

**TURKLAND BANK
ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
MARCH 31, 2009**

*Translated into English from the
Original Turkish Report*

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

TURKLAND BANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2009– MARCH 31, 2009**

We have reviewed the accompanying balance sheet of Turkland Bank A.Ş. ("The Bank") as at March 31, 2009 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank for the period ended March 31, 2009 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 and other regulations, communiques and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

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 Banks'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.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Özlem Gören Güçdemir
Partner

İstanbul, April 30, 2009

**THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLANDBANK A.Ş.
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2009**

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The unconsolidated financial report for three months 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 PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

The unconsolidated interim 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 reviewed and presented as attached.

April 30, 2009

Nehme SABBAGH

A. Dinçer ALPMAN

Mehmet ÖZGÜNER

Gülçin SU

Chairman of the Board
of Directors

General Manager

Executive Vice President

Manager
Financial Affairs

Mehmet Behçet PERİM

Mohamed Ali BEYHUM

Ghassan Hanna Suleiman
TARAZI

Member of Audit Committee

Member of Audit Committee

Member of Audit Committee

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

Name-Surname / Title: Sevgi Üstün / Asistant Manager

Telephone Number: (0212) 368 37 24

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2009

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

SECTION ONE

GENERAL INFORMATION

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

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 Doğuş 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".

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 March 31, 2009 ,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	%50	84,999.99	-
BANKMED, SAL	69,699.99	%41	69,699.99	-
MEHMET NAZİF GÜNAL	15,300.00	%9	15,300.00	-
OTHERS	<1	%0	<1	-
Total	170,000.00	%100	170,000.00	-

As of March 31, 2009 the nominal value of the Bank's paid-in-capital amounting to TRY 170,000 Thousand consists of 1,700 million shares.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2009

(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 in the Parent Bank

<u>Title:</u>	<u>Name and Surname:</u>		<u>Education:</u>
Chairman of the Board of Directors	NEHME SABBAGH	Chairman	Master Degree
Members of the Board of Directors	HANI IBRAHİM	Vice Chairman	Bachelor's Degree
	SULAIMAN FADAYEL	Member of Audit Committee	Master Degree
	GHASSAN HANNA	Member of Audit Committee	Master Degree
	SULEİMAN TARAZİ	Member of Audit Committee	Master Degree
	MEHMET BEHÇET PERİM	Member of Audit Committee	Master Degree
	MOHAMED ALI BEYHUM	Member	Master Degree
	AMİN RASHEED SA'İD HUSSEİNİ	Member	Master Degree
	HENRI MARIE RENE JACQUAND	Member	Master Degree
	MUSTAFA SELÇUK TAMER	Member	Bachelor's Degree
	RİYAD KEMAL	Member	Master Degree
General Manager and Member of the Board of Directors	A.DİNÇER ALPMAN	Chief Executive Officer	Bachelor's Degree
Assistant General Managers	DORUK PARMAN	Marketing Sales	PHD Degree
	İLHAN ZEKİ KÖROĞLU	Operation and Information Technologies	Bachelor's Degree
	MEHMET ÖZGÜNER	Finance	Bachelor's Degree
	MÜNEVVER ERÖZ	Treasury and Financial Institutions	Master Degree
	YURDAKUL ÖZDOĞAN	Credit & Follow up	Bachelor's Degree
Statutory Auditors	OSMAN BAYDOĞAN	Auditor	Bachelor's Degree
	ÖZGÜR ÇELİK	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 March 31, 2009:

Name/ Commercial Name	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%50	84,999.99	-
BANKMED. SAL	69,699.99	%41	69,699.99	-
Total	154,699.99	%91	154,699.99	-

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2009

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

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

Bank has 25 branches and 456 personnel. Bank has no subsidiaries in the financial sector.

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:

- a. Acceptance of Deposit
- b. Corporate and Retail Banking
- c. Foreign Trade
- d. Capital Market Transactions
- e. Bancassurance

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
- II. Statement of Off Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TURKLAND BANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

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

		Reviewed Current Period 31.03.2009			Audited Prior Period 31.12.2008		
	Note Ref.	TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	27,239	59,134	86,373	22,688	50,615	73,303
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	996	3	999	931	8	939
2.1 Trading financial assets		996	-	996	931	-	931
2.1.1 Public sector debt securities		996	-	996	931	-	931
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		-	3	3	-	8	8
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	(3)	10,035	113,970	124,005	10	95,326	95,336
IV. MONEY MARKET PLACEMENTS		39,011	-	39,011	123,351	-	123,351
4.1 Interbank money market placements		39,011	-	39,011	123,351	-	123,351
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	130,422	41,642	172,064	71,159	-	71,159
5.1 Share certificates		75	-	75	75	-	75
5.2 Public sector debt securities		130,347	-	130,347	71,084	-	71,084
5.3 Other marketable securities		-	41,642	41,642	-	-	-
VI. LOANS	(5)	429,331	162,757	592,088	443,166	151,630	594,796
6.1 Loans		421,439	162,757	584,196	439,726	151,630	591,356
6.1.1 Loans to Risk Group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.2 Other		421,439	162,757	584,196	439,726	151,630	591,356
6.2 Non-performing loans		21,261	-	21,261	15,490	-	15,490
6.3 Specific provisions (-)		(13,369)	-	(13,369)	(12,050)	-	(12,050)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	30,912	-	30,912	29,764	-	29,764
8.1 Public sector debt securities		30,912	-	30,912	29,764	-	29,764
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(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)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	(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	(11)	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	15,743	-	15,743	16,722	-	16,722
XV. INTANGIBLE ASSETS (Net)	(13)	2,290	-	2,290	2,554	-	2,554
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		2,290	-	2,290	2,554	-	2,554
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	520	-	520	1,075	-	1,075
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		520	-	520	1,075	-	1,075
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	11,291	245	11,536	11,431	202	11,633
TOTAL ASSETS		697,790	377,751	1,075,541	722,851	297,781	1,020,632

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

TURKLAND BANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

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

			Reviewed Current Period 31.03.2009			Audited Prior Period 31.12.2008		
		Note Ref.	TRY	FC	Total	TRY	FC	Total
I.	DEPOSITS	(1)	342,288	282,081	624,369	332,458	245,429	577,887
1.1	Deposits from risk group of the Bank		17,241	61	17,302	11,925	39,812	51,737
1.2	Other		325,047	282,020	607,067	320,533	205,617	526,150
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III.	FUNDS BORROWED	(3)	7,886	197,456	205,342	7,877	195,860	203,737
IV.	MONEY MARKET BALANCES	(4)	9	-	9	7	-	7
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		9	-	9	7	-	7
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		1,214	502	1,716	2,793	1,131	3,924
VIII.	OTHER LIABILITIES	(5)	15,002	280	15,282	12,568	554	13,122
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	FINANCE LEASE PAYABLES (Net)	(6)	-	2,037	2,037	-	2,288	2,288
10.1	Finance lease payables		-	2,162	2,162	-	2,451	2,451
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	(125)	(125)	-	(163)	(163)
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	(8)	8,656	-	8,656	8,446	-	8,446
12.1	General loan loss provisions		5,424	-	5,424	5,309	-	5,309
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		1,901	-	1,901	1,683	-	1,683
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		1,331	-	1,331	1,454	-	1,454
XIII.	TAX LIABILITY	(9)	4,162	-	4,162	3,919	-	3,919
13.1	Current tax liability		4,162	-	4,162	3,919	-	3,919
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(12)	213,988	(20)	213,968	207,302	-	207,302
16.1	Paid-in capital		170,000	-	170,000	170,000	-	170,000
16.2	Supplementary capital		26,002	(20)	25,982	26,041	-	26,041
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		569	(20)	549	608	-	608
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		25,433	-	25,433	25,433	-	25,433
16.3	Profit reserves		10,425	-	10,425	10,425	-	10,425
16.3.1	Legal reserves	(13)	624	-	624	624	-	624
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves	(14)	9,790	-	9,790	9,790	-	9,790
16.3.4	Other profit reserves		11	-	11	11	-	11
16.4	Profit or loss		7,561	-	7,561	836	-	836
16.4.1	Prior years' income/ (losses)		836	-	836	-	-	-
16.4.2	Current year income/ (loss)		6,725	-	6,725	836	-	836
16.5	Minority shares	(15)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			593,205	482,336	1,075,541	575,370	445,262	1,020,632

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

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS
AS OF MARCH 31, 2009 AND DECEMBER 31, 2008

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

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Reviewed Current Period 31.03.2009			Audited Prior Period 31.12.2008		
	Note Ref.	TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		383,103	262,291	645,394	375,541	307,687	683,228
I. GUARANTEES	(1), (3)	347,488	239,480	586,968	344,376	307,575	651,951
1.1. Letters of guarantee		347,488	131,455	478,943	344,376	166,843	511,219
1.1.1. Guarantees subject to State Tender Law		17,614	12,012	29,626	24,172	5,188	29,360
1.1.2. Guarantees given for foreign trade operations		-	22,795	22,795	-	29,521	29,521
1.1.3. Other letters of guarantee		329,874	96,648	426,522	320,204	132,134	452,338
1.2. Bank loans		-	7,683	7,683	-	14,299	14,299
1.2.1. Import letter of acceptance		-	7,683	7,683	-	14,299	14,299
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	80,054	80,054	-	103,938	103,938
1.3.1. Documentary letters of credit		-	80,054	80,054	-	103,938	103,938
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		-	20,288	20,288	-	22,495	22,495
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1), (3)	35,615	22,637	58,252	31,061	-	31,061
2.1. Irrevocable commitments		35,615	22,637	58,252	31,061	-	31,061
2.1.1. Forward asset purchase commitments		3,334	5,984	9,318	-	-	-
2.1.2. Forward deposit purchase and sales commitments		-	16,653	16,653	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		8,115	-	8,115	7,828	-	7,828
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		22,382	-	22,382	21,368	-	21,368
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		1,784	-	1,784	1,865	-	1,865
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		-	-	-	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	-	174	174	104	112	216
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		-	174	174	104	112	216
3.2.1. Forward foreign currency buy/sell transactions		-	174	174	104	112	216
3.2.1.1. Forward foreign currency transactions-buy		-	89	89	-	112	112
3.2.1.2. Forward foreign currency transactions-sell		-	85	85	104	-	104
3.2.2. Swap transactions related to f.c. and interest rates		-	-	-	-	-	-
3.2.2.1. Foreign currency swap-buy		-	-	-	-	-	-
3.2.2.2. Foreign currency swap-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)		2,304,780	932,481	3,237,261	2,090,587	866,948	2,957,535
IV. ITEMS HELD IN CUSTODY		234,744	18,103	252,847	274,221	21,466	295,687
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		83,506	800	84,306	81,711	331	82,042
4.3. Checks received for collection		144,828	14,718	159,546	189,260	19,283	208,543
4.4. Commercial notes received for collection		6,410	1,734	8,144	3,250	1,457	4,707
4.5. Other assets received for collection		-	392	392	-	101	101
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	459	459	-	294	294
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		2,070,036	914,378	2,984,414	1,816,366	845,482	2,661,848
5.1. Marketable securities		-	-	-	5	-	5
5.2. Guarantee notes		6,784	5,589	12,373	9,005	5,815	14,820
5.3. Commodity		-	37	37	-	35	35
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		494,106	180,435	674,541	363,264	165,915	529,179
5.6. Other pledged items		1,569,146	728,317	2,297,463	1,444,092	673,717	2,117,809
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		2,687,883	1,194,772	3,882,655	2,466,128	1,174,635	3,640,763

