

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish)*

**Türkiye Garanti Bankası Anonim Şirketi
And Its Financial Affiliates
Consolidated Financial Statements
As of and For the Three-Month Period Ended
31 March 2012**
*(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)*
**With Independent Accountants' Limited Review
Report Thereon**

DRT Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
24 April 2012

*This report contains "Independent Accountants'
Limited Review Report" comprising 2 pages and;
"Consolidated Financial Statements and Related
Disclosures and Footnotes" comprising 93 pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL AFFILIATES

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2012 –31 MARCH 2012

We have reviewed the accompanying consolidated balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") and its consolidated financial affiliates as at 31 March 2012 and the related consolidated 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 accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

As of the balance sheet date, the accompanying consolidated financial statements include a general reserve amounting to TL 450,000 thousands, provided by the Bank management in prior periods in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.

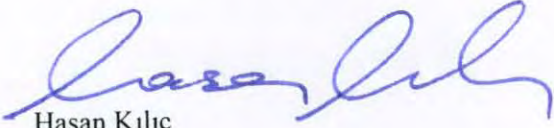
Based on our review, except for the effect of the matter referred to in the preceding paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank and its consolidated financial affiliates as of and for the period ended 31 March 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 and 38 of the Banking Act No. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

Istanbul, 24 April 2012

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Interim Financial Report
as of and for the Three-Month Period Ended 31 March 2012**

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The consolidated interim financial report for the three-month period ended 31 March 2012 prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about Parent Bank
2. Consolidated Interim Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Independent Accountants' Limited Review Report

The consolidated subsidiaries and special purpose entities in the scope of this consolidated financial report are the followings:

Subsidiaries

1. Garanti Bank International NV
2. Garanti Emeklilik ve Hayat AŞ
3. Garanti Holding BV
4. Garanti Finansal Kiralama AŞ
5. Garanti Faktoring Hizmetleri AŞ
6. Garanti Bank Moscow
7. Garanti Yatırım Menkul Kıymetler AŞ
8. Garanti Portföy Yönetimi AŞ

Special Purpose Entities

1. Garanti Diversified Payment Rights Finance Company

The consolidated quarterly financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of Turkish Lira (TL).

Ferit F. Şahenk	M. Cüneyt Sezgin	Manuel Pedro Galatas Sanchez - Harguindey	S. Ergun Özen	Aydın Şenel	Aylin Aktürk
Board of Directors Chairman	Audit Committee Member	Audit Committee Member	General Manager	Executive Vice President Responsible of Financial Reporting	Coordinator

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations
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1 General Information

1.1 History of parent bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 913 domestic branches, seven foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Parent bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during period and information on its risk group

As of 31 March 2012, group of companies under Doğuř Holding AŞ that currently owns 24.23% shares of the Bank, is named the Doğuř Group (the Group).

On 22 December 2005, Doğuř Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Arařtırma ve Müřavirlik Limited řti” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, this time GE Arařtırma ve Müřavirlik Limited řti. has sold 9,765,000,000 shares of Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 thousands each to Doğuř Holding AŞ, representing 4.65% of the issued share capital. Number of shares representing 20.85% ownership of GE Arařtırma ve Müřavirlik Limited řti increased to 87,571,249,898 subsequent to the capital increase through issuance of bonus shares. The company sold 83,371,249,899 shares at a total nominal value of TL 833,712 thousands representing 19.85% ownership in Türkiye Garanti Bankası AŞ, to GE Capital Corporation on 29 December 2010.

On 22 March 2011, Banco Bilbao Vizcaya Argentaria SA (“BBVA”) acquired;

- 78.120.000.000 shares of the Bank owned by GE Capital Corporation at a total nominal value of TL 781,200 thousands representing 18.60% ownership, and
- 26.418.840.000 shares of the Bank owned by Doğuř Holding AŞ at a total nominal value of TL 264,188 thousands representing 6.29% ownership.

BBVA, holding 24.89% shares of the Bank, had joint control on the Bank’s management together with Doğuř Group.

On 7 April 2011, BBVA acquired 503.160.000 shares at a nominal value of TL 5,032 thousands and increased its ownership in the Bank’s share capital to 25.01%. As per the agreement between Doğuř Holding AŞ and BBVA, if any of the parties acquires additional shares during the next five years, it is required to offer half of the acquired shares to other party, in case that other party does not accept to purchase the offered shares, usufruct rights shall be established on the voting rights of such shares in favour of other party. Accordingly, although BBVA has acquired additional shares in April, this does not affect their joint control on the Bank’s management.

Doğuř Group

The Doğuř Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with more than 70 companies and about 30 thousands employees.

The major worldwide joint ventures of the Group are; Volkswagen AG and TÜVSÜD in automotive, French Alstom and Japan Marubeni in construction, CNBC in media and Starwood Hotels & Resorts, Worldwide Inc., HMS International Hotel GmbH (Maritim) and Aldania GmbH in tourism.

The major investments of the Doğu Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Bank SA, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Doğu Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğu Tüketici Finansmanı AŞ.

