

**TURKLAND BANK
ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
MARCH 31, 2010**

*Translated into English from the
original Turkish report and
financial statements*

Translated into English from the original Turkish report and financial statements

Turkland Bank Anonim Şirketi

**Independent auditor's limited review report
for the period ended March 31, 2010**

To the Board of Directors of
Turkland Bank Anonim Şirketi

We have reviewed the accompanying balance sheet of Turkland Bank Anonim Şirketi ("The Bank") as at March 31, 2010 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 on these financial statements based on our review.

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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 of the Bank as of March 31, 2010, and of the results of its operations and its cash flows, for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

The financial statements of the Bank as of December 31, 2009 and March 31, 2009 prepared in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411 were respectively audited and reviewed by other independent auditors, who expressed an unqualified opinion and an unqualified review conclusion in their reports dated February 15, 2010 and April 30, 2009, respectively.

Additional paragraph for English translation:

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

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

Selim Elhadeif
Partner

İstanbul, April 30, 2010

Translated into English from the original Turkish report and financial statements

**THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLANDBANK A.Ş.
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010**

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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 RELEVANT 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 Bank's records, have been independently reviewed and presented as attached.

April 30, 2010

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	Amin Rasheed Sa'id HUSSEINI	
Member of Audit Committee	Member of Audit Committee	Member of Audit Committee	

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

Name-Surname / Title: Sevgi Üstün / Assistant Manager

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2010

(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 Doğu Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günel (the main shareholder of MNG Group Companies) has acquired the Bank in 1997 and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

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

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

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, 2010, 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, 2010 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, 2010

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

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

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

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

(**) As of January 29, 2010, according to the resolution of the Extraordinary General Assembly, Faten MATAR has been assigned in place of Ghassan Hanna Suleiman TARAZİ whose term of office has completed.

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, 2010:

<u>Name/ Commercial Name</u>	<u>Share Amount</u>	<u>Share Ratios %</u>	<u>Paid up Shares</u>	<u>Unpaid Shares</u>
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, 2010

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

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

The Bank has 27 branches and 483 personnel. The Bank has no subsidiaries in the financial sector. (December 31, 2009: 25 branches, 464 personnel)

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

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

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SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

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TURKLAND BANK ANONİM ŞİRKETİ

BALANCE SHEETS AS OF MARCH 31, 2010 AND DECEMBER 31, 2009

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

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

			Reviewed Current Period 31.03.2010			Audited Prior Period 31.12.2009		
		Note Ref. (Part 5)	TRY	FC	Total	TRY	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	I-1	21,680	46,578	68,258	17,125	53,444	70,569
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	914	-	914	964	39	1,003
2.1	Financial assets held for trading		914	-	914	964	39	1,003
2.1.1	Public sector debt securities		914	-	914	964	-	964
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		-	-	-	-	39	39
2.1.4	Other marketable securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	I-3	2,532	58,781	61,313	4	67,241	67,245
IV.	MONEY MARKET PLACEMENTS		33,806	-	33,806	77,514	-	77,514
4.1	Interbank money market placements		33,806	-	33,806	77,514	-	77,514
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	138,837	37,915	176,752	138,435	82	138,517
5.1	Share certificates		75	-	75	75	-	75
5.2	Public sector debt securities		138,762	37,915	176,677	138,360	82	138,442
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	I-5	571,798	201,617	773,415	551,034	171,184	722,218
6.1	Loans and receivables		561,317	201,617	762,934	545,050	171,184	716,234
6.1.1	Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		561,317	201,617	762,934	545,050	171,184	716,234
6.2	Non-performing loans		38,516	-	38,516	33,778	-	33,778
6.3	Specific provisions (-)		(28,035)	-	(28,035)	(27,794)	-	(27,794)
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD TO MATURITY INVESTMENTS (Net)	I-6	44,477	-	44,477	39,209	-	39,209
8.1	Public sector debt securities		44,477	-	44,477	39,209	-	39,209
8.2	Other marketable securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1	Accounted for under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI.	JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1	Accounted for under equity method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial subsidiaries		-	-	-	-	-	-
11.2.2	Non-financial subsidiaries		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1	Fair value hedge		-	-	-	-	-	-
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		13,442	-	13,442	13,331	-	13,331
XV.	INTANGIBLE ASSETS (Net)		1,395	-	1,395	1,702	-	1,702
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		1,395	-	1,395	1,702	-	1,702
XVI.	INVESTMENT PROPERTY (Net)	I-12	-	-	-	-	-	-
XVII.	TAX ASSET		3,374	-	3,374	4,140	-	4,140
17.1	Current tax asset		1,540	-	1,540	1,952	-	1,952
17.2	Deferred tax asset		1,834	-	1,834	2,188	-	2,188
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-13	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS		11,703	199	11,902	8,869	194	9,063
TOTAL ASSETS			843,958	345,090	1,189,048	852,327	292,184	1,144,511

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ

BALANCE SHEETS AS OF MARCH 31, 2010 AND DECEMBER 31, 2009

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

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

		Reviewed Current Period 31.03.2010			Audited Prior Period 31.12.2009			
		Note Ref. (Part 5)	TRY	FC	Total	TRY	FC	Total
I.	DEPOSITS	II-1	471,214	410,634	881,848	486,850	355,100	841,950
1.1	Deposits from risk group of the Bank		590	389	979	675	57	732
1.2	Other		470,624	410,245	880,869	486,175	355,043	841,218
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	-	-	-	-	-	-
III.	FUNDS BORROWED	II-3	11,900	41,555	53,455	9,930	38,948	48,878
IV.	MONEY MARKET BALANCES		21	-	21	15	-	15
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		21	-	21	15	-	15
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrowed funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		4,467	271	4,738	3,916	373	4,289
VIII.	OTHER LIABILITIES	II-4	12,044	351	12,395	13,049	422	13,471
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	II-5	-	572	572	-	917	917
10.1	Finance lease payables		-	587	587	-	947	947
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	(15)	(15)	-	(30)	(30)
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-6	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	II-7	16,548	-	16,548	16,751	-	16,751
12.1	General loan loss provisions		5,941	-	5,941	6,520	-	6,520
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		2,704	-	2,704	2,354	-	2,354
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		7,903	-	7,903	7,877	-	7,877
XIII.	TAX LIABILITY	II-8	2,819	-	2,819	2,956	-	2,956
13.1	Current tax liability		2,819	-	2,819	2,956	-	2,956
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS		-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	II-9	216,958	(306)	216,652	215,284	-	215,284
16.1	Paid-in capital		170,000	-	170,000	170,000	-	170,000
16.2	Supplementary capital		26,525	(306)	26,219	31,669	-	31,669
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		1,093	(306)	787	6,237	-	6,237
16.2.4	Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		25,432	-	25,432	25,432	-	25,432
16.3	Profit reserves		11,261	-	11,261	11,261	-	11,261
16.3.1	Legal reserves		666	-	666	666	-	666
16.3.2	Statutory reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		10,369	-	10,369	10,369	-	10,369
16.3.4	Other profit reserves		226	-	226	226	-	226
16.4	Profit or loss		9,172	-	9,172	2,354	-	2,354
16.4.1	Prior years' income/ (losses)		2,354	-	2,354	-	-	-
16.4.2	Current year income/ (loss)		6,818	-	6,818	2,354	-	2,354
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			735,971	453,077	1,189,048	748,751	395,760	1,144,511

