

TURKLAND BANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

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Turkland Bank Anonim Şirketi

**Independent auditor's limited review report
for the period ended September 30, 2011**

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 September 30, 2011 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 September 30, 2011, 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.

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, Turkey
October 31, 2011

Translated into English from the original Turkish report and financial statements

**THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLANDBANK A.Ş.
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011**

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The unconsolidated financial report for nine 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.

October 31, 2011

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

Telephone Number: (0212) 368 37 24
Fax Number: (0212) 368 35 35

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

SECTION ONE
GENERAL INFORMATION

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

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

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

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

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

According to the Extraordinary General Assembly decision dated May 30, 2011, it was decided to increase the Bank's capital from TRY 170,000 Thousand to TRY 300,000 Thousand, and it was registered in the Turkish Trade Registry Gazette dated June 20, 2011 numbered 7840. According to the BRSA Approval dated September 15, 2011 numbered 4381 the unused preemptive right of Arab Bank Plc amounting to TRY 65,000 Thousand have been used by Arab Bank (Switzerland) Ltd (ABS). TRY 65,000 Thousand has been received on August 1, 2011 from BankMed SAL, and other TRY 65,000 Thousand has been received on October 4, 2011 from Arab Bank (Switzerland) Ltd (ABS). The increased amount of capital has been accounted under transitory accounts till the approval of the BRSA. Capital commitments which are amounting to TRY 130,000 Thousand have been paid by shareholders and according to the BRSA Decision dated October 20, 2011 numbered 22244 it is decided to transfer of the payments to the capital accounts.

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

As of September 30, 2011, the shareholders' structure and their ownerships are summarized as follows:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%28,3	84,999.99	-
ARAB BANK (Switzerland)	65,000.00	%21,7	-	65,000.00
BANKMED, SAL	149,999.99	%50	84,999.99	65,000.00
Other	<1	%0	<1	-
Total	300,000.00	%100	170,000.00	130,000.00

As of September 30, 2011 the nominal value of the Bank's capital is amounting to TRY 300,000 Thousand of which TRY 130,000 Thousand is unpaid and consists of 3,000 million shares.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

(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 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.

IV. Information About The Persons and Institutions That Have Qualified Shares:

Information about the persons and institutions that have qualified shares as of September 30, 2011:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%28,3	84,999.99	-
ARAB BANK (Switzerland)	65,000.00	%21,7	-	65,000.00
BANKMED, SAL	149,999.99	%50	84,999.99	65,000.00
Other	<1	%0	<1	-
Total	300,000.00	%100	170,000.00	130,000.00

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

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

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

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UNCONSOLIDATED FINANCIAL STATEMENTS

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TURKLAND BANK ANONİM ŞİRKETİ

BALANCE SHEETS AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

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

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

		Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
	Note Ref (Section Five)	TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	98,815	114,255	213,070	48,291	65,119	113,410
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	237	614	851	432	12	444
2.1 Financial assets held for trading		237	614	851	432	12	444
2.1.1 Public sector debt securities		237	-	237	432	-	432
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		-	614	614	-	12	12
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	73	107,009	107,082	22	79,914	79,936
IV. MONEY MARKET PLACEMENTS		-	-	-	14,003	-	14,003
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	14,003	-	14,003
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	216,937	44,077	261,014	181,199	38,915	220,114
5.1 Share certificates		75	-	75	75	-	75
5.2 Public sector debt securities		216,862	44,077	260,939	181,124	38,915	220,039
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	1,090,334	237,421	1,327,755	799,095	204,127	1,003,222
6.1 Loans and receivables		1,065,286	237,421	1,302,707	776,105	204,127	980,232
6.1.1 Loans to risk group of the Bank		-	70	70	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		1,065,286	237,351	1,302,637	776,105	204,127	980,232
6.2 Non-performing loans		44,613	-	44,613	40,136	-	40,136
6.3 Specific provisions (-)		(19,565)	-	(19,565)	(17,146)	-	(17,146)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	55,834	-	55,834	47,882	-	47,882
8.1 Public sector debt securities		55,834	-	55,834	47,882	-	47,882
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. 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)		12,365	-	12,365	14,070	-	14,070
XV. INTANGIBLE ASSETS (Net)		958	-	958	864	-	864
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		958	-	958	864	-	864
XVI. INVESTMENT PROPERTY (Net)	I-12	-	-	-	-	-	-
XVII. TAX ASSET		2,281	-	2,281	780	-	780
17.1 Current tax asset		2	-	2	-	-	-
17.2 Deferred tax asset		2,279	-	2,279	780	-	780
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-13	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS		25,729	258	25,987	14,850	199	15,049
TOTAL ASSETS		1,503,563	503,634	2,007,197	1,121,488	388,286	1,509,774

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 SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

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

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

			Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
		Note Ref. (Section Five)	TRY	FC	Total	TRY	FC	Total
I.	DEPOSITS	II-1	775,360	685,886	1,461,246	659,358	483,723	1,143,081
1.1	Deposits from risk group of the Bank		17,616	806	18,422	10,540	394	10,934
1.2	Other		757,744	685,080	1,442,824	648,818	483,329	1,132,147
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	403	124	527	-	-	-
III.	FUNDS BORROWED	II-3	46,430	94,912	141,342	15,469	76,795	92,264
IV.	MONEY MARKET BALANCES		60,894	-	60,894	17	-	17
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		60,894	-	60,894	17	-	17
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		5,588	1,151	6,739	9,060	519	9,579
VIII.	OTHER LIABILITIES	II-4	100,455	403	100,858	22,542	925	23,467
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	II-5	-	1	1	-	10	10
10.1	Finance lease payables		-	1	1	-	10	10
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	-	-	-	-	-
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	20,262	-	20,262	17,146	851	17,997
12.1	General loan loss provisions		12,504	-	12,504	9,713	-	9,713
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		4,402	-	4,402	3,649	-	3,649
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		3,356	-	3,356	3,784	851	4,635
XIII.	TAX LIABILITY	II-8	4,746	-	4,746	4,103	-	4,103
13.1	Current tax liability		4,746	-	4,746	4,103	-	4,103
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	212,387	(1,805)	210,582	218,998	258	219,256
16.1	Paid-in capital		170,000	-	170,000	170,000	-	170,000
16.2	Supplementary capital		24,009	(1,805)	22,204	32,920	258	33,178
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		(1,423)	(1,805)	(3,228)	7,488	258	7,746
16.2.4	Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		25,432	-	25,432	25,432	-	25,432
16.3	Profit reserves		16,078	-	16,078	13,615	-	13,615
16.3.1	Legal reserves		789	-	789	666	-	666
16.3.2	Statutory reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		12,543	-	12,543	10,203	-	10,203
16.3.4	Other profit reserves		2,746	-	2,746	2,746	-	2,746
16.4	Profit or loss		2,300	-	2,300	2,463	-	2,463
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current year income/ (loss)		2,300	-	2,300	2,463	-	2,463
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			1,226,525	780,672	2,007,197	946,693	563,081	1,509,774

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 SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