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

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF INCOME FOR THE PERIODS
ENDED MARCH 31, 2009 AND MARCH 31, 2008

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

III. STATEMENT OF INCOME

			Reviewed Current Period 01.01-31.03.2009	Reviewed Prior Period 01.01-31.03.2008
	Note Ref			
I. INTEREST INCOME	(1)		36,684	22,930
1.1 Interest on loans			28,340	17,455
1.2 Interest received from reserve deposits			519	566
1.3 Interest received from banks			121	461
1.4 Interest received from money market placements			2,263	65
1.5 Interest received from marketable securities portfolio			5,381	4,331
1.5.1 Held-for-trading financial assets			52	3,134
1.5.2 Financial assets at fair value through profit and loss			-	-
1.5.3 Available-for-sale financial assets			4,181	415
1.5.4 Investments held-to-maturity			1,148	782
1.6 Finance lease Income			-	-
1.7 Other interest income			60	52
II. INTEREST EXPENSE	(2)		(19,547)	(14,129)
2.1 Interest on deposits			(16,141)	(11,452)
2.2 Interest on funds borrowed			(3,308)	(2,144)
2.3 Interest on money market borrowings			(23)	(10)
2.4 Interest on securities issued			-	-
2.5 Other interest expense			(75)	(523)
III. NET INTEREST INCOME (I - II)			17,137	8,801
IV. NET FEES AND COMMISSIONS INCOME			3,755	2,236
4.1 Fees and commissions received			3,893	2,349
4.1.1 Non-cash loans			2,095	1,545
4.1.2 Other			1,798	804
4.2 Fees and commissions paid			(138)	(113)
4.2.1 Non-cash loans			(10)	(7)
4.2.2 Other			(128)	(106)
V. DIVIDEND INCOME	(3)		-	-
VI. NET TRADING INCOME	(4)		2,134	18
6.1 Securities trading gains/ (losses)			1,911	(168)
6.2 Derivative financial instruments gain/(losses)			3	(4,549)
6.3 Foreign exchange gains/ (losses)			220	4,735
VII. OTHER OPERATING INCOME	(5)		853	4,014
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)			23,879	15,069
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)		(2,036)	(1,698)
X. OTHER OPERATING EXPENSES (-)	(7)		(13,653)	(10,768)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)			8,190	2,603
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-	-
XIII. PROFIT / (LOSS) ON EQUITY METHOD			-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION			-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)		8,190	2,603
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)		(1,465)	39
16.1 Provision for current income taxes			(890)	-
16.2 Provision for deferred taxes			(575)	39
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)		6,725	2,642
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)	(8)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)		-	-
21.1 Provision for current income taxes			-	-
21.2 Provision for deferred taxes			-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)		6,725	2,642
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 ANONİM ŞİRKETİ
STATEMENTS OF PROFIT LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIODS ENDED MARCH 31, 2009 AND MARCH 31, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Reviewed Current Period 01.01-31.03.2009	Reviewed Prior Period 01.01-31.03.2008
I.	Additions to marketable securities revaluation differences for available for sale financial assets	2,305	(308)
II.	Tangible assets revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Foreign currency translation 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	15	62
X.	Total Net Profit/Loss accounted under equity (I+II+...+IX)	2,320	(246)
XI.	Profit/Loss	(2,379)	-
1.1	Change in fair value of marketable securities (Recycling to Profit/Loss)	(2,379)	-
1.2	Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3	Recycling hedge of net investments in foreign operations to Income Statement	-	-
1.4	Other	-	-
XII.	Total Profit/Loss accounted for in the period (X±XI)	(59)	(246)

The accompanying notes are an integral part of these financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2009 AND MARCH 31, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation 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 and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I. Prior Period – 01.01-31.03.2008																			
Beginning Balance – 31.12.2007		70,000	25,433	-	-	624	-	11,852	11	602	(2,664)	-	-	-	-	-	-	-	105,858
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		70,000	25,433	-	-	624	-	11,852	11	602	(2,664)	-	-	-	-	-	-	-	105,858
Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(246)	-	-	-	-	-	-	(246)
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 associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		66,667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,667
14.1 Cash	66,667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,667
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)		-	-	-	-	-	-	-	-	2,642	-	-	-	-	-	-	-	-	2,642
XX. Profit distribution		-	-	-	-	-	-	-	-	(602)	602	-	-	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	(602)	602	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																			
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)		136,667	25,433	-	-	624	-	11,852	11	2,642	(2,062)	(246)	-	-	-	-	-	-	174,921

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

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2009 AND MARCH 31, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

TURKLAND BANK ANONİM ŞİRKETİ
CASH FLOW STATEMENTS FOR THE PERIODS
ENDED MARCH 31, 2009 AND MARCH 31, 2008

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

VI. STATEMENT OF CASH FLOWS

	Note Ref	Reviewed Current Period 01.01-31.03.2009	Reviewed Prior Period 01.01-31.03.2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(5,208)	(18,382)
1.1.1 Interest received		45,829	4,894
1.1.2 Interest paid		(23,288)	(16,448)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		3,893	2,349
1.1.5 Other income		2,987	(909)
1.1.6 Collections from previously written off loans		314	206
1.1.7 Payments to personnel and service suppliers		(7,472)	(6,857)
1.1.8 Taxes paid		-	-
1.1.9 Others		(27,471)	(1,617)
1.2 Changes in operating assets and liabilities		17,004	10,465
1.2.1 Net (increase) decrease in financial assets held for trading		(76)	63,642
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		(42)	-
1.2.4 Net (increase) decrease in loans		(4,018)	(150,636)
1.2.5 Net (increase) decrease in other assets		(29,434)	(16,002)
1.2.6 Net increase (decrease) in bank deposits		1,055	4,665
1.2.7 Net increase (decrease) in other deposits		46,797	42,696
1.2.8 Net increase (decrease) in funds borrowed		4,085	25,310
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(1,363)	40,790
I. Net cash provided from banking operations		11,796	(7,917)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(94,568)	(58,378)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(41)	(2,319)
2.4 Fixed assets sales		-	256
2.5 Cash paid for purchase of financial assets available for sale		(203,867)	(29,707)
2.6 Cash obtained from sale of financial assets available for sale		109,360	-
2.7 Cash paid for purchase of investment securities		-	(25,733)
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		(20)	(875)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(430)	66,470
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		-	66,667
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(430)	(197)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		11,228	2,713
V. Net increase / (decrease) in cash and cash equivalents		(71,974)	2,888
VI. Cash and cash equivalents at beginning of the period		249,429	36,276
VII. Cash and cash equivalents at end of the period		177,455	39,164

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

TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(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 Communique on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiques and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

Certain classifications have been made to the prior year financial statements to comply with the current year presentation.

In accordance with Law No: 5083 "Monetary Unit of the Turkish Republic" (Law No: 5083), the name of the Turkish Republic's monetary unit and its sub-currency unit is changed to the New Turkish Lira and the New Turkish Cent, respectively. However, in accordance with the additional resolution of the Council of Ministers in regards to the order on the Removal of the phrase "New" in the New Turkish Lira and the New Turkish Cent and Its Application Principles, the phrase "New" used in the Turkish Republic's monetary unit is removed both from New Turkish Lira and the New Turkish Cent as of January 1, 2009.

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 32.59% 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 18.96% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 11.53% 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 the 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.

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 ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

IV. 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 related regulation, interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V. Fees and Commission Income and Expenses

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

VI. Explanations and Disclosures 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. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

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. 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.

The methods and assumptions used in determining the reasonable estimated values of all of the 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. 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. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

VI. Explanations and Disclosures on Financial Assets (continued)

Held to Maturity Investments, Financial Assets Available for Sale and Loans

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.

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.

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.

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 the Official Gazette prices or 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 recognized at cost.

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

Loans and Provisions for Impairment

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

The Bank initially records loans and receivables at cost. 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.

Specific reserves are provided for Group III, IV and V 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. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense".

TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

VI. Explanations and Disclosures on Financial Assets (continued)

Loans and Provisions for Impairment (continued)

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.

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.

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.

VIII. 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.

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.

TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities (continued)

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 March 31, 2009, the Bank does not have any reverse repo transactions (December 31, 2008: None).

As of March 31, 2009, the Bank does not have any marketable securities lending transaction (December 31, 2008: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale, that is 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 March 31, 2009 (December 31, 2008: 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 anticipated change in the amortization method in the current period .

Other intangible assets comprising purchased softwares are in the other intangible fixed asset. As of the balance sheet date, all softwares are purchased and there are no completed or continuing software development project 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 lives.

TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

XII. Explanations on Tangible Fixed Assets (continued)

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.