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS
AS OF MARCH 31, 2010 AND DECEMBER 31, 2009

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

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Reviewed Current Period 31.03.2010			Audited Prior Period 31.12.2009		
	Note Ref. (Part 5)	TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
(I-II-III)		603,741	286,529	890,270	540,697	264,396	805,093
I. GUARANTEES	III-2-3	536,385	269,265	805,650	471,272	238,233	709,505
1.1 Letters of guarantee		536,385	148,732	685,117	471,272	133,207	604,479
1.1.1 Guarantees subject to State Tender Law		26,325	15,892	42,217	28,164	14,951	43,115
1.1.2 Guarantees given for foreign trade operations		-	23,384	23,384	-	12,452	12,452
1.1.3 Other letters of guarantee		510,060	109,456	619,516	443,108	105,804	548,912
1.2 Bank loans		-	16,740	16,740	-	9,525	9,525
1.2.1 Import letter of acceptance		-	16,740	16,740	-	9,525	9,525
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	71,963	71,963	-	72,819	72,819
1.3.1 Documentary letters of credit		-	71,963	71,963	-	72,819	72,819
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		-	31,830	31,830	-	22,682	22,682
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	67,356	17,264	84,620	69,425	12,214	81,639
2.1 Irrevocable commitments		67,356	17,264	84,620	69,425	12,214	81,639
2.1.1 Forward asset purchase and sales commitments		3,505	17,264	20,769	32,343	12,214	44,557
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		10,707	-	10,707	10,528	-	10,528
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		51,454	-	51,454	24,846	-	24,846
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		1,690	-	1,690	1,708	-	1,708
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						13,949	13,949
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		-	-	-	-	13,949	13,949
3.2.1 Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1 Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2 Swap transactions related to foreign currency and interest rates		-	-	-	-	13,949	13,949
3.2.2.1 Foreign currency swaps-buy		-	-	-	-	6,994	6,994
3.2.2.2 Foreign currency swaps-sell		-	-	-	-	6,955	6,955
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)		3,458,204	895,406	4,353,610	3,216,258	909,793	4,126,051
IV. ITEMS HELD IN CUSTODY		258,397	30,059	288,456	229,583	25,951	255,534
4.1 Assets under management		-	-	-	-	-	-
4.2 Investment securities held in custody		80,033	407	80,440	78,686	404	79,090
4.3 Checks received for collection		170,388	26,923	197,311	144,017	22,907	166,924
4.4 Commercial notes received for collection		7,976	2,121	10,097	6,880	2,359	9,239
4.5 Other assets received for collection		-	342	342	-	281	281
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		-	266	266	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		3,199,807	865,347	4,065,154	2,986,675	883,842	3,870,517
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		5,438	2,905	8,343	7,754	5,329	13,083
5.3 Commodities		-	-	-	-	-	-
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		866,220	190,724	1,056,944	824,453	205,105	1,029,558
5.6 Other pledged items		2,328,149	671,718	2,999,867	2,154,468	673,408	2,827,876
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES							
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		4,061,945	1,181,935	5,243,880	3,756,955	1,174,189	4,931,144

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

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF INCOME FOR THE PERIODS
ENDED MARCH 31, 2010 AND 2009

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

III. STATEMENT OF INCOME

			Reviewed Current Period 01.01-31.03.2010	Reviewed Prior Period 01.01-31.03.2009
	Note Ref (Part 5)			
I. INTEREST INCOME	IV-1		26,973	36,684
1.1 Interest on loans			21,133	28,340
1.2 Interest received from reserve deposits			313	519
1.3 Interest received from banks			77	121
1.4 Interest received from money market placements			646	2,263
1.5 Interest received from marketable securities portfolio			4,732	5,381
1.5.1 Held-for-trading financial assets			21	52
1.5.2 Financial assets at fair value through profit and loss			-	-
1.5.3 Available-for-sale financial assets			3,615	4,181
1.5.4 Investments held-to-maturity			1,096	1,148
1.6 Finance lease income			-	-
1.7 Other interest income			72	60
II. INTEREST EXPENSE	IV-2		(13,181)	(19,547)
2.1 Interest on deposits			(12,162)	(16,141)
2.2 Interest on funds borrowed			(574)	(3,308)
2.3 Interest on money market borrowings			(7)	(23)
2.4 Interest on securities issued			-	-
2.5 Other interest expense			(438)	(75)
III. NET INTEREST INCOME (I - II)			13,792	17,137
IV. NET FEES AND COMMISSIONS INCOME			3,891	3,755
4.1 Fees and commissions received			4,045	3,893
4.1.1 Non-cash loans			1,941	2,095
4.1.2 Other	IV-9		2,104	1,798
4.2 Fees and commissions paid			(154)	(138)
4.2.1 Non-cash loans			(11)	(10)
4.2.2 Other	IV-9		(143)	(128)
V. DIVIDEND INCOME			-	-
VI. NET TRADING INCOME			6,769	2,134
6.1 Securities trading gains/ (losses)			6,814	1,911
6.2 Gain/(losses) from derivative financial instruments			(4,132)	3
6.3 Foreign exchange gains/ (losses)			4,087	220
VII. OTHER OPERATING INCOME	IV-4		1,862	853
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)			26,314	23,879
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-5		(1,523)	(2,036)
X. OTHER OPERATING EXPENSES (-)	IV-6		(15,845)	(13,653)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)			8,946	8,190
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD			-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION			-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)			8,946	8,190
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-7		(2,128)	(1,465)
16.1 Provision for current income taxes			(412)	(890)
16.2 Provision for deferred taxes			(1,716)	(575)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)			6,818	6,725
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)			-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)			-	-
21.1 Provision for current income taxes			-	-
21.2 Provision for deferred taxes			-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)			-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	IV-8		6,818	6,725
23.1 Group's profit/loss			-	-
23.2 Minority shares			-	-
Earnings per share			-	-

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF PROFIT LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009

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

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed Current Period 01.01-31.03.2010	Reviewed Prior Period 01.01-31.03.2009
I.		
Additions to marketable securities revaluation differences for available for sale financial assets	227	2,305
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	1,362	15
X.		
Total Net Profit/Loss accounted under equity (I+II+...+IX)	1,589	2,320
XI.		
Profit/Loss	(221)	4,346
1.1	(7,039)	(2,379)
1.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3		
Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4		
Other	6,818	6,725
XII.		
Total Profit/Loss accounted for in the period (X+XI)	1,368	6,666