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

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
	Note Ref. (Section Five)	TRY	FC	Total	TRY	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		5,867,772	480,595	6,348,367	5,351,853	468,966	5,820,819
I. GUARANTEES	III-2-3	621,117	410,483	1,031,599	613,456	362,445	975,901
1.1. Letters of guarantee		621,028	168,713	789,741	613,287	146,926	760,213
1.1.1. Guarantees subject to State Tender Law		31,502	9,774	41,276	39,058	10,377	49,435
1.1.2. Guarantees given for foreign trade operations		-	57,359	57,359	-	68,268	68,268
1.1.3. Other letters of guarantee		589,526	101,580	691,106	574,229	68,281	642,510
1.2. Bank loans		-	16,295	16,295	-	17,310	17,310
1.2.1. Import letter of acceptance		-	16,295	16,295	-	17,310	17,310
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	106,910	106,910	-	107,318	107,318
1.3.1. Documentary letters of credit		-	106,910	106,910	-	107,318	107,318
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		89	118,564	118,653	169	90,891	91,060
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	5,228,786	41,211	5,269,997	4,738,038	106,159	4,844,197
2.1. Irrevocable commitments		106,526	41,211	147,737	86,213	106,159	192,372
2.1.1. Forward asset purchase and sales commitments		1,395	26,753	28,148	850	106,159	107,009
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		36,947	-	36,947	26,748	-	26,748
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		65,879	-	65,879	57,043	-	57,043
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		-	-	-	1,572	-	1,572
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		2,305	14,458	16,763	-	-	-
2.2. Revocable commitments		5,122,260	-	5,122,260	4,651,825	-	4,651,825
2.2.1. Revocable loan granting commitments		5,122,260	-	5,122,260	4,651,825	-	4,651,825
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		17,869	28,902	46,771	359	362	721
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		17,869	28,902	46,771	359	362	721
3.2.1. Forward foreign currency buy/sell transactions		17,869	28,902	46,771	359	362	721
3.2.1.1. Forward foreign currency transactions-buy		8,964	14,464	23,428	-	362	362
3.2.1.2. Forward foreign currency transactions-sell		8,905	14,438	23,343	359	-	359
3.2.2. Swap transactions related to foreign currency, and interest rates		-	-	-	-	-	-
3.2.2.1. Foreign currency swaps-buy		-	-	-	-	-	-
3.2.2.2. Foreign currency swaps-sell		-	-	-	-	-	-
3.2.2.3. Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4. Interest rate swaps-sell		-	-	-	-	-	-
3.2.3. Foreign currency, interest rate and securities options		-	-	-	-	-	-
3.2.3.1. Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2. Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		-	-	-	-	-	-
3.2.4.1. Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2. Foreign currency futures-sell		-	-	-	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		5,644,506	1,211,571	6,856,077	4,780,302	951,361	5,731,663
IV. ITEMS HELD IN CUSTODY		350,783	45,421	396,204	298,293	39,383	337,676
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		26,719	291	27,010	26,925	226	27,151
4.3. Checks received for collection		317,107	42,266	359,373	267,969	33,802	301,771
4.4. Commercial notes received for collection		6,957	2,487	9,444	3,399	3,734	7,133
4.5. Other assets received for collection		-	377	377	-	336	336
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	-	-	-	1,285	1,285
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		5,293,723	1,166,150	6,459,873	4,482,009	911,978	5,393,987
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		11,764	9,706	21,470	5,553	4,727	10,280
5.3. Commodities		-	-	-	-	-	-
5.4. Warrants		-	-	-	-	-	-
5.5. Properties		1,366,403	221,913	1,588,316	1,271,140	188,298	1,459,438
5.6. Other pledged items		3,915,556	934,531	4,850,087	3,205,316	718,953	3,924,269
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		11,512,278	1,692,166	13,204,444	10,132,155	1,420,327	11,552,482

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 INCOME FOR THE PERIODS
ENDED SEPTEMBER 30, 2011 AND 2010

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

III. STATEMENT OF INCOME

			Reviewed Current Period 01.01-30.09.2011	Reviewed Current Period 01.07-30.09.2011	Reviewed Prior Period 01.01-30.09.2010	Reviewed Prior Period 01.07-30.09.2010
		Note Ref				
I.	INTEREST INCOME	IV-1	114,060	44,363	82,710	27,023
1.1	Interest on loans		97,272	38,979	66,523	23,498
1.2	Interest received from reserve deposits		-	-	1,014	367
1.3	Interest received from banks		266	121	136	34
1.4	Interest received from money market placements		18	5	1,071	42
1.5	Interest received from marketable securities portfolio		15,622	5,218	13,767	3,034
1.5.1	Held-for-trading financial assets		14	5	46	14
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Available-for-sale financial assets		12,729	4,233	10,214	1,793
1.5.4	Investments held-to-maturity		2,879	980	3,507	1,227
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		882	40	199	48
II.	INTEREST EXPENSE	IV-2	(70,567)	(28,681)	(45,975)	(17,042)
2.1	Interest on deposits		(63,667)	(26,169)	(41,424)	(14,727)
2.2	Interest on funds borrowed		(4,399)	(1,884)	(2,010)	(773)
2.3	Interest on money market borrowings		(2,360)	(594)	(978)	(705)
2.4	Interest on securities issued		-	-	-	-
2.5	Other interest expense		(141)	(34)	(1,563)	(837)
III.	NET INTEREST INCOME (I - II)		43,493	15,682	36,735	9,981
IV.	NET FEES AND COMMISSIONS INCOME		14,855	4,872	12,507	4,533
4.1	Fees and commissions received		15,493	5,096	13,057	4,741
4.1.1	Non-cash loans		7,990	2,641	7,111	2,738
4.1.2	Other	IV-9	7,503	2,455	5,946	2,003
4.2	Fees and commissions paid		(638)	(224)	(550)	(208)
4.2.1	Non-cash loans		(34)	(12)	(33)	(11)
4.2.2	Other	IV-9	(604)	(212)	(517)	(197)
V.	DIVIDEND INCOME		5	-	2	-
VI.	NET TRADING INCOME	IV-3	4,991	(577)	8,711	2,208
6.1	Securities trading gains/ (losses)		5,752	20	8,776	1,956
6.2	Gain/(losses) from derivative financial instruments		(1,224)	1,364	(11,624)	(2,366)
6.3	Foreign exchange gains/ (losses)		463	(1,961)	11,559	2,618
VII.	OTHER OPERATING INCOME	IV-4	3,485	1,418	12,381	7,992
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		66,829	21,395	70,336	24,714
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-5	(7,195)	(3,530)	(7,660)	(3,728)
X.	OTHER OPERATING EXPENSES (-)	IV-6	(56,090)	(18,337)	(52,054)	(18,643)
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3,544	(472)	10,622	2,343
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)		3,544	(472)	10,622	2,343
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-7	(1,244)	(94)	(2,045)	(328)
16.1	Provision for current income taxes		-	-	-	-
16.2	Provision for deferred taxes		(1,244)	(94)	(2,045)	(328)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		2,300	(566)	8,577	2,015
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	2,300	(566)	8,577	2,015
23.1	Group's profit/loss		-	-	-	-
23.2	Minority shares		-	-	-	-
	Earnings per share					

(*) As of September 30, 2010 TRY 965 Thousand repurchase agreement interest expense in "Other interest expense" has been reclassified to "Interest on Money market borrowings"

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 SEPTEMBER 30, 2011 AND 2010
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed Current Period 01.01-30.09.2011	Reviewed Prior Period 01.01-30.09.2010
I.		
Additions to marketable securities revaluation differences for available for sale financial assets	(9,040)	6,206
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	2,743	498
X.		
Total Net Profit/Loss accounted under equity (I+II+...+IX)	(6,297)	6,704
XI.		
Profit/Loss	(2,377)	(123)
1.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	(4,677)	(8,700)
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	2,300	8,577
XII.		
Total Profit/Loss accounted for in the period (X±XI)	(8,674)	6,581

