submit the Balance Sheet and the Income Statement for the year 2011, prepared by the Board of Directors, for approval by the General Assembly.

AUDITOR
Özgür Çelik

AUDITOR
Osman Baydoğan



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STATEMENT OF COMPLIANCE

To the Shareholders of TURKLAND-BANK A.Ş.

We have audited the accuracy and the compliance of the financial statements included in the annual report of Turkland Bank A.Ş. ("Bank") as of December 31, 2011 with the independent auditors' report, issued for the year then ended. This Annual Report is the responsibility of the Bank's management. As the independent auditing firm, our responsibility is to express an opinion on this annual report based on our audit.

Pursuant to the Banking Law numbered 5411, we conducted our audits in accordance with the procedures and principles on the preparation and publishing of the annual report and with the regulations on independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance about whether the annual report is free of material misstatement. We believe that our audit provides a reasonable and sufficient basis for our opinion.

In our opinion, the financial highlights in the accompanying Annual Report presents fairly, in all material aspects, the financial position of Turkland Bank A.Ş. as of December 31, 2011. In accordance with the procedures and principles set forth in the regulations in force, pursuant to the provisions of Article 40 of the Banking Act numbered 5411 and contains the summary report of the Board and our independent auditors' opinion. These are in compliance with the data given in the audited financial statements and accompanying notes to financial statements.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of **Ernst&Young Global Limited**

Selim Elhadeif
Engagement Partner Lead Auditor, SMMM

March 27, 2012
Istanbul, Turkey



TURKLAND BANK ANONİM ŐİRKETİ

**INDEPENDENT AUDITOR'S REPORT,
UNCONSOLIDATED FINANCIAL STATEMENTS AND
NOTES FOR THE YEAR ENDED DECEMBER 31, 2011**

**Translated into English from the Original Turkish Report and
Financial Statements**



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**To the Board of Directors of
Turkland Bank A.Ş.
İstanbul**

**(Translated into English from the Original Turkish Report and Financial Statements)
TURKLAND BANK ANONİM ŞİRKETİ
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR JANUARY 1, 2011– DECEMBER 31, 2011**

We have audited the accompanying balance sheet of Turkland Bank A.Ş. as at December 31, 2011, and the related statements of income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Bank's Board of Directors for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the "Communiqué on Banks' Accounting Practice and Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette dated November 1, 2006 and numbered 26333 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Turkland Bank A.Ş. as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the BRSA in respect of accounting and financial reporting.

Additional Paragraph for English Translation

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited

Selim Elhadeif
Partner

İstanbul, March 1, 2012

THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLANDBANK A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

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Telephone : (0 212) 368 34 34
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Web Site : <http://www.turklandbank.com>
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The year end unconsolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELEVANT PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of Turkish Lira, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

January 31, 2012

Nehme SABBAGH

Chairman of the Board of Directors

A. Dinçer ALPMAN

General Manager

Mehmet ÖZGÜNER

Executive Vice President

Gülçin SU

Manager
Financial Affairs

Mehmet Behçet PERİM

Member of Audit Committee

Mohamed Ali BEYHUM

Member of Audit Committee

Amin Rasheed Sa'id HUSSEINI

Member of Audit Committee

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title: Sevgi Üstün/Assistant Manager

Telephone Number: (0212) 368 37 24

Fax Number: (0212) 368 35 35

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Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute

Turkland Bank Anonim Şirketi ("the Bank"), was established in 1991 in İstanbul under the name of "Bahreyn ve Kuveyt Bankası Anonim Şirketi" (BB&K). Its name was changed as "Tasarruf ve Kredi Bankası Anonim Şirketi" with its acquisition by Doğu Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günel (the main shareholder of MNG Group Companies) has acquired the Bank in 1997 and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

An agreement has been made with Arab Bank and BankMed for the sale of 91% of MNG Bank's shares in mid of 2006 and this agreement was approved by Banking Regulation and Supervision Agency (BRSA) on December 29, 2006. In this regard, while Arab Bank and BankMed purchasing 50% and 41% of MNG bank shares respectively, Mehmet Nazif Günel retained 9% of the shares. Transfer of the Bank was made on January 29, 2007. The title of the Bank was changed as "Turkland Bank Anonim Şirketi" with the amendment to the Articles of Association by the decision of the Extraordinary General Assembly at the meeting on March 22, 2007.

On April 3, 2007, "MNG BANK Anonim Şirketi" title of the bank was registered as "TURKLAND BANK Anonim Şirketi".

According to the Share Sale and Purchase Agreement and Board of Directors' Decision dated February 26, 2010 and July 15, 2010 respectively, Mehmet Nazif Günel's 153 million shares with TRY 15,300 thousand nominal value were purchased by BankMed SAL. As of July 22, 2010 the share transfer was realized.

According to the Extraordinary General Assembly decision dated May 30, 2011, it was decided to increase the Bank's capital from TRY 170,000 thousand to TRY 300,000 thousand, and it was registered in the Turkish Trade Registry Gazette dated June 20, 2011 numbered 7840. According to the BRSA approval dated September 15, 2011 numbered 4381 the unused preemptive right of Arab Bank Plc amounting to TRY 65,000 thousand have been used by Arab Bank (Switzerland) Ltd (ABS). Capital commitments which are amounting to TRY 130,000 thousand have been paid by shareholders and according to the BRSA decision dated October 20, 2011 numbered 22244 it has been transferred to the capital accounts.

II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank

As of December 31, 2011, the shareholders' structure and their ownerships are summarized as follows:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%28,3	84,999.99	-
ARAB BANK (Switzerland)	65,000.00	%21,7	65.000.00	-
BANKMED, SAL	149,999.99	%50	149,999.99	-
OTHERS	<1	%0	<1	-
Total	300,000.00	%100	300,000.00	-

As of December 31, 2011 the nominal value of the Bank's paid-in-capital amounting to TRY 300,000 thousand consists of 3,000 million shares.

Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Parent Bank

Title	Name and Surname	Responsibility	Education
Chairman of the Board of Directors	NEHME SABBAGH	Chairman	Master Degree
Members of the Board of Directors	AMIN RASHEED SAID HUSSEINI	Vice Chairman and Member of Audit Committee	Master Degree
	MEHMET BEHÇET PERİM	Member of Audit Committee	Master Degree
	MOHAMED ALI BEYHUM	Member of Audit Committee	Master Degree
	HENRI MARIE RENE JACQUAND	Member	Master Degree
	MUSTAFA SELÇUK TAMER	Member	Bachelor's Degree
	RIAD BURHAN TAHER KAMAL	Member	Master Degree
	NADYA NABIL TAWFIK TALHOUNI	Member	Bachelor's Degree
	FATEN MATAR	Member	Master Degree
General Manager and Member of the Board of Directors	A.DİNÇER ALPMAN	Chief Executive Officer	Bachelor's Degree
Assistant General Managers	MEHMET ÖZGÜNER	Finance	Bachelor's Degree
	MÜNEVVER ERÖZ	Treasury and Financial Institutions	Master Degree
	DORUK PARMAN	Marketing Sales	PHD Degree
	İLHAN ZEKİ KÖROĞLU	Operation and Information Technologies	Bachelor's Degree
	YURDAKUL ÖZDOĞAN	Credit & Follow up	Bachelor's Degree
	HAKKI YILDIRMAZ	Human Resources	PHD Degree
Statutory Auditors	ÖZGÜR ÇELİK	Auditor	Bachelor's Degree
	OSMAN BAYDOĞAN	Auditor	Bachelor's Degree

(*) The above stated persons do not have Bank shares.

IV. Information About the Persons and Institutions that Have Qualified Shares

Information about the persons and institutions that have qualified shares as of December 31, 2011:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	28.3%	84,999.99	-
ARAB BANK (Switzerland)	65,000.00	21.7%	65,000.00	-
BANKMED, SAL	149,999.99	50%	149,999.99	-
OTHERS	<1	0%	<1	-
Total	169,999.98	100%	169,999.98	-

V. Summary on the Bank's Functions and Areas of Activity

The Bank has 27 branches and 496 personnel. The Bank has no subsidiaries in the financial sector. (December 31, 2010: 27 branches, 510 personnel)

The Bank was established with private capital, has the authority to accept deposits and its operations are mostly based on retail and corporate banking transactions. As it is indicated in Articles of Association, the Bank is mainly dealing in the transactions below:

- Acceptance of Deposit
- Corporate and Retail Banking
- Foreign Trade
- Capital Market Transactions
- Bank Assurance

Turkland Bank Anonim Şirketi

Balance Sheets as of December 31, 2011 and 2010

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

SECTION TWO UNCONSOLIDATED FINANCIAL STATEMENTS

I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

	Note Ref (Section Five)	Audited Current Period 31.12.2011			Audited Prior Period 31.12.2010		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	69,498	131,417	200,915	48,291	65,119	113,410
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	186	57	243	432	12	444
2.1 Financial assets held for trading		186	57	243	432	12	444
2.1.1 Public sector debt securities		177	-	177	432	-	432
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		9	57	66	-	12	12
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	17	80,353	80,370	22	79,914	79,936
IV. MONEY MARKET PLACEMENTS		80,043	-	80,043	14,003	-	14,003
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		80,043	-	80,043	14,003	-	14,003
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	238,886	44,451	283,337	181,199	38,915	220,114
5.1 Share certificates		75	-	75	75	-	75
5.2 Public sector debt securities		238,811	44,451	283,262	181,124	38,915	220,039
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	1,239,341	229,377	1,468,718	799,095	204,127	1,003,222
6.1 Loans and receivables		1,215,999	229,377	1,445,376	776,105	204,127	980,232
6.1.1 Loans to risk group of the Bank		-	69	69	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1,215,999	229,308	1,445,307	776,105	204,127	980,232
6.2 Non-performing loans		39,333	-	39,333	40,136	-	40,136
6.3 Specific provisions (-)		(15,991)	-	(15,991)	(17,146)	-	(17,146)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	53,738	-	53,738	47,882	-	47,882
8.1 Public sector debt securities		53,738	-	53,738	47,882	-	47,882
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	I-12	11,720	-	11,720	14,070	-	14,070
XV. INTANGIBLE ASSETS (Net)	I-13	1,244	-	1,244	864	-	864
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		1,244	-	1,244	864	-	864
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET	I-15	2,579	-	2,579	780	-	780
17.1 Current tax asset		172	-	172	-	-	-
17.2 Deferred tax asset		2,407	-	2,407	780	-	780
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-17	20,178	248	20,426	14,850	199	15,049
TOTAL ASSETS		1,717,430	485,903	2,203,333	1,121,488	388,286	1,509,774

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

Turkland Bank Anonim Şirketi**Balance Sheets as of December 31, 2011 and 2010***(Translated into English from the Original Turkish Report and Financial Statements)*

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

		Audited Current Period 31.12.2011			Audited Prior Period 31.12.2010		
	Note Ref. (Section Five)	TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	II-1	920,201	675,379	1,595,580	659,358	483,723	1,143,081
1.1 Deposits from risk group of the Bank		16,748	592	17,340	10,540	394	10,934
1.2 Other		903,453	674,787	1,578,240	648,818	483,329	1,132,147
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	-	39	39	-	-	-
III. FUNDS BORROWED	II-3	15,926	88,805	104,731	15,469	76,795	92,264
IV. MONEY MARKET BALANCES		97,725	-	97,725	17	-	17
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	II-4	97,725	-	97,725	17	-	17
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. SUNDRY CREDITORS		11,989	582	12,571	9,060	519	9,579
VIII. OTHER LIABILITIES	II-5	22,098	328	22,426	22,542	925	23,467
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES (Net)	II-6	-	-	-	-	10	10
10.1 Finance lease payables		-	-	-	-	10	10
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-7	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	II-8	25,901	721	26,622	17,146	851	17,997
12.1 General loan loss provisions		14,388	-	14,388	9,713	-	9,713
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		4,901	-	4,901	3,649	-	3,649
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		6,612	721	7,333	3,784	851	4,635
XIII. TAX LIABILITY	II-9	5,557	-	5,557	4,103	-	4,103
13.1 Current tax liability		5,557	-	5,557	4,103	-	4,103
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-10	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-11	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	II-12	340,144	(2,062)	338,082	218,998	258	219,256
16.1 Paid-in capital		300,000	-	300,000	170,000	-	170,000
16.2 Supplementary capital		20,505	(2,062)	18,443	32,920	258	33,178
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		(4,927)	(2,062)	(6,989)	7,488	258	7,746
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		25,432	-	25,432	25,432	-	25,432
16.3 Profit reserves		16,078	-	16,078	13,615	-	13,615
16.3.1 Legal reserves	II-13	789	-	789	666	-	666
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves	II-14	12,543	-	12,543	10,203	-	10,203
16.3.4 Other profit reserves		2,746	-	2,746	2,746	-	2,746
16.4 Profit or loss		3,561	-	3,561	2,463	-	2,463
16.4.1 Prior years' income/(losses)		-	-	-	-	-	-
16.4.2 Current year income/(loss)		3,561	-	3,561	2,463	-	2,463
16.5 Minority shares	II-15	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		1,439,541	763,792	2,203,333	946,693	563,081	1,509,774

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

Turkland Bank Anonim Şirketi

Statements of Off-Balance Sheet Contingencies and Commitments as of December 31, 2011 and 2010

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref. (Section Five)	Audited Current Period 31.12.2011			Audited Prior Period 31.12.2010		
		TRY	FC	Total	TRY	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		6,054,489	409,896	6,464,385	5,351,853	468,966	5,820,819
I. GUARANTEES	III-1	675,751	354,877	1,030,628	613,456	362,445	975,901
1.1. Letters of guarantee		675,751	165,353	841,104	613,287	146,926	760,213
1.1.1. Guarantees subject to State Tender Law		29,571	5,549	35,120	39,058	10,377	49,435
1.1.2. Guarantees given for foreign trade operations		-	33,768	33,768	-	68,268	68,268
1.1.3. Other letters of guarantee		646,180	126,036	772,216	574,229	68,281	642,510
1.2. Bank loans		-	11,597	11,597	-	17,310	17,310
1.2.1. Import letter of acceptance		-	11,597	11,597	-	17,310	17,310
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	92,948	92,948	-	107,318	107,318
1.3.1. Documentary letters of credit		-	92,948	92,948	-	107,318	107,318
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 Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	84,979	84,979	169	90,891	91,060
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	5,374,917	48,723	5,423,640	4,738,038	106,159	4,844,197
2.1. Irrevocable commitments		121,606	48,723	170,329	86,213	106,159	192,372
2.1.1. Forward asset purchase and sales commitments		12,442	28,873	41,315	850	106,159	107,009
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		38,849	-	38,849	26,748	-	26,748
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		67,900	-	67,900	57,043	-	57,043
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		-	-	-	1,572	-	1,572
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		2,415	19,850	22,265	-	-	-
2.2. Revocable commitments		5,253,311	-	5,253,311	4,651,825	-	4,651,825
2.2.1. Revocable loan granting commitments		5,253,311	-	5,253,311	4,651,825	-	4,651,825
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	3,821	6,296	10,117	359	362	721
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		3,821	6,296	10,117	359	362	721
3.2.1. Forward foreign currency buy/sell transactions		3,821	6,296	10,117	359	362	721
3.2.1.1. Forward foreign currency transactions-buy		1,921	3,151	5,072	-	362	362
3.2.1.2. Forward foreign currency transactions-sell		1,900	3,145	5,045	359	-	359
3.2.2. Swap transactions related to foreign currency. and interest rates		-	-	-	-	-	-
3.2.2.1. Foreign currency swaps-buy		-	-	-	-	-	-
3.2.2.2. Foreign currency swaps-sell		-	-	-	-	-	-
3.2.2.3. Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4. Interest rate swaps-sell		-	-	-	-	-	-
3.2.3. Foreign currency, interest rate and securities options		-	-	-	-	-	-
3.2.3.1. Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2. Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		-	-	-	-	-	-
3.2.4.1. Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2. Foreign currency futures-sell		-	-	-	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		5,975,782	1,275,127	7,250,909	4,780,302	951,361	5,731,663
IV. ITEMS HELD IN CUSTODY		422,581	53,906	476,487	298,293	39,383	337,676
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		28,973	1,216	30,189	26,925	226	27,151
4.3. Checks received for collection		386,521	47,115	433,636	267,969	33,802	301,771
4.4. Commercial notes received for collection		7,087	3,935	11,022	3,399	3,734	7,133
4.5. Other assets received for collection		-	411	411	-	336	336
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	1,229	1,229	-	1,285	1,285
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		5,553,201	1,221,221	6,774,422	4,482,009	911,978	5,393,987
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		22,138	19,949	42,087	5,553	4,727	10,280
5.3. Commodities		-	-	-	-	-	-
5.4. Warrants		-	-	-	-	-	-
5.5. Properties		1,435,502	213,204	1,648,706	1,271,140	188,298	1,459,438
5.6. Other pledged items		4,095,561	988,068	5,083,629	3,205,316	718,953	3,924,269
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		12,030,271	1,685,023	13,715,294	10,132,155	1,420,327	11,552,482