The accompanying notes are an integral part of these financial statements

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	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
Prior Period – 01.01-31.03.2009																		
I. Beginning Balance – 31.12.2008	170,000	25,433	-	-	624	-	9,790	11	836	-	608	-	-	-	-	207,302	-	207,302
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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(59)	-	-	-	-	(59)	-	(59)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)	-	-	-	-	-	-	-	-	6,725	-	-	-	-	-	-	6,725	-	6,725
XX. Profit distribution	-	-	-	-	-	-	-	-	(836)	836	-	-	-	-	-	-	-	-
20.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves	-	-	-	-	-	-	-	-	(836)	836	-	-	-	-	-	-	-	-
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)	170,000	25,433	-	-	624	-	9,790	11	6,725	836	549	-	-	-	-	213,968	-	213,968

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

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	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. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I. Current Period – 01.01.-31.03.2010																		
Prior period balance – 31.12.2009	170,000	25,432	-	-	666	-	10,369	226	2,354	-	6,237	-	-	-	-	215,284	-	215,284
Changes in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(5,450)	-	-	-	-	(5,450)	-	(5,450)
IV. Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	6,818	-	-	-	-	-	-	6,818	-	6,818
XVIII. Profit distribution	-	-	-	-	-	-	-	-	(2,354)	2,354	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	-	-	-	-	(2,354)	2,354	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																		
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)	170,000	25,432	-	-	666	-	10,369	226	6,818	2,354	787	-	-	-	-	216,652	-	216,652

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

TURKLAND BANK ANONİM ŞİRKETİ
CASH FLOW STATEMENTS FOR THE PERIODS
ENDED MARCH 31, 2010 AND 2009

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

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 01.01-31.03.2010	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	(1,578)	(5,208)
1.1.1 Interest received	37,157	45,829
1.1.2 Interest paid	(14,266)	(23,288)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	4,123	3,893
1.1.5 Other income	10,151	2,987
1.1.6 Collections from previously written off loans	1,340	314
1.1.7 Payments to personnel and service suppliers	(9,611)	(7,472)
1.1.8 Taxes paid	-	-
1.1.9 Others	(30,472)	(27,471)
1.2 Changes in operating assets and liabilities	(13,635)	17,004
1.2.1 Net (increase) decrease in financial assets held for trading	58	(76)
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	(543)	(42)
1.2.4 Net (increase) decrease in loans	(55,013)	(4,018)
1.2.5 Net (increase) decrease in other assets	(2,840)	(29,434)
1.2.6 Net increase (decrease) in bank deposits	(112)	1,055
1.2.7 Net increase (decrease) in other deposits	41,217	46,797
1.2.8 Net increase (decrease) in funds borrowed	4,461	4,085
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	(863)	(1,363)
I. Net cash provided from banking operations	(15,213)	11,796
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(38,254)	(94,568)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries	-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(661)	(41)
2.4 Fixed assets sales	-	-
2.5 Cash paid for purchase of financial assets available for sale	(173,992)	(203,867)
2.6 Cash obtained from sale of financial assets available for sale	140,711	109,360
2.7 Cash paid for purchase of investment securities	(4,312)	-
2.8 Cash obtained from sale of investment securities	-	-
2.9 Others	-	(20)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	(330)	(430)
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	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(330)	(430)
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	1,285	11,228
V. Net increase / (decrease) in cash and cash equivalents	(52,512)	(71,974)
VI. Cash and cash equivalents at beginning of the period	179,453	249,429
VII. Cash and cash equivalents at end of the period	126,941	177,455

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, 2010

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

The accounting policies adopted in the preparation of the Bank's interim financial statements are consistent with the accounting policies adopted for financial statements dated December 31, 2009 and changes of TAS/TFRS (TFRS 2 'Group Cash Settled Share Based Payment Transactions'; TFRS 3, 'Business Combinations' and TAS 27, 'Consolidated and Separate Financial Statements'; TAS 39 Financial Instruments: Recognition and Measurement – 'Eligible Hedged Items'; TFRIC 17 'Distributions of Non-cash Assets to Owners' and improvements to TFRS) that have come into effect as from January 1, 2010 do not have any effect on the accounting policies, financial position and performance of the Bank. These accounting policies and valuation principles are explained in Notes II to XXII.

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

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

The Bank focuses its activities in corporate banking. The primary objective of the Bank is to sustain liquidity while fulfilling customer needs. Thus, the Bank places approximately 24.21% 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 18.68% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 5.15% 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.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

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.

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

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

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 regulation on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves published in the Official Gazette numbered 26333 dated November 1, 2006, interest accruals of the non-performing loans are reversed and interest income related to these loans is recorded as interest income only when collected.

V. 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. The Bank trades these instruments on behalf of its customers and on its own behalf.

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

VI. Explanations and Disclosures on Financial Assets (Continued)

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

Cash, Banks, and Other Financial Institutions

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

Financial Assets at Fair Value Through Profit and Loss

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

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

Held to Maturity Investments, 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.

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

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

Financial Assets Available for Sale

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

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

VI. Explanations and Disclosures on Financial Assets (Continued)

Loans

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.

VII. Explanations on Impairment of Financial Assets

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

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

Specific reserves are provided for non performing loans in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006 which was amended with communiqué published in the Official Gazette No. 27119 dated January 23, 2009. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Specific Provision Expense".

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

VII. Explanations on Impairment of Financial Assets (Continued)

The Bank's capital adequacy ratio that is calculated over amounts subject to credit and market risk except amount subject to operational risk is over 16% and in accordance with the "Amendment 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. 27513 dated March 6, 2010; the Bank has opted to apply 0% general loan loss provision for the cash loans except credit cards that are granted after March 1, 2010 until March 1, 2011.

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.

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, 2010, the Bank does not have any reverse repo transactions (December 31, 2009: None).

As of March 31, 2010, the Bank does not have any marketable securities lending transaction (December 31, 2009: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

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

The Bank does not have any assets held for sale as of March 31, 2010 (December 31, 2009: None).

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED MARCH 31, 2010**

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

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

XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

XII. Explanations on Tangible Fixed Assets

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

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

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

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

Normal maintenance and repair cost of the properties are expensed.

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

XIII. Explanations on Leasing Transactions

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

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

XIV. Explanations on Provisions and Contingent Liabilities

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

According to the legal department of the Bank; the total number of ongoing cases against the Bank is 79. The total amount of those cases is TRY 327 Thousand and USD 627 Thousand and EURO 193 Thousand. There is a provision of TRY 1,005 Thousand in the accompanying financial statements for these cases. (December 31, 2009: TRY 998 Thousand).

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

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

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

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

Defined contribution plans

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

Short-term employee benefits

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

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 twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

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

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities. Corporate tax liability carried on the balance sheet before net off with the prepaid temporary taxes is TRY 3,652 Thousand (December 31, 2009: TRY 3,240 Thousand).

Deferred Tax Liability / Asset

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

In accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on 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 expense stated under the tax provision amounted to TRY (1,716) Thousand in the income statement (March 31, 2009: TRY 575 Thousand deferred tax expense).