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 SEPTEMBER 30, 2011 AND 2010
(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
	Prior Period – 01.01.-30.09.2010																		
I.	Prior period balance – 31.12.2009	170,000	25,432	-	-	666	-	10,369	226	2,354	-	6,237	-	-	-	-	215,284	-	215,284
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Changes in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(1,996)	-	-	-	-	(1,996)	-	(1,996)
VI.	Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	8,577	-	-	-	-	-	-	8,577	-	8,577
XX.	Profit distribution	-	-	-	-	-	-	(166)	2,520	(2,354)	-	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance (III+IV+V+.....+XVIII+XIX+XX)	170,000	25,432	-	-	666	-	10,203	2,746	8,577	-	4,241	-	-	-	-	221,865	-	221,865

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 SEPTEMBER 30, 2011 AND 2010

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed		Effect Of		Share	Legal	Statutory	Extraordinary	Other	Current	Prior	Marketable	Tangible And	Bonus Shares	Hedging	Acc. Valuation	Total	Minority	Total
		Paid-in	Inflation Accounting															
		Capital	On	Certificate	Reserves	Reserves	Reserves	Reserves	Period	Period	Securities	Intangible Assets	Obtained from	Funds	Diff. from	Equity	Shares	Equity
			Capital	Profits					Net	Net	Value Increase	Revaluation	Associates		Assets Held for	Before		
									Income/	Income/	Fund	Differences			Disc. Op.			
									(Loss)	(Loss)								
I.	Current Period – 01.01-30.09.2011	170,000	25,432	-	666	-	10,203	2,746	2,463	-	7,746	-	-	-	-	219,256	-	219,256
	Prior period balance – 31.12.2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	(10,974)	-	-	-	-	(10,974)	-	(10,974)
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)	-	-	-	-	-	-	-	2,300	-	-	-	-	-	-	2,300	-	2,300
XVIII.	Profit distribution	-	-	-	123	-	2,340	-	(2,463)	-	-	-	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves	-	-	-	123	-	2,340	-	(2,463)	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance		170,000	25,432	-	789	-	12,543	2,746	2,300	-	(3,228)	-	-	-	-	210,582	-	210,582
(I+II+III+...+XVI+XVII+XVIII)		170,000	25,432	-	789	-	12,543	2,746	2,300	-	(3,228)	-	-	-	-	210,582	-	210,582

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

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 01.01-30.09.2011	Reviewed Prior Period 01.01-30.09.2010
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	(40,751)	3,097
1.1.1 Interest received	72,189	87,485
1.1.2 Interest paid	(67,186)	(46,717)
1.1.3 Dividend received	5	2
1.1.4 Fees and commissions received	16,402	13,204
1.1.5 Other income	(12,642)	28,940
1.1.6 Collections from previously written off loans	3,773	5,036
1.1.7 Payments to personnel and service suppliers	(34,931)	(31,855)
1.1.8 Taxes paid	-	(412)
1.1.9 Others	(18,360)	(52,586)
1.2 Changes in operating assets and liabilities	146,605	(1,654)
1.2.1 Net (increase) decrease in financial assets held for trading	163	319
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	(44,689)	(9,308)
1.2.4 Net (increase) decrease in loans	(296,638)	(160,898)
1.2.5 Net (increase) decrease in other assets	(10,940)	(9,701)
1.2.6 Net increase (decrease) in bank deposits	57,660	(175)
1.2.7 Net increase (decrease) in other deposits	318,805	110,766
1.2.8 Net increase (decrease) in funds borrowed	48,274	15,346
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	73,970	51,997
I. Net cash provided from banking operations	105,854	1,443
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(57,549)	(66,839)
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	(900)	(4,166)
2.4 Fixed assets sales	629	-
2.5 Cash paid for purchase of financial assets available for sale	(217,772)	(266,110)
2.6 Cash obtained from sale of financial assets available for sale	169,243	208,135
2.7 Cash paid for purchase of investment securities	(26,733)	(4,312)
2.8 Cash obtained from sale of investment securities	18,679	-
2.9 Others	(695)	(386)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	(8)	(819)
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	(8)	(819)
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	19,823	(2,657)
V. Net increase / (decrease) in cash and cash equivalents	68,121	(68,872)
VI. Cash and cash equivalents at beginning of the period	153,981	179,453
VII. Cash and cash equivalents at end of the period	222,102	110,581

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

TURKLAND BANK ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

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

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

Except for trading and available for sale assets and derivatives that are shown at fair values and derivatives, 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 19.40% of its resources in liquid assets, while the Bank also aims for the highest yield possible with effective maturity management.

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

Marketable securities comprising 15.80% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 5.33% 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 SEPTEMBER 30, 2011
(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 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. Explanations on Interest Income and Expenses

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

V. Explanations on Fees and Commission Income and Expenses

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

VI. Explanations on Financial Assets

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

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

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Cash, Banks, and Other Financial Institutions

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

Financial Assets at Fair Value Through Profit and Loss

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

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

Held to Maturity Investments

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

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

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

Financial Assets Available for Sale

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

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

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Loans

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

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

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

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

VII. Explanations on Impairment of Financial Assets

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

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

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

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

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

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

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

As of September 30, 2011 the provision rates determined for the non-cash loans are not exceeded and standard rates which are determined in the regulation have been used for the non-cash loans.

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

As of September 30, 2011 the rates determined for the consumer loans are not exceeded and standard rates which are determined in the regulation have been used for consumer loans.

VIII. Explanations on Offsetting of Financial Assets and Liabilities

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

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 September 30, 2011, the Bank does not have any reverse repo transactions. (December 31, 2010: TRY 14,003 Thousand).

As of September 30, 2011, the Bank does not have any marketable securities lending transaction. (December 31, 2010: None).

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

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 September 30, 2011 (December 31, 2010: None).

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

XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

XII. Explanations on Tangible Fixed Assets

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

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

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

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

Normal maintenance and repair cost of the properties are expensed.

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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

XIII. Explanations on Leasing Transactions

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

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

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

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

XIV. Explanations on Provisions and Contingent Liabilities

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

According to the legal department of the Bank; the total number of ongoing cases against the Bank is 79. The total amount of those cases consists of TRY 330 Thousand, USD 804 Thousand and EURO 299 Thousand. There is a provision of TRY 740 Thousand in the accompanying financial statements for these cases (December 31, 2010: TRY 641 Thousand).

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

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

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

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

Defined Contribution Plans

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

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

XV. Explanations on Liabilities Regarding Employee Benefits (continued)

Short-term Employee Benefits

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

XVI. Explanations on Taxation

Corporate tax

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

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

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

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

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

Deferred Tax Liability / Asset

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

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

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

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax charge stated under the tax provision amounted to TRY 1,244 Thousand in the income statement (September 30, 2010: TRY 2,045 Thousand deferred tax charge).

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XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

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

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

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

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

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

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related communiqué is 15.37%. (December 31, 2010: 14.03%)

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.