Expenditures that are not appropriate for tangible fixed asset description and will not form economic benefit in following periods amounting to net TRY 55 Thousand are reflected as expense in the financial statements.

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. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20% for the leased assets acquired before July 31, 2003 and 3%-50% for leased assets acquired after July 31, 2003 which is in line with Turkish Tax Legislation.

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 any 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 44. The total amount of those cases is TRY 204 Thousand and 626,800 US Dollars. It is determined that in 2 of these cases there could be risk of penalty and there is a provision of TRY 362 Thousand in the accompanying financial statements for these cases.(December 31, 2008: TRY 362 Thousand).

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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 forecasted present value of future possible liability for defined benefit plans to be recorded in the financial statements before 2007. Commencing from 2007, the Bank started to use independent actuaries in calculating the related liability to be recorded in the financial statements for these defined benefit plans. The Bank makes assumptions and estimations relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc... The carrying value of employee termination benefit provisions as of March 31, 2009 is TRY 1,901 Thousand (December 31, 2008: TRY 1,683 Thousand).

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

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.

Tax returns are required to be filed between the first and twentyfifth 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. Corporate tax provision in current period is 890 Thousand TL.(December 31,2008: None)

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XVI. Explanations on Taxation(continued)

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 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 charged 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 is stated under the tax provision amounting to TRY 575 Thousand in the income statement (March 31, 2008: TRY 39 Thousand deferred tax charge).

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 Share Certificates

The Bank does not have any issued debt securities. As of the date of this report, 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

Income and expenses are not segmented by corporate and retail transactions in the current IT system. However, management believes that such segmentation and the omission of the respective disclosure would not have a material effect on readers’ conclusion with respect to the accompanying financial statements since the bank mainly operates in the corporate banking line of business.

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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 22.10%. (December 31, 2008: 21.87%)

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.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

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	13,687	-	-	-	-	-	-
Matured Marketable Securities							
Due From Central Bank of Turkey	24,405	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	123,989	-	9	-	-
Interbank Money Market Placements	39,000	-	-	-	-	-	-
Receivables From Reverse Repo Transactions							
Reserve Deposits	47,775	-	-	-	-	-	-
Loans	9,241	-	-	165,540	382,937	-	-
Non-performing loans (Net)	-	-	-	-	7,892	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	75	-	-
Held to Maturity Investments	25,733	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	815	-	-
Interest and Income Accruals	5,755	-	8	8,936	17,483	-	-
Subsidiaries, Associates and Entities Under Common Control (Net)	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	8,015	-	-
Other Assets	8,033	-	-	-	584	-	-
Off-Balance Sheet Items							
Guarantees and Commitments	2,886	-	14,026	12,870	273,177	-	-
Derivative Financial Instruments	-	-	-	-	2	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	176,515	-	138,023	187,346	690,989	-	-
Total Risk Weighted Assets	-	-	27,605	93,673	699,989	-	-

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	812,267	871,960
Amount Subject to Market Risk (ASMR)	35,950	9,313
Amount Subject to Operational Risk (ASOR)	85,990	65,709
Shareholders' Equity	206,447	207,075
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	22.10%	21.87%

TRWA: Total Risk Weighted Assets

ASMR: Amount Subject to Market Risk

ASOR: Amount Subject to Operational Risk

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	170,000	170,000
Nominal capital	170,000	170,000
Capital commitments (-)	-	-
Paid-in Capital Indexation Difference	25,432	25,432
Share premium	-	-
Cancellation Profits	-	-
Legal reserves	-	-
First legal reserve (Turkish Commercial Code 466/1)	-	-
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	10,425	10,425
Reserves allocated by the General Assembly	10,414	10,414
Retained earnings	11	11
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	7,561	836
Current period net profit	6,725	836
Prior years' profits	836	-
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 loans up to 15% of the Core Capital	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Leasehold improvemets (-)	(7,728)	-
Prepaid expenses (-)	(2,624)	(2,647)
Intangible assets (-)	(2,290)	(2,554)
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	200,776	206,693
SUPPLEMENTARY CAPITAL	5,671	5,583
General Loan Loss Reserves	5,424	5,309
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	-	-
Marketable securities value increase fund	247	274
Associates and subsidiaries	-	-
Available for sale securities	247	274
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	5,671	5,583
TIER III CAPITAL		
CAPITAL	206,447	212,276
DEDUCTIONS FROM THE CAPITAL	-	(5,201)
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) on 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	-	-
Other	-	-
Total Shareholders' Equity	206,447	207,075

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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 acquirements 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 March 31, 2009, the receivables of the Bank from its top 100 cash loan customers amount to TRY 379,045 Thousand (December 31, 2008: TRY 378,252 Thousand) with a share of 64.88% in the total cash loans (December 31, 2008: 63.96%).

As of March 31, 2009, the receivables of the Bank from its top 100 non-cash loan customers amount to TRY 445,965 Thousand (December 31, 2008: TRY 506,462 Thousand) with a share of 72.02% in the total non-cash loans (December 31, 2008: 74.15%).

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II. Explanations Related to Credit Risk (continued)

The share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and off-balance sheet assets is 13.40% as of March 31, 2009 (December 31, 2008: 15.62%).

As of March 31, 2009, the general loan loss provision related with the credit risk is TRY 5,424 Thousand (December 31, 2008: TRY 5,309 Thousand).

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(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	583,270	582,173	926	9,183	203,972	101,854	124,005	95,336
Private Sector	576,503	575,445	926	9,183	-	-	-	-
Public Sector	-	-	-	-	203,897	101,779	-	-
Banks	-	-	-	-	-	-	124,005	95,336
Retail	6,767	6,728	-	-	-	-	-	-
Share Certificates	-	-	-	-	75	75	-	-
Information according to geographical concentration	583,270	582,173	926	9,183	203,972	101,854	124,005	95,336
Domestic	582,748	580,765	926	9,183	203,972	101,854	35,365	30,869
European Union Countries	498	10	-	-	-	-	36,351	22,634
OECD Countries (***)	-	1,362	-	-	-	-	3,717	464
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	24	36	-	-	-	-	48,529	41,330
Other Countries	-	-	-	-	-	-	43	39
Total	583,270	582,173	926	9,183	203,972	101,854	124,005	95,336

(*) 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.

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II. Explanations Related to Credit Risk (continued)

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income
Current Period					
Domestic	986,304	614,091	575,171	75	6,725
European Union Countries	36,849	164,557	7,541	-	-
OECD Countries (*)	3,717	6,159	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	48,553	12,655	-	-	-
Other Countries	43	64,110	4,256	-	-
Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	1,075,466	861,572	586,968	75	6,725
Prior Period					
Domestic	954,682	607,768	636,480	75	836
European Union Countries	22,644	127,225	8,976	-	-
OECD Countries (*)	1,826	5,703	134	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	41,366	11,782	-	-	-
Other Countries	39	60,852	6,361	-	-
Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	1,020,557	813,330	651,951	75	836

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

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

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	19,993	4.74	1,212	0.74	24,647	5.60	758	0.50
Farming and Raising Livestock	16,115	3.82	1,212	0.74	18,534	4.21	758	0.50
Forestry, Wood and Paper	3,737	0.89	-	-	6,005	1.37	-	-
Fishery	141	0.03	-	-	108	0.02	-	-
Manufacturing	218,770	51.91	105,946	65.09	220,399	50.12	103,789	68.45
Mining and Quarry	56,202	13.34	13,416	8.24	57,041	12.97	12,220	8.06
Production	162,272	38.50	92,530	56.85	163,123	37.10	91,569	60.39
Electricity, Gas and Water	296	0.07	-	-	235	0.05	-	-
Construction	42,286	10.03	772	0.47	31,514	7.17	1,031	0.68
Services	127,543	30.26	54,772	33.66	139,587	31.74	45,996	30.33
Wholesale and Retail Trade	55,530	13.18	2,589	1.59	58,413	13.28	1,473	0.97
Hotel, Tourism, Food and Beverage Services	19,069	4.52	15,386	9.45	10,557	2.40	13,984	9.22
Transportation and Communication	23,946	5.68	36,797	22.62	20,554	4.67	29,177	19.24
Financial Institutions	926	0.22	-	-	9,183	2.09	-	-
Real Estate and Renting Services	23,958	5.68	-	-	33,139	7.54	-	-
Self-Employment Services	2,335	0.56	-	-	5,891	1.34	1,362	0.90
Education Services	300	0.07	-	-	300	0.07	-	-
Health and Social Services	1,479	0.35	-	-	1,550	0.35	-	-
Other	12,847	3.06	55	0.04	23,579	5.37	56	0.04
Total	421,439	100	162,757	100	439,726	100	151,630	100

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II. Explanations Related to Credit Risk (continued)

The analysis of Bank's financial assets per sectors by considering and not considering existing guarantees is as follows:

Current Period	Maximum Gross Amount Exposure to risk (*)	Maximum Net Amount Exposure to risk (*)
Agricultural	39,580	29,154
Farming and Raising Livestock	35,187	28,312
Forestry, Wood and Paper	4,240	689
Fishery	153	153
Manufacturing	585,934	387,458
Mining and Quarry	170,609	117,272
Production	413,975	269,484
Electricity, Gas and Water	1,350	702
Construction	243,205	204,863
Services	437,823	307,246
Wholesale and Retail Trade	100,416	58,558
Hotel, Tourism, Food and Beverage Service	35,903	8,385
Transportation and Communication	93,933	60,573
Financial Institutions	171,453	170,520
Real Estate and Renting Services	24,280	81
Self-Employment Services	7,384	5,228
Education Services	316	316
Health and Social Services	4,138	3,585
Other	258,746	247,485
Total	1,565,288	1,176,206

(*) Total amount of Cash loan risks and Non-cash loans risks.