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

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

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

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

XXII. Explanations on Other Matters

None, other than above explanations.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related communiqué is 17.28%. (December 31, 2009: 19.32%)

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements is 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.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

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	14,612	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	17,217	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	61,281	-	32	-	-
Interbank Money Market Placements	33,800	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	36,116	-	-	-	-	-	-
Loans	8,666	-	132	269,565	471,646	-	-
Non-performing Loans (Net)	-	-	-	-	10,481	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	75	-	-
Held to Maturity Investments	41,490	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	618	-	-
Interest and Income Accruals	3,329	-	27	6,733	6,143	-	-
Subsidiaries, Associates and Jointly Controlled Entities (Net)	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	7,444	-	-
Other Assets	13,673	-	-	-	3,081	-	-
Off-Balance Sheet Items	-	-	-	-	-	-	-
Guarantees and Commitments	3,756	-	14,340	12,452	419,652	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	172,659	-	75,780	288,750	919,172	-	-
Total Risk Weighted Assets	-	-	15,156	144,375	919,172	-	-

Summary information related to the capital adequacy ratio:

	March 31, 2010	December 31, 2009
Total Risk Weighted Assets (TRWA)	1,078,703	980,352
Amount Subject to Market Risk (ASMR)	30,225	13,900
Amount Subject to Operational Risk (ASOR) (*)	116,047	85,990
Shareholders' Equity	211,671	208,753
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	17.28%	19.32%

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

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

Information related to the components of shareholders' equity:

	March 31, 2010	December 31, 2009
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	666	666
First legal reserve (Turkish Commercial Code 466/1)	666	666
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	10,595	10,595
Reserves allocated by the General Assembly	10,369	10,369
Retained earnings	226	226
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	9,172	2,354
March 31, 2010 net profit	6,818	2,354
Prior years' profits	2,354	-
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 improvements (-)	(5,760)	(6,212)
Prepaid expenses (-)	(3,096)	(1,466)
Intangible assets (-)	(1,395)	(1,702)
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	205,614	199,667
SUPPLEMENTARY CAPITAL	6,295	9,327
General loan loss reserves	5,941	6,520
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint ventures)	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	-	-
Marketable securities value increase fund	354	2,807
Associates and subsidiaries	-	-
Available for sale securities	354	2,807
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	6,295	9,327
TIER III CAPITAL	-	-
CAPITAL	211,909	208,994
DEDUCTIONS FROM THE CAPITAL	(238)	(241)
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than Ten percent of capitals which exceed the ten Percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	(238)	(241)
Other	-	-
Total Shareholders' Equity	211,671	208,753

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II. Explanations Related to Market Risk

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

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

Interest rate and exchange rate risks, arising from the volatility in the financial markets are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarized below) is taken into consideration. Beside the standard method, market risk (VAR) is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated 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 standard 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	2,367
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	51
(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)	2,418
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	30,225

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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III. Explanations Related to Currency Risk

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

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

The announced current foreign exchange buying rates of the Bank at March 31, 2010 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates):

	March 24, 2010	March 25, 2010	March 26, 2010	March 29, 2010	March 30, 2010	March 31, 2010
USD	1.5396	1.5373	1.5344	1.5287	1.5258	1.5203
CHF	1.4414	1.4385	1.4395	1.4362	1.4321	1.4386
GBP	2.2953	2.2877	2.2856	2.2908	2.3032	2.3011
100 JPY	1.6758	1.6639	1.6588	1.6513	1.6419	1.6357
EURO	2.0575	2.0531	2.0549	2.0563	2.0515	2.0544

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before March 31, 2010 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.5313
CHF	1.4354
GBP	2.3037
100 JPY	1.6862
EURO	2.0774

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III. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

March 31, 2010	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.	16,724	29,662	-	192	46,578
Banks	29,893	27,956	132	800	58,781
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	37,915	-	-	37,915
Loans (*)	144,492	163,727	-	136	308,355
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	-	199	-	-	199
Total Assets	191,109	259,459	132	1,128	451,828
Liabilities					
Bank Deposits	103	387	14	36	540
Foreign Currency Deposits	153,125	256,325	7	637	410,094
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	37,624	3,931	-	-	41,555
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	185	82	-	4	271
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	583	34	-	-	617
Total Liabilities	191,620	260,759	21	677	453,077
Net Balance Sheet Position	(511)	(1,300)	111	451	(1,249)
Net Off-Balance Sheet Position		1,793	-	(115)	1,678
Financial Derivative Assets (***)	3,390	6,081	-	-	9,471
Financial Derivative Liabilities (***)	3,390	4,288	-	115	7,793
Non-Cash Loans (**)	83,680	185,492	-	93	269,265
December 31, 2009					
Total Assets	167,826	226,141	261	1,652	395,880
Total Liabilities	158,966	235,966	3	825	395,760
Net Balance Sheet Position	8,860	(9,825)	258	827	120
Net Off-Balance Sheet Position	(7,704)	7,745	-	-	41
Financial Derivative Assets (***)	2,675	10,427	-	-	13,102
Financial Derivative Liabilities (***)	(10,379)	(2,682)	-	-	(13,061)
Non-Cash Loans (**)	82,272	155,836	-	125	238,233

(*) Foreign currency indexed loans amounting to TRY 106,738 Thousand (December 31, 2009: TRY 103,735 Thousand) are included in the loan portfolio.

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

(***) It consists of TRY 9,471 Thousand Financial derivative assets, TRY 7,793 Thousand forward asset purchase & sale commitments (December 31, 2009: TRY 6,108 Thousand and TRY 6,106 Thousand, respectively).

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	
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
USD	10	18	(208)	31	-
EURO	10	(51)	116	-	-

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IV. 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.

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
March 31, 2010							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	16,946	-	-	-	-	51,312	68,258
Banks	59,243	-	-	-	-	2,070	61,313
Financial Assets at Fair Value Through Profit and Loss	272	80	450	112	-	-	914
Money Market Placements	33,806	-	-	-	-	-	33,806
Available-For-Sale Financial Assets	24,977	-	97,979	12,123	41,598	75	176,752
Loans (*)	589,316	28,276	82,858	62,440	-	44	762,934
Held-To-Maturity Investments	-	-	24,291	20,186	-	-	44,477
Other Assets (**)	-	-	-	-	-	40,594	40,594
Total Assets	724,560	28,356	205,578	94,861	41,598	94,095	1,189,048
Liabilities							
Bank Deposits	-	-	-	-	-	925	925
Other Deposits	620,522	157,528	14,983	-	-	87,890	880,923
Money Market Borrowings	21	-	-	-	-	-	21
Sundry Creditors	-	-	-	-	-	4,737	4,737
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	12,437	4,665	36,330	-	-	23	53,455
Other Liabilities (***)	507	228	232	-	-	248,020	248,987
Total Liabilities	633,487	162,421	51,545	-	-	341,595	1,189,048
Balance Sheet Long Position	91,073	-	154,033	94,861	41,598	-	381,565
Balance Sheet Short Position	-	(134,065)	-	-	-	(247,500)	(381,565)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	91,073	(134,065)	154,033	94,861	41,598	(247,500)	-

(*) 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 13,442 Thousand, intangible assets amounting to TRY 1,395 Thousand, tax asset amounting to TRY 3,374 Thousand, net non performing loans amounting to TRY 10,481 Thousand, clearing account amounting to TRY 6,428 Thousand, prepaid expenses amounting to TRY 3,096 Thousand and other assets amounting to TRY 2,378 Thousand.