BBVA Group

BBVA is operating for more than 150 years, providing variety of wide spread financial and non-financial services to over 47 million retail and commercial customers.

The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.

The Group owns a bank being the largest financial institution in Mexico, the market leader in South America, and one of the largest 15 commercial banks in United States. BBVA is among the few international groups that operate in China and Turkey, and operates in more than 30 countries with more than 100 thousand employees.

1.3 Information on parent bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	22 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	30 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	24 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	38 years
Manuel Castro Aladro	Member	22.03.2011	Master	20 years
Manuel Pedro Galatas Sanchez Harguindey	Member of BOD and Audit Committee	05.05.2011	University	28 years
Carlos Torres Vila	Member	22.03.2011	Master	21 years
Angel Cano Fernandez	Member	22.03.2011	University	27 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	25 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	25 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	34 years
Ali Fuat Erbil	EVP- Financial Institutions & Corporate Banking	30.04.1999	PhD	20 years
Ali Temel	EVP-Loans	21.10.1999	University	22 years
Gökhan Erun	EVP-Human Resources & Investment Banking	01.09.2005	Master	18 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	30 years
Halil Hüsnü Erel	EVP-Operations Services	16.06.1997	University	27 years
Uruz Ersözoğlu	EVP-Treasury	05.04.2006	University	21 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	27 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	31 years
Zekeriya Öztürk	EVP- International Business Development	06.03.2006	Master	17 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	18 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	18 years
Murat Mergin	Head of Strategic Planning	01.01.2002	University	18 years
Onur Genç	EVP-Retail Banking, Private Banking & Call Center	20.03.2012	Master	13 years
Didem Dinçer Başer	EVP-Delivery Channels	20.03.2012	Master	7 years

The top management listed above does not hold any unquoted shares of the Bank.

1.4 Information on parent bank's qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	857,315	20.4123%	857,315	-
Banco Bilbao Vizcaya Argentaria SA	1,050,420	25.0100%	1,050,420	-

According to the decision made at the “General Assembly of Founder Shares Owners” and the “Extraordinary General Shareholders” meetings held on 13 June 2008, the Bank repurchased all the 370 founder share-certificates issued in order to redeem and exterminate them, subsequent to the permissions obtained from the related legal authorities, at a value of TL 3,876 thousands each in accordance with the report prepared by the court expert and approved by the Istanbul 5th Commercial Court of First Instance. A total payment of TL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from “extraordinary reserves”, and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

Subsequent to these purchases, the clauses 15, 16 and 45 of the Articles of Association of the Bank have been revised accordingly.

1.5 Summary information on parent bank's activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by Turkish government and other official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank's activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates Consolidated Balance Sheet (Statement of Financial Position) At 31 March 2012