Prior Period	Maximum Gross Amount Exposure to risk (*)	Maximum Net Amount Exposure to risk (*)
Agricultural	41,276	26,639
Farming and Raising Livestock	32,785	24,273
Forestry, Wood and Paper	8,352	2,278
Fishery	139	88
Manufacturing	611,861	421,634
Mining and Quarry	176,349	123,567
Production	434,379	297,586
Electricity, Gas and Water	1,133	481
Construction	264,995	232,855
Services	416,206	298,421
Wholesale and Retail Trade	103,767	71,904
Hotel, Tourism, Food and Beverage Services	25,558	3,569
Transportation and Communication	82,751	65,910
Financial Institutions	147,420	137,076
Real Estate and Renting Services	33,471	261
Self-Employment Services	16,628	14,330
Education Services	315	315
Health and Social Services	6,296	5,056
Other	140,668	126,899
Total	1,475,006	1,106,448

(*) Total amount of Cash loan risks and Non-cash loans risks.

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II. Explanations Related to Credit Risk (continued)

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

Gross Maximum Exposure	Current Period	Prior Period
Due from banks	124,005	95,336
Trading financial assets	999	931
Derivative financial instruments	3	8
Financial assets available-for-sale	172,064	71,159
Held to maturity investment	30,912	29,764
Loans	592,088	594,796
Total	920,068	791,994
Contingent liabilities	586,968	651,951
Commitments	58,252	31,061
Total	645,220	683,012
Total credit risk exposure	1,565,288	1,475,006

As of March 31,2009; before taking into account collaterals and other credit enhancements, the maximum credit risk exposure to any client or counterparty for cash loans is TRY 28,771 Thousand and for non cash loans is TRY 47,702 Thousand(December 31, 2008: TRY 28,487 Thousand, TRY 47,889 Thousand). After taking into account collaterals and other credit enhancements, the maximum credit risk exposure to any client or counterparty is TRY 28,771 Thousand for cash loans and and TRY 47,702 Thousand for non cash loans (December 31,2008: TRY 28,487 Thousand for cash loans, TRY 47,889 Thousand).

Credit quality per class of financial assets as of March 31, 2009 is as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	124,005	-	124,005
Financial assets designated at fair value through profit or loss	999	-	999
Loans to customers			
Corporate lending	425,250	34,951	460,201
Small business lending	113,561	13,132	126,693
Consumer lending	4,606	588	5,194
Other	-	-	-
Total	668,421	48,671	717,092
Financial investments			
Quoted on a stock exchange - domestic public sector debt securities	-	-	-
Quoted on a stock exchange -Other debt securities	-	-	-
Unquoted on a stock exchange – Debt securities	-	-	-
Total	-	-	-
Total	668,421	48,671	717,092

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II. Explanations Related to Credit Risk (continued)

Credit quality per class of financial assets as of December 31, 2008 is as follows:

Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	95,336	-	95,336
Financial assets designated at fair value through profit or loss	939	-	939
Loans to customers			
Corporate lending	446,537	13,874	460,411
Small business lending	116,762	8,603	125,365
Consumer lending	8,546	474	9,020
Other	-	-	-
Total	668,120	22,951	691,071
Financial investments			
Quoted on a stock exchange - domestic public sector debt securities		-	-
Quoted on a stock exchange - Other debt securities		-	-
Unquoted on a stock exchange – Debt securities		-	-
Total		-	-
Total	668,120	22,951	691,071

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II. Explanations Related to Credit Risk (continued)

	Internal Rating Grade	Current Period	%	Prior Period	%
High					
Risk rating class 1	A+ Excellent	859	0.15	11,909	2.01
Risk rating class 2	A- Excellent	7,464	1.28	1,997	0.34
Good					
Risk rating class 3	B+ Very Good	43,807	7.50	39,619	6.70
Risk rating class 4	B- Very Good	73,029	12.50	67,245	11.37
Standard					
Risk rating class 5	C+ Good	94,497	16.18	110,113	18.62
Risk rating class 6	C- Good	97,814	16.74	92,671	15.67
Substandard					
Risk rating class 7	D+ Ordinary	71,414	12.22	58,010	9.81
Risk rating class 8	D- Ordinary	101,077	17.30	123,323	20.85
Risk rating class 9	E Bad	77,061	13.19	72,341	12.23
Risk rating class 10	F Very Bad	10,495	1.80	5,388	0.91
Unrated		6,679	1.14	8,740	1.48
Total		584,196	100.00	591,356	100.00

The Bank use 3 main factors for internal credit rating system. These are financial data, non-financial data and specialist decisions. Financial data consists of liquidity, financial structure, profitability, growth ratios and turnover rate. Non financial data consists of loan client business, relations 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.

“F” rating;

Number of clients with F rating is 16 with O/S 10,495 TL.

Concentration is on one client with a total O/S risk of 7,286 TL(69% of total “F” rating risk). This client is against mortgage.

Remaining O/S risk 3,290 TL is distributed over 15 different clients. 10 out of 15 customers are distributed against mortgage.

“E” rating;

Number of clients with E rating is 62 and total O/S risk is 77,061 TL.

17 of these clients are distributed against mortgage with O/S risk of 44,973 TL (58% of total “E” Rating Risk).

16 of these clients are distributed against Customer Check/Note with O/S risk of 10,516 TL (14% of total “E” Rating Risk).

2 of these clients are distributed against car pledge with O/S risk of 1,308 TL. (2% of total “E” Rating Risk).

Remainings are against Personal Guarantee and Company Guarantee.

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II. Explanations Related to Credit Risk (continued)

“D” rating;

Number of clients with D- rating is 107 and total O/S risk is 101,077 TL.

29 of these clients are distributed against mortgage with O/S risk of 30,636 TL (30% of “D-“ Rating risk).

27 of these clients are distributed against Customer Check/Note with O/S risk of 9,311 TL (9% of “D-“ Rating risk).

4 of these clients are distributed against car pledge with O/S risk of 19,064 TL (19% of “D-“ Rating risk).

Remainings are against Personal Guarantee and Company Guarantee.

The Bank made an agreement with a consulting firm which is authorized distributor of Dun and Bradstreet Ltd to establish a new credit scoring model which is applicable to small business and commercial/corporate segments to comply with Basel II and remediate the difficulties referred to above and the design of the model is completed. Application tests of the model continued to the end of 2008 and after evaluation of test results, it started to be used by the beginning of the year 2009.

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

	Current Period	Prior Period
Due from banks		-
Financial assets designated at fair value through profit or loss		-
Loans and advances to customers	140	129
Corporate lending	140	129
Small business lending		-
Consumer lending		-
Other		-
Total	140	129

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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 (summarised below) is taken into consideration. Beside the standart method, market risk (VAR) is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by two different methods which are historic simulation and parametric method, and these results are also reported daily to the management.

Market risk (Value at risk) is also calculated by using internal model beside the standart method and results are supported by using scenario analysis and stress tests

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	2,750
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	126
(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)	2,876
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	35,950

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	2,279	2,750	1,639	557	730	375
Common Stock Risk	-	-	-	-	-	-
Currency Risk	144	207	100	137	346	77
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Value Subject to Risk	30,288	35,950	23,075	8,675	10,350	5,963

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.

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IV. 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.

As an element of the Bank's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

The announced current foreign exchange buying rates of the Bank at March 31, 2009 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates) :

	24.03.2009	25.03.2009	26.03.2009	27.03.2009	30.03.2009	31.03.2009
USD	1.6597	1.6534	1.6575	1.6652	1.6957	1.6653
CHF	1.4735	1.47	1.4693	1.4568	1.4708	1.4642
GBP	2.4338	2.4168	2.4014	2.3891	2.4005	2.3813
100 JPY	1.6954	1.6954	1.682	1.7006	1.7503	1.4642
EURO	2.2466	2.2398	2.2453	2.2167	2.2271	2.2166

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before March 31, 2009 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.7069
CHF	1.4779
GBP	2.4232
100 JPY	1.7388
EURO	2.2280

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IV. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	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.	22,322	36,627	-	185	59,134
Banks	30,933	82,200	121	716	113,970
Financial Assets at Fair Value Through Profit and Loss (****)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	41,642	-	-	41,642
Loans (*)	117,554	149,014	-	-	266,568
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	29	216	-	-	245
Total Assets	170,838	309,699	121	901	481,559
Liabilities					
Bank Deposits	1,026	13	-	61	1,100
Foreign Currency Deposits	84,402	196,415	57	107	280,981
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	85,771	111,685	-	-	197,456
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	393	106	-	3	502
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (*****)	2,061	256	-	-	2,317
Total Liabilities	173,653	308,475	57	171	482,356
Net Balance Sheet Position	(2,815)	1,224	64	730	(797)
Net Off-Balance Sheet Position(**)	1,419	(1,409)	-	-	10
Financial Derivative Assets	1,419	1,665	-	-	3,084
Financial Derivative Liabilities	-	(3,074)	-	-	(3,074)
Non-Cash Loans (**)	58,167	181,167	122	24	239,480
Prior Period					
Total Assets	168,547	273,016	46	1,122	442,731
Total Liabilities	169,749	275,221	1	291	445,262
Net Balance Sheet Position	(1,202)	(2,205)	45	831	(2,531)
Net Off-Balance Sheet Position	112	-	-	-	112
Financial Derivative Assets	112	-	-	-	112
Financial Derivative Liabilities	-	-	-	-	-
Non-Cash Loans (**)	90,544	216,125	330	576	307,575

(*) Foreign currency indexed loans amounting to TRY 103,811 Thousand (December 31, 2008: TRY 144,950 Thousand) are included in the loan portfolio.

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

(***) Financial derivative assets/ liabilities consist of TRY 2,995 Thousand and TRY 2,989 Thousand forward asset purchase commitments.

(****) TRY 3 Thousand income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value Through Profit and Loss

(*****) Marketable securities value increase fund in shareholders equity is deducted from other liabilities.