(***) The other liabilities line in the non-interest bearing column consists of shareholders' equity amounting to TRY 216,652 Thousand, tax liability amounting to TRY 2,819 Thousand, provisions amounting to TRY 16,548 Thousand and other liabilities amounting to 12.001 Thousand.

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IV. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
March 31, 2010				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Reserve Deposits) And Balances With The Central Bank Of Turkey	-	-	-	5.20
Banks	0.17	0.67	-	6.50
Financial Assets At Fair Value Through Profit And Loss	-	-	-	7.61
Money Market Placements	-	-	-	6.50
Available-For-Sale Financial Assets	-	5.58	-	7.86
Loans	8.10	6.44	-	13.47
Held-To-Maturity Investments	-	-	-	11.21
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	2.72	2.75	-	9.15
Money Market Borrowings	-	-	-	6.5
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.19	3.55	-	9.28

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
December 31, 2009							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	14,155	-	-	-	-	56,414	70,569
Banks	62,804	-	-	-	-	4,441	67,245
Financial Assets at Fair Value Through Profit and Loss	39	215	544	205	-	-	1,003
Money Market Placements	77,514	-	-	-	-	-	77,514
Available-For-Sale Financial Assets	18,330	46,558	10,315	63,157	82	75	138,517
Loans(*)	552,146	26,274	75,101	62,640	-	73	716,234
Held-To-Maturity Investments	-	-	19,817	19,392	-	-	39,209
Other Assets (**)	-	-	-	-	-	34,220	34,220
Total Assets	724,988	73,047	105,777	145,394	82	95,223	1,144,511
Liabilities							
Bank Deposits	-	-	-	-	-	1,044	1,044
Other Deposits	541,628	215,068	2,278	72	-	81,860	840,906
Money Market Borrowings	15	-	-	-	-	-	15
Sundry Creditors	-	-	-	-	-	4,289	4,289
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	18,337	5,699	24,814	-	-	28	48,878
Other Liabilities (***)	450	233	587	10	-	248,099	249,379
Total Liabilities	560,430	221,000	27,679	82	-	335,320	1,144,511
Balance Sheet Long Position	164,558	-	78,098	145,312	82	-	388,050
Balance Sheet Short Position	-	(147,953)	-	-	-	(240,097)	(388,050)
Off-Balance Sheet Long Position	-	-	-	-	-	6,994	6,994
Off-Balance Sheet Short Position	-	-	-	-	-	(6,955)	(6,955)
Total Position	164,558	(147,953)	78,098	145,312	82	(240,058)	39

(*) 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 13,331 Thousand intangible assets amounting to TRY 1,702 Thousand, tax asset amounting to TRY 4,140 Thousand, net non performing loans amounting to TRY 5,984 Thousand, clearing account amounting to TRY 6,302 Thousand, prepaid expenses amounting to TRY 1,466 Thousand and other assets amounting to TRY 1,295 Thousand.

(***) The other liabilities line in the non-interest bearing column consists of shareholders' equity amounting to TRY 215,284 Thousand, tax liability amounting to TRY 2,956 Thousand, provisions amounting to TRY 16,751 Thousand and other liabilities amounting to 13.108 Thousand.

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IV. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments

	EURO %	USD %	YEN %	TRY %
December 31, 2009				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Reserve Deposits) And Balances With The Central Bank Of Turkey	-	-	-	7.35
Banks	0.42	0.31	-	10.38
Financial Assets At Fair Value Through Profit And Loss	-	-	-	16.15
Money Market Placements	-	-	-	10.44
Available-For-Sale Financial Assets	-	7.15	-	13.04
Loans	9.52	8.73	-	20.32
Held-To-Maturity Investments	-	-	-	13.82
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	3.98	3.97	-	12.19
Money Market Borrowings	-	-	-	7.79
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.39	3.99	-	12.05

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 258 Thousand. The change in profit mainly related to FC loans and other deposits (December 31, 2009 : TRY 43 Thousand).

There is no effect on the Bank's equity.

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V. Explanations Related to Liquidity Risk

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

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

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

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

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

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V. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

March 31, 2010	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	32,141	28,134	4,414	3,569	-	-	-	68,258
Banks	2,070	59,243	-	-	-	-	-	61,313
Financial Assets at Fair Value Through Profit and Loss	-	272	80	356	206	-	-	914
Money Market Placements	-	33,806	-	-	-	-	-	33,806
Available-For-Sale Financial Assets	-	-	-	37,705	97,374	41,598	75	176,752
Loans (***)	-	589,360	28,276	82,858	62,440	-	-	762,934
Held-To-Maturity Investments	-	-	-	24,291	20,186	-	-	44,477
Other Assets	-	11,901	-	-	-	-	28,693	40,594
Total Assets	34,211	722,716	32,770	148,779	180,206	41,598	28,768	1,189,048
Liabilities								
Bank Deposits	925	-	-	-	-	-	-	925
Other Deposits	87,890	620,522	157,528	14,983	-	-	-	880,923
Funds Provided From Other Financial Institutions	-	12,460	4,665	36,330	-	-	-	53,455
Money Market Borrowings	-	21	-	-	-	-	-	21
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	4,737	-	-	-	-	-	4,737
Other Liabilities	-	15,328	228	231	-	-	233,200	248,987
Total Liabilities	88,815	653,068	162,421	51,544	-	-	233,200	1,189,048
Liquidity Gap	(54,604)	69,648	(129,651)	97,235	180,206	41,598	(204,432)	-
December 31, 2009								
Total Assets	39,437	733,598	39,392	99,032	209,926	82	23,044	1,144,511
Total Liabilities	82,904	580,811	221,000	27,679	82	-	232,035	1,144,511
Liquidity Gap	(43,467)	152,787	(181,608)	71,353	209,844	82	(208,991)	-

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

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

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

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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:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Cash in Vault/Foreign Currency	4,722	9,890	2,960	17,275
Balances with the Central Bank of Turkey	16,958	36,688	14,165	36,169
Other	-	-	-	-
Total	21,680	46,578	17,125	53,444

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

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Unrestricted demand deposits	16,958	572	14,165	598
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
FC Reserve deposits	-	36,116	-	35,571
Total	16,958	36,688	14,165	36,169

c) Explanations related to reserve deposits:

In accordance with "Communiqué regarding the reserve requirements" issued by the Central Bank of Republic of Turkey (CBRT), the banks operating in Turkey are required to place reserves at CBRT at a rate of 5% for their TL liabilities and 9% as USD and/or EUR for their foreign currency liabilities. CBRT makes quarterly interest payments over the reserve requirements based on the interest rates set. As of March 31, 2010 the corresponding interest rate is 5.20% for TL and no interest rate is set for foreign currency reserves.