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2012			PRIOR PERIOD 31 December 2011		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	3,135,634	8,439,615	11,575,249	1,589,506	6,722,944	8,312,450
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	872,933	1,338,834	2,211,767	493,214	1,480,920	1,974,134
2.1 Financial assets held for trading			660,739	1,338,834	1,999,573	493,214	1,480,920	1,974,134
2.1.1 Government securities			174,640	912,642	1,087,282	210,165	762,198	972,363
2.1.2 Equity securities			29,103	-	29,103	25,700	-	25,700
2.1.3 Derivative financial assets held for trading			384,079	418,594	802,673	214,572	709,232	923,804
2.1.4 Other securities			72,917	7,598	80,515	42,777	9,490	52,267
2.2 Financial assets valued at fair value through profit or loss			212,194	-	212,194	-	-	-
2.2.1 Government securities			-	-	-	-	-	-
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Loans		5.1.5	212,194	-	212,194	-	-	-
2.2.4 Other securities			-	-	-	-	-	-
III. BANKS		5.1.3	2,277,584	8,503,734	10,781,318	2,421,842	14,294,673	16,716,515
IV. INTERBANK MONEY MARKETS			145	146,890	147,035	6,800	-	6,800
4.1 Interbank money market placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements			-	140,805	140,805	-	-	-
4.3 Receivables from reverse repurchase agreements			145	6,085	6,230	6,800	-	6,800
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	32,792,958	3,713,464	36,506,422	27,279,694	3,875,345	31,155,039
5.1 Equity securities			23,210	3,371	26,581	23,865	1,708	25,573
5.2 Government securities			32,557,062	345,953	32,903,015	26,238,027	356,345	26,594,372
5.3 Other securities			212,686	3,364,140	3,576,826	1,017,802	3,517,292	4,535,094
VI. LOANS		5.1.5	51,491,010	39,856,997	91,348,007	50,244,265	40,489,844	90,734,109
6.1 Loans			51,194,446	39,727,276	90,921,722	49,963,893	40,365,215	90,329,108
6.1.1 Loans to bank's risk group		5.7	72,443	228,328	300,771	87,178	197,806	284,984
6.1.2 Government securities			-	-	-	-	-	-
6.1.3 Other			51,122,003	39,498,948	90,620,951	49,876,715	40,167,409	90,044,124
6.2 Loans under follow-up			1,599,021	393,205	1,992,226	1,532,087	401,446	1,933,533
6.3 Specific provisions (-)			1,302,457	263,484	1,565,941	1,251,715	276,817	1,528,532
VII. FACTORING RECEIVABLES		5.1.6	1,053,102	164,172	1,217,274	1,080,342	169,143	1,249,485
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	1,553,876	1,504,231	3,058,107	3,176,043	1,610,487	4,786,530
8.1 Government securities			1,547,820	1,504,231	3,052,051	3,170,068	1,610,487	4,780,555
8.2 Other securities			6,056	-	6,056	5,975	-	5,975
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	20,204	-	20,204	20,145	-	20,145
9.1 Associates consolidated under equity accounting			-	-	-	-	-	-
9.2 Unconsolidated associates			20,204	-	20,204	20,145	-	20,145
9.2.1 Financial investments in associates			18,227	-	18,227	18,168	-	18,168
9.2.2 Non-financial investments in associates			1,977	-	1,977	1,977	-	1,977
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	137,365	686	138,051	130,310	759	131,069
10.1 Unconsolidated financial investments in subsidiaries			-	-	-	-	605	605
10.2 Unconsolidated non-financial investments in subsidiaries			137,365	686	138,051	130,310	154	130,464
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	813,851	1,867,006	2,680,857	702,450	1,967,444	2,669,894
12.1 Financial lease receivables			953,318	2,129,445	3,082,763	837,128	2,239,468	3,076,596
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			139,467	262,439	401,906	134,678	272,024	406,702
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	-	111,212	111,212	-	129,335	129,335
13.1 Fair value hedges			-	111,212	111,212	-	129,335	129,335
13.2 Cash flow hedges			-	-	-	-	-	-
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	1,199,795	149,114	1,348,909	1,272,489	153,636	1,426,125
XV. INTANGIBLE ASSETS (Net)		5.1.14	79,337	7,546	86,883	76,265	7,981	84,246
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			72,949	7,546	80,495	69,877	7,981	77,858
XVI. INVESTMENT PROPERTY (Net)		5.1.15	44,798	-	44,798	-	-	-
XVII. TAX ASSET			141,799	23,034	164,833	119,447	40,638	160,085
17.1 Current tax asset			93,100	4,137	97,237	89,685	7,548	97,233
17.2 Deferred tax asset		5.1.16	48,699	18,897	67,596	29,762	33,090	62,852
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		5.1.17	130,106	4,128	134,234	123,040	4,616	127,656
18.1 Asset held for resale			130,106	4,128	134,234	123,040	4,616	127,656
18.2 Assets of discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS		5.1.18	3,967,668	153,457	4,121,125	3,610,569	181,137	3,791,706
TOTAL ASSETS			99,712,165	65,984,120	165,696,285	92,346,421	71,128,902	163,475,323

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet (Statement of Financial Position)
At 31 March 2012