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IV. Explanations Related to Currency Risk (continued)

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	
		Current Period	Prior Period	Current Period	Prior Period
USD	10	(140)	(221)	(2)	-
EURO	10	(19)	(109)	-	-

V. 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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V. Explanations Related to Interest Rate Risk (continued)

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
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	24,142	-	-	-	-	62,231	86,373
Banks	118,482	-	-	-	-	5,523	124,005
Financial Assets at Fair Value Through Profit and Loss	41	-	590	368	-	-	999
Money Market Placements	39,011	-	-	-	-	-	39,011
Available-For-Sale Financial Assets	14,939	-	33,119	82,289	41,642	75	172,064
Loans (*)	465,376	16,627	48,455	53,727	11	-	584,196
Held-To-Maturity Investments	-	17,727	13,185	-	-	-	30,912
Other Assets (**)	-	-	-	-	-	37,981	37,981
Total Assets	661,991	34,354	95,349	136,384	41,653	105,810	1,075,541
Liabilities							
Bank Deposits	-	-	-	-	-	1,510	1,510
Other Deposits	472,061	102,135	2,132	-	-	46,531	622,859
Money Market Borrowings	9	-	-	-	-	-	9
Sundry Creditors	-	-	-	-	-	1,716	1,716
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	8,749	1,448	195,124	-	-	21	205,342
Other Liabilities (***)	428	229	1,078	618	-	241,752	244,105
Total Liabilities	481,247	103,812	198,334	618	-	291,530	1,075,541
Balance Sheet Long Position	180,744	-	-	135,766	41,653	-	358,163
Balance Sheet Short Position	-	(69,458)	(102,985)	-	-	(185,720)	(358,163)
Off-Balance Sheet Long Position	-	-	-	-	-	89	89
Off-Balance Sheet Short Position	-	-	-	-	-	(85)	(85)
Total Position	180,744	(69,458)	(102,985)	135,766	41,653	(185,716)	4

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

(**)The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 15,743 Thousand, intangible assets amounting to TRY 2,290 Thousand, deferred tax asset amounting to TRY 520 Thousand, net non performing loans amounting to TRY 7,892 Thousand, clearing account amounting to TRY 7,335 Thousand, prepaid expenses amounting to TRY 2,624 Thousand and other assets amounting to TRY 1, 577 Thousand .

(***)The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 213,969 Thousand.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	-	-	-	8.40
Banks	0.73	0.15	-	13.36
Financial Assets At Fair Value Through Profit And Loss	-	-	-	17.82
Money Market Placements	-	-	-	10.5
Available-For-Sale Financial Assets	-	7.80	-	16.11
Loans	9.92	9.79	-	26.18
Held-To-Maturity Investments	-	-	-	16.58
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	5.19	5.21	-	16.06
Money Market Borrowings	-	-	-	10.53
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.94	3.99	-	15.22

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V. Explanations Related to Interest Rate Risk (continued)

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
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	19,566	-	-	-	-	53,737	73,303
Banks	74,896	-	-	-	-	20,440	95,336
Financial Assets at Fair Value Through Profit and Loss	9	321	371	238	-	-	939
Money Market Placements	123,351	-	-	-	-	-	123,351
Available-For-Sale Financial Assets	-	22,746	25,137	23,201	-	75	71,159
Loans(*)	472,598	30,220	45,571	42,945	22	-	591,356
Held-To-Maturity Investments	-	-	29,764	-	-	-	29,764
Other Assets (**)	-	-	-	-	-	35,424	35,424
Total Assets	690,420	53,287	100,843	66,384	22	109,676	1,020,632
Liabilities							
Bank Deposits	-	-	-	-	-	456	456
Other Deposits	394,481	129,603	1,818	190	-	51,339	577,431
Money Market Borrowings	7	-	-	-	-	-	7
Sundry Creditors	-	-	-	-	-	3,924	3,924
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	10,259	8,301	185,153	-	-	24	203,737
Other Liabilities (***)	108	209	1,053	919	-	232,788	235,077
Total Liabilities	404,855	138,113	188,024	1,109	-	288,531	1,020,632
Balance Sheet Long Position	285,565	-	-	65,275	22	-	350,862
Balance Sheet Short Position	-	(84,826)	(87,181)	-	-	(178,855)	(350,862)
Off-Balance Sheet Long Position	-	-	-	-	-	112	112
Off-Balance Sheet Short Position	-	-	-	-	-	(104)	(104)
Total Position	285,565	(84,826)	(87,181)	65,275	22	(178,847)	8

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

(**)The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 16,722 Thousand intangible assets amounting to TRY 2,554 Thousand, deferred tax asset amounting to TRY 1,075 Thousand, net non performing loans amounting to TRY 3,440 Thousand, clearing account amounting to TRY 7,929 Thousand, prepaid expenses amounting to TRY 2,647 Thousand and other assets amounting to TRY 1,057 Thousand .

(***)The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 207,302 Thousand.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments

	EURO %	USD %	YEN %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	1.18	0.15	-	12.00
Banks	1.46	0.06	-	-
Financial Assets At Fair Value Through Profit And Loss	-	-	-	16.17
Money Market Placements	-	-	-	16.18
Available-For-Sale Financial Assets	-	-	-	17.08
Loans	9.92	9.63	-	26.91
Held-To-Maturity Investments	-	-	-	16.58
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	7.28	7.19	-	23.60
Money Market Borrowings	-	-	-	13.59
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	6.01	3.99	-	17.88

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 change by TRY 535 Thousand decrease. The main reason of this is TRY interest rate risk. (December 31, 2008: TRY 739 Thousand change)
- Based on volumes without accruals and durations of the accounts standing under assets and liabilities less than 1 year and sensitive to interest and currency risk, expected gain or loss amount was calculated according to crisis simulations within making interest shocking.

Interest rate swap contracts:

The Bank does not have any interest rate swap contracts outstanding as of balance sheet date.

VI. 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 inspection 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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VI. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	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	38,597	21,886	5,608	20,217	65	-	-	86,373
Banks	5,523	118,482	-	-	-	-	-	124,005
Financial Assets at Fair Value Through Profit and Loss	-	41	-	446	512	-	-	999
Money Market Placements	-	39,011	-	-	-	-	-	39,011
Available-For-Sale Financial Assets	-	14,939	-	6,273	109,135	41,642	75	172,064
Loans (**)	-	465,376	16,627	48,455	53,727	11	-	584,196
Held-To-Maturity Investments	-	-	17,727	13,185	-	-	-	30,912
Other Assets	-	12,055	-	-	-	-	25,926	37,981
Total Assets	44,120	671,790	39,962	88,576	163,439	41,653	26,001	1,075,541
Liabilities								
Bank Deposits	1,510	-	-	-	-	-	-	1,510
Other Deposits	46,531	472,061	102,135	2,132	-	-	-	622,859
Funds Provided From Other Financial Institutions	-	8,770	1,448	195,124	-	-	-	205,342
Money Market Borrowings	-	9	-	-	-	-	-	9
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	1,716	-	-	-	-	-	1,716
Other Liabilities	-	19,556	229	1,077	618	-	222,625	244,105
Total Liabilities	48,041	502,112	103,812	198,333	618	-	222,625	1,075,541
Liquidity Gap	(3,921)	169,678	(63,850)	(109,757)	162,821	41,653	(196,624)	-
Prior Period								
Total Assets	51,803	712,112	58,983	101,165	68,027	5,751	22,791	1,020,632
Total Liabilities	51,795	425,844	138,113	188,024	1,109	-	215,747	1,020,632
Liquidity Gap	8	286,268	(79,130)	(86,859)	66,918	5,751	(192,956)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

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

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VI. Explanations Related to Liquidity Risk (continued)

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 March 31, 2009							
Bank Deposits	1,510	-	-	-	-	-	1,510
Other deposits	520,134	103,062	2,172	-	-	(2,509)	622,859
Funds provided from other financial institutions	8,796	1,477	198,677	-	-	(3,608)	205,342
Money market borrowings	9	-	-	-	-	-	9
Total	530,449	104,539	200,849	-	-	(6,117)	829,720
As of December 31, 2008							
Bank Deposits	456	-	-	-	-	-	456
Other deposits	448,295	131,818	1,869	203	-	(4,754)	577,431
Funds provided from other financial institutions	10,313	8,445	190,671	-	-	(5,692)	203,737
Money market borrowings	7	-	-	-	-	-	7
Total	459,071	140,263	192,540	203	-	(10,446)	781,631

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 March 31, 2009						
Gross settled	85	-	-	-	-	85
Foreign exchange forward contracts	85	-	-	-	-	85
Currency swaps	-	-	-	-	-	-
Total	85	-	-	-	-	85
As of December 31, 2008						
Gross settled	104	-	-	-	-	104
Foreign exchange forward contracts	104	-	-	-	-	104
Currency swaps	-	-	-	-	-	-
Total	104	-	-	-	-	104

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. Explanations Related to the Assets

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in Vault/Foreign Currency	3,086	10,601	3,115	7,909
Balances with the Central Bank of Turkey	24,153	48,533	19,573	42,706
Other	-	-	-	-
Total	27,239	59,134	22,688	50,615

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposits (*)	24,153	758	19,573	766
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
FC Reserve deposits	-	47,775	-	41,940
Total	24,153	48,533	19,573	42,706

(*) Unrestricted demand deposits include TRY 24,142 Thousand (December 31, 2008: TRY 19,566 Thousand) unrestricted demand deposit balance comprising average reserve deposits. The interest rate applied by Central Bank for reserve deposits is 8.40%. (December 31, 2008: 12.00%).

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:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

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

I. Explanations Related to the Assets (continued)

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

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	10	-	8	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	10	-	8	-

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 986 Thousand. (December 31, 2008: TRY 923 Thousand).

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	-	3	-	8
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	3	-	8

3.a) Information on banks :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	10,035	25,330	10	30,859
Foreign	-	88,640	-	64,467
Branches and head office abroad	-	-	-	-
Total	10,035	113,970	10	95,326

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	36,351	22,634	-	-
USA and Canada	48,529	41,330	-	-
OECD Countries*	3,717	464	-	-
Off-shore banking regions	-	-	-	-
Other	43	39	-	-
Total	88,640	64,467	-	-

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

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I. Explanations Related to the Assets (continued)

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

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	16,676	-	24,705	-
Other	-	-	-	-
Total	16,676	-	24,705	-

a.2) Information on financial assets available for sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 155,313 Thousand (December 31, 2008: TRY 46,379 Thousand) and there are unquoted stocks amounting TRY 75 Thousand (December 31, 2008: TRY 75 Thousand).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	172,050	71,084
Quoted on a stock exchange	172,050	71,084
Not quoted	-	-
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision(-)	(61)	-
Total	172,064	71,159

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, 2008: TRY 75 Thousand).