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

Turkland Bank Anonim Şirketi

Statements of Income for the Periods

Ended December 31, 2011 and December 31, 2010

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

III. STATEMENT OF INCOME

	Note Ref. (Section Five)	Audited Current Period 01.01-31.12.2011	Audited Prior Period 01.01-31.12.2010
I. INTEREST INCOME	IV-1	170,718	115,129
1.1 Interest on loans		142,520	91,577
1.2 Interest received from reserve deposits		-	1,008
1.3 Interest received from banks		411	179
1.4 Interest received from money market placements		1,197	1,101
1.5 Interest received from marketable securities portfolio		25,634	21,022
1.5.1 Held-for-trading financial assets		18	57
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		21,631	16,324
1.5.4 Investments held-to-maturity		3,985	4,641
1.6 Finance lease income		-	-
1.7 Other interest income		956	242
II. INTEREST EXPENSE	IV-2	(100,508)	(62,387)
2.1 Interest on deposits		(90,736)	(56,493)
2.2 Interest on funds borrowed		(6,053)	(2,845)
2.3 Interest on money market borrowings		(3,578)	(1,486)
2.4 Interest on securities issued		-	-
2.5 Other interest expense		(141)	(1,563)
III. NET INTEREST INCOME (I - II)		70,210	52,742
IV. NET FEES AND COMMISSIONS INCOME		19,338	16,472
4.1 Fees and commissions received		20,238	17,291
4.1.1 Non-cash loans		10,455	9,543
4.1.2 Other	IV-12	9,783	7,748
4.2 Fees and commissions paid		(900)	(819)
4.2.1 Non-cash loans		(41)	(43)
4.2.2 Other	IV-12	(859)	(776)
V. DIVIDEND INCOME	IV-3	5	2
VI. NET TRADING INCOME	IV-4	4,902	8,445
6.1 Securities trading gains/ (losses)		5,945	8,853
6.2 Gains/ (losses) from derivative financial instruments		4	(10,762)
6.3 Foreign exchange gains/ (losses)		(1,047)	10,354
VII. OTHER OPERATING INCOME	IV-5	11,375	29,396
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		105,830	107,057
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-6	(13,414)	(17,068)
X. OTHER OPERATING EXPENSES (-)	IV-7	(86,798)	(85,523)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		5,618	4,466
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. PROFIT/(LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD		-	-
XIV. GAIN/(LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	IV-8	5,618	4,466
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(2,057)	(2,003)
16.1 Provision for current income taxes		-	(972)
16.2 Provision for deferred taxes		(2,057)	(1,031)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	IV-10	3,561	2,463
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	IV-8	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
XXII. NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XX±XXI)	IV-10	-	-
XXIII. NET PROFIT/(LOSS) (XVII+XXII)	IV-11	3,561	2,463
23.1 Group's profit/loss		-	-
23.2 Minority shares		-	-
Earnings per share		-	-

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

Turkland Bank Anonim Şirketi**Statements of Profit Loss Accounted for Under Equity
for the Periods Ended December 31, 2011 and December 31, 2010***(Translated into English from the Original Turkish Report and Financial Statements)*

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited Current Period 01.01-31.12.2011	Audited Prior Period 01.01-31.12.2010
I. Additions to marketable securities revaluation differences for available for sale financial assets	(13,599)	10,580
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Deferred tax of valuation differences	3,684	(377)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(9,915)	10,203
XI. Profit/Loss	(1,259)	(6,231)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(4,820)	(8,694)
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Statement of Income	-	-
1.3 Transfer hedge of net investments in foreign operations to Statement of Income	-	-
1.4 Other	3,561	2,463
XII. Total Profit/Loss accounted for in the period (X±XI)	(11,174)	3,972

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

Turkland Bank Anonim Şirketi
Statements of Changes in Shareholders' Equity
for the Periods Ended December 31, 2011 and December 31,2010
(Translated into English from the Original Turkish Report and Financial Statements)
 (Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Paid-in Capital	Effect Of Inflation Adjustment On Capital Reserves	Share Premium	Share Cancellation	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase/Fund	Tangible Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Prior Period	Total Equity Before Minority Shares	Minority Shares	Total Equity
Prior Period - 01.01.-31.12.2010																			
I. Prior period balance - 31.12.2010	170,000	25,432	-	-	-	666	-	10,369	226	2,354	-	6,237	-	-	-	-	215,284	-	215,284
2.1 The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	170,000	25,432	-	-	-	666	-	10,369	226	2,354	-	6,237	-	-	-	-	215,284	-	215,284
Changes in the period																			
IV. Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences(V-a)	-	-	-	-	-	-	-	-	-	-	-	1,509	-	-	-	-	1,509	-	1,509
VI. Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint ventures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)	-	-	-	-	-	-	-	-	-	2,463	-	-	-	-	-	-	2,463	-	2,463
XX. Profit distribution	-	-	-	-	-	-	-	-	2,520	(2,354)	-	-	-	-	-	-	-	-	-
20.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves	-	-	-	-	-	-	-	(166)	2,520	(2,354)	-	-	-	-	-	-	-	-	-
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V+.....+XVIII+XIX+XX)	170,000	25,432	-	-	-	666	-	10,203	2,746	2,463	-	7,746	-	-	-	-	219,256	-	219,256

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

Turkland Bank Anonim Şirketi

Statements of Profit Loss Account for under Equity for the Periods Ended December 31, 2011 and December 31, 2010

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Audited	Paid-in Capital	Effect Of Inflation Accounting On Capital and Other Reserves	Share Premium	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Inc. Fund	Tangible And Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. Assets Held for Sale and from Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I. Current Period - 01.01-31.12.2011																			
I. Prior period balance - 31.12.2010	170,000	25,432	-	-	-	666	-	10,203	2,746	2,463	-	7,746	-	-	-	-	219,256	-	219,256
Changes in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences(V-a)	-	-	-	-	-	-	-	-	-	-	(14,735)	-	-	-	-	(14,735)	-	(14,735)	-
IV. Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint ventures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	130,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,000	-	130,000
12.1 Cash	130,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,000	-	130,000
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	-	3,561	-	-	-	-	-	-	3,561	-	3,561
XVIII. Profit distribution	-	-	-	-	-	123	-	2,340	-	(2,463)	-	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	-	123	-	2,340	-	(2,463)	-	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)	300,000	25,432	-	-	-	769	-	12,543	2,746	3,561	-	(6,989)	-	-	-	-	338,082	-	338,082

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

Turkland Bank Anonim Şirketi**Statements of Cash Flows****for the Periods Ended December 31, 2011 and 2010***(Translated into English from the Original Turkish Report and Financial Statements)**(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)***VI. STATEMENT OF CASH FLOWS**

	Note Ref (Section Five)	Audited Current Period 01.01-31.12.2011	Audited Prior Period 01.01-31.12.2010
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(19,168)	(1,306)
1.1.1 Interest received		133,355	111,588
1.1.2 Interest paid		(96,191)	(62,666)
1.1.3 Dividend received		5	2
1.1.4 Fees and commissions received		21,105	17,424
1.1.5 Other income		(11,005)	23,148
1.1.6 Collections from previously written off loans		5,981	6,521
1.1.7 Payments to personnel and service suppliers		(46,436)	(42,687)
1.1.8 Taxes paid		(729)	(412)
1.1.9 Others	VI-1	(25,253)	(54,224)
1.2 Changes in operating assets and liabilities		33,180	60,734
1.2.1 Net (increase) decrease in financial assets held for trading		223	465
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(66,152)	(17,793)
1.2.4 Net (increase) decrease in loans		(456,368)	(279,541)
1.2.5 Net (increase) decrease in other assets	VI-1	(5,395)	(6,306)
1.2.6 Net increase (decrease) in bank deposits		92,552	4,707
1.2.7 Net increase (decrease) in other deposits		453,498	296,917
1.2.8 Net increase (decrease) in funds borrowed		12,307	43,175
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	VI-1	2,515	19,110
I. Net cash provided from banking operations		14,012	59,428
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(74,602)	(86,862)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(1,166)	(4,315)
2.4 Fixed assets sales		1,018	1,344
2.5 Cash paid for purchase of financial assets available for sale		(259,182)	(366,261)
2.6 Cash obtained from sale of financial assets available for sale		191,448	290,474
2.7 Cash paid for purchase of investment securities		(28,554)	(26,212)
2.8 Cash obtained from sale of investment securities		22,992	18,499
2.9 Others		(1,158)	(391)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		129,991	(880)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		130,000	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(9)	(880)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	VI-1	18,389	2,842
V. Net increase/(decrease) in cash and cash equivalents		87,790	(25,472)
VI. Cash and cash equivalents at beginning of the period	VI-2	153,981	179,453
VII. Cash and cash equivalents at end of the period	VI-2	241,771	153,981

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

Turkland Bank Anonim Şirketi**Profit Distribution Tables for the Periods Ended
December 31, 2011 and 2010***(Translated into English from the Original Turkish Report and Financial Statements)*

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

VII. PROFIT DISTRIBUTION TABLE

	Audited Current Period 31.12.2011 (*)	Audited Prior Period 31.12.2010
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	5,618	4,466
1.2 TAXES AND DUTIES PAYABLE (-)	(2,057)	(2,003)
1.2.1 Corporate tax (Income tax)	-	(972)
1.2.2 Income withholding tax		
1.2.3 Other taxes and duties(**)	(2,057)	(1,031)
A. NET INCOME FOR THE YEAR (1.1-1.2)	3,561	2,463
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	(123)
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
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 preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
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	-	(2,340)
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED 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 preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
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 PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Profit distribution is decided by the General Assembly. General Assembly is not held as of the date of this report.

(**) Deferred Tax Credit / Expense amounts shown in other taxes and duties are not subject to profit distribution.

Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents (published in the Official Gazette numbered 26333 dated November 1, 2006), Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures (published in the Official Gazette numbered 26430 dated February 10, 2007), Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiques, circulars and pronouncements made by Banking Regulation and Supervision Agency (BRSA) in respect of accounting and financial reporting.

The accounting policies adopted in the preparation of the Bank's financial statements are consistent with the accounting policies adopted for financial statements dated December 31, 2010 and changes of TAS/TFRS that have come into effect as from January 1, 2011 (TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, TFRIC 14 Prepayments of a Minimum Funding Requirement (Amended), TAS 32 Classification on Rights Issues (Amended), TAS 24 Related Party Disclosures (Revised)) do not have any effect on the accounting policies, financial position and performance of the Bank. These accounting policies and valuation principles are explained in Notes II to XXII.

Except for trading and available for sale assets and derivatives that are shown at fair values, financial statements are prepared based on historical cost.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank focuses its activities in corporate banking. The primary objective of the Bank is to sustain liquidity while fulfilling customer needs. Thus, the Bank places approximately 20.94% of its resources in liquid assets, while the Bank also aims for the highest yield possible with effective maturity management.

Besides its principle activity, the main financial instruments of the Bank are money market placements, treasury bills and government bonds.

Marketable securities comprising 15.30% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 7.28% of the total assets and these assets provide liquidity with low risk and yield.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed only by the Treasury and using the limits defined by the Board of Directors.

III. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative instruments consist of foreign currency swaps and forward foreign currency buy/sell transactions. Derivative instruments are accounted for at their fair values as of the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39"). Realized gains or losses on these instruments are reflected in the statement of income. Unrealized gains or losses arising from the change in the fair value are recorded in disallowable expenses or income according to the current tax legislation.

Contract amounts of derivatives are recorded in off the balance sheet contingencies and commitments.

There are no embedded derivatives separated from the host contract or that are designated as hedging instruments as of the balance sheet date.

Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the income statement on an accrual basis using the effective interest method. In accordance with the regulation on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves published in the Official Gazette numbered 26333 dated November 1, 2006, interest accruals of the non-performing loans are reversed and interest income related to these loans is recorded as interest income only when collected.

V. Explanations on Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected.

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets approximate their fair values.

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost (which represents the fair value at the time). The positive difference between the cost and fair value of such securities in the accounts is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

Held to Maturity Investments

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

Held to maturity investments are initially recorded at cost including transactions costs. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

(Translated into English from the Original Turkish Report and Financial Statements)

(Amounts expressed in thousands of Turkish Lira [TRY] unless otherwise stated.)

Financial Assets Available for Sale

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

The marketable securities are initially recognized at cost including the transaction costs (which represents the fair value at the time).

After the initial recognition, available for sale securities are measured at fair value and the unrealized gains/losses originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair values of these securities are determined by using other valuation methods stated in TAS.

The Bank has an equity investment with participation rate of 0.0025% in the available for sale financial assets portfolio. Since this equity investment does not have fair value, it is carried at cost.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

Loans

Loans are non-derivative financial assets which have fixed or determinable payments and are not traded.

The Bank initially records loans and receivables at fair value. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

Foreign currency indexed loans are converted into TRY from the foreign currency rate as of the opening date and followed in TRY accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence of one or more than one event ("loss event") after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses for future events are not journalized.

Specific reserves are provided for non performing loans in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006 which was amended with communiqué published in the Official Gazette No. 27119 dated January 23, 2009. In this context, the management estimates are determined, on the basis of the Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense".

The collections made related to loans for which provision is made in the current period are reversed from the "Provision for Loans and Other Receivables" account in the income statement. The collections made related to loans written off or provisioned in prior years are recorded to "Collections Related to the Prior Period Expenses" under "Other Operating Income" account and related interest income is credited to the "Interest Received from Non-performing Loans" account.

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In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; Bank records general loan loss provisions for loans and other receivables. Bank calculated the general loan provision as 0.5% for cash loans and other receivables, and 0.1% for non-cash loans until November 1, 2006. Subsequent to the change in the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006; Bank started to book general loan loss provision of 1% for cash loans and other receivables; and 0.2% for non-cash loans on the increase in the cash and non-cash loan portfolio as compared to their October 31, 2006 balances whereas allocating 0.5% general loan loss provision for cash loans and other receivables, and 0.1% for non-cash loans for the balances as of October 31, 2006. Together with the change in the same regulation made on February 6, 2008, the Bank started to book general loan loss provision of 2% for cash loans under watch-list and 0.4% for non-cash loans under watch-list. On January 23, 2009 the Article 7 of the regulation has been amended such that the specified rates are applied at one fourth for payment commitments for checks related to checkbooks extended five years ago or earlier.