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

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

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

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Government bonds	26	-	18	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	26	-	18	-

Translated into English from the original Turkish report and financial statements

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Net book value of unrestricted financial assets at fair value through profit and loss is TRY 888 Thousand. (December 31, 2009: TRY 946 Thousand).

I. Explanations Related to the Assets (continued)

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

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

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	39
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	-	39

3. Information on banks:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Banks				
Domestic	2,532	13,435	4	49,502
Foreign	-	45,346	-	17,739
Branches and head office abroad	-	-	-	-
Total	2,532	58,781	4	67,241

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

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

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	-	-	4,264	-
Other	-	-	-	-
Total	-	-	4,264	-

a.2) Information on financial assets available for sale subject to repurchase agreements: None

Net book value of unrestricted financial assets available-for-sale is TRY 176.752 Thousand (December 31, 2009: TRY 134.253 Thousand) and included in this amount there are unquoted stocks amounting TRY 75 Thousand (December 31, 2009: TRY 75 Thousand).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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I. Explanations Related to the Assets (continued)

b) Information on financial assets available for sale portfolio:

	March 31, 2010	December 31, 2009
Debt securities	176,677	138,442
Quoted on a stock exchange	176,677	138,442
Not quoted	-	-
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision(-)	-	-
Total	176,752	138,517

In line with the accounting policies of the Bank, all unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 75 Thousand which is recorded investment at cost since its fair value cannot be reliably estimated (December 31, 2009: TRY 75 Thousand).

5. Information on loans:

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

	March 31, 2010		December 31, 2009	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders				
Corporate shareholders			-	-
Real person shareholders			-	-
Indirect loans granted to shareholders		30,014	-	38,717
Loans granted to employees	697	1,548	677	959
Total	697	31,562	677	39,676

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	715,387	-	46,217	1,330
Discount notes	296	-	-	-
Export loans	206,987	-	13,233	-
Import loans	-	-	-	-
Loans given to financial sector	7,349	-	-	-
Foreign loans	50	-	-	-
Consumer loans	7,253	-	838	-
Credit cards	143	-	-	-
Precious metals loans	-	-	-	-
Other	493,309	-	32,146	1,330
Specialized loans				
Other receivables	-	-	-	-
Total	715,387	-	46,217	1,330

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

- c) 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	796	5,640	6,436
Housing Loans	-	1,019	1,019
Car Loans	13	384	397
General Purpose Loans	782	1,464	2,246
Other	1	2,773	2,774
Consumer Loans –Indexed to FC	-	894	894
Housing Loans	-	557	557
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	337	337
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	79	-	79
With Installments	-	-	-
Without Installments	79	-	79
Individual Credit Cards-FC	3	-	3
With Installments	-	-	-
Without Installments	3	-	3
Personnel Loans-TRY	288	239	527
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	282	239	521
Other	6	-	6
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	61	-	61
With Installments	-	-	-
Without Installments	61	-	61
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Real Persons) (*)	234	-	234
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	1,461	6,773	8,234

(*) Overdraft Accounts includes TRY 76 Thousand personnel loans.

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	10,471	71,828	82,299
Business Loans	-	219	219
Car Loans	32	1,262	1,294
General Purpose Loans	14	2,513	2,527
Other	10,425	67,834	78,259
Commercial loans with installment facility - Indexed to FC	1,884	41,792	43,676
Business Loans	-	-	-
Car Loans	-	14,971	14,971
General Purpose Loans	56	-	56
Other	1,828	26,821	28,649
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)	3,530	-	3,530
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	15,885	113,620	129,505

e) Domestic and foreign loans:

	March 31, 2010	December 31, 2009
Domestic loans	762,588	716,155
Foreign loans	346	79
Total	762,934	716,234

f) Loans granted to subsidiaries and associates: None.

g) Specific provisions provided against loans:

	March 31, 2010	December 31, 2009
Specific provisions		
Loans and receivables with limited collectability	427	-
Loans and receivables with doubtful collectability	-	-
Uncollectible loans and receivables	27,608	27,794
Total	28,035	27,794

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
March 31, 2010			
(Gross amount before specific provision)	-	-	875
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	875
December 31, 2009			
(Gross amount before specific provision)	-	-	901
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	901

(*) Provision amounting to TRY 820 thousand is provided for rescheduled loans under uncollectible loans and receivables

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
December 31, 2009 balance	-	-	33,778
Additions (+)	6,010	1	67
Transfers from other categories of non-performing loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)	(42)	-	(1,298)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
March 31, 2010 balance	5,968	1	32,547
Specific provision (-)	(427)	-	(27,608)
Net Balances on Balance Sheet	5,541	1	4,939

h.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)

h.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
March 31, 2010 (Net)			
Loans to Real Persons and Legal Entities (Gross)	5,968	1	32,547
Specific provision (-)	(427)	-	(27,608)
Loans to Real Persons and Legal Entities (Net)	5,541	1	4,939
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2009 (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	33,778
Specific provision (-)	-	-	(27,794)
Loans to Real Persons and Legal Entities (Net)	-	-	5,984
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

No amount was written off from assets within current period.

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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:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	40,120	-	39,209	-
Other	-	-	-	-
Total	40,120	-	39,209	-

Held to maturity investments with carrying values of TRY 17,652 Thousand, TRY 7,535 Thousand and TRY 14,933 Thousand are provided as collateral for Stock Exchange, Foreign Exchange Market and Interbank Money Market; respectively.

a.2) Held-to-maturity investments subject to repurchase agreements: None. (December 31, 2009: None)

Book value of held to maturity investments classified as unrestricted financial assets is TRY 4,357 Thousand. (December 31, 2009: None)

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

	March 31, 2010	December 31, 2009
Government bonds	44,477	39,209
Treasury bills	-	-
Other public sector debt securities	-	-
Total	44,477	39,209

c) Information on held-to-maturity investments:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Debt securities				
Quoted on a stock exchange	44,477	-	39,209	-
Not quoted on a stock exchange	-	-	-	-
Provision for impairment (-)	-	-	-	-
Total	44,477	-	39,209	-

d) Movement of held-to-maturity investments:

	March 31, 2010	December 31, 2009
Beginning balance	39,209	29,764
Foreign currency differences on monetary assets(*)	956	(2,000)
Purchases during year	4,312	37,178
Disposal through sales and redemptions	-	(25,733)
Impairment provision (-)	-	-
Closing Balance	44,477	39,209

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

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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 jointly controlled entities:

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

10. Information on 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. Investment property (Net): None.

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

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II. Explanations Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) March 31, 2010:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulated Deposits	Total
Saving deposits	5,139	-	43,182	279,704	4,570	4,618	-	-	337,213
Foreign currency deposits	47,203	-	140,385	197,894	24,062	228	323	-	410,095
Residents in Turkey	46,460	-	93,638	192,646	23,840	172	254	-	357,010
Residents abroad	743	-	46,747	5,248	222	56	69	-	53,085
Public sector deposits	5,511	-	-	-	-	-	-	-	5,511
Commercial deposits	29,840	-	53,319	42,202	267	21	-	-	125,649
Other institutions deposits	197	-	1,202	1,055	-	-	-	-	2,455
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	925	-	-	-	-	-	-	-	925
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	9	-	-	-	-	-	-	-	9
Foreign Banks	916	-	-	-	-	-	-	-	916
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	88,815	-	238,088	520,855	28,899	4,867	324	-	881,848

a.2) December 31, 2009:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulated Deposits	Total
Saving deposits	4,449	-	25,386	308,600	25,856	2,096	-	-	366,387
Foreign currency deposits	39,161	-	27,346	282,214	5,075	234	535	-	354,565
Residents in Turkey	38,731	-	27,114	231,167	4,846	177	263	-	302,298
Residents abroad	430	-	232	51,047	229	57	272	-	52,267
Public sector deposits	2,563	-	-	-	-	-	-	-	2,563
Commercial deposits	35,435	-	41,172	37,613	769	20	-	-	115,009
Other institutions deposits	252	-	1,466	663	-	-	1	-	2,382
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	1,044	-	-	-	-	-	-	-	1,044
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	7	-	-	-	-	-	-	-	7
Foreign Banks	1,037	-	-	-	-	-	-	-	1,037
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	82,904	-	95,370	629,090	31,700	2,350	536	-	841,950

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Saving deposits	86,054	85,936	248,769	276,967
Foreign currency saving deposits	26,440	27,731	130,437	120,062
Other deposits in the form of saving deposits	125	165	1,883	2,934
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	112,619	113,832	381,089	399,963

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

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

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

	March 31, 2010	December 31, 2009
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	790	850
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:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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II. Explanations Related to the Liabilities (continued)

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

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	7,025	7,331	7,019	3,932
From Foreign Banks, Institutions and Funds	4,875	34,224	2,911	35,016
Total	11,900	41,555	9,930	38,948

b) Maturity analysis of borrowings:

	March 31, 2010		December 31, 2009	
	TRY	FC	TRY	FC
Short-term	11,900	41,555	9,930	38,948
Medium and long-term	-	-	-	-
Total	11,900	41,555	9,930	38,948

4. 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.

5. Explanations on lease obligations (Net):

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

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

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

- c) Explanation on finance lease payables:

	March 31, 2010		December 31, 2009	
	Gross	Net	Gross	Net
Less than 1 Year	581	567	937	907
Between 1-4 Years	6	5	10	10
More than 4 Years	-	-	-	-
Total	587	572	947	917

- d) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. In the first three months of 2010, operational lease expenses amounting to TRY 1,662 Thousand have been recorded in the profit and loss accounts (December 31,2009: TRY 6,624 Thousand). The lease periods vary between 5 and 10 years.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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II. Explanations Related to the Liabilities (continued)

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

7. Information on provisions:

a) Information on general provisions:

	March 31, 2010	December 31, 2009
General Provisions		
Provisions for First Group Loans and Receivables	3,830	4,803
Provisions for Second Group Loans and Receivables	872	677
Provisions for Non-cash Loans	1,239	1,040
Other	-	-
Total	5,941	6,520

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TRY 1,272 Thousand (December 31, 2009: TRY 1,257 Thousand) on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) The specific provisions of TRY 1,555 Thousand (December 31, 2009: TRY 1,169 Thousand) were provided for unindemnified non cash loans.

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.

	March 31, 2010	December 31, 2009
Employee termination benefit provision	1,498	1,400
Unused vacation provision	1,206	954
Total of provision for employee benefits	2,704	2,354

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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II. Explanations Related to the Liabilities (continued)

e) Information on other provisions:

e.1) Provisions for possible losses: None.

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

	March 31, 2010	December 31, 2009
The specific provisions provided for unindemnified non cash loans	1,555	1,169
Other (*)	6,348	6,708
Total	7,903	7,877

(*) Other provision include TRY 1,987 Thousand of unpaid 2009 bonus provisions , TRY 3,356 Thousand of loan related provisions, TRY 1,005 Thousand of legal claim provision.

8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes: As of March 31, 2010, there is no corporate tax liability after prepaid taxes are netted off.

a.2) Information on taxes payable:

	March 31, 2010	December 31, 2009
Corporate Tax Payable	-	-
Income Taxes Deducted From Wages	549	797
Taxation on Securities	644	547
Property Tax	159	187
Banking and Insurance Transaction Tax (BITT)	779	758
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	19	83
Stamp Tax	23	20
Other	23	24
Total	2,196	2,416

a.3) Information on premiums:

	March 31, 2010	December 31, 2009
Social Security Premiums-Employee	234	202
Social Security Premiums-Employer	341	296
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	16	14
Unemployment Insurance-Employer	32	28
Other	-	-
Total	623	540

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED MARCH 31, 2010

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

II. Explanations Related to the Liabilities (continued)

9. Information on Shareholders' Equity:

- a) Presentation of Paid-in capital:

As of March 31, 2010 the Bank's nominal paid-in-capital amounting to TRY 170,000 Thousand consists of 1,700 million shares.

	March 31, 2010	December 31, 2009
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.
- a) 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.
- b) 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:

	March 31, 2010	December 31, 2009
From Associates, Subsidiaries, and Jointly Controlled Entities (Joint Vent.)	-	-
Valuation Difference	787	6,237
Foreign Exchange Difference	-	-
Total	787	6,237

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments

a. Information on off-balance sheet liabilities:

1) Nature and amount of irrevocable loan commitments:

	March 31, 2010	December 31, 2009
Credit card expenditure limit commitments	1,690	1,708
Loan granting commitments	10,707	10,528
Payment commitments for checks	51,454	24,846
Total	63,851	37,082

2) 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.

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

	March 31, 2010	December 31, 2009
Bank acceptance loans	16,740	9,525
Letters of credit	71,963	72,819
Other Letter of Guarantees	31,830	22,682
Toplam	120,533	105,026

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

	March 31, 2010	December 31, 2009
Definite letter of guarantess	479,735	448,688
Temporary letter of guarantees	101,018	61,475
Suretyships and Similar Transactions	-	-
Other Letter of Guarantees	104,364	94,316
Total	685,117	604,479

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

	March 31, 2010	December 31, 2009
Non-cash loans given against achieving cash loans	24,517	17,772
With maturity of 1 year or less than 1 year	780	471
With maturity of more than 1 year	23,737	17,301
Other non-cash loans	781,133	691,733
Total	805,650	709,505

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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IV. Explanations Related to the Income Statement

1. a) Information on interest on loans:

	March 31, 2010		March 31, 2009	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	13,267	2,587	20,260	4,314
Medium and long term loans	4,580	669	3,705	-
Interest on non-performing loans	30	-	61	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	17,877	3,256	24,026	4,314

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

b) Information on interest received from banks:

	March 31, 2010		March 31, 2009	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	1
Domestic banks	9	4	4	22
Foreign banks	-	64	3	91
Branches and head office abroad	-	-	-	-
Total	9	68	7	114

c) Interest received from marketable securities portfolio:

	March 31, 2010		March 31, 2009	
	TRY	FC	TRY	FC
Trading securities	21	-	52	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	3,236	379	3,691	490
Held-to-maturity securities	1,096	-	1,148	-
Total	4,353	379	4,891	490