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I. Explanations Related to the Assets (continued)

5. Information on loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	-	1,419	-	3,975
Corporate shareholders	-	1,419	-	3,975
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	20,976	-	16,492
Loans granted to employees	289	953	364	980
Total	289	23,348	364	21,447

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

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	543,277	140	40,779	-
Discount notes	-	-	-	-
Export loans	162,660	140	11,692	-
Import loans	-	-	-	-
Loans given to financial sector	926	-	-	-
Foreign loans	522	-	-	-
Consumer loans	6,000	-	599	-
Credit cards	168	-	-	-
Precious metals loans	-	-	-	-
Other	373,001	-	28,488	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	543,277	140	40,779	-

c) Loans according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	452,943	-	29,055	-
Non-specialized loans	452,943	-	29,055	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and long-term loans and other receivables	90,334	140	11,724	-
Non-specialized loans	90,334	140	11,724	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	543,277	140	40,779	-

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

I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

- 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	406	4,068	4,474
Housing Loans		1,108	1,108
Car Loans	55	639	694
General Purpose Loans	308	2,221	2,529
Other	43	100	143
Consumer Loans -Indexed to FC		1,574	1,574
Housing Loans		873	873
Car Loans		57	57
General Purpose Loans		-	-
Other		644	644
Consumer Loans-FC			
Housing Loans			-
Car Loans			-
General Purpose Loans			-
Other			-
Individual Credit Cards-TRY	63		63
With Installments			-
Without Installments	63		63
Individual Credit Cards-FC	29		29
With Installments			-
Without Installments	29		29
Personnel Loans-TRY	106	23	129
Housing Loans			-
Car Loans			-
General Purpose Loans	79	23	102
Other	27		27
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	76		76
With Installments			-
Without Installments	76		76
Personnel Credit Cards-FC			
With Installments			-
Without Installments			-
Overdraft Accounts-TRY(Real Persons) (*)	422		422
Overdraft Accounts-FC(Real Persons)			
Total	1,102	5,665	6,767

(*) Overdraft Accounts includes TRY 58 Thousand personnel loans.

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

I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	9,831	48,172	58,003
Business Loans	-	1,398	1,398
Car Loans	30	991	1,021
General Purpose Loans	4	2,910	2,914
Other	9,797	42,873	52,670
Commercial loans with installment facility - Indexed to FC	2,103	42,041	44,144
Business Loans	-	133	133
Car Loans	1,513	22,434	23,947
General Purpose Loans	314	-	314
Other	276	19,474	19,750
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)	4,966	-	4,966
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	16,900	90,213	107,113

f) Loans according to borrowers:

	Current Period	Prior Period
Public	-	-
Private	584,196	591,356
Total	584,196	591,356

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	583,674	589,948
Foreign loans	522	1,408
Total	584,196	591,356

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	-	-
Indirect loans granted to subsidiaries and associates	-	-
Total	-	-

i) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectibility	1,877	767
Loans and receivables with doubtful collectibility	225	3,542
Uncollectible loans and receivables	11,267	7,741
Total	13,369	12,050

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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: None.

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

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables(*)
Prior period end balance	3,401	4,433	7,656
Additions (+)	6,069	2	14
Transfers from other categories of non-performing loans (+)	-	759	4,573
Transfers to other categories of non-performing loans (-)	(759)	(4,573)	-
Collections (-)	(122)	(8)	(184)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
Current period end balance	8,589	613	12,059
Specific provision (-)	(1,877)	(225)	(11,267)
Net Balances on Balance Sheet	6,712	388	792

(*) Specific provision for uncollectible loans and receivables consists special provisions for rescheduled loans at an amount of TRY 140 Thousand. (December 31, 2008: TRY 129 Thousand).

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

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	8,589	613	12,059
Specific provision (-)	(1,877)	(225)	(11,267)
Loans to Real Persons and Legal Entities (Net)	6,712	388	792
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	3,401	4,433	7,656
Specific provision (-)	(767)	(3,542)	(7,741)
Loans to Real Persons and Legal Entities (Net)	2,634	891	(85)
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 non performing 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.

No amount was written off from assets within the year 2009.(December 31,2008: TRY 719 Thousand).

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

m) Other explanations and disclosures:

Current Period	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	425,110	113,561	4,606	-	543,277
Past due not impaired	29,588	10,616	575	-	40,779
Restructured loans	140	-	-	-	140
Individually impaired	15,731	4,776	754	-	21,261
Total gross	470,569	128,953	5,935	-	605,457
Less: allowance for individually impaired loans	(10,368)	(2,260)	(741)	-	(13,369)
Total net	460,201	126,693	5,194	-	592,088

Prior Period	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	446,408	116,762	8,546	-	571,716
Past due not impaired	11,530	7,574	407	-	19,511
Restructured loans	129	-	-	-	129
Individually impaired	12,046	2,607	764	73	15,490
Total gross	470,113	126,943	9,717	73	606,846
Less: allowance for individually impaired loans	(9,702)	(1,578)	(697)	(73)	(12,050)
Total net	460,411	125,365	9,020	-	594,796

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Retail	Other	Total
At January 1, 2009	9,702	1,578	697	73	12,050
Change from business division	65	12	(4)	(73)	-
Charge for the period	742	476	3	-	1,221
Recoveries	(189)	(19)	(1)	-	(209)
Additions	48	213	46	-	307
Amounts written off	-	-	-	-	-
Accrued interest on impaired loans and advances	-	-	-	-	-
At March 31, 2009	10,368	2,260	741	-	13,369

	Corporate	Small Business	Retail	Other	Total
At January 1, 2008	7,142	236	1,154	-	8,532
Change from business division	156	69	(298)	73	-
Charge for the period	1,276	696	25	-	1,997
Recoveries	(490)	(36)	(81)	-	(607)
Additions	2,188	619	40	-	2,847
Amounts written off	(570)	(6)	(143)	-	(719)
Accrued interest on impaired loans and advances	-	-	-	-	-
At December 31, 2008	9,702	1,578	697	73	12,050

**TURKLAND BANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2009**

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

I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired as of March 31, 2009 is TRY 4,638 Thousand. (December 31, 2008: TRY 3,292 Thousand).

Collaterals and credit enhancements obtained during the period: None (December 31, 2008: None).

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

Current Period	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	19,718	4,652	5,218		29,588
Small business lending	5,314	2,791	2,511		10,616
Consumer lending	93	258	224		575
Other	-	-	-		-
Total	25,125	7,701	7,953		40,779

Prior Period	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	6,067	1,106	4,357		11,530
Small business lending	4,692	1,707	1,175		7,574
Consumer lending	111	110	186		407
Other	-	-	-		-
Total	10,870	2,923	5,718		19,511

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank held as of March 31, 2009 is TRY 45,637 Thousand (December 31, 2008: TRY 30,958 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 436,331 Thousand have floating interest rates (December 31, 2008: TRY 442,588 Thousand) and the remaining TRY 147,865 Thousand have fixed interest rates. (December 31, 2008: TRY 148,768 Thousand).

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

I. Explanations Related to the Assets (continued)

6. Information on held-to-maturity investments :

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	27,367	-	17,215	-
Other	-	-	-	-
Total	27,367	-	17,215	-

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Book value of held to maturity investments classified as unrestricted financial assets is TRY 3,545 Thousand. (December 31, 2008: TRY 12,549 Thousand)

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	30,912	-	29,764	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Total	30,912	-	29,764	-

c) Information on held-to-maturity investments:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Debt securities				
Quoted on a stock exchange	30,912	-	29,764	-
Not quoted on a stock exchange	-	-	-	-
Provision for impairment (-)	-	-	-	-
Total	30,912	-	29,764	-

d) Movement of held-to-maturity investments:

	Current period		Prior Period	
	TRY	FC	TRY	FC
Beginning balance	29,764	-	-	-
Foreign currency differences on monetary assets	-	-	-	-
Purchases during year	1,148	-	29,764	-
Disposal through sales and redemptions	-	-	-	-
Impairment provision (-)	-	-	-	-
Closing Balance	30,912	-	29,764	-

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I. Explanations Related to the Assets (continued)

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 entities under common control:

The Bank has no entities under common control 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) :

	Opening Balance December 31 2008	Additions	Disposals	Other	Change in estimate	Ending Balance March 31, 2009
Cost:						
Land and buildings						-
Leased tangible assets	5,958					5,958
Vehicles						-
Other	24,804	41		(1,245)		23,600
Total Cost	30,762	41		(1,245)		29,558
	Opening Balance December 31 2008	Period Charge	Disposals	Other	Change in estimate	Ending Balance March 31, 2009
Accumulated Depreciation:						
Land and buildings						-
Leased tangible assets	(3,438)	(163)				(3,601)
Vehicles						-
Other	(10,602)	(808)		1,190	6	(10,214)
Total Accumulated Depreciation	(14,040)	(971)		1,190	6	(13,815)
Net Book Value	16,722	(930)		(55)	6	15,743

(*) Expenditures that are not appropriate for tangible fixed asset description and will not form economic use in following periods are reflected as expense at one time in financial statements.

- 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.

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I. Explanations Related to the Assets (continued)

13. Information on intangible assets:

	Opening Balance December 31, 2008	Additions	Disposals	Other	Change in estimate	Ending Balance March 31, 2009
Cost:						
Software cost	7,196	20				7,216
Total Cost	7,196	20				7,216
	Opening Balance December 31, 2008	Period Charge	Disposals	Other	Change in estimate	Ending Balance March 31, 2009
Accumulated Depreciation:						
Software cost	(4,642)	(284)				(4,926)
Total Accumulated Depreciation	(4,642)	(284)				(4,926)
Net Book Value	2,554	(264)				2,290

- Disclosures for book value, description and remaining depreciation time for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- 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.
- The book value of intangible fixed assets that are pledged or restricted for use: None.
- Amount of purchase commitments for intangible fixed assets: None.
- Information on revalued intangible assets according to their types: None.
- Amount of total research and development expenses recorded in income statement within the period if any: None.
- Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements.
- Information on goodwill: None.
- Movements on goodwill in the current period: None.