In accordance with the change in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside (published in the Official Gazette numbered 27947 dated May 28, 2011); general provision for loans which are classified in the first group has to be set at least 5 folds of the general provision rate due to the change in the payment plans of those first group loans. General Provision for loans that are classified in the second group has to be set at least 2.5 folds of the general provision rate due to the change in the payment plans of those second group loans. Information related to standard and close monitoring loans which their payment plans have changed is disclosed under the note b under the "Explanations and Disclosures Related to the Assets" section.

In accordance with the changes in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside (published in the Official Gazette numbered 27947 dated May 28, 2011 and Official Gazette numbered 27968 dated June 18, 2011); banks whose total letters of guarantees, bank acceptances, letters of credit commitments, endorsements, purchasing guarantee on security issuance, factoring guarantees, other guarantees and sureties, and unsecured pre-financing loans exceeds 10 folds of equities calculated within the scope of principles and procedures stated in the Regulation on Equities of Banks implement general provision ratio as 3/1000 for all standard non-cash loans.

As of December 31, 2011 the provision rates determined for the non-cash loans are not exceeded and standard rates which are determined in the regulation have been used for the non-cash loans.

In accordance with the change in the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside (published in the Official Gazette numbered 27968 dated June 18, 2011); Banks whose consumer loans are more than 20 percent of their total loans and whose non-performing consumer loans except vehicle and mortgage loans are 8 percent of total consumer loans except vehicle and mortgage loans, apply 4 percent (4%) of general provision rate for first group consumer loans except vehicle and mortgage loans, 8 percent (8%) for second group consumer loans except vehicle and mortgage loans up to their maturity.

As of December 31, 2011 the rates determined for the consumer loans are not exceeded and standard rates which are determined in the regulation have been used for consumer loans.

In accordance with the change in the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" (published in the Official Gazette numbered 28158 dated December 30, 2011); Banks are not required to set specific provision for the amount that has to be paid for each cheque leaf of the chequebooks of the loan customers of whose related loans and other receivables are classified under third, fourth or fifth group with 100% specific provision if the Banks informs the chequebooks owners to return the chequebooks back to the Bank within 15 days through registered and reply-paid letter. This is valid for the chequebooks owners whose loans and other receivables are derecognized by the Banks.

VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

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IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities. These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

As of December 31, 2011, the Bank has TRY 80,043 thousand of reverse repo transactions. (December 31, 2010: TRY 14,003 thousand).

As of December 31, 2011, the Bank does not have any marketable securities lending transaction. (December 31, 2010: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale with high probability of sale, are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Bank does not have any assets held for sale as of December 31, 2011 (December 31, 2010: None).

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There is no change in the amortization method in the current period.

The intangible assets comprising purchased softwares are in the other intangible fixed assets. As of the balance sheet date, all softwares are purchased and there are no completed or continuing software development projects by the Bank.

XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation. Tangible fixed assets are depreciated with straight-line method. While those acquired before January 1, 2004 are depreciated with the rates valid in prior periods, the fixed assets acquired after January 1, 2004 are depreciated with the rates determined by the Ministry of Finance based on useful economic lives.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Motor vehicles	20
Furniture, fixtures and office equipment and others	3 – 50

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

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XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, the Bank records depreciation expense for the depreciable leased assets in each period.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

According to the legal department of the Bank; the total number of ongoing cases against the Bank is 80. The total amount of those cases consists of TRY 330 thousand, USD 1,604 thousand and EURO 299 thousand. There is a provision of TRY 933 thousand in the accompanying financial statements for these cases.(December 31, 2010: TRY 641 thousand).

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

The Bank has no retirement fund or foundation that the employees are the member of.

Defined Contribution Plans

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate Tax

According to the Article 32 of the Corporate Tax Law No 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. Such advance taxes calculated and paid are offset against the final tax liability for the year.

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Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities. The Bank does not have corporate tax provision in current period (December 31, 2010: TRY 972 thousand).

Deferred Tax Liability/Asset

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the circular of BRSA numbered BDDK. DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on carryforward tax losses and all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The deferred tax resulting from differences related to items that are debited or credited directly to equity is netted with these accounts.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax charge stated under the tax provision amounted to TRY 2,057 thousand in the income statement (December 31, 2010: TRY 1,031 thousand deferred tax expense).

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank.

XIX. Explanations on Acceptances

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

Since the Bank is not listed, disclosure requirements of IFRS 8 are not applicable for the Bank.

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the accompanying financial statements.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related communiqué is 17,55%. (December 31, 2010: 14.03%)

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements are used. Additionally, the market risk amount is calculated in accordance with the communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" is multiplied by the loan conversion rates presented in the Article 5, the Clause 1 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Receivables from counter parties from derivative foreign currency and interest rate transactions are multiplied by the loan conversion rates presented in the Article 5, the Clause 2 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Information related to the capital adequacy ratio:

	Risk Weight						
	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash Loans							
Balance Sheet Items (Net)							
Cash	16,373	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	65,030	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	80,245	-	123	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	80,000	-	-	-	-	-	-
Reserve Deposits	119,512	-	-	-	-	-	-
Loans	63,031	-	132	399,619	943,281	2,085	586
Non-performing loans (Net)	-	-	-	-	23,342	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	75	-	-
Held to Maturity Investments	50,452	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	824	-	-
Interest and Income Accruals	6,252	-	72	15,899	17,765	-	-
Subsidiaries, Associates and Jointly Controlled Entities (Net)	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	7,516	-	-
Other Assets	13,605	-	-	-	8,560	-	-
Off-Balance Sheet Items Guarantees and Commitments	11,125	-	13,912	20,043	550,536	-	-
Derivative Financial Instruments	-	-	-	-	101	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	425,380	-	94,361	435,561	1,552,124	2,085	586
Total Risk Weighted Assets	-	-	18,872	217,781	1,552,124	3,128	1,172

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Summary information related to the capital adequacy ratio:

	December 31, 2011	December 31, 2010
Total Risk Weighted Assets (TRWA)	1,793,077	1,387,181
Amount Subject to Market Risk (ASMR)	41,163	34,213
Amount Subject to Operational Risk (ASOR) ⁽¹⁾	143,562	116,047
Shareholders' Equity	347,022	215,750
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	%17,55	14.03%

⁽¹⁾ Operational risk is calculated using the Basic Indicator Approach.

Information related to the components of shareholders' equity:

	December 31, 2011	December 31, 2010
CORE CAPITAL		
Paid up capital which is subordinated to all other receivable claims in the case of liquidation of the Bank	300,000	170,000
Nominal capital	300,000	170,000
Capital commitments (-)	-	-
Inflation based correction difference on paid up capital which is subordinated to all other receivable claims in the case of liquidation of the Bank	25,432	25,432
Share premium	-	-
Cancellation profits	-	-
Legal reserves	789	666
First legal reserve (Turkish Commercial Code 466/1)	789	666
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	15,289	12,949
Reserves allocated by the General Assembly	12,543	10,203
Retained earnings	2,746	2,746
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Legal reserves inflation correction difference	-	-
Profit	3,561	2,463
Current period net profit	3,561	2,463
Prior years' profits	-	-
Provision for possible losses up to 25% of the Core Capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-
Primary subordinated debts on condition not to extend the limits stated in regulation	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Developments costs for operating leasing (-)	(4,204)	(6,433)
Prepaid expenses (-) ⁽¹⁾	-	(1,432)
Intangible assets (-)	(1,244)	(864)
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	339,623	202,781
SUPPLEMENTARY CAPITAL	7,399	13,199
General loan loss reserves	14,388	9,713
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint ventures)	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	-	-
Marketable securities value increase fund	(6,989)	3,486
Associates and subsidiaries	-	-
Available for sale securities	(6,989)	3,486
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	7,399	13,199
TIER III CAPITAL	-	-
CAPITAL	347,022	215,980
DEDUCTIONS FROM THE CAPITAL	-	(230)
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten Percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	-	(230)
Securitization positions preferred to be decreased from equity instead of putting into a thousand two hundred and fifty per cent of risk weight according to the procedures and principles for calculating the capital adequacy ratio determined pursuant to the Article 45 of the Law	-	-
Other	-	-
Total Shareholders' Equity	347,022	215,750

⁽¹⁾ Changed due to the "Regulation on Equity of Banks" issued in the Official Gazette dated March 10, 2011 numbered 27870.

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II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquisitions related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries whose investment level is rated by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

As of December 31, 2011, the receivables of the Bank from its top 100 cash loan customers amount to TRY 686,392 thousand (December 31, 2010: TRY 500,765 thousand) with a share of 46.23% in the total cash loans (December 31, 2010: 49.08%).

As of December 31, 2011, the receivables of the Bank from its top 100 non-cash loan customers amount to TRY 646,275 thousand (December 31, 2010: TRY 572,590 thousand) with a share of 55.73% in the total non-cash loans (December 31, 2010: 53.95%).

The share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and non-cash risk is 29.95% as of December 31, 2011 (December 31, 2010: 32.27%).

As of December 31, 2011, the general loan loss provision related with the credit risk is TRY 14,388 thousand (December 31, 2010: TRY 9,713 thousand).

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Credit risk by types of borrowers and geographical concentration:

	Loans to Real Person and Legal Entities		Loans to Banks and Other Financial Institutions		Marketable Securities ^(*)		Other Loans ^(**)	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Loans according to borrowers	1,450,929	1,002,576	33,780	17,792	337,252	268,428	161,256	94,675
Private Sector	1,427,294	985,376	33,428	17,472	-	-	843	736
Public Sector	-	-	-	-	337,177	268,353	-	-
Banks	-	-	352	320	-	-	160,413	93,939
Retail	23,635	17,200	-	-	-	-	-	-
Share Certificates	-	-	-	-	75	75	-	-
Information according to geographical concentration	1,450,929	1,002,576	33,780	17,792	337,252	268,428	161,256	94,675
Domestic	1,430,840	1,002,576	33,497	17,472	337,252	268,428	158,135	90,216
European Union Countries	-	-	197	232	-	-	1,409	3,869
OECD Countries ^(***)	-	-	-	-	-	-	311	219
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	86	88	-	-	1,328	361
Other Countries	20,089	-	-	-	-	-	73	10
Total	1,450,929	1,002,576	33,780	17,792	337,252	268,428	161,256	94,675

^(*) Includes marketable securities designated at fair value through profit or loss, available-for-sale and held-to-maturity.

^(**) Includes the on balance sheet transactions classified in the Uniform Chart of Accounts except the ones in the first three categories and the transactions defined as loan in the Article 48 of the Banking Act No: 5411.

^(***) OECD countries other than European Union countries, USA and Canada.

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net
Income/Loss					
December 31, 2011					
Domestic	2,179,851	1,684,847	1,021,434	75	3,561
European Union Countries	1,606	133,563	6,902	-	-
OECD Countries ^(*)	311	1,812	2	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	1,328	603	-	-	-
Other Countries	20,162	44,426	2,290	-	-
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	-	-	-	-
Total	2,203,258	1,865,251	1,030,628	75	3,561
December 31, 2010					
Domestic	1,504,920	1,163,019	965,401	75	2,463
European Union Countries	4,101	86,028	44	-	-
OECD Countries ^(*)	219	569	7	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	449	504	-	-	-
Other Countries	10	40,398	10,449	-	-
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-
Unallocated Assets/Liabilities ^(**)	-	-	-	-	-
Total	1,509,699	1,290,518	975,901	75	2,463

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

^(**) Assets and liabilities that cannot be allocated on a coherent basis.

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Sector concentrations for cash loans:

	December 31, 2011				December 31, 2010			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	29,041	2.31	4,597	2.00	15,518	1.90	5,865	2.87
Farming and Raising Livestock	23,029	1.83	4,597	2.00	11,611	1.42	5,865	2.87
Forestry, Wood and Paper	5,916	0.47	-	-	3,701	0.45	-	0.00
Fishery	96	0.01	-	-	206	0.03	-	0.00
Manufacturing	553,832	44.12	135,135	58.91	447,858	54.87	113,532	55.62
Mining and Quarry	106,860	8.51	9,023	3.93	99,137	12.15	5,536	2.71
Production	446,636	35.58	125,990	54.93	343,717	42.11	107,996	52.91
Electricity, Gas and Water	336	0.03	122	0.05	5,004	0.61	-	0.00
Construction	178,745	14.24	10,560	4.60	102,970	12.62	3,617	1.77
Services	383,955	30.59	68,585	29.90	204,468	25.05	79,807	39.09
Wholesale and Retail Trade	209,475	16.69	1,956	0.85	101,149	12.39	10,690	5.24
Hotel, Tourism, Food and Beverage Services	22,594	1.80	47,620	20.76	10,911	1.34	54,337	26.62
Transportation and Communication	33,091	2.64	18,940	8.26	17,553	2.15	13,967	6.84
Financial Institutions	33,711	2.69	69	0.03	17,560	2.15	232	0.11
Real Estate and Renting Services	50,663	4.04	-	-	29,043	3.56	-	0.00
Self-Employment Services	12,456	0.99	-	-	10,177	1.25	581	0.28
Education Services	2,600	0.21	-	-	84	0.01	-	0.00
Health and Social Services	19,365	1.54	-	-	17,991	2.20	-	0.00
Other	109,759	8.74	10,500	4.58	45,427	5.56	1,306	0.65
Total	1,255,332	100.00	229,377	100.00	816,241	100.00	204,127	100.00

The table below shows the maximum exposure to credit risk for the components of the financial statements:

Gross Maximum Exposure	December 31, 2011	December 31, 2010
Due from banks	80,370	79,936
Due from money market transactions	80,043	14,003
Financial assets held for trading	177	432
Derivative financial instruments	66	12
Financial assets available-for-sale	283,262	220,039
Held to maturity investment	53,738	47,882
Loans	1,468,718	1,003,222
Total	1,966,374	1,365,526
Contingent liabilities	1,030,628	975,901
Irrevocable commitments	170,329	192,372
Total	1,200,957	1,168,273
Total credit risk exposure	3,167,331	2,533,799

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Credit quality per class of financial assets as of December 31, 2011 is as follows:

	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	80,370	-	80,370
Financial assets designated at fair value through profit or loss	243	-	243
Loans to customers			
Corporate lending	984,254	35,648	1,019,902
Small business lending	407,162	22,915	430,077
Retail loans	18,068	671	18,739
Other	-	-	-
Total	1,490,097	59,234	1,549,331
Financial investments			
Quoted on a stock exchange -domestic public sector debt securities	337,000	-	337,000
Quoted on a stock exchange -Other debt securities	-	-	-
Unquoted on a stock exchange -Debt securities	-	-	-
Total	337,000	-	337,000
Total	1,827,097	59,234	1,886,331

The above distribution has been made based on the business lines and the distributions on the note 5b under the 5th Section 1st Part has been made based on the account codes.

Credit quality per class of financial assets as of December 31, 2010 is as follows:

	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	79,936	-	79,936
Financial assets designated at fair value through profit or loss	444	-	444
Loans to customers			
Corporate lending	620,415	29,245	649,660
Small business lending	318,549	22,209	340,758
Retail loans	12,332	472	12,804
Other	-	-	-
Total	1,031,676	51,926	1,083,602
Financial investments			
Quoted on a stock exchange -domestic public sector debt securities	267,921	-	267,921
Quoted on a stock exchange -Other debt securities	-	-	-
Unquoted on a stock exchange - Debt securities	-	-	-
Total	267,921	-	267,921
Total	1,299,597	51,926	1,351,523

The above distribution has been made based on the business lines and the distributions on the note 5b under the 5th Section 1st Part has been made based on the account codes.