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 March 2012			31 December 2011		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1		47,502,667	45,104,313	92,606,980	47,648,127	45,588,188	93,236,315
1.1 Deposits from bank's risk group	5.7		200,715	377,214	577,929	228,321	1,229,275	1,457,596
1.2 Other			47,301,952	44,727,099	92,029,051	47,419,806	44,358,913	91,778,719
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2		468,023	500,519	968,542	507,082	704,314	1,211,396
III. FUNDS BORROWED	5.2.3		5,386,043	19,316,696	24,702,739	5,605,360	18,569,677	24,175,037
IV. INTERBANK MONEY MARKETS			11,287,011	1,885,589	13,172,600	8,340,629	3,397,528	11,738,157
4.1 Interbank money market takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings			30,000	-	30,000	-	-	-
4.3 Obligations under repurchase agreements	5.2.4		11,257,011	1,885,589	13,142,600	8,340,629	3,397,528	11,738,157
V. SECURITIES ISSUED (Net)	5.2.4		2,250,666	1,500,500	3,751,166	2,138,635	1,603,421	3,742,056
5.1 Bills			2,250,666	-	2,250,666	2,138,635	-	2,138,635
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	1,500,500	1,500,500	-	1,603,421	1,603,421
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES	5.2.4		6,032,446	384,493	6,416,939	5,837,230	222,060	6,059,290
VIII. OTHER EXTERNAL FUNDINGS PAYABLE			774,106	1,333,072	2,107,178	705,223	1,192,528	1,897,751
IX. FACTORING PAYABLES	5.2.5		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6		-	294	294	-	420	420
10.1 Financial lease payables			-	318	318	-	451	451
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	24	24	-	31	31
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7		-	446	446	-	782	782
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	446	446	-	782	782
11.3 Net foreign investment hedges			-	-	-	-	-	-
XII. PROVISIONS	5.2.8		2,083,336	106,341	2,189,677	1,995,164	106,975	2,102,139
12.1 General provisions			977,941	86,962	1,064,903	979,797	87,626	1,067,423
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserve for employee benefits			333,908	8,011	341,919	273,912	6,663	280,575
12.4 Insurance technical provisions (Net)			175,395	-	175,395	159,487	-	159,487
12.5 Other provisions			596,092	11,368	607,460	581,968	12,686	594,654
XIII. TAX LIABILITY	5.2.9		445,249	15,142	460,391	286,147	3,908	290,055
13.1 Current tax liability			443,248	11,036	454,284	286,147	2,575	288,722
13.2 Deferred tax liability			2,001	4,106	6,107	-	1,333	1,333
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11		-	153,723	153,723	-	1,122,138	1,122,138
XVI. SHAREHOLDERS' EQUITY	5.2.12		19,079,302	86,308	19,165,610	17,876,461	23,326	17,899,787
16.1 Paid-in capital			4,196,973	-	4,196,973	4,198,641	-	4,198,641
16.2 Capital reserves			1,680,974	42,354	1,723,328	1,443,554	(22,053)	1,421,501
16.2.1 Share premium			11,880	-	11,880	11,880	-	11,880
16.2.2 Share cancellation profits			-	-	-	-	-	-
16.2.3 Securities value increase fund			352,017	42,554	394,571	114,597	(21,664)	92,933
16.2.4 Revaluation surplus on tangible assets			598,953	-	598,953	598,953	-	598,953
16.2.5 Revaluation surplus on intangible assets			-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property			-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures			947	-	947	947	-	947
16.2.8 Hedging reserves (effective portion)			(55,377)	(200)	(55,577)	(55,377)	(389)	(55,766)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations			-	-	-	-	-	-
16.2.10 Other capital reserves			772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves			8,800,330	43,954	8,844,284	8,795,440	45,379	8,840,819
16.3.1 Legal reserves			747,687	6,722	754,409	747,687	6,940	754,627
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			8,016,504	-	8,016,504	8,016,504	-	8,016,504
16.3.4 Other profit reserves			36,139	37,232	73,371	31,249	38,439	69,688
16.4 Profit or loss			4,279,129	-	4,279,129	3,326,299	-	3,326,299
16.4.1 Prior periods profit/loss			3,326,299	-	3,326,299	-	-	-
16.4.2 Current period net profit/loss			952,830	-	952,830	3,326,299	-	3,326,299
16.5 Minority interest			121,896	-	121,896	112,527	-	112,527
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			95,308,849	70,387,436	165,696,285	90,940,058	72,535,265	163,475,323