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I. Explanations Related to the Assets (continued)

14. Investment Property (Net): None.

15. Explanations on deferred tax asset:

- a) As of March 31, 2009, the carried forward tax losses and tax deductions or exemptions over computed deferred tax asset: None. (December 31, 2008: TRY 889 Thousand), deferred tax asset computed on the other temporary differences is TRY 520 Thousand (December 31, 2008: TRY 186 Thousand).
- 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:

	Current Period	Prior Period
At January 1,	1,075	1,012
Effect of change in tax rate	-	-
Deferred tax (charge)/benefit	(575)	215
Deferred tax (charge)/benefit (Net)	-	-
Deferred tax accounted for under Shareholders' Equity	20	(152)
Deferred Tax Asset	520	1,075

16. Information on assets held for sale and discontinued operations: None.

17. Information on other assets:

- a) Breakdown of other assets:

	Current Period	Prior Period
Prepaid Expenses	2,624	2,647
Advances Given	321	215
Exchange accounts	7,335	7,929
Other	1,256	842
Total	11,536	11,633

- 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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SECTION FIVE

II. Explanations Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) Current period:

	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	2,538	-	45,466	182,652	42	222	-	-	230,920
Foreign currency deposits	21,718	-	38,888	218,015	1,341	284	735	-	280,981
Residents in Turkey	21,487	-	37,264	175,011	1,235	198	365	-	235,560
Residents abroad	231	-	1,624	43,004	106	86	370	-	45,421
Public sector deposits	2,666	-	-	-	-	-	-	-	2,666
Commercial deposits	19,570	-	73,241	13,513	-	9	-	-	106,333
Other institutions deposits	39	-	60	1,860	-	-	-	-	1,959
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	1,510	-	-	-	-	-	-	-	1,510
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	37	-	-	-	-	-	-	-	37
Foreign Banks	1,473	-	-	-	-	-	-	-	1,473
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	48,041	-	157,655	416,040	1,383	515	735	-	624,369

a.2) Prior period:

	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	3,230	-	32,352	206,723	206	359	248	-	243,118
Foreign currency deposits	25,558	-	28,519	184,350	3,540	2,491	748	-	245,206
Residents in Turkey	25,341	-	28,361	179,395	3,182	2,348	394	-	239,021
Residents abroad	217	-	158	4,955	358	143	354	-	6,185
Public sector deposits	3,256	-	-	-	-	-	-	-	3,256
Commercial deposits	19,234	-	28,278	36,401	-	9	-	-	83,922
Other institutions deposits	61	-	770	1,098	-	-	-	-	1,929
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	456	-	-	-	-	-	-	-	456
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	4	-	-	-	-	-	-	-	4
Foreign Banks	452	-	-	-	-	-	-	-	452
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	51,795	-	89,919	428,572	3,746	2,859	996	-	577,887

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II. Explanations Related to the Liabilities (continued)

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

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

Saving Deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	Current Period(*)	Prior Period	Current Period(*)	Prior Period
Saving deposits	80,558	87,573	148,736	152,884
Foreign currency saving deposits	31,821	31,128	134,768	115,294
Other deposits in the form of saving deposits	189	329	1,737	2,708
Foreign branches' deposits under foreign Authorities' insurance				-
Off-shore banking regions' deposits under foreign authorities' insurance				-
Total	112,568	119,030	285,241	270,886

(*) According to the BRSA's circular no 1584 dated on 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:

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	333	151
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:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

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II. Explanations Related to the Liabilities (continued)

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	5,056	3,144	5,242	3,216
From Foreign Banks, Institutions and Funds	2,830	194,312	2,635	192,644
Total	7,886	197,456	7,877	195,860

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	7,886	197,456	7,877	195,860
Medium and long-term	-	-	-	-
Total	7,886	197,456	7,877	195,860

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

Bank diversifies its funding resources by customer deposits and foreign borrowings.

73% of bank deposits and 45% of other deposits are composed of foreign currency deposits.

4. Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	9	-	7	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	9	-	7	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	9	-	7	-

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 financial 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.

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II. Explanations Related to the Liabilities (continued)

6. Explanations on financial lease obligations (Net): (continued)

- c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	1,528	1,419	1,502	1,370
Between 1-4 Years	634	618	949	918
More than 4 Years	-	-	-	-
Total	2,162	2,037	2,451	2,288

- d) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. During first three months of 2009, operational lease expenses amounting to TRY 1,683 Thousand have been recorded in the profit and loss accounts (March 31,2008: TRY 995 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.

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

8. Information on provisions:

- a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for First Group Loans and Receivables	3,847	4,009
Provisions for Second Group Loans and Receivables	775	359
Provisions for non-Cash Loans	802	941
Other	-	-
Total	5,424	5,309

- b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TRY 138 Thousand (December 31, 2008: TRY 9 Thousand) on the foreign currency indexed loans are netted off from loans on the balance sheet.
- c) The specific provisions of TRY 969 Thousand (December 31, 2008: TRY 1,092 Thousand) were provided for unindemnified non cash loans.

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II. Explanations Related to the Liabilities (continued)

8. Information on provisions (continued)

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

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:

	Current Period	Prior Period
As of January 1	962	807
Service cost	87	255
Interest cost	15	80
Actuarial (gain) / loss	-	(63)
Benefits paid	(2)	(376)
Additional indemnities or gain/ (loss)	-	259
Period end	1,062	962

d.2) Provision for employee benefits table:

	Current Period	Prior Period
Employee termination benefit provision	1,062	962
Unused vacation provision	839	721
Total of provision for employee benefits	1,901	1,683

e) Information on other provisions:

e.1) Provisions for possible losses: None.

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

	Current Period	Prior Period
The specific provisions provided for unindemnified non cash loans	969	1,092
Provisions for litigation	362	362
Total	1,331	1,454

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.

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II. Explanations Related to the Liabilities (continued)

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for corporate taxes	890	-

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	-	-
Income Taxes Deducted From Wages	415	763
Taxation on Securities	843	1,012
Property Tax	164	159
Banking and Insurance Transaction Tax (BITT)	1,281	1,303
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	35	69
Stamp Tax	15	19
Other	9	9
Total	2,762	3,334

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	192	221
Social Security Premiums-Employer	279	319
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	13	15
Unemployment Insurance-Employer	26	30
Other	-	-
Total	510	585

c) 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.

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

II. Explanations Related to the Liabilities (continued)

12. Information on Shareholders' Equity:

- a) Presentation of Paid-in capital:

As of March 31, 2009 the Bank's nominal paid-in-capital amounting to TRY 170,000 Thousand consists of 1,700 million shares.

	Current Period	Prior Period
Common stock(*)	170,000	170,000
Preferred stock	-	-

(*) 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: None
- 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.

- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund:

	Current Period	Prior Period
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-
Valuation Difference	549	608
Foreign Exchange Difference	-	-
Total	549	608

13. Information on legal reserves:

	Current Period	Prior Period
First legal reserves	624	624
Second legal reserves	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	624	624

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II. Explanations Related to the Liabilities (continued)

14. Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	-	-
Retained earnings	9,790	9,790
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	9,790	9,790

15. Information on minority shares: None.

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SECTION FIVE

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

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: Credit card expenditure limit commitments are TRY 1,784 Thousand and TRY 1,865 Thousand; payment commitments for checks are TRY 22,382 Thousand and TRY 21,368 Thousand as of March 31, 2009 and December 31, 2008 respectively.
- 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:

As of March 31, 2009, the total guarantees and commitments consist of letters of guarantee amounting to TRY 478,943 Thousand (December 31, 2008: TRY 511,219 Thousand) acceptances amounting to TRY 7,683 Thousand (December 31, 2008: TRY 14,299 Thousand), letters of credit amounting to TRY 80,054 Thousand (December 31, 2008: TRY 103,938 Thousand) and other guarantees and commitments amounting to TRY 20,288 Thousand (December 31, 2008: TRY 22,495 Thousand).

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

	Current Period	Prior Period
Definite Letter of Guarantees	330,458	336,372
Temporary Letter of Guarantees	66,443	82,409
Suretyships and Similar Transactions	-	-
Other Letter of Guarantees	82,042	92,438
Total	478,943	511,219

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

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	19,845	20,706
With maturity of 1 year or less than 1 year	-	-
With maturity of more than 1 year	19,845	20,706
Other non-cash loans	567,123	631,245
Commitments	32,281	31,061
Total	619,249	683,012

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

1. Information on off-balance sheet liabilities: (continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	13,218	3.48	4,835	2.02	8,010	2.14	7,539	2.45
Farming and raising livestock	12,703	3.34	4,835	2.02	7,614	2.03	5,558	1.81
Forestry	503	0.13	-	-	366	0.10	1,981	0.64
Fishery	12	0.00	-	-	30	0.01	-	-
Manufacturing	147,187	38.76	109,772	45.84	151,867	40.45	133,347	43.35
Mining	80,649	21.24	18,481	7.72	85,916	22.88	20,119	6.54
Production	65,483	17.24	91,291	38.12	65,053	17.33	113,228	36.81
Electric, gas and water	1,055	0.28	-	-	898	0.24	-	-
Construction	113,721	29.94	85,707	35.79	116,554	31.04	115,365	37.51
Services	90,141	23.74	39,068	16.31	84,582	22.52	50,663	16.49
Wholesale and retail trade	32,435	8.54	9,184	3.83	31,034	8.27	12,813	4.17
Hotel, food and beverage services	1,008	0.27	439	0.18	1,017	0.27	-	-
Transportation and telecommunication	10,961	2.89	22,230	9.28	10,793	2.87	22,228	7.23
Financial institutions	40,556	10.68	5,966	2.49	34,873	9.29	8,019	2.61
Real estate and renting services	303	0.08	19	0.01	315	0.08	17	0.01
Self-employment services	2,203	0.58	1,230	0.51	1,912	0.51	7,463	2.43
Education services	16	0.00	-	-	16	0.00	-	-
Health and social services	2,659	0.70	-	-	4,622	1.23	123	0.04
Other	15,502	4.08	98	0.04	14,424	3.84	661	0.21
Total	379,769	100	239,480	100	375,437	100	307,575	100

(*) Non cash loans include commitments.

c.3) Information on I st and II nd Group non-cash loans:

	I st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash loans				
Letters of guarantee	325,099	129,589	22,389	1,866
Bank acceptances	-	6,496	-	1,187
Letters of credit	-	78,775	-	1,279
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Other commitments and contingencies	-	20,197	-	91
Loan Granting Commitments	8,115	-	-	-
Payment Commitments for Checks	21,535	-	847	-
Commitments for credit card expenditure limits	1,784	-	-	-
Total	356,533	235,057	23,236	4,423

The Bank provided a reserve of TRY 969 Thousand for non-cash loans not yet indemnified amounting to TRY 1,815 Thousand.