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	Internal Rating Grade	December 31, 2011	%	December 31, 2010	%
High					
Risk rating class 1	A+ Excellent	1,989	0.14	17,510	1.79
Risk rating class 2	A- Excellent	78,437	5.43	49,530	5.05
Good					
Risk rating class 3	B+ Very Good	182,285	12.61	132,610	13.53
Risk rating class 4	B- Very Good	194,910	13.49	146,494	14.94
Standard					
Risk rating class 5	C+ Good	272,114	18.83	188,234	19.20
Risk rating class 6	C- Good	265,302	18.36	230,261	23.49
Substandard					
Risk rating class 7	D+ Ordinary	246,218	17.03	99,479	10.15
Risk rating class 8	D- Ordinary	145,255	10.05	96,254	9.82
Risk rating class 9	E Bad	41,403	2.86	5,777	0.59
Risk rating class 10	F Very Bad	204	0.01	241	0.02
Unrated		17,259	1.19	13,842	1.42
Total		1,445,376	100.00	980,232	100.00

The Bank uses 3 main factors for internal credit rating system. These are financial data, non-financial data and specialist decisions. Financial data consist of liquidity, financial structure, profitability, growth ratios and turnover rate. Non financial data consist of loan client business, relation with finance sector and sector analysis. The Bank measures the credit rating of companies by making comparisons regarding the financial data and non financial-data.

In the existing rating system, the collateral assigned to loans are not taken into account in the rating. The information about customers with F, E and D- rating is shown below.

“F” rating;

Number of clients with F rating is 1 with O/S risk TRY 204 thousand (December 31,2010 : TRY 241 thousand; 3 client).

The client is granted against letter of guarantee with O/S risk of TRY 183 thousand and covers 90% of total “F” Rating Risk.

“E” rating;

Number of clients with E rating is 21 and total O/S risk is TRY 41.403 thousand (December 31,2010 : TRY 5.777 thousand; 17 client).

10 of these clients are granted against Customer Check/Note with O/S risk of TRY 6.236 thousand and covers 15% of total “E” Rating Risk.

3 of these clients are granted against mortgage with O/S risk of TRY 25.832 thousand and covers 62% of total “E” Rating Risk.

Moreover, parent company of two clients, which have risk of TRY 7,428 thousand, have rated with B- , ratio is 18%.

“D+” rating;

Number of clients with D+ rating is 240 and total O/S is TRY 246,218 thousand (December 31, 2010 : TRY 99,479 thousand; 194 client).

Collaterals of these clients are as follows;

TRY 49,211 thousand cash blockage (13 of these clients covers 20% of “D+” rating risk.)

TRY 2,194 thousand guarantee letter (1 of these clients covers 1% of “D+” rating risk.)

TRY 60,068 thousand customer cheque (110 of these clients covers 24% of “D+” rating risk.)

58 of these clients are granted against mortgage with O/S risk of TRY 70,962 thousand and covers 29% of “D+” rating.

Parent companies of 7 clients that have TRY 19,583 thousand risk, have “C-“ and better ratings. (8%)

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“D-” rating;

Number of clients with D- rating is 139 and total O/S is TRY 145.255 thousand (December 31, 2010 : TRY 96.254 thousand; 89 client).

Collaterals of these clients are as follows;

TRY 2.368 thousand cash blockage (9 of these clients covers 2% of “D-” rating risk.)

TRY 32.123 thousand customer cheque (71 of these clients TRY 3.098 thousand customer note (3 of these customers covers 2% of “D-” rating risk.)

36 of these clients are granted against mortgage with O/S risk of TRY 41.115 thousand and covers 28% of “D-” rating.

2 of these clients are granted against vehicle pledge with O/S risk of TRY 9.265 thousand and covers 6% of “D-” rating risk.

Parent companies of 8 clients that have TRY 18,727 thousand risk, have “C-” and better ratings. (13%)

Recorded amount of financial assets whose terms or maturities have been renegotiated:

	December 31, 2011	December 31, 2010
Due from banks	-	-
Financial assets designated at fair value through profit or loss	-	-
Loans and advances to customers	-	1,323
Corporate lending	-	1,323
Small business lending	-	-
Consumer lending	-	-
Other	-	-
Total	-	1,323

III. Explanations Related to Market Risk

The Bank has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” issued in the Official Gazette dated November 1, 2006 numbered 26333.

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarized below) is taken into consideration. Beside the standard method, market risk (VAR) is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated weekly by two different methods which are historic simulation and parametric method, and these results are also reported daily to the management.

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	3,128
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	165
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	3,293
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	41,163

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b) Average market risk table calculated at the end of the months during the period:

	December 31, 2011			December 31, 2010		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	3,116	3,271	2,733	2,420	2,701	2,130
Common Stock Risk	-	-	-	-	-	-
Currency Risk	92	165	40	88	215	34
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Value Subject to Risk	40,100	42,950	34,663	31,350	36,450	27,050

Other price risks:

The Bank does not invest in share certificates quoted on a stock exchange hence it is not subject to share price risk.

IV. Explanations Related to Operational Risk

a) The Bank calculates amount subject to Operational risk by using the "Basic Indicator Approach" in accordance with the "Communiqué of Measurement and Assessment of Capital Adequacy of Banks", which was published on November 1, 2006 in the Official Gazette numbered 26333, fourth part "Amount subject to Operational Risk Calculation" which was published on September 1, 2007. Amount subject to Operational Risk is TRY 143,562 thousand by using the year end gross revenue of prior 3 years 2008, 2009 and 2010. (December 31, 2010: TRY 116,047 thousand)

b) The Bank does not use the Standard Approach.

V. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced current foreign exchange buying rates of the Bank at December 31, 2011 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates):

	December 23, 2011	December 26, 2011	December 27, 2011	December 28, 2011	December 29, 2011	December 30, 2011
USD	1.8966	1.8871	1.8972	1.9066	1.9150	1.8836
CHF	2.0225	2.0168	2.0302	2.0301	2.0303	2.0094
GBP	2.9710	2.9508	2.9719	2.9582	2.9534	2.9261
100 JPY	2.4284	2.4222	2.4364	2.4519	2.4614	2.4399
EURO	2.4733	2.4666	2.4790	2.4765	2.4735	2.4442

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before December 31, 2011 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.8660
CHF	2.0031
GBP	2.9125
100 JPY	2.3981
EURO	2.4581

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Information on the foreign currency risk of the Bank:

December 31, 2011	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	33,389	97,857	-	171	131,417
Banks	20,410	58,902	113	928	80,353
Financial Assets at Fair Value Through Profit and Loss ^(*)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	44,451	-	-	44,451
Loans ^(*)	222,166	283,327	-	-	505,493
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	-	248	-	-	248
Total Assets	275,965	484,785	113	1,099	761,962
Liabilities					
Bank Deposits	65	348	-	37	450
Foreign Currency Deposits	207,615	466,819	-	495	674,929
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	69,342	19,463	-	-	88,805
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	221	361	-	-	582
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	246	(1,266)	1	6	(1,013)
Total Liabilities	277,489	485,725	1	538	763,753
Net Balance Sheet Position	(1,524)	(940)	112	561	(1,791)
Net Off-Balance Sheet Position	413	2,143	-	(293)	2,263
Financial Derivative Assets ^(**)	4,935	13,781	-	-	18,716
Financial Derivative Liabilities ^(**)	(4,522)	(11,638)	-	(293)	(16,453)
Non-Cash Loans ^(**)	82,553	270,847	-	1,477	354,877
December 31, 2010					
Total Assets ^(*) ^(***)	213,558	348,643	109	740	563,050
Total Liabilities	212,329	350,366	2	384	563,081
Net Balance Sheet Position	1,229	(1,723)	107	356	(31)
Net Off-Balance Sheet Position	(2,120)	1,651	-	-	(469)
Financial Derivative Assets ^(**)	6,051	46,975	-	-	53,026
Financial Derivative Liabilities ^(**)	(8,171)	(45,324)	-	-	(53,495)
Non-Cash Loans ^(**)	97,363	263,587	400	1,095	362,445

^(*) Foreign currency indexed loans amounting to TRY 276,117 thousand (December 31, 2010: TRY 174,776 thousand) are included in the loan portfolio.

^(**) There are no effects on the net off-balance sheet position.

^(***) It includes also TRY 15,566 thousand and TRY 13,308 thousand forward asset purchase & sale commitments (December 31, 2010: TRY 52,664 thousand and TRY 53,495 thousand, respectively).

^(****) TRY 57 thousand asset from derivative financial instruments and TRY 39 thousand liability from derivative financial instruments are not included (December 31, 2010: TRY 12 thousand assets from derivative financial instruments).

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Foreign currency sensitivity:

The Bank holds EUR and USD currencies positions mainly.

The following table details the Bank's sensitivity to a 10% increase or decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/(Negative) number indicates a change in profit or loss and other equity where USD and EUR increase %10 against TRY.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
USD	10 increase	120	(7)	(206)	26
USD	10 decrease	(120)	7	206	(26)
EURO	10 increase	(111)	(89)	-	-
EURO	10 decrease	111	89	-	-

VI. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Department performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank does not permit maturity mismatches or imposes limits on mismatch, a significant interest rate risk exposure is not expected.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest bearing	Total
December 31, 2011							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	200,915	200,915
Banks	77,193	-	-	-	-	3,177	80,370
Financial Assets at Fair Value Through Profit and Loss	45	114	-	58	26	-	243
Money Market Placements	80,043	-	-	-	-	-	80,043
Available-For-Sale Financial Assets	33,432	55,572	129,907	12,280	52,071	75	283,337
Loans ^(*)	1,058,515	80,611	156,624	147,600	1,940	86	1,445,376
Held-To-Maturity Investments	-	-	53,738	-	-	-	53,738
Other Assets ^(**)	-	-	-	-	-	59,311	59,311
Total Assets	1,249,228	136,297	340,269	159,938	54,037	263,564	2,203,333
Liabilities							
Bank Deposits	-	-	-	-	-	668	668
Other Deposits	919,894	523,487	48,850	-	-	102,681	1,594,912
Money Market Borrowings	97,725	-	-	-	-	-	97,725
Sundry Creditors	-	-	-	-	-	12,571	12,571
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	10,010	30,551	64,116	-	-	54	104,731
Other Liabilities ^(***)	340	246	-	-	-	392,140	392,726
Total Liabilities	1,027,969	554,284	112,966	-	-	508,114	2,203,333
Balance Sheet Long Position	221,259	-	227,303	159,938	54,037	-	662,537
Balance Sheet Short Position	-	(417,987)	-	-	-	(244,550)	(662,537)
Off-Balance Sheet Long Position	-	-	-	-	-	25,748	25,748
Off-Balance Sheet Short Position	-	-	-	-	-	(25,684)	(25,684)
Total Position	221,259	(417,987)	227,303	159,938	54,037	(244,486)	64

^(*) Up to 1 month column consist of revolving loans and corporate FC indexed loans.

^(**) The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 11,720 thousand, intangible assets amounting to TRY 1,244 thousand, tax asset amounting to TRY 2,579 thousand, net non performing loans amounting to TRY 23,342 thousand, clearing account amounting to TRY 10,777 thousand, prepaid expenses amounting to TRY 1,777 thousand, other assets amounting to TRY 1,386 thousand, and system investments amounting to TRY 6,486 thousand.

^(***) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 338,082 thousand, TRY 5,557 thousand tax liabilities, TRY 26,622 thousand provisions and TRY 21,879 thousand other liabilities.

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Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
December 31, 2011				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	-	-	-	-
Banks	0.52	0.25	-	7.39
Financial Assets At Fair Value Through Profit And Loss	-	-	-	8.02
Money Market Placements	-	-	-	11.87
Available-For-Sale Financial Assets	-	5.04	-	5.73
Loans	7.09	6.31	-	14.49
Held-To-Maturity Investments	-	-	-	8.02
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	4.41	4.36	-	9.53
Money Market Borrowings	-	-	-	6.32
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.74	2.21	-	8.42

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
December 31, 2010							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	113,410	113,410
Banks	78,254	-	-	-	-	1,682	79,936
Financial Assets at Fair Value Through Profit and Loss	118	141	185	-	-	-	444
Money Market Placements	14,003	-	-	-	-	-	14,003
Available-For-Sale Financial Assets	13,908	88,956	48,657	22,210	46,308	75	220,114
Loan ^(*)	716,845	46,969	110,449	105,881	-	88	980,232
Held-To-Maturity Investments	2,126	1,978	22,771	21,007	-	-	47,882
Other Assets ^(**)	-	-	-	-	-	53,753	53,753
Total Assets	825,254	138,044	182,062	149,098	46,308	169,008	1,509,774
Liabilities							
Bank Deposits	-	-	-	-	-	5,749	5,749
Other Deposits	776,217	244,417	5,619	-	-	111,079	1,137,332
Money Market Borrowings	17	-	-	-	-	-	17
Sundry Creditors	-	-	-	-	-	9,579	9,579
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	7,871	23,894	44,742	15,740	-	17	92,264
Other Liabilities ^(***)	1,084	182	6	-	-	263,561	264,833
Total Liabilities	785,189	268,493	50,367	15,740	-	389,985	1,509,774
Balance Sheet Long Position	40,065	-	131,695	133,358	46,308	-	351,426
Balance Sheet Short Position	-	(130,449)	-	-	-	(220,977)	(351,426)
Off-Balance Sheet Long Position	-	-	-	-	-	53,876	53,876
Off-Balance Sheet Short Position	-	-	-	-	-	(53,854)	(53,854)
Total Position	40,065	(130,449)	131,695	133,358	46,308	(220,955)	22

(*) Up to 1 month column consist of revolving loans and corporate FC indexed loans.

(**) The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 14,070 thousand, intangible assets amounting to TRY 864 thousand, tax asset amounting to TRY 780 thousand, net non performing loans amounting to TRY 22,990 thousand, clearing account amounting to TRY 9,816 thousand, prepaid expenses amounting to TRY 1,432 thousand and other assets amounting to TRY 3,801 thousand.

(***) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 219,256 thousand, TRY 4,103 thousand tax liabilities, TRY 17,997 thousand provisions and TRY 22,205 thousand other liabilities.

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Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
December 31, 2010				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.22	0.32	-	4.01
Financial Assets at Fair Value through Profit and Loss	-	-	-	7.58
Money Market Placements	-	-	-	6.41
Available-For-Sale Financial Assets	-	5.51	-	6.41
Loans	7.39	5.89	-	13.12
Held-To-Maturity Investments	-	-	-	10.69
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	3.21	3.15	-	9.13
Money Market Borrowings	-	-	-	7.60
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	3.66	2.95	-	8.63

Interest rate sensitivity:

If interest rates had been increased by 0.5% in TRY and by 0.5% in FC and all other variables were held constant, the Bank's:

- Net profit would decrease by TRY 448 thousand. The main reason of this is change in TRY and FC deposits (December 31, 2010: TRY 703 thousand).
- There is no effect on the Bank's equity.

VII. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank's policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. In this sense, various crisis scenarios which are prepared by risk management group are presented to management and audit committee.

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources.