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Off-Balance Sheet Items

At 31 March 2012

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 March 2012			PRIOR PERIOD 31 December 2011		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		75,950,230	164,674,311	240,624,541	66,723,349	157,696,715	224,420,064
I. GUARANTEES AND SURETIES	5.3.1	6,146,172	15,657,572	21,803,744	5,806,539	16,430,870	22,237,409
1.1 Letters of guarantee		6,130,296	9,181,911	15,312,207	5,791,162	9,629,237	15,420,399
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		458,084	445,671	903,755	435,305	427,299	862,604
1.1.3 Other letters of guarantee		5,672,212	8,736,240	14,408,452	5,355,857	9,201,938	14,557,795
1.2 Bank acceptances		3,587	651,490	655,077	3,687	511,863	515,550
1.2.1 Import letter of acceptance		1,733	651,490	653,223	1,705	511,863	513,568
1.2.2 Other bank acceptances		1,854	-	1,854	1,982	-	1,982
1.3 Letters of credit		12,289	5,757,859	5,770,148	11,690	6,219,534	6,231,224
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		12,289	5,757,859	5,770,148	11,690	6,219,534	6,231,224
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	66,312	66,312	-	70,236	70,236
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		33,493,604	64,544,129	98,037,733	32,874,779	66,291,861	99,166,640
2.1 Irrevocable commitments		24,860,891	6,666,617	31,527,508	24,408,228	8,618,607	33,026,835
2.1.1 Asset purchase and sale commitments		709,739	1,693,826	2,403,565	2,685,482	2,255,452	4,940,934
2.1.2 Deposit purchase and sale commitments		-	-	-	200	559,500	559,700
2.1.3 Share capital commitments to associates and subsidiaries		1,000	9,494	10,494	1,000	10,407	11,407
2.1.4 Loan granting commitments		4,863,412	4,111,685	8,975,097	4,670,337	4,844,708	9,515,045
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		3,333,650	-	3,333,650	2,230,783	-	2,230,783
2.1.8 Tax and fund obligations on export commitments		15,808	-	15,808	16,390	-	16,390
2.1.9 Commitments for credit card limits		14,673,072	95,930	14,769,002	13,539,826	91,645	13,631,471
2.1.10 Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1,264,210	755,682	2,019,892	1,264,210	856,895	2,121,105
2.2 Revocable commitments		8,632,713	57,877,512	66,510,225	8,466,551	57,673,254	66,139,805
2.2.1 Revocable loan granting commitments		8,565,398	57,674,979	66,240,377	8,428,920	57,499,410	65,928,330
2.2.2 Other revocable commitments		67,315	202,533	269,848	37,631	173,844	211,475
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	36,310,454	84,472,610	120,783,064	28,042,031	74,973,984	103,016,015
3.1 Derivative financial instruments held for risk management		-	1,832,600	1,832,600	-	1,967,575	1,967,575
3.1.1 Fair value hedges		-	1,760,000	1,760,000	-	1,865,000	1,865,000
3.1.2 Cash flow hedges		-	72,600	72,600	-	102,575	102,575
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivative:		36,310,454	82,640,010	118,950,464	28,042,031	73,006,409	101,048,440
3.2.1 Forward foreign currency purchases/sales		4,869,813	7,213,295	12,083,108	4,036,724	6,099,409	10,136,133
3.2.1.1 Forward foreign currency purchases		1,899,900	4,112,794	6,012,694	1,523,351	3,586,350	5,109,701
3.2.1.2 Forward foreign currency sales		2,969,913	3,100,501	6,070,414	2,513,373	2,513,059	5,026,432
3.2.2 Currency and interest rate swaps		16,347,266	53,823,045	70,170,314	11,245,884	47,862,337	59,108,221
3.2.2.1 Currency swaps-purchases		6,135,854	18,147,483	24,283,337	5,617,452	14,986,817	20,604,269
3.2.2.2 Currency swaps-sales		6,502,215	17,805,816	24,308,031	2,319,232	18,415,000	20,734,232
3.2.2.3 Interest rate swaps-purchases		2,054,600	8,739,404	10,794,004	1,654,600	7,230,260	8,884,860
3.2.2.4 Interest rate swaps-sales		1,654,600	9,130,342	10,784,942	1,654,600	7,230,260	8,884,860
3.2.3 Currency, interest rate and security options		14,665,380	20,990,917	35,656,297	12,632,581	18,532,286	31,164,867
3.2.3.1 Currency call options		6,835,213	10,384,528	17,219,741	5,800,662	9,241,315	15,041,977
3.2.3.2 Currency put options		7,799,217	9,687,089	17,486,306	6,812,915	8,229,023	15,041,942
3.2.3.3 Interest rate call options		-	841,745	841,745	-	888,861	888,861
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Security call options		26,700	42,499	69,199	19,000	90,487	109,487
3.2.3.6 Security put options		4,250	35,056	39,306	-	82,600	82,600
3.2.4 Currency futures		210,997	239,285	450,282	67,638	60,369	128,007
3.2.4.1 Currency futures-purchases		128,649	112,727	241,376	31,169	23,623	54,792
3.2.4.2 Currency futures-sales		82,348	126,558	208,906	36,469	36,746	73,215
3.2.5 Interest rate futures		36,250	4,400	40,650	1,000	-	1,000
3.2.5.1 Interest rate futures-purchases		18,125	-	18,125	500	-	500
3.2.5.2 Interest rate futures-sales		18,125	4,400	22,525	500	-	500
3.2.6 Others		180,745	369,068	549,813	58,204	452,008	510,212
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		341,867,454	209,167,292	551,034,746	323,227,724	214,443,975	537,671,699
IV. ITEMS HELD IN CUSTODY		72,626,822	20,224,040	92,850,862	72,383,750	20,661,487	93,045,237
4.1 Customers' securities held		37,120,117	1,151	37,121,268	39,326,965	1,188	39,328,153
4.2 Investment securities held in custody		24,353,858	7,109,601	31,463,459	22,266,173	7,297,692	29,563,865
4.3 Checks received for collection		8,032,923	1,510,696	9,543,619	7,802,184	1,469,619	9,271,803
4.4 Commercial notes received for collection		3,041,644	1,169,799	4,211,443	2,922,615	1,168,703	4,091,318
4.5 Other assets received for collection		35,999	8,881,965	8,917,964	38,697	9,401,147	9,439,844
4.6 Assets received through public offering		-	43,557	43,557	-	46,051	46,051
4.7 Other items under custody		42,281	1,507,271	1,549,552	27,116	1,277,087	1,304,203
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		269,240,632	188,943,252	458,183,884	250,843,974	193,782,488	444,626,462
5.1 Securities		1,591,154	133,050	1,724,204	1,411,109	137,081	1,548,190
5.2 Guarantee notes		35,849,773	9,806,646	45,656,419	33,972,618	10,220,197	44,192,815
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	1,149,506	1,149,506	-	1,125,675	1,125,675
5.5 Real estates		51,985,835	52,462,953	104,448,788	49,636,631	54,315,747	103,952,378
5.6 Other pledged items		179,813,700	125,390,711	305,204,411	165,823,446	127,983,380	293,806,826
5.7 Pledged items-depository		170	386	556	170	408	578
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		417,817,684	373,841,603	791,659,287	389,951,073	372,140,690	762,091,763

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliate
Consolidated Income Statement
At 31 March 2012