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

Information related to the capital adequacy ratio:

	Risk Weight						
	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash Loans							
Balance Sheet Items (Net)							
Cash	19,744	-	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	95,278	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	107,019	-	62	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	98,048	-	-	-	-	-	-
Loans	71,172	-	132	383,530	797,449	932	234
Non-performing Loans (Net)	-	-	-	-	25,048	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	75	-	-
Held to Maturity Investments	52,945	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	699	-	-
Interest and Income Accruals	7,583	-	72	19,818	24,675	-	-
Subsidiaries, Associates and Jointly Controlled Entities (Net)	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	7,608	-	-
Other Assets	19,379	-	-	-	8,190	-	-
Off-Balance Sheet Items							
Guarantees and Commitments	21,687	-	10,457	19,055	551,361	-	-
Derivative Financial Instruments	-	-	-	-	469	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	385,840	-	117,680	422,403	1,415,636	932	234
Total Risk Weighted Assets	-	-	23,536	211,202	1,415,636	1,398	468

Summary information related to the capital adequacy ratio:

	September 30, 2011	December 31, 2010
Total Risk Weighted Assets (TRWA)	1,652,240	1,387,181
Amount Subject to Market Risk (ASMR)	41,850	34,213
Amount Subject to Operational Risk (ASOR) (*)	143,562	116,047
Shareholders' Equity	282,371	215,750
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	%15.37	14.03%

(*) 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:

	September 30, 2011	December 31, 2010
CORE CAPITAL		
Paid up capital which is subordinated to all other receivable claims in the case of liquidation of the Bank	170,000	170,000
Nominal capital	170,000	170,000
Capital commitments (-)	-	-
Inflation based correction difference on paid up capital which is subordinated to all other receivable claims in the case of liquidation of the Bank	25,432	25,432
Share premium	-	-
Cancellation profits	-	-
Legal reserves	789	666
First legal reserve (Turkish Commercial Code 466/1)	789	666
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	15,289	12,949
Reserves allocated by the General Assembly	12,543	10,203
Retained earnings	2,746	2,746
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Legal reserves inflation correction difference	-	-
Profit	2,300	2,463
Current period net profit	2,300	2,463
Prior years' profits	-	-
Provision for possible losses up to 25% of the Core Capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-
Primary subordinated debts on condition not to extend the limits stated in regulation	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Developments costs for operating leasing (-)	(4,757)	(6,433)
Prepaid expenses (-) (*)	-	(1,432)
Intangible assets (-)	(958)	(864)
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	208,095	202,781
SUPPLEMENTARY CAPITAL	74,276	13,199
General loan loss reserves	12,504	9,713
45% of the revaluation reserve for movable fixed assets	-	-
45% of the 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	65,000	-
Marketable securities value increase fund	(3,228)	3,486
Associates and subsidiaries	-	-
Available for sale securities	(3,228)	3,486
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	74,276	13,199
TIER III CAPITAL	-	215,980
CAPITAL	282,371	(230)
DEDUCTIONS FROM THE CAPITAL		
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten Percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified	-	-
Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	-	(230)
Securitization positions preferred to be decreased from equity instead of putting into a thousand two hundred and fifty per cent of risk weight according to the procedures and principles for calculating the capital adequacy ratio determined pursuant to the Article 45 of the Law	-	-
Other	-	-
Total Shareholders' Equity	282,371	215,750

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

(**) The amount, which is the capital increase paid by the Bank's shareholders and classified under the Other Liabilities account is included in the shareholders' equity accounts based on the BRSA approval letter dated August 25, 2011 numbered 19375.

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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 weekly to the management.

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	3,271
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	77
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	3,348
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	41,850

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 September 30, 2011 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates):

	September 23, 2011	September 26, 2011	September 27, 2011	September 28, 2011	September 29, 2011	September 30, 2011
USD	1.8290	1.8575	1.8390	1.8415	1.8463	1.8598
CHF	2.0239	2.0490	2.0543	2.0543	2.0634	2.0553
GBP	2.8294	2.8826	2.8831	2.8830	2.8985	2.8940
100 JPY	2.3993	2.4332	2.4057	2.4081	2.4023	2.4202
EURO	2.4720	2.4962	2.5078	2.5108	2.5171	2.4972

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before September 30, 2011 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.7928
CHF	2.0641
GBP	2.8349
100 JPY	2.3342
EURO	2.4719

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III. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

September 30, 2011	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	37,259	76,822	-	174	114,255
Banks	6,951	98,893	113	1,052	107,009
Financial Assets at Fair Value Through Profit and Loss (****)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	44,077	-	-	44,077
Loans (*)	231,486	286,117	-	-	517,603
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	-	254	-	4	258
Total Assets	275,696	506,163	113	1,230	783,202
Liabilities					
Bank Deposits	107	2,074	-	38	2,219
Foreign Currency Deposits	200,668	482,025	-	974	683,667
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	72,800	22,112	-	-	94,912
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	268	883	-	-	1,151
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	222	(1,623)	-	-	(1,401)
Total Liabilities	274,065	505,471	-	1,012	780,548
Net Balance Sheet Position	1,631	692	113	218	2,654
Net Off-Balance Sheet Position	(1,161)	746	-	-	(415)
Financial Derivative Assets (***)	8,241	19,379	-	-	27,620
Financial Derivative Liabilities (***)	(9,402)	(18,633)	-	-	(28,035)
Non-Cash Loans (**)	95,793	313,482	-	1,208	410,483
December 31, 2010					
Total Assets(*) (****)	213,558	348,643	109	740	563,050
Total Liabilities	212,329	350,366	2	384	563,081
Net Balance Sheet Position	1,229	(1,723)	107	356	(31)
Net Off-Balance Sheet Position	(2,120)	1,651	-	-	(469)
Financial Derivative Assets (***)	6,051	46,975	-	-	53,026
Financial Derivative Liabilities (***)	(8,171)	(45,324)	-	-	(53,495)
Non-Cash Loans (**)	97,363	263,587	400	1,095	362,445

(*) Foreign currency indexed loans amounting to TRY 280,182 Thousand (December 31, 2010: TRY 174,776 Thousand) are included in the loan portfolio.

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

(***) It includes also TRY 13,156 Thousand and TRY 13,597 Thousand forward asset purchase & sale commitments (December 31, 2010: TRY 52,664 Thousand and TRY 53,495 Thousand, respectively).

(****) TRY 614 Thousand asset from derivative financial instruments and TRY 124 Thousand liability from derivative financial instruments are not included (December 31, 2010: TRY 12 Thousand assets from derivative financial instruments).

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	
		September 30, 2011	September 30, 2010	September 30, 2011	December 31, 2010
USD	%10 increase	144	(98)	(181)	26
USD	%10 decrease	(144)	98	181	(26)
EURO	%10 increase	47	(37)	-	-
EURO	%10 decrease	(47)	37	-	-

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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
September 30, 2011							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	213,070	213,070
Banks	103,442	-	-	-	-	3,640	107,082
Financial Assets at Fair Value Through Profit and Loss	372	302	91	60	26	-	851
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	34,348	21,205	119,828	33,873	51,685	75	261,014
Loans (*)	922,638	76,091	152,654	151,235	-	89	1,302,707
Held-To-Maturity Investments	1,219	4,946	47,821	1,848	-	-	55,834
Other Assets (**)	-	-	-	-	-	66,639	66,639
Total Assets	1,062,019	102,544	320,394	187,016	51,711	283,513	2,007,197
Liabilities							
Bank Deposits	-	-	-	-	-	2,568	2,568
Other Deposits	875,571	432,201	62,539	-	-	88,367	1,458,678
Money Market Borrowings	60,894	-	-	-	-	-	60,894
Sundry Creditors	-	-	-	-	-	6,739	6,739
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	49,547	22,408	50,347	18,999	-	41	141,342
Other Liabilities (***)	442	537	-	-	-	335,997	336,976
Total Liabilities	986,454	455,146	112,886	18,999	-	433,712	2,007,197
Balance Sheet Long Position	75,565	-	207,508	168,017	51,711	-	502,801
Balance Sheet Short Position	-	(352,602)	-	-	-	(150,199)	(502,801)
Off-Balance Sheet Long Position	-	-	-	-	-	37,513	37,513
Off-Balance Sheet Short Position	-	-	-	-	-	(37,405)	(37,405)
Total Position	75,565	(352,602)	207,508	168,017	51,711	(150,092)	107

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

(**) The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 12,365 Thousand, intangible assets amounting to TRY 985 Thousand, tax asset amounting to TRY 2,281 Thousand, net non performing loans amounting to TRY 25,048 Thousand, clearing account amounting to TRY 16,846 Thousand, prepaid expenses amounting to TRY 2,402 Thousand and other assets amounting to TRY 6,739 Thousand.