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Presentation of assets and liabilities according to their remaining maturities:

December 31, 2011	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey ^(****)	81,403	71,600	38,856	9,056	-	-	-	200,915
Banks	3,177	77,193	-	-	-	-	-	80,370
Financial Assets at Fair Value Through Profit and Loss	-	45	21	-	151	26	-	243
Money Market Placements	-	80,043	-	-	-	-	-	80,043
Available-for-Sale Financial Assets	-	1,986	980	72,336	119,563	88,397	75	283,337
Loans ^(***)	-	1,058,601	80,611	156,624	147,600	1,940	-	1,445,376
Held-to-Maturity Investments	-	-	-	52,476	-	1,262	-	53,738
Other Assets	-	10,789	-	-	-	-	48,522	59,311
Total Assets	84,580	1,300,257	120,468	290,492	267,314	91,625	48,597	2,203,333
Liabilities								
Bank Deposits	668	-	-	-	-	-	-	668
Other Deposits	102,681	919,894	523,487	48,850	-	-	-	1,594,912
Funds Provided From Other Financial Institutions	-	10,064	30,551	64,116	-	-	-	104,731
Money Market Borrowings	-	97,725	-	-	-	-	-	97,725
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	12,571	-	-	-	-	-	12,571
Other Liabilities ^(**)	-	24,650	246	-	-	-	367,830	392,726
Total Liabilities	103,349	1,064,904	554,284	112,966	-	-	367,830	2,203,333
Liquidity Gap	(18,769)	235,353	(433,816)	177,526	267,314	91,625	(319,933)	-
December 31, 2010								
Total Assets	61,732	856,263	72,717	149,181	258,847	67,031	44,003	1,509,774
Total Liabilities	116,828	820,141	268,493	50,367	15,740	-	238,205	1,509,774
Liquidity Gap	(55,096)	36,122	(195,776)	98,814	243,107	67,031	(194,202)	-

^(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, investments in subsidiaries and associates and non-performing loans are classified under undistributed.

^(**) Shareholders' equity is shown under other liabilities in undistributed column.

^(***) Rotative loans are classified in up to 1 month column.

^(****) Reserve requirement distribution is based on maturity distribution of liabilities on which the reserve is calculated.

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Analysis of financial liabilities by remaining contractual maturities

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments ^(*)	Total
As of December 31, 2011							
Bank Deposits	668	-	-	-	-	-	668
Other deposits	1,025,803	531,576	51,783	-	-	(14,250)	1,594,912
Funds provided from other financial institutions	97,757	-	-	-	-	(32)	97,725
Money market borrowings	10,162	30,945	65,975	-	-	(2,351)	104,731
Total	1,134,390	562,521	117,758	-	-	(16,633)	1,798,036
As of December 31, 2010							
Bank Deposits	5,749	-	-	-	-	-	5,749
Other deposits	888,877	246,552	5,762	-	-	(3,859)	1,137,332
Funds provided from other financial institutions	7,931	24,105	45,967	16,836	-	(2,575)	92,264
Money market borrowings	17	-	-	-	-	-	17
Total	902,574	270,657	51,729	16,836	-	(6,434)	1,235,362

^(*) Interest to be paid until maturity.

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2011						
Gross settled						
Foreign exchange forward contracts	-	5,072	-	-	-	5,072
Currency swaps	-	-	-	-	-	-
Total	-	5,072	-	-	-	5,072
As of December 31, 2010						
Gross settled	362	-	-	-	-	362
Foreign exchange forward contracts	362	-	-	-	-	362
Currency swaps	-	-	-	-	-	-
Total	362	-	-	-	-	362

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VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

Presentation of the Bank's financial assets and liabilities at fair value is shown below:

	Book Value		Fair Value	
	December 31,2011	December 31,2010	December 31,2011	December 31,2010
Financial Assets	1,966,206	1,365,157	1,958,559	1,362,313
Money Market Placements	80,043	14,003	80,043	14,003
Banks	80,370	79,936	80,370	79,936
Available-for-Sale Financial Assets ⁽¹⁾	283,337	220,114	283,337	220,114
Held-to-Maturity Investments	53,738	47,882	52,838	48,350
Loans	1,468,718	1,003,222	1,461,971	999,910
Financial Liabilities	1,712,882	1,244,924	1,713,570	1,245,407
Bank Deposits	668	5,749	668	5,749
Other Deposits	1,594,912	1,137,332	1,595,060	1,137,567
Funds Borrowed from Other Financial Institutions	104,731	92,264	105,271	92,512
Marketable Securities Issued	-	-	-	-
Sundry Creditors	12,571	9,579	12,571	9,579

⁽¹⁾ Unquoted stocks amounting to TRY 75 thousand have not been considered in fair value calculation.

The following methods and assumptions were used to estimate the fair value of the financial instruments:

i. Financial assets:

Money market placements and banks are carried at amortised cost values on the face of the financial statements and due to their short term nature, their fair values are considered to approximate their respective carrying values. The discount rate used to calculate the fair value of held to maturity investments and loans and receivables as of December 31, 2011 is the market rates available for the loan and security types.

ii. Financial liabilities:

The fair value of bank deposits and sundry creditors are considered to approximate their respective carrying values amortised cost values due to their short term nature. The discount rate used to calculate the fair value of other deposits and funds borrowed as of December 31, 2011 is the market rates available for the borrowing and deposits types.

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The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market, and those where the valuation techniques involves the use of non observable inputs.

December 31, 2011	Level 1 (Quoted)	Level 2 (Valuation techniques – market observable)	Level 3 (Valuation techniques – non market observable)	Fair value not available
Financial Assets				
Financial Assets at Fair Value through Profit and Loss	177	66	-	-
Money Market Placements	-	-	-	-
Banks	-	-	-	-
Available-for-Sale Financial Assets	283,262	-	-	75
Held-to-Maturity Investments	-	-	-	-
Loans	-	-	-	-
Financial Liabilities	-	-	-	-
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-
Marketable Securities Issued	-	-	-	-

December 31, 2010	Level 1 (Quoted)	Level 2 (Valuation techniques – market observable)	Level 3 (Valuation techniques – non market observable)	Fair value not available
Financial Assets				
Financial Assets at Fair Value through Profit and Loss	432	12	-	-
Money Market Placements	-	-	-	-
Banks	-	-	-	-
Available-for-Sale Financial Assets	220,039	-	-	75
Held-to-Maturity Investments	-	-	-	-
Loans	-	-	-	-
Financial Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-
Marketable Securities Issued	-	-	-	-

IX. Explanations Related To Transactions Made on Behalf of Others and Fiduciary Transactions

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Cash in Vault/Foreign Currency	5,561	10,812	4,351	10,949
Balances with the Central Bank of Turkey	63,937	120,605	43,940	54,170
Other	-	-	-	-
Total	69,498	131,417	48,291	65,119

b) Information related to the account of the Central Bank of Turkey:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Unrestricted demand deposits	63,937	1,093	43,940	810
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
FC Reserve Deposits	-	119,512	-	53,360
Total	63,937	120,605	43,940	54,170

c) Explanations related to reserve deposits:

According to the "Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank of the Republic of Turkey numbered 2011/11 and 2011/13 reserve deposit rates applied to TRY and FC liabilities has changed. The current required reserve rates as of the date of approval of the financial statements are as follows:

FC reserve deposits rates:

FX demand deposits, notice deposits and FX private current accounts, FX deposits/FX participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities	FX deposits/ FX participation accounts with 1-year and longer maturity and cumulative FX deposits/ FX participation accounts	FX Special fund pools	FX liabilities up to 1-year maturity (including 1-year)	FX liabilities up to 3-year maturity (including 3-year)	FX liabilities longer than 3-year maturity
11%	9%	Ratios for corresponding maturities	11%	9%	6%

TRY reserve deposits rates:

Demand deposits, notice deposits and private current accounts	Deposits/ participation accounts up to 1-month maturity (including 1-month)	Deposits/ participation accounts up to 3-month maturity (including 3-month)	Deposits/ participation accounts up to 6-month maturity (including 6-month)	Deposits/ participation accounts up to 1-year maturity	Deposits/ participation accounts with 1-year and longer maturity and cumulative deposits/ participation accounts	Other liabilities up to 1-year maturity (including 1-year)	Other liabilities up to 3-year maturity (including 3-year)	Other liabilities with longer 3-year maturity
11%	11%	11%	8%	6%	5%	11%	8%	5%

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2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None.

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Government bonds	-	-	20	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total			20	

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 177 thousand. (December 31, 2010: TRY 412 thousand).

b) Positive differences related to derivative financial assets held-for-trading:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Forward Transactions	9	57	-	12
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	9	57	-	12

3.a) Information on banks :

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Banks				
Domestic	17	77,232	22	75,455
Foreign	-	3,121	-	4,459
Branches and head office abroad	-	-	-	-
Total	17	80,353	22	79,914

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
European Union Countries	1,409	3,869	-	-
USA and Canada	1,328	361	-	-
OECD Countries ^(*)	311	219	-	-
Off-shore banking regions	-	-	-	-
Other	73	10	-	-
Total	3,121	4,459	-	-

^(*) OECD countries other than European Union countries, USA and Canada.

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	37,485	-	23,074	-
Other	-	-	-	-
Total	37,485	-	23,074	-

Available-for-sale securities given as collateral for Stock Exchange and Foreign Exchange Markets are TRY 18,268 thousand and TRY 19,217 thousand respectively.

a.2) Information on financial assets available for sale subject to repurchase agreements: None (December 31, 2010 : None).

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	78,596	-	-	-
Other	-	-	-	-
Total	78,596	-	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 167,256 thousand (December 31, 2010: TRY 197,040 thousand) and there are unquoted stocks amounting TRY 75 thousand (December 31, 2010: TRY 75 thousand).

b) Information on financial assets available for sale portfolio:

	December 31, 2011	December 31, 2010
Debt securities	283,262	220,039
Quoted on a stock exchange	283,262	220,039
Not quoted	-	-
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision(-)/(+)	-	-
Total	283,337	220,114

In line with the accounting policy of the Bank all unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 75 thousand which is recorded at cost since its fair value cannot be reliably estimated (December 31, 2010: TRY 75 thousand).

5. Information on loans:

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	December 31, 2011		December 31, 2010	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	73	620	10	1,024
Corporate shareholders	73	620	10	1,024
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	118	6,902	-	-
Loans granted to employees	878	1,124	682	1,493
Total	1,069	8,646	692	2,517

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b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	1,409,485	-	35,891	-
Discount notes	266	-	-	-
Export loans	253,190	-	2,829	-
Import loans	-	-	-	-
Loans given to financial sector	28,699	-	-	-
Foreign loans	20,107	-	-	-
Consumer loans	22,635	-	1,000	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	1,084,588	-	32,062	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	1,409,485	-	35,891	-

c) Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	1,120,683	-	14,915	-
Non-specialized loans	1,120,683	-	14,915	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and long-term loans and other receivables	288,802	-	20,976	-
Non-specialized loans	288,802	-	20,976	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	1,409,485	-	35,891	-

Standard and close monitoring loans which their payment plans have changed:

Standard loans

Number of agreements ^(*)	Up to 1 month	1-3 month	3-6 month	6 month - 1 year	1- 5 year	Total
1	942	-	-	-	-	942
1	-	-	-	2,100	-	2,100
Total	942	-	-	2,100	-	3,042

Close monitoring loans

Number of agreements ^(*)	Up to 1 month	1-3 month	3-6 month	6 month - 1 year	1- 5 year	Total
3	3,487	-	-	-	-	3,487
1	-	44	-	-	-	44
2	-	-	78	-	-	78
1	-	-	-	36	-	36
4	-	-	-	-	2,056	2,056
Total	3,487	44	78	36	2,056	5,701

^(*) Extension period of loan terms has considered.

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d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	3,007	18,969	21,976
Housing Loans	137	9,865	10,002
Car Loans	-	532	532
General Purpose Loans	2,403	7,285	9,688
Other	467	1,287	1,754
Consumer Loans-Indexed to FC	-	241	241
Housing Loans	-	186	186
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	55	55
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TRY	483	148	631
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	481	148	629
Other	2	-	2
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY (Real Persons)^(*)	787	-	787
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	4,277	19,358	23,635

^(*) Overdraft Accounts includes TRY 213 thousand personnel loans.

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e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	28,824	127,303	156,127
Business Loans	-	267	267
Car Loans	100	4,290	4,390
General Purpose Loans	-	8,484	8,484
Other	28,724	114,262	142,986
Commercial loans with installment facility-Indexed to FC	8,404	121,252	129,656
Business Loans	-	-	-
Car Loans	970	32,199	33,169
General Purpose Loans	1,352	727	2,079
Other	6,082	88,326	94,408
Commercial loans with installment facility-FC	-	-	-
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY (Legal Entities)	15,691	-	15,691
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	52,919	248,555	301,474

f) Loans according to borrowers:

	December 31, 2011	December 31, 2010
Public	-	-
Private	1,445,376	980,232
Total	1,445,376	980,232

g) Domestic and foreign loans:

	December 31, 2011	December 31, 2010
Domestic loans	1,425,003	979,912
Foreign loans	20,373	320
Total	1,445,376	980,232

h) Loans granted to subsidiaries and associates: None.

i) Specific provisions provided against loans:

	December 31, 2011	December 31, 2010
Specific provisions		
Loans and receivables with limited collectability	81	148
Loans and receivables with doubtful collectability	-	373
Uncollectible loans and receivables	15,910	16,625
Total	15,991	17,146

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j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
December 31, 2011			
(Gross amount before specific provision)	-	-	124
Restructured Loans and Other Receivables	-	-	124
Rescheduled Loans and Other Receivables	-	-	-
December 31, 2010			
(Gross amount before specific provision)	-	144	266
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	144	266

(¹⁾ As of December 31, 2011, specific provision set aside for the loans and receivables restructured and tied to a redemption plan is TRY 31 thousand. (December 31, 2010: TRY 96 thousand)

j.2) The movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
December 31, 2010	2,832	1,929	35,375
Additions (+)	11,436	652	8
Transfers from other categories of non-performing loans (+)	-	10,115	13,574
Transfers to other categories of non-performing loans (-)	(12,832)	(10,857)	-
Collections (-)	(655)	(533)	(4,488)
Write-offs (-) ⁽¹⁾	-	(432)	(6,791)
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
December 31, 2011	781	874	37,678
Specific provision (-)	(81)	-	(15,910)
Net Balances on Balance Sheet	700	874	21,768

(¹⁾ Based on the Board of Directors decision numbered 495-B and dated October 26, 2011 non performing loan portfolio amounting to TRY 7,223 thousand are sold to an asset management company.

j.3) Information on foreign currency non-performing loans and other receivables: None.

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j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
December 31, 2011 (Net)			
Loans to Real Persons and Legal Entities (Gross)	781	874	37,678
Specific provision (-)	(81)	-	(15,910)
Loans to Real Persons and Legal Entities (Net)	700	874	21,768
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2010 (Net)	-	-	-
Loans to Real Persons and Legal Entities (Gross)	2,832	1,929	35,375
Specific provision (-)	(148)	(373)	(16,625)
Loans to Real Persons and Legal Entities (Net)	2,684	1,556	18,750
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidation policies of nonperforming loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree.

l) Explanations on write-off policy:

Upon the request of internal legal counsel and credit department for those doubtful loans that have no proven change of recovery, write off is evaluated according to the authority delegated by the Board of Directors. For the year ended December 31, 2011 there is no write-off amount evaluated according to the Board of Directors decision. (December 31, 2010: None)

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m) Other explanations and disclosures:

December 31, 2011	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	984,254	407,162	18,068	-	1,409,484
Past due not impaired	17,403	17,850	639	-	35,892
Restructured loans	-	-	-	-	-
Individually impaired	30,752	8,449	132	-	39,333
Total gross	1,032,409	433,461	18,839	-	1,484,709
Less: allowance for individually impaired loans	(12,507)	(3,384)	(100)	-	(15,991)
Total net	1,019,902	430,077	18,739	-	1,468,718

December 31, 2010	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	620,415	318,549	12,332	-	951,296
Past due not impaired	10,342	16,862	409	-	27,613
Restructured loans	1,323	-	-	-	1,323
Individually impaired	31,237	8,681	218	-	40,136
Total gross	663,317	344,092	12,959	-	1,020,368
Less: allowance for individually impaired loans	(13,657)	(3,334)	(155)	-	(17,146)
Total net	649,660	340,758	12,804	-	1,003,222

A reconciliation of the allowance for impairment losses is as follows:

	Total
At January 1, 2011	17,146
Additions in the period	7,216
Non-performing loan sales	(7,118)
The effect of collections in the period	(1,253)
Write off	-
At December 31, 2011	15,991

The fair value of collaterals that the Bank holds relating to loans individually determined to be impaired as of December 31, 2011 is TRY 51,662 thousand. (December 31, 2010: TRY 41,617 thousand).