INCOME AND EXPENSE ITEMS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
			CURRENT PERIOD 1 January 2012- 31 March 2012	PRIOR PERIOD 1 January 2011- 31 March 2011
I. INTEREST INCOME		5.4.1	3,458,014	2,445,765
1.1 Interest income on loans			2,174,135	1,556,313
1.2 Interest income on reserve deposits			1,063	-
1.3 Interest income on banks			69,241	60,339
1.4 Interest income on money market transactions			1,286	878
1.5 Interest income on securities portfolio			1,126,864	754,241
1.5.1 Trading financial assets			10,156	6,001
1.5.2 Financial assets valued at fair value through profit or loss			-	-
1.5.3 Financial assets available-for-sale			989,843	603,754
1.5.4 Investments held-to-maturity			126,865	144,486
1.6 Financial lease income			48,537	39,664
1.7 Other interest income			36,888	34,330
II. INTEREST EXPENSE		5.4.2	1,960,631	1,318,227
2.1 Interest on deposits			1,359,290	907,573
2.2 Interest on funds borrowed			265,954	238,733
2.3 Interest on money market transactions			259,701	158,271
2.4 Interest on securities issued			67,636	10,721
2.5 Other interest expenses			8,050	2,929
III. NET INTEREST INCOME (I - II)			1,497,383	1,127,538
IV. NET FEES AND COMMISSIONS INCOME			540,981	560,070
4.1 Fees and commissions received			655,386	642,872
4.1.1 Non-cash loans			35,807	51,084
4.1.2 Others			619,579	591,788
4.2 Fees and commissions paid			114,405	82,802
4.2.1 Non-cash loans			250	323
4.2.2 Others			114,155	82,479
V. DIVIDEND INCOME		5.4.3	75	178
VI. NET TRADING INCOME/LOSSES (Net)		5.4.4	72,948	258,871
6.1 Trading account income/losses (Net)			42,429	220,254
6.2 Income/losses from derivative financial instruments (Net)			(90,817)	14,428
6.3 Foreign exchange gains/losses (Net)			121,336	24,189
VII. OTHER OPERATING INCOME		5.4.5	169,129	344,107
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)			2,280,516	2,290,764
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)		5.4.6		
		5.4.7	130,163	266,856
X. OTHER OPERATING EXPENSES (-)			945,107	833,452
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)			1,205,246	1,190,456
XII. INCOME RESULTED FROM MERGERS			-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING			-	4,520
XIV. GAIN/LOSS ON NET MONETARY POSITION			-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)		5.4.8	1,205,246	1,194,976
XVI. PROVISION FOR TAXES (±)		5.4.9	243,055	281,715
16.1 Current tax charge			312,715	120,094
16.2 Deferred tax charge/(credit)			(69,660)	161,621
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)		5.4.10	962,191	913,261
XVIII. INCOME FROM DISCONTINUED OPERATIONS			-	-
18.1 Income from assets held for sale			-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures			-	-
18.3 Others			-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)			-	-
19.1 Expenses on assets held for sale			-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures			-	-
19.3 Others			-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		5.4.8	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		5.4.9	-	-
21.1 Current tax charge			-	-
21.2 Deferred tax charge/(credit)			-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)		5.4.10	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)		5.4.11	962,191	913,261
23.1 Equity holders of the bank			952,830	910,919
23.2 Minority interest			9,361	2,342
Earnings per Share			0.227	0.217

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted for under Shareholders' Equity
At 31 March 2012

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2012 - 31 March 2012	PRIOR PERIOD 1 January 2011 - 31 March 2011
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	369,911	(734,641)
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	3,465	6,144
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	236	433
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	(68,312)	138,908
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	305,300	(589,156)
XI.	CURRENT PERIOD PROFIT/LOSSES	962,191	913,261
1.1	Net changes in fair value of securities (transferred to income statement)	330	165,134
1.2	Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
1.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4	Others	961,861	748,127
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1,267,491	324,105

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
At 31 March 2012

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)																	
			Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 1 January-31 March 2011																				
I.	Balances at beginning of the period	5.5	4,200,000	772,554	11,880	-	548,772	-	5,443,579	67,062	-	3,363,845	1,627,506	598,187	1,509	(56,859)	-	16,578,035	97,383	16,675,418
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at beginning of the period (I+II)		4,200,000	772,554	11,880	-	548,772	-	5,443,579	67,062	-	3,363,845	1,627,506	598,187	1,509	(56,859)	-	16,578,035	97,383	16,675,418
Changes during the period																				
IV.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(595,635)	-	-	-	-	(595,635)	(11)	(595,646)
VI.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	346	-	346	-	346
6.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	346	-	346	-	346
6.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences		-	-	-	-	861	-	-	5,283	-	-	-	-	-	-	-	6,144	-	6,144
XI.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
XII.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1.	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2.	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others		(2,700)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,700)	-	(2,700)
XIX.	Current period net profit/loss		-	-	-	-	-	-	-	-	910,919	-	-	-	-	-	-	910,919	2,342	913,261
XX.	Profit distribution		-	-	-	-	193,262	-	2,579,587	20,230	-	(3,363,845)	-	766	-	-	-	(570,000)	-	(570,000)
20.1.	Dividends	-	-	-	-	-	-	-	-	-	(570,000)	-	-	-	-	-	(570,000)	-	(570,000)	
20.2.	Transfers to reserves	-	-	-	-	193,262	-	2,579,587	-	-	(2,772,849)	-	-	-	-	-	-	-	-	
20.3.	Others	-	-	-	-	-	-	-	20,230	-	(20,996)	-	766	-	-	-	-	-	-	
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)			4,197,300	772,554	11,880	-	742,895	-	8,023,166	92,575	910,919	-	1,031,871	598,953	1,508	(56,513)	-	16,327,108	99,714	16,426,822
CURRENT PERIOD - 1 January-31 March 2012																				
I.	Balances at beginning of the period	5.5	4,198,641	772,554	11,880	-	754,627	-	8,016,504	69,688	-	3,326,299	92,933	598,953	947	(55,766)	-	17,787,260	112,527	17,899,787
Changes during the period																				
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	301,638	-	-	-	-	301,638	8	301,646
IV.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	189	-	189	-	189
4.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	189	-	189	-	189
4.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	(218)	-	-	3,683	-	-	-	-	-	-	-	3,465	-	3,465
IX.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1.	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2.	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others		(1,668)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,668)	-	(1,668)
XVII.	Current period net profit/loss		-	-	-	-	-	-	-	-	952,830	-	-	-	-	-	-	952,830	9,361	962,191
XVIII.	Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1.	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2.	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3.	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)			4,196,973	772,554	11,880	-	754,409	-	8,016,504	73,371	952,830	3,326,299	394,571	598,953	947	(55,577)	-	19,043,714	121,896	19,165,610