(***) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 210,582 Thousand, TRY 4,746 Thousand tax liabilities, TRY 20,262 Thousand provisions, TRY 65,000 Thousand received capital increase payment from Bankmed SAL, and TRY 32,764 Thousand clearing accounts and TRY 2,643 Thousand other liabilities.

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IV. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
September 30, 2011				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Reserve Deposits) And Balances With The Central Bank Of Turkey	-	-	-	-
Banks	0.67	0.24	-	6.25
Financial Assets At Fair Value Through Profit And Loss	-	-	-	7.74
Money Market Placements	-	-	-	5.45
Available-For-Sale Financial Assets	-	5.04	-	5.81
Loans	6.88	6.08	-	13.90
Held-To-Maturity Investments	-	-	-	8.07
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	4.22	4.21	-	9.32
Money Market Borrowings	-	-	-	6.64
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.66	2.15	-	8.38

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

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

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

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

(***) The other liabilities line in the non-interest bearing column consists of shareholders' equity amounting to TRY 219,256 Thousand, tax liability amounting to TRY 4,103 Thousand, provisions amounting to TRY 17,997 Thousand and other liabilities amounting to 22,205 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, 2010				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	-	-	-	-
Banks	0.22	0.32	-	4.01
Financial Assets At Fair Value Through Profit And Loss	-	-	-	7.58
Money Market Placements	-	-	-	6.41
Available-For-Sale Financial Assets	-	5.51	-	6.41
Loans	7.39	5.89	-	13.12
Held-To-Maturity Investments	-	-	-	10.69
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	3.21	3.15	-	9.13
Money Market Borrowings	-	-	-	7.60
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.66	2.95	-	8.63

Interest rate sensitivity:

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

Net profit would change by TRY 1,232 Thousand. The change in profit mainly related to FC loans and other deposits (December 31, 2010 : TRY 703 Thousand).

There is no effect on the Bank's equity.

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:

September 30, 2011	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey (****)	115,022	54,686	30,202	11,051	2,109	-	-	213,070
Banks	3,640	10,442	-	-	-	-	-	107,082
Financial Assets at Fair Value Through Profit and Loss	-	614	60	-	151	26	-	851
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	49,387	129,875	81,677	75	261,014
Loans (***)	-	922,727	76,091	152,654	151,235	-	-	1,302,707
Held-To-Maturity Investments	-	-	4,946	47,821	1,848	1,219	-	55,834
Other Assets	-	16,846	-	-	-	-	49,793	66,639
Total Assets	118,662	1,098,315	111,299	260,913	285,218	82,922	49,868	2,007,197
Liabilities								
Bank Deposits	2,568	-	-	-	-	-	-	2,568
Other Deposits	88,367	875,571	432,201	62,539	-	-	-	1,458,678
Funds Provided From Other Financial Institutions	-	49,586	22,408	50,349	18,999	-	-	141,342
Money Market Borrowings	-	60,894	-	-	-	-	-	60,894
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	6,739	-	-	-	-	-	6,739
Other Liabilities (**)	-	38,275	220	-	-	-	298,481	336,976
Total Liabilities	90,935	1,031,065	454,828	112,888	18,999	-	298,481	2,007,197
Liquidity Gap	27,727	67,250	(343,530)	148,025	266,219	82,922	(248,613)	-
December 31, 2010								
Total Assets	61,732	856,263	72,717	149,181	258,847	67,031	44,003	1,509,774
Total Liabilities	116,828	820,141	268,493	50,367	15,740	-	238,205	1,509,774
Liquidity Gap	(55,096)	36,122	(195,776)	98,814	243,107	67,031	(194,202)	-

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

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

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

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

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Cash in Vault/Foreign Currency	4,901	14,843	4,351	10,949
Balances with the Central Bank of Turkey	93,914	99,412	43,940	54,170
Other	-	-	-	-
Total	98,815	114,255	48,291	65,119

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Unrestricted demand deposits	93,914	1,364	43,940	810
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
FC Reserve deposits	-	98,048	-	53,360
Total	93,914	99,412	43,940	54,170

c) Explanations related to reserve deposits:

According to the "Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank of the Republic of Turkey numbered 2011/9 reserve deposit rates applied to TRY and FC liabilities has changed. The current required reserve rates as of the date of approval of the financial statements are as follows:

FC reserve deposits rates:

FX demand deposits, notice deposits and FX private current accounts, FX deposits/FX participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities	FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/ FX participation accounts	FX Special fund pools	FX liabilities up to 1-year maturity (including 1-year)	FX liabilities up to 3-year maturity (including 3-year)	FX liabilities longer than 3-year maturity
11,5%	9,5%	Ratios for corresponding maturities	11,5%	9,5%	8,5%

TRY reserve deposits rates:

Demand deposits, notice deposits and private current accounts	Deposits/participation accounts up to 1-month maturity (including 1-month)	Deposits/participation accounts up to 3-month maturity (including 3-month)	Deposits/participation accounts up to 6-month maturity (including 6-month)	Deposits/participation accounts up to 1-year maturity	Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	Other liabilities up to 1-year maturity (including 1-year)	Other liabilities up to 3-year maturity (including 3-year)	Other liabilities with longer 3-year maturity
16%	16%	13%	9%	6%	5%	13%	13%	13%

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I. Explanations and Disclosures Related to the Assets (continued)

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:

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Government bonds	-	-	20	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	20	-

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 237 Thousand. (December 31, 2010: TRY 412 Thousand).

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Forward Transactions	-	614	-	12
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total		614		12

3. Information on banks:

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Banks				
Domestic	73	103,775	22	75,455
Foreign	-	3,234	-	4,459
Branches and head office abroad	-	-	-	-
Total	73	107,009	22	79,914

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

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	21,273	-	23,074	-
Other	-	-	-	-
Total (*)	21,273		23,074	

(*) Available-for-sale securities given as collateral for Stock Exchange, and Open Markets are TRY 13,275 Thousand, and TRY 7,998 Thousand respectively.

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I. Explanations and Disclosures Related to the Assets (continued)

4. Information on financial assets available-for-sale: (continued)

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Government bonds	33,556	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Assets backed securities	-	-	-	-
Other	-	-	-	-
Total	33,556	-	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 206,185 Thousand (December 31, 2010: TRY 197,040 Thousand) and included in this amount there are unquoted stocks amounting TRY 75 Thousand (December 31, 2010: TRY 75 Thousand).

b) Information on financial assets available for sale portfolio:

	September 30, 2011	December 31, 2010
Debt securities	260,939	220,039
Quoted on a stock exchange (*)	260,939	220,039
Not quoted	-	-
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision (-)	-	-
Total	261,014	220,114

(*) As of September 30, 2011, Eurobonds amounting to TRY 44,077 Thousand (December 31, 2010 - TRY 38,915 Thousand) have been classified under debt securities quoted on stock exchange even though they are not quoted on stock exchange since these are traded on the secondary market.