TRY 1,889 thousand amount of properties are transferred to the ownership of the Bank in 2011 period and in the same period TRY 283 thousand amount of it has been sold. There are no other credit enhancements obtained during the period (December 31, 2010: None). Moreover, TRY 749 thousand amount of properties transferred to the ownership of the Bank before 2011 year have been sold.

Aging analysis of past due but not impaired loans per class of financial instruments is as follows:

December 31, 2011	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	17,091	312	-	-	17,403
Small business lending	15,265	2,535	50	-	17,850
Consumer lending	340	200	98	-	638
Other	-	-	-	-	-
Total	32,696	3,047	148	-	35,891

December 31, 2010	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	7,666	2,448	1,551	-	11,665
Small business lending	16,282	409	171	-	16,862
Consumer lending	216	193	-	-	409
Other	-	-	-	-	-
Total	24,164	3,050	1,722	-	28,936

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The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank held as of December 31, 2011 is TRY 59,938 thousand (December 31, 2010: TRY 53,252 thousand) for the total aggregate amount of gross past due but not yet impaired loans and advances to customers.

Loans and advances amounting to TRY 954,002 thousand are revolving loans that have maturity up to one month and floating interest rates (December 31, 2010: TRY 646,415 thousand) and the remaining TRY 491,374 thousand have fixed interest rates. (December 31, 2010: TRY 333,817 thousand).

6. Information on held-to-maturity investments :

a.1) Information on held-to-maturity investments given as collateral or blocked:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	21,473	-	25,690	-
Other	-	-	-	-
Total	21,473	-	25,690	-

Held-to-maturity investments given as collateral for Stock Exchange, Interbank Markets and other are TRY 2,392 thousand, TRY 17,819 thousand, and TRY 1,262 thousand respectively.

a.2) Held-to-maturity investments subject to repurchase agreements:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	18,525	-	-	-
Other	-	-	-	-
Total	18,525	-	-	-

Book value of held to maturity investments classified as unrestricted financial assets is TRY 13,740 thousand. (December 31, 2010: TRY 22,192 thousand)

b) Information on public sector debt investments held-to-maturity:

	December 31, 2011	December 31, 2010
Government bonds	53,738	47,882
Treasury bills	-	-
Other public sector debt securities	-	-
Total	53,738	47,882

c) Information on held-to-maturity investments:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Debt securities				
Quoted on a stock exchange	53,738	-	47,882	-
Not quoted on a stock exchange	-	-	-	-
Provision for impairment (-)	-	-	-	-
Total	53,738	-	47,882	-

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d) Movement of held-to-maturity investments:

	December 31, 2011	December 31, 2010
Beginning balance	47,882	39,209
Foreign currency differences on monetary assets ⁽¹⁾	294	960
Purchases during year	28,554	26,212
Disposal through sales and redemptions	(22,992)	(18,499)
Impairment provision (-)	-	-
Closing Balance	53,738	47,882

⁽¹⁾ Accruals of Held-to maturity investments are reflected in foreign currency differences on monetary assets line.

7. Information on associates (Net):

The Bank has no associates in the current period

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period.

10. Information on finance lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

12. Information on tangible assets (Net) :

	Closing Balance December 31, 2010	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2011
Cost:						
Land and buildings	-	-	-	-	-	-
Leased tangible assets	5,965	11	-	-	-	5,976
Vehicles	-	-	-	-	-	-
Other	25,578	3,044	(1,341)	-	-	27,281
Total Cost	31,543	3,055	(1,341)	-	-	33,257
	Closing Balance December 31, 2010	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31 2011,
Accumulated Depreciation:						
Land and buildings	-	-	-	-	-	-
Leased tangible assets	(4,737)	(590)	-	-	-	(5,327)
Vehicles	-	-	-	-	-	-
Other	(12,736)	(3,797)	323	-	-	(16,210)
Total Accumulated Depreciation	(17,473)	(4,387)	323	-	-	(21,537)
Net Book Value	14,070	(1,332)	(1,018)	-		11,720

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a) If impairment amount on individual asset recorded or reversed in the current period is material for the overall financial statements:

a.1) Events and conditions for recording or reversing impairment: None.

a.2) Amount of recorded or reversed impairment in the financial statements: None.

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

13. Information on intangible assets:

	Closing Balance December 31, 2010	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2011
Cost:						
Software cost	7,918	1,158	(2)	-	-	9,074
Other intangible assets	-	-	-	-	-	-
Total Cost	7,918	1,158	(2)	-	-	9,074
	Closing Balance December 31, 2010	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2011
Accumulated Depreciation:						
Software cost	(7,054)	(778)	2	-	-	(7,830)
Other intangible assets	-	-	-	-	-	-
Total Accumulated Depreciation	(7,054)	(778)	2	-	-	(7,830)
Net Book Value	864	(387)	-	-	-	1,244

a) Disclosures for book value, description and remaining depreciation time for a specific intangible fixed asset that is material to the financial statements: None.

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.

d) The book value of intangible fixed assets that are pledged or restricted for use: None.

e) Amount of purchase commitments for intangible fixed assets: None.

f) Information on revalued intangible assets according to their types: None.

g) Amount of total research and development expenses recorded in income statement within the period if any: None.

h) Positive or negative consolidation goodwill on entity basis: None.

i) Information on goodwill: None.

j) Movements on goodwill in the current period: None.

14. Investment Property (Net): None.

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15. Explanations on deferred tax asset:

a) As of December 31, 2011, deferred tax asset calculated on tax losses and tax deductions or exemptions is TRY 320 thousand (December 31, 2010: None). Deferred tax asset calculated on the other temporary differences is TRY 2,087 thousand (December 31, 2011: TRY 780 thousand deferred tax asset).

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

d) Movement of deferred tax:

	December 31, 2011	December 31, 2010
At January 1	780	2,188
Effect of change in tax rate	-	-
Deferred tax (charge)/benefit	(2,057)	(1,031)
Deferred tax (charge)/benefit (Net)	(2,057)	(1,031)
Deferred tax accounted for under Shareholders' Equity	3,684	(377)
Deferred Tax Asset	2,407	780

	December 31, 2011		December 31, 2010	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Reserve for Employee Benefits	4,901	980	3,649	730
Provisions	4,754	951	1,702	341
Net Book Value and Tax Value Differences of Assets Tangible				
Fixed Assets	173	35	385	77
Deferred Commission	1,350	270	485	97
Financial Assets	2,390	478	468	94
Tax Losses	1,599	320	-	-
Deferred Tax Asset		3,034		1,339
Net Book Value and Tax Value Differences of Assets Tangible				
Fixed Assets	2,158	432	2,393	479
Financial Assets	901	180	399	80
Others	77	15	-	-
Deferred tax Liability (-)		627		559
Deferred tax Asset (Net)		2,407		780

16. Information on assets held for sale and discontinued operations:

None.

17. Information on other assets:

a) Breakdown of other assets:

	December 31, 2011	December 31, 2010
Prepaid Expenses	1,777	1,432
Advances Given	244	200
Settlement Accounts	10,777	9,816
System Investments	6,486	-
Other	1,142	3,601
Total	20,426	15,049

b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) December 31, 2011 :

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year and over	Accumulated Deposits	Total
Saving deposits	8,381	-	20,309	447,335	137,514	1,611	644	-	615,794
Foreign currency deposits	53,305	-	29,208	495,472	85,043	11,604	297	-	674,929
Residents in Turkey	52,032	-	29,181	425,311	65,681	10,684	18	-	582,907
Residents abroad	1,273	-	27	70,161	19,362	920	279	-	92,022
Public sector deposits	1,106	-	-	-	-	-	-	-	1,106
Commercial deposits	39,679	-	57,337	153,196	17,703	24,085	3,016	-	295,016
Other institutions deposits	209	-	41	6,471	1,339	1	6	-	8,067
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	668	-	-	-	-	-	-	-	668
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	10	-	-	-	-	-	-	-	10
Foreign Banks	658	-	-	-	-	-	-	-	658
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	103,348	-	106,895	1,102,474	241,599	37,301	3,963	-	1,595,580

a.2) December 31, 2010 :

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year And over	Accumulated Deposits	Total
Saving deposits	19,648	-	43,909	344,910	2,192	29	-	-	410,688
Foreign currency deposits	41,440	-	139,665	271,990	24,757	186	71	-	478,109
Residents in Turkey	36,130	-	103,710	262,941	24,696	175	-	-	427,652
Residents abroad	5,310	-	35,955	9,049	61	11	71	-	50,457
Public sector deposits	2,199	-	-	-	-	-	-	-	2,199
Commercial deposits	47,643	-	88,044	89,094	7,058	119	-	-	231,958
Other institutions deposits	149	-	326	13,898	3	-	2	-	14,378
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	5,749	-	-	-	-	-	-	-	5,749
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	7	-	-	-	-	-	-	-	7
Foreign Banks	5,742	-	-	-	-	-	-	-	5,742
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	116,828	-	271,944	719,892	34,010	334	73	-	1,143,081

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b.1) Information on saving deposits under the guarantee of saving deposits insurance:

i. Information on saving deposits:

Saving Deposits ⁽¹⁾	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Saving deposits	113,927	98,445	497,578	309,972
Foreign currency saving deposits	29,427	26,856	301,642	216,456
Other deposits in the form of saving deposits	176	120	4,287	2,084
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	143,530	125,421	803,507	528,512

⁽¹⁾ According to the BRSA's circular no 1584 dated February 23, 2005, accruals are included in the saving deposit amount.

ii. Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	December 31, 2011	December 31, 2010
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors, general manager and assistant general managers and their close families	1,517	885
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Forward Transactions	-	39	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	39	-	-

3. a) Information on banks and other financial institutions:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	14,691	24,496	10,607	14,860
From Foreign Banks, Institutions and Funds	1,235	64,309	4,862	61,935
Total	15,926	88,805	15,469	76,795

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b) Maturity analysis of borrowings:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Short-term	15,926	72,532	15,469	59,484
Medium and long-term	-	16,273	-	17,311
Total	15,926	88,805	15,469	76,795

c) Additional explanations related to the concentrations of the Bank's major liabilities:

Bank diversifies its funding resources by customer deposits and foreign borrowings. 67% of bank deposits and 42% of other deposits are composed of foreign currency deposits.

4. Information on funds provided from repurchase agreement transactions:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
From domestic transactions	97,725	-	17	-
Financial institutions and organizations	97,710	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	15	-	17	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	97,725	-	17	-

5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total: None.

6. Explanations on lease obligations (Net):

a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank:

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the Tax Procedural Code.

b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

c) Explanation on finance lease payables:

	December 31, 2011		December 31, 2010	
	Gross	Net	Gross	Net
Less than 1 Year	-	-	9	9
Between 1-4 Years	-	-	1	1
More than 4 Years	-	-	-	-
Total	-	-	10	10

d) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. During 2011, operational lease expenses amounting to TRY 8,084 thousand have been recorded in the profit and loss accounts. (December,31 2010: TRY 7,060 thousand). The lease periods vary between 5 and 10 years.

e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

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7. Information on derivative financial liabilities for hedging purposes: None.

8. Information on provisions:

a) Information on general provisions:

	December 31, 2011	December 31, 2010
General Provisions		
Provisions for First Group Loans and Receivables	11,766	7,548
Provisions for Second Group Loans and Receivables	813	544
Provisions for Non-Cash Loans	1,809	1,621
Other	-	-
Total	14,388	9,713

General provision movement for first, second group of loans and receivables and non- cash loans is as follows:

	First Group Loans and Receivables	Second Group Loans and Receivables	Non-Cash Loans
January 1, 2011	7,548	544	1,621
Additions	4,218	483	188
Disposals	-	(214)	-
December 31, 2011	11,766	813	1,809

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: Provision for foreign currency indexed loans amounting to TRY 351 thousand (December 31, 2010: TRY 602 thousand) is netted off from loans on the balance sheet.

c) The specific provisions of TRY 2,578 thousand (December 31, 2010: TRY 2,082 thousand) were provided for unindemnified non cash loans.

d) Information on employee termination benefits and unused vacation accrual:

The Bank has calculated the reserve for employee termination benefits by using actuarial valuation methods as set out in the TAS No:19 and reflected this in the financial statements.

d.1) Movement of employee termination benefits:

	December 31, 2011	December 31, 2010
As of January 1	2,173	1,400
Service cost	508	355
Interest cost	203	142
Actuarial gain/(loss)	314	459
Benefits paid	(229)	(190)
Additional indemnities or expenses/(income)	-	7
End of period	2,969	2,173

d.2) Provision for employee benefits table:

	December 31, 2011	December 31, 2010
Employee termination benefit provision	2,969	2,173
Unused vacation provision	1,932	1,476
Total of provision for employee benefits	4,901	3,649

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; total benefit is calculated for each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

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e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions:

	December 31, 2011	December 31, 2010
Specific provisions provided for unindemnified non cash loans	2,578	2,082
Settlement date provision	-	851
Other provisions ^(*)	4,755	1,702
Total	7,333	4,635

Provision movement for unindemnified non cash loans and other provisions is as follows:

	Specific provisions provided for unindemnified non cash loans	Other provisions ^(*)
December 31, 2010	2,082	1,702
Additions ^(**)	854	3,662
Disposals	(358)	(609)
December 31, 2011	2,578	4,755

^(*) Other provisions include TRY 3,000 thousand of bonus provisions, TRY 751 thousand of loan provisions, TRY 933 thousand of litigation provisions and TRY 71 of other provisions. The Bank has not provided any bonus accrual since there has been no decision taken related to bonus payment related to 2011 performance as of December 31, 2011. (December 31, 2010: TRY 42 bonus provision, TRY 1,019 thousand of loan related provision, TRY 641 thousand of litigation provision).

^(**) TRY 3,662 thousand of additions in "other provisions" includes TRY 3,000 thousand bonus provisions, TRY 300 thousand of additional provision for loans, TRY 292 thousand litigation provisions and TRY 70 thousand of other provisions.

f) Liabilities on pension rights: None.

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None.

f.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None.

9. Explanations on taxes payable

a) Information on current tax liability:

a.1) Corporate taxes:

As of December 31, 2011, corporate tax liability after prepaid taxes are netted off:

	December 31, 2011	December 31, 2010
Current period tax payable	-	972
Prepaid Tax	-	(415)
Total	-	557

a.2) Information on taxes payable:

	December 31, 2011	December 31, 2010
Corporate Tax Payable	-	557
Payroll Tax	753	684
Taxation on Securities	1,535	933
Property Tax	210	171
Banking and Insurance Transaction Tax (BITT)	1,923	947
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	266	118
Stamp Tax	20	18
Other	136	29
Total	4,843	3,457

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a.3) Information on premiums:

	December 31, 2011	December 31, 2010
Social Security Premiums-Employee	267	242
Social Security Premiums-Employer	392	355
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	18	16
Unemployment Insurance-Employer	37	33
Other	-	-
Total	714	646

b) Explanations on deferred tax liabilities, if any: None.