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
At 31 March 2012

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2012 31 March 2012	1 January 2011 31 March 2011
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	1,685,608	1,484,064
1.1.1 Interests received		3,489,055	3,283,085
1.1.2 Interests paid		(2,049,794)	(1,403,778)
1.1.3 Dividend received		-	178
1.1.4 Fees and commissions received		655,386	642,872
1.1.5 Other income		145,390	126,128
1.1.6 Collections from previously written-off loans and other receivables		10,814	28,285
1.1.7 Payments to personnel and service suppliers		(744,664)	(719,705)
1.1.8 Taxes paid		(144,314)	(256,147)
1.1.9 Others		323,735	(216,854)
1.2 Changes in operating assets and liabilities	5.6	207,275	(5,473,393)
1.2.1 Net (increase) decrease in financial assets held for trading		(380,146)	428,117
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		565,630	184,437
1.2.4 Net (increase) decrease in loans		(696,122)	(6,542,923)
1.2.5 Net (increase) decrease in other assets		(308,171)	416,572
1.2.6 Net increase (decrease) in bank deposits		513,641	(172,720)
1.2.7 Net increase (decrease) in other deposits		(1,169,985)	2,528,077
1.2.8 Net increase (decrease) in funds borrowed		1,095,166	(2,966,995)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		587,262	652,042
I. Net cash flow from banking operations	5.6	1,892,883	(3,989,329)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(3,403,275)	2,742,889
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(32,473)	(53,111)
2.4 Sales of tangible assets		3,164	32,002
2.5 Cash paid for purchase of financial assets available-for-sale, net		(6,964,238)	(5,978,491)
2.6 Cash obtained from sale of financial assets available-for-sale, net		2,041,971	7,386,596
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		1,548,301	1,355,893
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		23,844	827,613
3.1 Cash obtained from funds borrowed and securities issued		874,237	891,225
3.2 Cash used for repayment of funds borrowed and securities issued		(850,392)	(63,440)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(1)	(172)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(510,951)	44,257
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	(1,997,499)	(374,570)
VI. Cash and cash equivalents at beginning of period	5.6	9,075,471	6,895,898
VII. Cash and cash equivalents at end of period (V+VI)	5.6	7,077,972	6,521,328

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

3 Accounting Policies

3.1 Basis of presentation

As per the Articles 37 and 38 of “Accounting and Recording Rules” of the Turkish Banking Law No 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulation and Supervision Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis except for financial assets at fair value through profit or loss, financial assets available for sale, investments in associates and subsidiaries that are quoted on the stock exchanges which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying consolidated financial statements are explained in Notes 3.2 to 3.23.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank and its financial affiliates have access to longer-term borrowings via the borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank and its financial affiliates are keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are the most effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in the management of the interest and liquidity risk on balance sheet is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates for the parent Bank and with the Central Bank of Turkey's spot purchase rates for domestic financial affiliates, and the differences are recorded as foreign exchange gain or loss in the income statement.

The Bank, as the parent bank, had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16-Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 Financial Instruments: Recognition and Measurement". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

In the currency conversion of the financial statements of the Bank's foreign branches and consolidated financial affiliates, the Bank's spot purchase rates are used for balance sheet items and average foreign currency rates for income statement. All foreign currency differences arising from this conversion, are classified as "other profit reserves" under the shareholders' equity.

3.3 Information on consolidated subsidiaries

As of 31 March 2012, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring) and Garanti Holding BV (Garanti Holding).

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities. The company's head office is in Istanbul. The Bank owns 99.96% of the company's shares.