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, 2010: TRY 75 Thousand).

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans:

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

	September 30, 2011		December 31, 2010	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	12	5,452	10	1,024
Corporate shareholders	12	5,452	10	1,024
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	121	7,031	42	-
Loans granted to employees	716	1,138	682	1,493
Total	849	13,621	734	2,517

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	1,279,150	-	23,557	-
Discount notes	279	-	-	-
Export loans	262,900	-	3,362	-
Import loans	-	-	-	-
Loans given to financial sector	3,983	-	-	-
Foreign loans	20,692	-	-	-
Consumer loans	19,692	-	619	-
Credit cards	-	-	-	-
Precious metals loans	-	-	-	-
Other	971,603	-	19,577	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	1,279,150	-	23,557	-

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

Standard loans

Number of Agreements (*)	Up to 1 month	1-3 Months	3-6 Months	6 – 12 Months	1-5 Years	Total
2	-	255	-	-	-	255
1	-	-	125	-	-	125
2	-	-	-	2,140	-	2,140
Total	-	255	125	2,140	-	2,520

Close monitoring loans

Number of Agreements (*)	Up to 1 month	1-3 Months	3-6 Months	6 – 12 Months	1-5 Years	Total
1	-	33	-	-	-	33
2	-	-	1,091	-	-	1,091
2	-	-	-	-	703	703
Total	-	33	1,091	-	703	1,827

(*) Extension period of loan terms has considered.

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I. Explanations and Disclosures 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	1,595	17,275	18,870
Housing Loans	-	9,586	9,586
Car Loans	-	436	436
General Purpose Loans	1,595	6,469	8,064
Other	-	784	784
Consumer Loans –Indexed to FC	-	266	266
Housing Loans	-	207	207
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	59	59
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TRY	332	149	481
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	329	149	478
Other	3	-	3
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Real Persons) (*)	694	-	694
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	2,621	17,690	20,311

(*) Overdraft Accounts includes TRY 200 Thousand personnel loans.

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I. Explanations and Disclosures 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	26,870	121,783	148,653
Business Loans	-	392	392
Car Loans	155	4,666	4,822
General Purpose Loans	62	5,691	5,753
Other	26,653	111,033	137,686
Commercial loans with installment facility - Indexed to FC	8,410	119,573	127,983
Business Loans	-	-	-
Car Loans	415	32,416	32,830
General Purpose Loans	-	589	589
Other	7,995	86,569	94,564
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)	17,021	-	17,021
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	52,301	241,356	293,657

e) Domestic and foreign loans:

	September 30, 2011	December 31, 2010
Domestic loans	1,281,736	979,912
Foreign loans	20,971	320
Total	1,302,707	980,232

f) Loans granted to subsidiaries and associates: None.

g) Specific provisions provided against loans:

	September 30, 2011	December 31, 2010
Specific provisions		
Loans and receivables with limited collectability	257	148
Loans and receivables with doubtful collectability	1,560	373
Uncollectible loans and receivables	17,748	16,625
Total	19,565	17,146

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I. Explanations and Disclosures 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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
September 30, 2011			
(Gross amount before specific provision) (*)	141	2,247	132
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	141	2,247	132
December 31, 2010			
(Gross amount before specific provision)	-	144	266
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	144	266

(*) As of September 30, 2011 total specific provisions set aside for the loans and other receivables that are restructured or tied to redemption plan is TRY 632 Thousand.

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
December 31, 2010 balance	2,832	1,929	35,375
Additions (+)	7,771	472	7
Transfers from other categories of non-performing loans (+)	-	7,777	4,014
Transfers to other categories of non-performing loans (-)	(7,777)	(4,014)	-
Collections (-)	(279)	(353)	(3,141)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
September 30, 2011 balance	2,547	5,811	36,255
Specific provision (-)	(257)	(1,560)	(17,748)
Net Balances on Balance Sheet	2,290	4,251	18,507

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

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I. Explanations and Disclosures 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
September 30, 2011 (Net)			
Loans to Real Persons and Legal Entities (Gross)	2,547	5,811	36,255
Specific provision (-)	(257)	(1,560)	(17,748)
Loans to Real Persons and Legal Entities (Net)	2,290	4,251	18,507
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2010 (Net)			
Loans to Real Persons and Legal Entities (Gross)	2,832	1,929	35,375
Specific provision (-)	(148)	(373)	(16,625)
Loans to Real Persons and Legal Entities (Net)	2,684	1,556	18,750
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

6. Information on held-to-maturity investments:

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	26,476	-	25,690	-
Other	-	-	-	-
Total (*)	26,476	-	25,690	-

(*) Held-to-maturity investments given as collateral for Stock Exchange, Interbank Markets and other are TRY 7,294 Thousand, TRY 17,493 Thousand, and TRY 1,689 Thousand respectively.

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I. Explanations and Disclosures Related to the Assets (continued)

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Government bonds	27,511	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Assets backed securities	-	-	-	-
Other	-	-	-	-
Total	27,511	-	-	-

Book value of held to maturity investments classified as unrestricted financial assets is TRY 1,847 Thousand (December 31, 2010: 22,192).

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

	September 30, 2011	December 31, 2010
Government bonds	55,834	47,882
Treasury bills	-	-
Other public sector debt securities	-	-
Total	55,834	47,882

c) Information on held-to-maturity investments:

	September 30, 2011	December 31, 2010
Debt securities		
Quoted on a stock exchange	55,834	47,882
Not quoted on a stock exchange	-	-
Provision for impairment (-)	-	-
Total	55,834	47,882

d) Movement of held-to-maturity investments:

	September 30, 2011	December 31, 2010
Beginning balance	47,882	39,209
Foreign currency differences on monetary assets(*)	(102)	960
Purchases during year	26,733	26,212
Disposal through sales and redemptions	(18,679)	(18,499)
Impairment provision (-)	-	-
Closing balance	55,834	47,882

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

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I. Explanations and Disclosures 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 and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) September 30, 2011:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	8,507	-	14,916	415,881	61,909	1,531	135	-	502,879
Foreign currency deposits	48,544	-	102,096	449,900	71,021	11,975	130	-	683,666
Residents in Turkey	47,010	-	101,803	387,351	52,809	11,174	18	-	600,165
Residents abroad	1,534	-	293	62,549	18,212	801	112	-	83,501
Public sector deposits	4,621	-	-	-	-	-	-	-	4,621
Commercial deposits	26,583	-	33,222	178,483	1,231	17,146	-	-	256,665
Other institutions deposits	112	-	93	10,636	0	1	5	-	10,847
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	2,568	-	-	-	-	-	-	-	2,568
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	10	-	-	-	-	-	-	-	10
Foreign Banks	2,558	-	-	-	-	-	-	-	2,558
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	90,935	-	150,327	1,054,900	134,161	30,653	270	-	1,461,246

a.2) December 31, 2010:

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

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II. Explanations and Disclosures Related to the Liabilities (continued)

1. Information on maturity structure of deposits: (continued)

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

i. Information on saving deposits:

Saving Deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Saving deposits	106,088	98,445	392,600	309,972
Foreign currency saving deposits	27,820	26,856	303,386	216,456
Other deposits in the form of saving deposits	148	120	3,854	2,084
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	134,056	125,421	699,840	528,512

(*) 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:

	September 30, 2011	December 31, 2010
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	1,805	885
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Forward Transactions	403	124	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	403	124	-	-

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II. Explanations and Disclosures Related to the Liabilities (continued)

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

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	16,049	21,480	10,607	14,860
From Foreign Banks, Institutions and Funds	30,381	73,432	4,862	61,935
Total	46,430	94,912	15,469	76,795

b) Maturity analysis of borrowings:

	September 30, 2011		December 31, 2010	
	TRY	FC	TRY	FC
Short-term	46,430	71,350	15,469	59,484
Medium and long-term	-	23,562	-	17,311
Total	46,430	94,912	15,469	76,795

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:

	September 30, 2011		December 31, 2010	
	Gross	Net	Gross	Net
Less than 1 Year	1	1	9	9
Between 1-4 Years	-	-	1	1
More than 4 Years	-	-	-	-
Total	1	1	10	10

- 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 2011, operational lease expenses amounting to TRY 5,924 Thousand have been recorded in the profit and loss accounts (December 31,2010: TRY 7,060 Thousand). The lease periods vary between 5 and 10 years.