10 Information on liabilities regarding assets held for sale and discontinued operations: None.

11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Bank does not have subordinated loans.

12. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

According to the Extraordinary General Assembly decision dated May 30, 2011, it was decided to increase the Bank's capital from TRY 170,000 thousand to TRY 300,000 thousand, and it was registered in the Turkish Trade Registry Gazette dated June 20, 2011 numbered 7840. According to the BRSA approval dated September 15, 2011 numbered 4381 the unused preemptive right of Arab Bank Plc amounting to TRY 65,000 thousand have been used by Arab Bank (Switzerland) Ltd (ABS). Capital commitments which are amounting to TRY 130,000 thousand have been paid by shareholders and according to the BRSA Decision dated October 20, 2011 numbered 22244 it has been transferred to the capital accounts.

As of December 31, 2011 the nominal value of the Bank's paid-in-capital is amounting to TRY 300,000 and consists of 3,000 million shares.

000 TL	December 31, 2011	December 31, 2010
Common stock ⁽¹⁾	300,000	170,000
Preferred stock	-	-

⁽¹⁾ Nominal Capital

b) The Bank does not apply registered share capital system.

c) Information on share capital increases and their sources; other information on increased capital shares in the current period:

According to the Extraordinary General Assembly decision dated May 30, 2011, The Bank's paid-in-capital has increased from TRY 170,000 thousand to TRY 300,000 thousand.

d) Information on share capital increases from revaluation funds in the current period: None.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored by the Financial Reporting Department and reported to the Board of Directors, Asset and Liability Committee. Risk Management tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

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g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	December 31, 2011	December 31, 2010
From Associates, Subsidiaries, and Jointly Controlled Entities (Joint Vent.)	-	-
Valuation Difference	(6,989)	7,746
Foreign Exchange Difference	-	-
Total	(6,989)	7,746

13. Information on legal reserves:

	December 31, 2011	December 31, 2010
First legal reserves	789	666
Second legal reserves	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	789	666

14. Information on extraordinary reserves:

	December 31, 2011	December 31, 2010
Reserves appropriated by the General Assembly	-	-
Retained earnings	12,543	10,203
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	12,543	10,203

15. Information on minority shares: None.

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	December 31, 2011	December 31, 2010
Credit card expenditure limit commitments	-	1,572
Loan granting commitments	38,849	26,748
Payment commitments for checks	67,900	57,043
Forward asset purchase and sales commitments	41,315	107,009
Others	22,265	-
Total	170,329	192,372

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	December 31, 2011	December 31, 2010
Bank acceptance loans	11,597	17,310
Letters of credit	92,948	107,318
Other guarantees	84,979	91,060
Total	189,524	215,688

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b.2) Guarantees, suretyships, and similar transactions:

	December 31, 2011	December 31, 2010
Definite letters of guarantees	613,527	547,390
Temporary letters of guarantees	110,483	105,301
Surety ships and similar transactions	-	-
Other Letter of Guarantees	117,094	107,522
Total	841,104	760,213

c) c.1) Total amount of non-cash loans:

	December 31, 2011	December 31, 2010
Non-cash loans given against achieving cash loans	72,176	64,209
With maturity of 1 year or less than 1 year	14,108	150
With maturity of more than 1 year	58,068	64,059
Other non-cash loans	958,452	911,692
Total	1,030,628	975,901

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

	December 31, 2011				December 31, 2010			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	4,924	0.63	6,302	1.68	7,791	1.11	2,316	0.64
Farming and raising livestock	4,071	0.52	6,298	1.68	6,811	0.97	2,316	0.64
Forestry	795	0.10	4	0.00	915	0.13	-	0.00
Fishery	58	0.01	-	0.00	65	0.01	-	0.00
Manufacturing	175,666	22.38	198,104	52.87	202,169	28.93	178,914	49.36
Mining	50,264	6.40	39,572	10.56	65,575	9.38	22,715	6.27
Production	125,193	15.95	153,064	40.85	136,425	19.52	156,186	43.09
Electric, gas and water	209	0.03	5,468	1.46	169	0.02	13	0.00
Construction	292,703	37.29	63,430	16.93	248,577	35.57	95,928	26.47
Services	226,690	22.88	73,119	19.53	199,024	28.48	80,934	22.33
Wholesale and retail trade	111,961	14.26	30,556	8.15	90,006	12.88	36,347	10.03
Hotel, food and beverage services	6,152	0.78	572	0.15	5,667	0.81	484	0.13
Transportation and telecommunication	9,386	1.20	11,797	3.15	18,166	2.60	8,560	2.36
Financial institutions	49,022	6.25	19,124	5.10	48,715	6.97	20,546	5.67
Real estate and renting services	5,019	0.64	16	0.00	2,949	0.42	5,494	1.52
Self-employment services	18,445	2.35	11,051	2.95	19,767	2.83	9,503	2.62
Education services	274	0.03	-	0.00	118	0.02	-	0.00
Health and social services	26,431	3.37	83	0.02	13,636	1.95	-	0.00
Other	84,932	10.82	33,692	8.99	41,257	5.90	4,354	1.20
Total	784,915	100.00	374,727	100.00	698,818	100.00	362,446	100.00

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c.3) Information on Ist and IInd Group non-cash loans:

	I st Group ^(*)		II nd Group	
Non-cash loans	TRY	FC	TRY	FC
Letters of guarantee	661,973	152,247	13,778	13,106
Bank acceptances	-	11,597	-	-
Letters of credit	-	92,948	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Other commitments and contingencies	-	84,979	-	-
Total	661,973	341,771	13,778	13,106

(*) Includes IIIrd, IVth and Vth Groups as well.

The Bank provided a reserve of TRY 6,391 thousand for non-cash loans not yet indemnified amounting to TRY 2,578 thousand.

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Types of trading transactions				
Foreign currency related derivative transactions (I):				
Forward transactions	10,117	721	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Option transactions	-	-	-	-
Interest related derivative transactions (II) :				
Forward rate transactions	-	-	-	-
Interest rate swap transactions	-	-	-	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
A. Total trading derivative transactions (I+II+III)	10,117	721	-	-
Types of hedging transactions	-	-	-	-
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	-	-
Total Derivative Transactions (A+B)	10,117	721	-	-

Forward foreign exchange and swap transactions are for protection from currency fluctuations. According to TAS, they do not qualify as hedging instruments but trading and are remeasured at fair value.

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As of December 31, 2011 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TRY equivalents:

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
December 31, 2011								
TRY	1,921	1,900	-	-	-	-	-	-
USD	2,540	2,534	-	-	-	-	-	-
EURO	611	611	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	5,072	5,045	-	-	-	-	-	-
December 31, 2010								
TRY	-	359	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-
EURO	362	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	362	359	-	-	-	-	-	-

3. Explanations on contingent liabilities and assets:

a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.

a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.

a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes. As of December 31, 2011 there are no contingent assets that need to be explained.

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: Contingent liabilities as of December 31, 2011 are explained in section 3 part XIV "Explanations on Provisions and Contingent Liabilities".

4. Custodian and intermediary services:

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

5. The information on the Bank's rating by in the international rating introductions :

The results of the rating performed by Fitch Ratings are shown below:

Fitch Ratings: December 2011	
Foreign Currency Commitments	
Long term	BBB-
Short term	F3
View	Stable
Turkish Lira Commitments	
Long term	BBB-
Short term	F3
View	Stable
National	AAA(tur)
View	Stable
Individual Rating	D
Support Points	2

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IV. Explanations and Disclosures Related to the Income Statement

1. a) Information on interest on loans:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Interest on loans ^(*)				
Short term loans	97,088	13,176	58,906	9,332
Medium and long term loans	28,786	2,781	19,830	3,062
Interest on non-performing loans	689	-	447	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	126,563	15,957	79,183	12,394

^(*) Includes fees and commissions obtained from cash loans.

b) Information on interest received from banks:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	212	193	29	27
Foreign banks	-	6	-	123
Branches and head office abroad	-	-	-	-
Total	212	199	29	150

c) Interest received from marketable securities portfolio:

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Trading securities	18	-	57	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	19,398	2,233	14,423	1,901
Held-to-maturity securities	3,985	-	4,641	-
Total	23,401	2,233	19,121	1,901

d) Information on interest income received from associates and subsidiaries: None.

2. a) Information on interest on funds borrowed :

	December 31, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Interest on funds borrowed ^(*)				
Banks	2,745	3,308	1,218	1,627
The Central Bank of Turkey	-	-	-	-
Domestic banks	1,092	608	782	288
Foreign banks	1,653	2,700	436	1,339
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	2,745	3,308	1,218	1,627

^(*) Includes fees and commission expenses for borrowings.

b) Information on interest expense to associates and subsidiaries: None

c) Information on interest expense to marketable securities issued: None.

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d) Distribution of interest expense on deposits based on maturity of deposits:

December 31, 2011								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TRY								
Bank deposits	-	28	-	-	-	-	-	28
Saving deposits	-	1,562	37,584	5,422	82	14	-	44,664
Public sector deposits	-	5	-	-	-	-	-	5
Commercial deposits	-	3,522	15,151	1,212	474	16	-	20,375
Other deposits	-	9	986	10	-	-	-	1,005
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	5,126	53,721	6,644	556	30	-	66,077
Foreign Currency								
Foreign currency deposits	-	2,660	19,605	2,049	341	4	-	24,659
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	2,660	19,605	2,049	341	4	-	24,659
Grand Total	-	7,786	73,326	8,693	897	34	-	90,736

December 31, 2010								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TRY								
Bank deposits	-	2	-	-	-	-	-	2
Saving deposits	-	5,201	26,015	1,047	224	-	-	32,487
Public sector deposits	-	8	-	-	-	-	-	8
Commercial deposits	-	5,976	5,078	103	2	-	-	11,159
Other deposits	-	187	898	14	-	-	-	1,099
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	11,374	31,991	1,164	226	-	-	44,755
Foreign Currency								
Foreign currency deposits	-	3,037	7,999	691	6	5	-	11,738
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	3,037	7,999	691	6	5	-	11,738
Grand Total	-	14,411	39,990	1,855	232	5	-	56,493

3. Information on dividend income:

	December 31, 2011	December 31, 2010
Trading securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	5	2
Other	-	-
Total	5	2

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4. Information on net trading income:

	December 31, 2011	December 31, 2010
Income	1,465,199	922,848
Gains on capital market operations	5,953	8,871
Gains on derivative financial instruments	14,248	6,858
Foreign exchange gains	1,444,998	907,119
Losses (-)	(1,460,297)	(914,403)
Losses on capital market operations	(8)	(18)
Losses on derivative financial instruments	(14,244)	(17,620)
Foreign exchange losses	(1,446,045)	(896,765)

5. Information on other operating income:

	December 31, 2011	December 31, 2010
Provisions for communication expense collected from customers	92	75
Provisions for expenditure collected from customers	50	32
Reversal of specific provision ^(*)	8,729	19,163
Reversal of general loan loss provision	214	3,678
Reversal of free provision	610	5,568
Expenses of previous year	-	210
Income from operational leases	-	22
Income from sales of assets written off	775	562
Other	695	296
Total	11,375	29,396

^(*) In accordance with the Board of Directors decision dated October 26, 2011, due to the sale of non-performing loans, TRY 6,988 thousand provision related prior years has been reversed.

^(**) Includes TRY 358 thousand Specific provisions reversed for unindemnified non cash loans.

6. Provision expenses of banks for loans and other receivables:

	December 31, 2011	December 31, 2010
Specific provisions for loans and other receivables	7,216	8,296
III. Group Loans and Receivables	1,174	4,010
IV. Group Loans and Receivables	1,551	1,452
V. Group Loans and Receivables	4,491	2,834
General loan loss provision expenses	4,889	6,871
Provision expenses for possible losses	300	547
Marketable securities impairment losses	155	212
Financial assets at fair value through profit and loss	2	-
Investment securities available for sale	153	212
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	854	1,142
Total	13,414	17,068

Turkland Bank Anonim Şirketi

Notes to the Financial Statements

as of December 31, 2011

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7. Information on other operating expenses:

	December 31, 2011	December 31, 2010
Personnel expenses	43,132	39,782
Reserve for employee termination benefits	796	773
Taxes and duties	2,146	2,175
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	4,363	3,977
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	778	1,229
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	24	21
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	24,812	19,952
Rent expenses	8,084	7,060
Maintenance expenses	1,167	1,491
Advertisement expenses	365	366
Other expenses ^(*)	15,196	11,035
Loss on sales of assets ^(**)	7,229	15,023
Other ^(**)	3,520	2,591
Total	86,798	85,523

^(*) Included in other operating expenses; vehicle expenses are TRY 3,304 thousand, communication expenses are TRY 1,839 thousand, cleaning expenses are TRY 1,432 thousand, heating- lighting expenses are TRY 947 thousand, stationery expenses are TRY 510 thousand, computer usage expenses are TRY 1,190 thousand, insurance expenses are TRY 273 thousand, nonallowable charges are TRY 238 thousand, other provisions expenses are TRY 3,362 thousand and other expenses are TRY 2,101 thousand (December 31, 2010: TRY 2,905 thousand vehicle ; TRY 1,828 thousand communication, TRY 1,188 thousand cleaning, TRY 915 thousand heating- lighting; TRY 493thousand nonallowable charges; TRY 500 thousand stationery; TRY 938 computer usage expenses; TRY 314 insurance expenses and TRY 1,954 thousand other expenses).

^(**) Included in other; the premiums paid to Saving Deposit Insurance Fund is TRY 1,013 thousand, assurance and financial services expenses are TRY 1,525 thousand and other expenses are TRY 511 thousand unused vacation and TRY 364 thousand other expenses. (December 31, 2010: TRY 713 thousand premiums paid to Saving Deposit Insurance Fund; TRY 922 thousand assurance and financial consultancy expenses; TRY 522 thousand unused vacation and TRY 364 thousand other expenses).

^(***) According to the Board of Directors decision numbered 495/B and dated October 26, 2011, non-performing loans with a principal amount of TRY 7,223 thousand are sold to an asset management company for an amount of TRY 305 thousand. (December 31, 2010: According to the Board of Directors decision numbered 488 and dated October 21, 2010, nonperforming loans with a principal amount of TRY 16,667 thousand are sold for an amount of TRY 1,675 thousand. The difference between the principal and the sale amount is TRY 14,992 thousand loss and TRY 15,916 thousand provision related to prior years and TRY 477 thousand provision related to current year have been reversed.)

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8. Information on profit/(loss) from continued and discontinued operations before taxes:

The Bank has TRY 4,466 thousand profit before tax as of December 2010 and TRY 5,618 thousand profit before tax as of December 2011. Compared to the prior year, the total of Bank's provision expenses for loans and other receivables and operating expense excluding the effect of loss on sale of assets increased by 33% and fees and commission income increased by 17%.