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):				
Forward transactions	174	216	-	-
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)	174	216	-	-
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	-	-
Total Derivative Transactions (A+B)	174	216	-	-

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

As of March 31, 2009 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
Current Period								
TRY								
USD		85						
EURO	89							
Other								
Total	89	85						
Prior Period								
TRY		104						
USD	112							
EURO								
Other								
Total	112	104						

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

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 entity under common control (joint venture) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in entities under common control (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 March 31, 2009 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: As of March 31, 2009 there are no contingent liabilities that need to be explained.

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 2008

Foreign Currency Commitments

Long term	BB
Short term	B
View	Stable

Turkish Lira Commitments

Long term	BBB-
Short term	F3
View	Stable
National	AAA(tur)
View	Stable

Individual Rating **D**

Support Points **3**

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SECTION FIVE

IV. Explanations Related to the Income Statement

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	20,260	4,314	13,762	2,084
Medium and long term loans	3,705	-	1,593	4
Interest on non-performing loans	61	-	12	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	24,026	4,314	15,367	2,088

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

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	1	-	2
Domestic banks	4	22	140	78
Foreign banks	3	91	12	229
Branches and head office abroad	-	-	-	-
Total	7	114	152	309

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	52	-	3,134	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	3,691	490	415	-
Held-to-maturity securities	1,148	-	782	-
Total	4,891	490	4,331	-

d) Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	-	-

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IV. Explanations Related to the Income Statement (continued)

2. a) Information on interest on funds borrowed :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on funds borrowed (*)				
Banks	254	3,054	126	2,018
The Central Bank of Turkey	-	-	-	-
Domestic banks	158	52	121	85
Foreign banks	96	3,002	5	1,933
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	254	3,054	126	2,018

(*) Includes fees and commission expenses for borrowings.

b) Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expense to associates and subsidiaries	-	-

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

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

Account Name	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TRY								
Bank deposits	-	-	-	-	-	-	-	-
Saving deposits	-	1,398	8,195	6	9	4	-	9,612
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	1,583	1,075	-	-	-	-	2,658
Other deposits	-	40	68	-	-	-	-	108
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	3,021	9,338	6	9	4	-	12,378
Foreign Currency								
Foreign currency deposits	-	818	2,895	34	6	9	-	3,762
Bank deposits	-	1	-	-	-	-	-	1
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	819	2,895	34	6	9	-	3,763
Grand Total	-	3,840	12,233	40	15	13	-	16,141

3. Information on dividend income:

	Current Period	Prior Period
Trading securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	-	-
Other	-	-
Total	-	-

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IV. Explanations Related to the Income Statement (continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	317,962	288,477
Gains on capital market operations	1,912	68
Gains on derivative financial instruments	19	1,396
Foreign exchange gains	316,031	287,013
Losses (-)	(315,828)	(288,459)
Losses on capital market operations	(1)	(236)
Losses on derivative financial instruments	(17)	(5,945)
Foreign exchange losses	(315,810)	(282,278)

5. Information on other operating income:

	Current Period	Prior Period
Provisions for communication expense collected from customers	38	42
Provisions for expenditure collected from customers	40	69
Reversal of specific provision	380	89
Reversal of general loan loss provision	302	-
Income from operational leases	20	10
Income from sales of assets written off	1	106
Other	72	3,698
Total	853	4,014

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	1,528	76
III. Group Loans and Receivables	1,025	20
IV. Group Loans and Receivables	135	15
V. Group Loans and Receivables	368	41
General loan loss provision expenses	417	1,513
Provision expenses for possible losses	-	-
Marketable securities impairment losses	43	58
Financial assets at fair value through profit and loss	-	58
Investment securities available for sale	43	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investments held to maturity	-	-
Other	48	51
Total	2,036	1,698

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IV. Explanations Related to the Income Statement (continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	7,472	6,857
Reserve for employee termination benefits	102	80
Taxes,duties, charges	208	293
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	964	468
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	284	146
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	7	5
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	4,028	2,563
Rent expenses	1,683	995
Maintenance expenses	161	90
Advertisement expenses	42	33
Other expenses(*)	2,142	1,445
Loss on sales of assets	-	-
Other(**)	588	356
Total	13,653	10,768

(*) Included in other operating expenses; vehicle expenses are TRY 651 Thousand, communication expenses are TRY 434 Thousand, cleaning expenses are TRY 222 Thousand, heating- lightning expenses are TRY 206 Thousand, non-deductible expenses TRY 93 Thousand, stationery expenses are TRY 74 Thousand, insurance expenses are TRY 70 Thousand, computer usage expenses TRY 60 Thousand,advertisement and announcement expenses 42 Thousand and other expenses are TRY 290 Thousand. (March 31, 2008: TRY 403 Thousand vehicle ; TRY 297 Thousand communication, TRY 195 Thousand cleaning, TRY 118 Thousand heating- lightning;TRY 16 Thousand non-deductible;TRY 39 Thousand stationery,TRY 68 Thousand insurance, TRY 44 Thousand computer usage; TRY 33 Thousand advertisement and announcement, TRY 232 Thousand other expenses).

(**) Included in other; the premiums paid to Saving Deposit Insurance Fund is TRY 203 Thousand, assurance and financial services expenses are TRY 223 Thousand , provision expenses for unused vacation is TRY 119 Thousand and other expenses are TRY 43 Thousand (March 31, 2008: TRY 111 Thousand the premiums paid to Saving Deposit Insurance Fund; TRY 166 Thousand assurance and financial consultancy expenses; TRY 62 Thousand provision expenses for unused vacation; TRY 17 Thousand other expenses).

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

The Bank has TRY 2,603 Thousand profit before tax in March 2008 and TRY 8,190 Thousand profit before tax in March 2009.

In comparison with the prior year, The Bank's net interest income increased by 95%, net commission income increased by 68%, provisions and operating expenses increased by 26%.

The bank derived TRY 2,134 Thousand trading income(net) within first three months of 2009.This amount is TRY 18 Thousand for the same period of prior year.

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IV. Explanations Related to the Income Statement (continued)

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

- a) As of March 31, 2009, current tax charge is TRY 890 Thousand and deferred tax charge is TRY 575 Thousand (March 31, 2008: TRY 39 Thousand deferred tax benefit).
- b) Deferred tax charge on temporary differences except carried forward tax losses is TRY 575 Thousand. (March 31, 2008: TRY 39 Thousand deferred tax benefit)
- c) Deferred tax benefit for temporary differences on carried forward tax losses or tax exemptions or deductions: TRY 890 Thousand.(March 31, 2008: None).
- d) Tax reconciliation:

	Current Period	Prior Period
Profit before tax	8,190	2,603
Tax at the domestic income tax rate of 20% (2008: 20%)	(1,638)	(521)
Disallowables	(330)	(571)
Deductions	233	872
Other	270	259
Tax calculated	(1,465)	39

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

The Bank has TRY 2,642 Thousand profit in March 2008 and TRY 6,725 Thousand profit in March 2009.

11. The 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: None.
- 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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IV. Explanations Related to the Income Statement (continued)

11. The explanations on net income / loss for the period: (continued)

- d) 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:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Expertise fees collected from customers	99	37
Transfer commissions	80	90
Collection note commissions	38	13
Insurance commissions	7	3
Import letters of credit commissions	7	87
Credit cards commissions and fees	3	21
Other	1,564	553
Total	1,798	804

	Current Period	Prior Period
<u>Other fees and commissions given</u>		
Commissions given to banks	74	67
Credit card fees and commissions	35	33
EFT expenses	12	6
Other	7	-
Total	128	106

- e) Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods: None.

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V. 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) Current Period:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		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	-	-	8	20,467	-	81
Balance at end of period	-	-	8	22,395	-	82
Interest and commission income	-	-	-	11	-	-

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 8 Thousand.

b) Prior Period:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		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	-	-	649	12,102	-	-
Balance at end of period	-	-	8	20,467	-	81
Interest and commission income received	-	-	70	38	-	-

c.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Deposits						
Balance at beginning of period	-	-	51,587	24,652	150	-
Balance at end of period	-	-	17,118	51,587	184	150
Interest on deposits	-	-	1,045	437	4	-

In addition, Bank has "Funds Borrowed" at an amount of TRY 5,106 Thousand used from direct and indirect shareholders of the bank and TRY 154 Thousand interest expense from funds borrowed in 2009.

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

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 at commercial terms and at rates which approximate market rates.

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V. Explanations on the Risk Group of the Bank (continued)

2. Disclosures for related parties: (continued)

- 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	-	-
Banks and other receivables	8	0.00
Non-cash loans	22,477	3.63
Deposits	17,303	2.77
Other financial institutions	5,106	2.49

These transactions are priced in accordance with the general pricing policies of the Bank and are in line with market rates.

- 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 1.86 %. Details of these loans are explained in 1a clause.

SECTION SIX

LIMITED REVIEW REPORT

I. Explanations on the Independent Auditor's Limited Review Report:

The unconsolidated financial statements of the Bank were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu).

The independent auditor's limited review report is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

In general assembly dated April 20,2009, it is decided that current period profit of 2008 is not going to be distributed as dividends, according to 466/1 article of Turkish Commercial Law 5% Legal reserve will be maintained, the remaining net current period profit at an amount of TRY 580 Thousand will be kept as extraordinary reserves.