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

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II. Explanations and Disclosures Related to the Liabilities (continued)

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

7. Information on provisions:

a) Information on general provisions:

	September 30, 2011	December 31, 2010
General Provisions		
Provisions for First Group Loans and Receivables	10,272	7,548
Provisions for Second Group Loans and Receivables	470	544
Provisions for Non-cash Loans	1,762	1,621
Other	-	-
Total	12,504	9,713

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TRY 51 Thousand (December 31, 2010: TRY 602 Thousand) on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) The specific provisions of TRY 2,163 Thousand (December 31, 2010: TRY 2,082 Thousand) were provided for unindemnified non cash loans.

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

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.

	September 30, 2011	December 31, 2010
Employee termination benefit provision	2,569	2,173
Unused vacation provision	1,833	1,476
Total of provision for employee benefits	4,402	3,649

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

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II. Explanations and Disclosures Related to the Liabilities (continued)

7. Information on provisions: (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:

	September 30, 2011	December 31, 2010
Specific provisions provided for unindemnified non cash loans	2,163	2,082
Settlement date provision	-	851
Other provisions (*)	1,193	1,702
Total	3,356	4,635

(*) Other provisions include TRY 453 Thousand of loan provisions, TRY 740 Thousand of litigation provisions. (December 31, 2010: TRY 42 Thousand unpaid 2009 bonus provision, TRY 1,019 Thousand of loan related provision, TRY 641 Thousand of legal claim provision).

8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes: As of September 30, 2011, there is no corporate tax liability after prepaid taxes are netted off.

a.2) Information on taxes payable:

	September 30, 2011	December 31, 2010
Corporate Tax Payable	-	557
Payroll Tax	715	684
Taxation on Securities	1,512	933
Property Tax	202	171
Banking and Insurance Transaction Tax (BITT)	1,549	947
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	31	118
Stamp Tax	19	18
Other	23	29
Total	4,051	3,457

a.3) Information on premiums:

	September 30, 2011	December 31, 2010
Social Security Premiums-Employee	260	242
Social Security Premiums-Employer	382	355
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	18	16
Unemployment Insurance-Employer	35	33
Other	-	-
Total	695	646

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

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II. Explanations and Disclosures Related to the Liabilities (continued)

9. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

According to the Extraordinary General Assembly decision dated May 30, 2011, it was decided to increase the Bank's capital from TRY 170,000 Thousand to TRY 300,000 Thousand, and it was registered in the Turkish Trade Registry Gazette dated June 20, 2011 numbered 7840. According to the BRSA Approval dated September 15, 2011 numbered 4381 the unused preemptive right of Arab Bank Plc amounting to TRY 65,000 Thousand have been used by Arab Bank (Switzerland) Ltd (ABS). TRY 65,000 Thousand has been received on August 1, 2011 from BankMed SAL, and other TRY 65,000 Thousand has been received on October 4, 2011 from Arab Bank (Switzerland) Ltd (ABS). The increased amount of capital has been accounted under transitory accounts till the approval of the BRSA. Capital commitments which are amounting to TRY 130,000 Thousand have been paid by shareholders and according to the BRSA Decision dated October 20, 2011 numbered 22244 it is decided to transfer of the payments to the capital accounts.

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

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

d) 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.

e) 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:

	September 30, 2011	December 31, 2010
From Associates, Subsidiaries, and Jointly Controlled Entities (Joint Vent.)	-	-
Valuation Difference	(3,228)	7,746
Foreign Exchange Difference	-	-
Total	(3,228)	7,746

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

a. Information on off-balance sheet liabilities:

1) Nature and amount of irrevocable loan commitments:

	September 30, 2011	December 31, 2010
Credit card expenditure limit commitments	-	1,572
Loan granting commitments	36,947	26,748
Payment commitments for checks	65,879	57,043
Forward asset purchase and sales commitments	28,148	107,009
Other irrevocable commitments	16,763	-
Total	147,737	192,372

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:

	September 30, 2011	December 31, 2010
Bank acceptance loans	16,295	17,310
Letters of credit	106,910	107,318
Other guarantees and collaterals	118,653	91,060
Total	241,858	215,688

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

	September 30, 2011	December 31, 2010
Definite letter of guarantess	578,714	547,390
Temporary letter of guarantees	107,579	105,301
Suretyships and similar transactions	-	-
Other letter of guarantees	103,448	107,522
Total	789,741	760,213

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

	September 30, 2011	December 31, 2010
Non-cash loans given against achieving cash loans	76,665	64,209
With maturity of 1 year or less than 1 year	-	150
With maturity of more than 1 year	76,665	64,059
Other non-cash loans	954,934	911,692
Total	1,031,599	975,901

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IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	September 30, 2011		September 30, 2010	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	64,083	9,374	42,483	6,878
Medium and long term loans	20,982	2,270	14,472	2,251
Interest on non-performing loans	563	-	439	-
Premiums received from Resource Utilization Support Fund				
		-		-
Total	85,628	11,644	57,394	9,129

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

b) Information on interest received from banks:

	September 30, 2011		September 30, 2010	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	125	135	13	50
Foreign banks	-	6	-	73
Branches and head office abroad	-	-	-	-
Total	125	141	13	123

c) Interest received from marketable securities portfolio:

	September 30, 2011		September 30, 2010	
	TRY	FC	TRY	FC
Trading securities	14	-	46	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	11,172	1,557	8,812	1,402
Held-to-maturity securities	2,879	-	3,507	-
Total	14,065	1,557	12,365	1,402

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

2. a) Information on interest on funds borrowed:

	September 30, 2011		September 30, 2010	
	TRY	FC	TRY	FC
Interest on funds borrowed (*)				
Banks	1,893	2,506	871	1,139
The Central Bank of Turkey	-	-	-	-
Domestic banks	812	457	547	185
Foreign banks	1,081	2,049	324	954
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	1,893	2,506	871	1,139

(*) Includes fees and commission expenses for borrowings.