9. Information on tax provision for continued and discontinued operations:

a) As of December 31, 2011, current tax charge has been no balance.(December 31, 2010: TRY 972 thousand); deferred tax charge is 2,057 thousand (December 31, 2010: TRY 1,031 thousand deferred tax expense)

b) Deferred tax charge on temporary differences except carried forward tax losses is TRY 2,377 thousand. (December 31, 2010: TRY 1,031 thousand deferred tax expense)

c) Deferred tax charge for temporary differences on carried forward tax losses or tax exemptions or deductions which is included in the current year statement of income:TRY 320 thousand (December 31, 2010: None).

d) Tax reconciliation:

	December 31, 2011	December 31, 2010
Profit before tax	5,618	4,466
Tax at the domestic income tax rate of 20% (2010: 20%)	(1,124)	(893)
Disallowables and other, net	(933)	(1,110)
Tax calculated	(2,057)	(2,003)

10. Information on net profit/(loss) from continued and discontinued operations:

The Bank has TRY 2,463 thousand net profit as of December 2010 and TRY 3,561 thousand net profit as of December 2011.

11. Explanations on net income / loss for the period:

a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the understanding of the Bank's performance for the period:

According to Board of Directors decision dated October 26, 2011 the Bank has booked net TRY 200 thousand income due to sale of its non performing loan portfolio, that has TRY 7,223 thousand principal value, for an amount of TRY 305 thousand to Efes Varlık Yönetim A.Ş.

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.

c) Profit or loss attributable to minority shares: None.

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12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	December 31, 2011	December 31, 2010
Other fees and commissions received		
Expertise fees collected from customers	570	253
Transfer commissions	457	405
Collection note commissions	102	80
Insurance commissions	110	104
Import letters of credit commissions	128	187
Credit cards commissions and fees	6	8
Other banking operations income	8,410	6,711
Total	9,783	7,748

	December 31, 2011	December 31, 2010
Other fees and commissions given		
Transfer Commission	89	142
Credit Card Commission	-	1
Settlement Commission	27	42
Bond Market Share	62	96
Other commissions paid to banks	431	341
ATM Expense Commission	14	30
EFT expenses	87	73
Other	149	43
Total	859	776

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V. Explanations and Disclosures Related to the Statement of Changes in Shareholders' Equity

a) Decrease resulting from revaluation of financial assets available for sale : TRY 14,735 thousand (December 31, 2010: TRY 1,509 thousand increase)

b) Increase in cash flow risk hedging items: None.

b.1)Reconciliation of beginning and ending balances: None.

b.2)Amount recorded in the current period if a gain or loss from a cash flow hedging derivative or non-derivative financial asset is accounted for under shareholders' equity: None.

c) The reconciliation related with foreign currency translation reserves at the beginning and end of the period: None.

d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.

e) Dividends per share proposed subsequent to the balance sheet date: Profit appropriation will be resolved in the General Assembly meeting which has not yet been conducted as of the date the accompanying financial statements are authorized for issue.

f) Proposals to General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this: The Board of Directors has not decided for profit appropriation as of the date the financial statements are authorized for issue.

g) Amounts transferred to legal reserves: TRY 123 thousand (December 31,2010: None).

h) Information on shares issued:

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank after the balance sheet date.

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VI. Explanations and Disclosures Related to the Statement Of Cash Flows

1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:

"Other items" amounting to TRY 33,409 thousand in "Operating profit before changes in operating assets and liabilities" in essence consist of fees and commissions paid, other operating expenses, gain/losses from derivative financial instruments and other operating expenses except for personnel expenses, leasing expenses, reserve for employee termination benefits, depreciation expenses and taxes paid.

"Net increase/decrease in other liabilities" amounting to TRY 1,958 thousand in "Changes in operating assets and liabilities" in essence consists of changes in sundry creditors, other liabilities and tax liability.

"Net increase/decrease in other assets" amounting to TRY 5,567 thousand in "Changes in operating assets and liabilities" in essence consists of changes in sundry debtors and other assets.

The effect of the change in the foreign exchange rate on the cash and cash equivalents is calculated as approximately 18,389 thousands TL and it represents the effect of the change in the foreign exchange rates over the foreign currency cash and cash equivalents.

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2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the statement of cash flow:

Beginning of the period	December 31, 2010	December 31, 2008
Cash		
Cash in TRY/Foreign Currency	15,300	20,234
Central Bank	44,750	14,475
Other	-	-
Cash equivalents		
Banks	79,931	67,244
Money market placements	14,000	77,500
Total cash and cash equivalents	153,981	179,453
End of the period	December 31, 2011	December 31, 2010
Cash		
Cash in TRY/Foreign Currency	16,373	15,300
Central Bank	65,030	44,750
Other	-	-
Cash equivalents		
Banks	80,368	79,931
Money market placements	80,000	14,000
Total cash and cash equivalents	241,771	153,981

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VII. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) December 31, 2011:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	10	1,024	42	7,254
Balance at end of period	-	-	192	7,522	-	2,346
Interest and commission income	-	-	1	30	-	33

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contains foreign bank accounts amounting to TRY 123 thousand.

b) December 31, 2010:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect Shareholders of the Bank		Other entities included	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	9	-	28	38,799
Balance at end of period	-	-	10	1,024	42	7,254
Interest and commission income received	-	-	55	6	2	103

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contains foreign bank accounts amounting to TRY 10 thousand.

c.1) Information on related party deposits balances:

Risk Group of The Bank Deposits in the risk group	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Balance at beginning of period	-	-	93	107	10,841	625
Balance at end of period	-	-	488	93	16,852	10,841
Interest on deposits	-	-	-	-	255	134

In addition, the Bank has "Funds Borrowed" at an amount of TRY 19,833 thousand used from risk group of the Bank (December 31, 2010: TRY 30,802 thousand) and TRY 2,696 thousand interest expense from funds borrowed in 2011 (December 31, 2010: TRY 913 thousand).

c.2) Information on forward and option agreements and other similar agreements made with related parties: None.

d) As of December 31, 2011, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 5,193 thousand (December 31, 2010: TRY 4,641 thousand).

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2. Disclosures for related parties:

a) The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:

In the normal course of its banking activities, the Bank conducted various business transactions with related parties.

b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	69	0,00
Banks and other receivables	123	0,15
Non-cash loans	9,868	0,87
Deposits	17,340	1,09
Other financial institutions	19,833	18,94

These transactions are priced in accordance with the general pricing policies of the Bank.

c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b.

d) Transactions accounted under the equity method: None.

e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 0.37%. Details of these loans are explained in 1a above.

VIII. Explanations on the Bank's Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Number	Employees			
Domestic branches	27	496			
			Country		
Rep-offices abroad	-	-	-		
				Total Assets	Capital
Branches abroad	-	-	-	-	-
Off-shore banking	-	-	-	-	-

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2. Explanations on Branch and Agency Openings or Closings of the Bank:

There has been no opened new branch in 2011 (December 31, 2010: 2 Branches).

IX. Explanations and Disclosures Related to Subsequent Events:

None.

SECTION SIX
OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank

According to the Board of Directors decision numbered 495/B and dated October 26, 2011, non-performing loans with a principal amount of TRY 7,223 thousand are sold to Efes Varlık Yönetim A.Ş. for an amount of TRY 305 thousand.

SECTION SEVEN
INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank as of and for the period ended December 31, 2011 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited).

The independent auditor's report dated March 1, 2012 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

Assessment of Financial Position

Financial Assessment

By the end of 2011, total assets had increased by 46% to reach TL 2,203 million (US\$ 1,170 million). T-Bank's letters of guarantee and letters of credit stood at TL 1,031 million (US\$ 547 million) as of year-end. During the current year, the securities portfolio rose by 26% and the deposit volume by 40% when compared to the previous year.

In 2010, the Bank had posted a net profit of TL 2.5 million (US\$ 1.6 million); however it closed this year 2011 with a net profit of TL 3.6 million (US\$ 1.9 million). Over the previous year, the Bank's net interest revenue has increased by 33% and commission and fee revenues by 17%.

Credit Risks and Capital Adequacy

The Capital Adequacy Ratio, stands at 17.55% as of end-2011 much above the 8% minimum legal requirement of the BRSA. The share of non-performing loans to total loans stands at 2.65% at the end of 2011 and the provision coverage ratio for non-performing loans is 40.66%.

Five-Year Summary Financial Statistics

(TL thousands)	2011	2010	2009	2008	2007
Total Assets	2,203,333	1,509,774	1,144,511	1,020,632	636,452
Loan Portfolio (Net)	1,468,718	1,003,222	722,218	594,796	418,905
Securities Portfolio	337,252	268,428	178,729	101,862	127,212
Total Deposits	1,595,580	1,143,081	841,950	577,887	331,470
Borrowings	104,731	92,264	48,878	203,737	146,005
Shareholders' Equity	338,082	219,256	215,284	207,302	105,858
Guarantees and Collaterals	1,030,628	975,901	709,505	651,951	378,326
Net Interest Income	70,210	52,742	64,537	51,508	26,171
Net Commission Income	19,338	16,472	12,729	9,544	5,452
Profit Before Taxes	5,618	4,466	3,074	621	641
Net Profit	3,561	2,463	2,354	836	602
%	2011	2010	2009	2008	2007
Capital Adequacy Ratio	17.6	14.0	19.3	21.9	18.9
Return on Assets	0.2	0.2	0.2	0.1	0.1
Return on Equity	1.5	1.1	1.1	0.4	0.7
Loans/Deposits	92.0	87.8	85.8	102.9	126.4
Loans/Total Assets	66.7	66.4	63.1	58.3	65.8
Liquid Assets/Total Assets ^(*)	20.9	21.9	26.7	29.6	25.7
Non-performing Loans (Net)/Total Loans (Net)	1.6	2.3	0.8	0.6	0.2
Non-performing Loans/Total Assets	1.1	1.5	0.5	0.3	0.1

(*) Includes financial assets at fair value through profit and loss and financial assets available-for-sale.

T-Bank Credit Ratings

Foreign Currency

Long-Term/Short-Term/Outlook

BBB-/F3/Stable

Local Currency

Long-Term/Short-Term/Outlook

BBB-/F3/Stable

National

Long-Term/Outlook/Individual/Support

AAA (tur)/Stable/D/2

Sovereign Risk

FC Long-Term/LC Long-Term/Outlook

BB+/BB+/Positive

T-Bank's credit ratings are being assigned by Fitch Ratings.

Directory

Head Office

Address : 19 Mayıs Mah. 19 Mayıs Cad.
Şişli Plaza A Blok No: 7 Şişli 34360 İstanbul/Turkey
Tel : +90 (212) 368 34 34
Fax : +90 (212) 368 35 35

Main Branch

Address : 19 Mayıs Mah. 19 Mayıs Cad.
Şişli Plaza A Blok No: 7 Şişli 34360 İstanbul/Turkey
Tel : +90 (212) 368 35 60
Fax : +90 (212) 368 35 88

Adana

Address : Kurtuluş Mah. Atatürk Bulvarı Mehmet Sümer Apt.
No: 167 Seyhan Adana/Turkey
Tel : +90 (322) 459 35 00
Fax : +90 (322) 459 89 59

Ankara Ostim

Address : 100. Yıl Bulvarı No: 29 Yenimahalle Ostim
Ankara/Turkey
Tel : +90 (312) 386 24 20
Fax : +90 (312) 386 24 34

Antalya

Address : Ali Çetinkaya Cad. No: 12 07000 Antalya/Turkey
Tel : +90 (242) 243 51 50
Fax : +90 (242) 243 51 54

AHL

Address : Atatürk Hava Limanı Serbest Bölge 2. Kısım
A Blok No: 48 Yeşilköy 34149 İstanbul/Turkey
Tel : +90 (212) 465 01 56
Fax : +90 (212) 465 01 62

Avcılar

Address : Cihangir Mahallesi, E-5 Güney Yan Yol No: 245
Avcılar/İstanbul/Turkey
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Fax : +90 (212) 695 52 85

Bakanlıklar

Address : Atatürk Bulvarı No: 185 Bakanlıklar
06680 Ankara/Turkey
Tel : +90 (312) 419 67 14
Fax : +90 (312) 419 67 10

Bayrampaşa

Address : Orta Mahalle Abdi İpekçi Cad. No: 18/1
Bayrampaşa İstanbul/Turkey
Tel : +90 (212) 480 06 80
Fax : +90 (212) 480 04 91

Beylikdüzü

Address : Cumhuriyet Mah. Gürpınar Yolu No: 11
Beykent-Büyükcçekmece İstanbul/Turkey
Tel : +90 (212) 871 47 80
Fax : +90 (212) 871 47 85

Bursa

Address : Fevzi Çakmak Cad. Berk Plaza No: 52/A
Bursa/Turkey
Tel : +90 (224) 222 57 57
Fax : +90 (224) 221 55 90

Caddebostan

Address : Bağdat Cad. No: 271 Kadıköy İstanbul/Turkey
Tel : +90 (216) 386 81 81
Fax : +90 (216) 386 81 61

Denizli

Address : 2. Ticari Yol 464 Sok. Köşe Apt. No: 31
Denizli/Turkey
Tel : +90 (258) 261 33 60
Fax : +90 (258) 263 86 60

Dolayoba

Address : Kaynarca Yan Yol E-5 Üzeri Orta Mah.
Barış İş Merk. 34/1 Dolayoba 34896
Pendik İstanbul/Turkey
Tel : +90 (216) 598 37 47
Fax : +90 (216) 598 37 45

Dudullu

Address : S.S. İstanbul Anadolu Yakası Kereste ve Küçük
Sanayiciler Toplu İşyeri Yapı Koop. Keyap
Çarşı No: 22 Dudullu Ümraniye İstanbul/Turkey
Tel : +90 (216) 527 44 74
Fax : +90 (216) 527 41 43

Etiler

Address : Bebek Mah. Nispetiye Cad. No: 18 Etiler
34342 İstanbul/Turkey
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Fax : +90 (212) 263 52 29

Gaziantep

Address : İncilipınar Mah. Muammer Aksoy Bulvarı
Sever İş Merk. No: 43 Gaziantep/Turkey
Tel : +90 (342) 232 29 00
Fax : +90 (342) 232 82 40

Gebze

Address : Osman Yılmaz Mah. İstanbul Cad.
Fulya Apt. No: 29 Gebze Kocaeli/Turkey
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Fax : +90 (262) 643 18 32

Güneşli

Address : Evren Mah. Koçman Cad. Ziyal Plaza B Blok K: 2
No: 38 Güneşli/Bağcılar 34560 İstanbul/Turkey
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Fax : +90 (212) 657 11 57

İkitelli

Address : İkitelli Organize Sanayi Bölgesi Atatürk
Bulvarı Haseyad 1. Kısım No: 109 C Blok Göksu
Plaza İkitelli İstanbul/Turkey
Tel : +90 (212) 671 55 54
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İzmir

Address : Cumhuriyet Bulvarı No: 82 Erboy İşhanı
Alsancak İzmir/Turkey
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Fax : +90 (232) 489 94 21

İzmit

Address : Kemal Paşa Mahallesi Hürriyet Caddesi No: 24
İzmit/Turkey
Tel : +90 (262) 322 99 98
Fax : +90 (262) 322 66 48

Kadıköy

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Fax : +90 (216) 414 18 55

Kayseri

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Kayseri/Turkey
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Konya

Address : Mussallabağları Mah. Nalçacı Cad. No: 88/A
Konya/Turkey
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Fax : +90 (332) 233 68 77

Kozyatağı

Address : Bayar Cad. Gülbahar Sok. Perdemsac Plaza
No: 17 34742 İstanbul/Turkey
Te : +90 (216) 362 06 66
Fax : +90 (216) 362 58 70

Levent

Address : Oto Sanayi Sitesi Fatih Cad. No: 1 4. Levent
34416 İstanbul/Turkey
Tel : +90 (212) 282 44 00
Fax : +90 (212) 282 40 20

Manavgat

Address : Eski Hisar Mahallesi Demokrasi Bulvarı No: 71/A
Manavgat Antalya/Turkey
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