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

2. a) Information on interest on funds borrowed:

	March 31, 2010		March 31, 2009	
	TRY	FC	TRY	FC
Interest on funds borrowed (*)				
Banks	262	312	254	3,054
The Central Bank of Turkey	-	-	-	-
Domestic banks	164	52	158	52
Foreign banks	98	260	96	3,002
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	262	312	254	3,054

(*) Includes fees and commission expenses for borrowings.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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IV. Explanations Related to the Income Statement (continued)

- b) Information on interest expense to associates and subsidiaries: None.
- c) 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	885	6,434	453	81	-	-	7,854
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	1,012	909	12	-	-	-	1,933
Other deposits	-	43	13	-	-	-	-	56
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	1	1,940	7,356	465	81	-	-	9,843
Foreign Currency								
Foreign currency deposits	-	375	1,824	117	1	2	-	2,319
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	375	1,824	117	1	2	-	2,319
Grand Total	1	2,315	9,180	582	82	2	-	12,162

3. Information on net trading income:

	March 31, 2010	March 31, 2009
Income	177,242	317,962
Gains on capital market operations	6,832	1,912
Gains on derivative financial instruments	472	20
Foreign exchange gains	169,938	316,030
Losses (-)	(170,473)	(315,828)
Losses on capital market operations	(18)	(1)
Losses on derivative financial instruments	(4,604)	(17)
Foreign exchange losses	(165,851)	(315,810)

4. Information on other operating income:

	March 31, 2010	March 31, 2009
Provisions for communication expense collected from customers	21	38
Provisions for expenditure collected from customers	8	40
Reversal of specific provision	344	380
Reversal of general loan loss provision	984	302
Income from operational leases	4	20
Income from sales of assets written off	-	1
Other	501	72
Total	1,862	853

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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IV. Explanations Related to the Income Statement (continued)

5. Provision for impairment of loans and other receivables:

	March 31, 2010	March 31, 2009
Specific provisions for loans and other receivables	584	1,528
III. Group Loans and Receivables	433	1,025
IV. Group Loans and Receivables	-	135
V. Group Loans and Receivables	151	368
General loan loss provision expenses	405	417
Provision expenses for possible losses	47	-
Marketable securities impairment losses	82	43
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	82	43
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	405	48
Total	1,523	2,036

6. Information on other operating expenses:

	March 31, 2010	March 31, 2009
Personnel expenses	8,865	7,472
Reserve for employee termination benefits	98	102
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	894	963
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	307	284
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	8	7
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	5,149	4,353
Rent expenses	1,662	1,683
Maintenance expenses	123	161
Advertisement expenses	72	42
Other expenses(*)	3,292	2,467
Loss on sales of assets	-	-
Other(**)	524	472
Total	15,845	13,653

(*) Included in other operating expenses; vehicle expenses are TRY 746 Thousand, communication expenses are TRY 416 Thousand, cleaning expenses are TRY 259 Thousand, heating- lightening expenses are TRY 248 Thousand, non-deductible expenses TRY 47 Thousand, stationery expenses are TRY 114 Thousand and other expenses are TRY 1,462 Thousand (March 31, 2009: TRY 651 Thousand vehicle ; TRY 434 Thousand communication, TRY 222 Thousand cleaning, TRY 206 Thousand heating- lightening; TRY 93 Thousand non-deductible; TRY 74 Thousand stationery and TRY 787 Thousand other expenses).

(**) Included in other; the premiums paid to Saving Deposit Insurance Fund is TRY 164 Thousand, assurance and financial services expenses are TRY 209 Thousand and other expenses are TRY 150 Thousand (March 31, 2009:

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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TRY 203 Thousand premiums paid to Saving Deposit Insurance Fund; TRY 223 Thousand assurance and financial consultancy expenses and TRY 46 Thousand other expenses).

IV. Explanations Related to the Income Statement (continued)

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

As of March 31, 2010; there is TRY 412 Thousand current tax expense and TRY 1,716 Thousand deferred tax expense. (March 31, 2009; TRY 890 Thousand current tax expense and TRY 575 Thousand deferred tax expense)

8. The explanations on net income / loss for the period:

- 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.
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- Profit or loss attributable to minority shares: None.

9. 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:

	March 31, 2010	March 31, 2009
Other fees and commissions received		
Expertise fees collected from customers	77	99
Transfer commissions	89	80
Collection note commissions	27	38
Insurance commissions	19	7
Import letters of credit commissions	20	7
Credit cards commissions and fees	4	6
Other banking operations income.	1,868	1,561
Total	2,104	1,798

	March 31, 2010	March 31, 2009
Other fees and commissions given		
Commissions given to banks	75	50
Credit card fees and commissions	5	15
EFT expenses	16	12
Other	47	51
Total	143	128

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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) March 31, 2010:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	37	38,717	-	82
Balance at end of period	-	-	32	30,014	-	98
Interest and commission income	-	-	55	24	-	-

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contain foreign bank accounts amounting to TRY 32 Thousand.

b) December 31, 2009:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect Shareholders of the Bank		Other entities included In the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	8	20,467	-	81
Balance at end of period	-	-	37	38,717	-	82
Interest and commission income received (*)	-	-	-	11	-	-

(*) Prior year profit and loss amounts belongs to March 31, 2009.

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 37 Thousand.

c.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Deposits						
Balance at beginning of period	-	-	533	51,587	199	-
Balance at end of period	-	-	748	533	231	199
Interest on deposits (*)	-	-	45	1,045	3	4

(*) Prior year profit and loss amounts belongs to March 31, 2009.

In addition, the Bank has "Funds Borrowed" at an amount of TRY 9,110 Thousand used from direct and indirect shareholders of the bank (December 31, 2009: TRY 15,055 Thousand) and TRY 268 Thousand (March 31, 2009: TRY 154 Thousand) interest expense was incurred from funds borrowed in the first 3 months of 2010.

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

d) As of March 31, 2010, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 862 Thousand (March 31, 2009: TRY 772 Thousand)

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

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 commercial transactions with related parties.

- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	-	-
Banks and other receivables	32	0.05
Non-cash loans	30,112	3.46
Deposits	979	0.11
Other financial institutions	9,110	17.04

These transactions are priced in accordance with the general pricing policies of the Bank.

- c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b).
- d) Transactions accounted under the equity method: None.
- e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 1.74 %. Details of these loans are explained in 1a clause.

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VI. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Number	Employees			
Domestic branches	27	483			
			Country		
Rep-offices abroad	-	-	-		
				Total Assets	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

2. Explanations on Branch and Agency Openings or Closings of the Bank:

2 branches were opened in the first quarter of 2010 (December 31, 2009: None).

Translated into English from the original Turkish report and financial statements

TURKLAND BANK ANONİM ŞİRKETİ
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SECTION SIX

LIMITED REVIEW REPORT

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

The unconsolidated financial statements of the Bank as of and for the period ended March 31, 2010 were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited).

The independent auditor's limited review report dated April 30, 2010 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

None.