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IV. Explanations and Disclosures Related to the Statement of Income (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					Accumulating 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	-	28	-	-	-	-	-	28
Saving deposits	1	1,158	26,244	3,803	52	5	-	31,263
Public sector deposits	-	3	-	-	-	-	-	3
Commercial deposits	-	2,753	10,946	919	28	-	-	14,646
Other deposits	-	7	625	-	-	-	-	632
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	1	3,949	37,815	4,722	80	5	-	46,572
Foreign Currency								
Foreign currency deposits	-	2,096	13,579	1,247	198	2	-	17,095
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	2,069	13,579	1,247	198	2	-	17,095
Grand Total	1	6,018	51,394	5,969	278	7	-	63,667

3. Information on net trading income:

	September 30, 2011	September 30, 2010
Gains	1,024,516	681,528
Gains on capital market operations	5,756	8,794
Gains on derivative financial instruments	11,965	2,111
Foreign exchange gains	1,006,795	670,623
Losses (-)	(1,019,525)	(672,817)
Losses on capital market operations	(4)	(18)
Losses on derivative financial instruments	(13,189)	(13,735)
Foreign exchange losses	(1,006,332)	(659,064)

4. Information on other operating income:

	September 30, 2011	September 30, 2010
Provisions for communication expense collected from customers	62	58
Provisions for expenditure collected from customers	35	21
Reversal of specific provision	1,642	2,934
Reversal of general loan loss provision	214	3,562
Income from operational leases	-	17
Income from sales of assets written off	-	-
Other	1,532	5,789
Total	3,483	12,381

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

5. Provision for impairment of loans and other receivables:

	September 30, 2011	September 30, 2010
Specific provisions for loans and other receivables	3,736	6,003
III. Group Loans and Receivables	890	1,185
IV. Group Loans and Receivables	1,138	1,506
V. Group Loans and Receivables	1,708	3,312
General loan loss provision expenses	3,005	718
Provision expenses for possible losses	-	-
Marketable securities impairment losses	48	3
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	48	3
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	406	936
Total	7,195	7,660

6. Information on other operating expenses:

	September 30, 2011	September 30, 2010
Personnel expenses	32,484	29,651
Reserve for employee termination benefits	396	319
Taxes, duties, charges	1,621	1,711
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	3,277	2,920
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	601	934
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	20	17
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	15,545	14,728
Rent expenses	5,924	5,230
Maintenance expenses	861	1,150
Advertisement expenses	283	285
Other expenses (*)	8,477	8,063
Loss on sales of assets	6	23
Other (**)	2,140	1,751
Total	56,090	52,054

(*) Included in other operating expenses; vehicle expenses are TRY 2,447 Thousand, communication expenses are TRY 1,331 Thousand, cleaning expenses are TRY 1,061 Thousand, heating- lightening expenses are TRY 712 Thousand, non-deductible expenses TRY 130 Thousand, stationery expenses are TRY 335 Thousand and other expenses are TRY 2,461 Thousand (September 30, 2010: TRY 2,203 Thousand vehicle ; TRY 1,381 Thousand communication, TRY 875 Thousand cleaning, TRY 646 Thousand heating-lightening; TRY 342 Thousand non-deductible; TRY 334 Thousand stationery and TRY 2,282 Thousand other expenses).

(**) Included in other; the premiums paid to Saving Deposit Insurance Fund is TRY 622 Thousand, assurance and financial services expenses are TRY 935 Thousand, TRY, unused vacation expenses are TRY 413 Thousand and other expenses are TRY 170 Thousand (September 30, 2010: TRY 538 Thousand premiums paid to Saving Deposit Insurance Fund; TRY 653 Thousand assurance and financial consultancy expenses, unused vacation expenses are TRY 374 Thousand and TRY 186 Thousand other expenses).

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

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

As of September 30, 2011; there is TRY 1,244 Thousand deferred tax expense. (September 30, 2010; TRY 2,045 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:

	September 30, 2011	September 30, 2010
<u>Other fees and commissions received</u>		
Expertise fees collected from customers	320	215
Transfer commissions	347	299
Collection note commissions	71	65
Insurance commissions	74	73
Import letters of credit commissions	76	120
Credit cards commissions and fees	5	6
Other banking operations income	6,610	5,168
Total	7,503	5,946

	September 30, 2011	September 30, 2010
<u>Other fees and commissions given</u>		
Money transfer commissions	63	49
Credit card commissions	49	80
Settlement custody commission	17	15
Bond exchange transaction fee	42	24
Other commissions paid to banks	285	216
ATM commissions	10	11
EFT commissions	64	54
Other	74	68
Total	604	517

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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) September 30, 2011:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	10	1,024	42	7,254
Balance at end of period	-	-	12	5,452	121	9,925
Interest and commission income	-	-	-	10	-	38

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 12 Thousand.

b) December 31, 2010:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	9	-	28	38,799
Balance at end of period	-	-	10	1,024	42	7,254
Interest and commission income (*)	-	-	55	4	2	75

(*) Prior year profit and loss amounts belongs to September 30, 2010.

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

c.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Deposits						
Balance at beginning of period	-	-	93	107	10,841	625
Balance at end of period	-	-	253	93	18,169	10,841
Interest on deposits (*)	-	-	-	-	207	83

(*) Prior year profit and loss amounts belongs to September 30, 2010.

In addition, the Bank has "Funds Borrowed" at an amount of TRY 49,381 Thousand used from risk group of the Bank (December 31, 2010: TRY 30,802 Thousand) and TRY 1,771 Thousand (September 30, 2010: TRY 583 Thousand) interest expense was incurred from funds borrowed in 2011.

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

d) As of September 30, 2011, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 4,181 Thousand (September 30, 2010: TRY 3,466 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	70	0,01
Banks and other receivables	62	0.06
Non-cash loans	15,377	1.36
Deposits	18,422	1.26
Other financial institutions	49,381	34.94

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

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

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 0.6 %. Details of these loans are explained in 1a above.

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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	497			
			Country		
Rep-offices abroad	-	-	-		
				Total Assets	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

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

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

VII. Explanations and disclosures related to subsequent events

1- TRY 65,000 Thousand has been received on October 4, 2011 from Arab Bank Ltd (ABS). The increased amount of capital has been accounted under transitory accounts till the approval of the BRSA.

According to the Extraordinary General Assembly decision dated May 30, 2011, it is decided to increase the Bank's capital from TRY 170,000 Thousand to TRY 300,000 Thousand. Capital commitments which are amounting to TRY 130,000 Thousand have been paid by shareholders and according to the BRSA Decision dated October 20, 2011 numbered 22244 it is decided to transfer of the payments to the capital accounts.

As of September 30, 2011, the shareholders' structure and their ownerships are summarized as follows:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%28,3	84,999.99	-
ARAB BANK (Switzerland)	65,000.00	%21,7	-	65,000.00
BANKMED, SAL	149,999.99	%50	84,999.99	65,000.00
Other	<1	%0	<1	-
Total	300,000.00	%100	170,000.00	130,000.00

2- According to the "Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank of the Republic of Turkey numbered 2011/11 and 2011/12, effective from September 30, 2011 reserve deposit rates applied to TRY and FC liabilities has changed. The current required reserve rates as of the date of approval of the financial statements are as follows:

FC reserve deposits rates:

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

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VII. Explanations and disclosures related to subsequent events

TRY reserve deposits rates:

Demand deposits, notice deposits and private current accounts	Deposits/participation accounts up to 1-month maturity (including 1-month)	Deposits/participation accounts up to 3-month maturity (including 3-month)	Deposits/participation accounts up to 6-month maturity (including 6-month)	Deposits/participation accounts up to 1-year maturity	Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation on accounts	Other liabilities up to 1-year maturity (including 1-year)	Other liabilities up to 3-year maturity (including 3-year)	Other liabilities with longer 3-year maturity
16%	16%	12.5%	9%	6%	5%	11%	8%	5%

3- According to the official gazette dated October 28, 2011 and numbered 28098 based on the "Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank of the Republic of Turkey, reserve deposit rates applied to TRY liabilities has changed. The current required reserve rates as of the date of approval of the financial statements are as follows:

TRY reserve deposits rates:

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 September 30, 2011 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 October 31, 2011 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

None.