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank owns 81.84% of Garanti Faktoring shares including the shares acquired in the market, T. İhracat Bankası AŞ owns 9.78% of the company's shares and the remaining 8.38% shares are held by public.

GBI was established in 1990 by the Bank to perform banking activities abroad. The head office of this bank is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank. Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 0.21%, has been consolidated in the accompanying consolidated financial statements due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank's ownership in Garanti Emeklilik decreased to 84.91%. The head office of this company is in Istanbul.

Garanti Moscow was established in 1996 to perform banking activities abroad. This bank's head office is in Moscow. The Bank owns 99.94% of its shares.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Holding was established in December 2007 in Amsterdam and as described in note 5.1.9.2, all its shares have been purchased by the Bank from Doğu Holding AŞ in May 2010. As of 27 January 2011 the consolidated subsidiary's legal name changed to Garanti Holding BV from D Netherlands BV.

Garanti Diversified Payment Rights Finance Company, a special purpose entity established for the Bank's securitization transactions, is consolidated in the accompanying consolidated financial statements. The Bank or any of its affiliates does not have any shareholding interests in this company.

T2 Capital Finance Company, a special purpose entity established for the subordinated debt granted to the Bank, again not an affiliate of the Bank or any of its affiliates, is excluded from the consolidation scope following the repayment of this debt as per the Bank's early-repayment option on 6 February 2012.

3.4 Forwards, options and other derivative transactions

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts. There are no embedded derivatives.

In accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified "hedging purposes" and "trading purposes". Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, the derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "derivative financial assets held for trading" or "derivative financial liabilities held for trading", respectively. Subsequent fair value changes for trading derivatives are recorded under income statement. While the effective portions of cash flow hedges are recorded under shareholders' equity, their ineffective portions are posted through income statement.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts.

3.5 Interest income and expenses

General

Interest income and expenses are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement".

In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest income of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

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In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest income of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

Financial lease operations

Total of minimum rental payments including interests and principals are recorded under “financial lease receivables” as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under “unearned income”. When the rent payment incurs, the rent amount is deducted from “financial lease receivables”; and the interest portion is recorded as interest income in the income statement.

3.6 Fees and commissions

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are calculated according to either accrual basis of accounting or effective interest rate method depending on nature of fees and commissions, income derived from agreements and asset purchases from third parties are recognized as income when realized.

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

Such assets are valued at their fair values and gain/loss arising on those assets is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the income statement. In case of sales of such securities before their maturity, the gains/losses on such sales are recorded under trading income/losses.

The Bank classifies certain loans at their origination dates, as financial assets at fair value through profit or loss in compliance with TAS 39. Financial assets at fair value through profit or loss are initially recorded at cost and measured at fair value in subsequent periods.

3.7.2 Investments held-to-maturity, financial assets available-for-sale and loans and receivables

Financial assets are recorded at their purchase costs including the transaction costs.

Investments held-to-maturity are financial assets with fixed maturities and pre-determined payment schedules that the Bank and its financial affiliates have the intent and ability to hold until maturity, excluding originated loans and receivables.

There are no financial assets that are not allowed to be classified as investments held-to-maturity for two years due to the tainting rules applied for the breach of classification rules.

Investments held-to-maturity are measured at amortized costs using internal rate of return after deducting impairments, if any.

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognised gain/losses derived from the difference between their fair value and the discounted values are recorded in “securities value increase fund” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

The real coupon rates for government bonds indexed to consumer price index are fixed throughout maturities. As per the statements made by the Turkish Treasury on the dates of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

Purchase and sale transactions of securities are accounted at delivery dates.

Loans and receivables are financial assets raised through providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

3.8 Impairment of financial assets

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely effected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank makes reclassification and provides specific and general allowances in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no.2633 dated 1 November 2006 and TAS. The allowances are recorded in the income statement of the related period.

3.9 Netting of financial instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

Specific allowances for non-performing loan and other receivables are provided in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are deducted from loans under follow-up on the asset side.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

3.10 Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet in compliance with the Uniform Chart of Accounts for Banks. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities purchased under resale agreements are classified under “interbank money markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

3.11 Assets held for sale and discontinued operations and related borrowings

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank or its financial affiliates have no discontinued operations.

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, softwares, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in accordance with the Turkish Accounting Standard 38 (TAS 38) “Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, are 3-15 years, and amortisation rates are 6.67-33.3%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “ Impairment of Assets” and if the recoverable amount is less then the carrying value of the related asset, a provision for impairment loss is provided.

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Tangible assets are recorded at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) “Tangible Assets”.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “ Impairment of Assets” and if the recoverable amount is less then the carrying value of the related asset, a provision for impairment loss is provided.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2009	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	2	4	2
Vaults	20-50	2-20	4-40	2-20
Motor Vehicles	5-7	15-20	30-40	15-20
Other Tangible Assets	4-20	5-25	10-50	5-25

In prior periods, the tangible assets are depreciated over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. The tangible assets purchased since 1 January 2005 are depreciated based on the declining balance method which is one of the accelerated depreciation methods. The straight-line depreciation method is in use for the tangible assets purchased since 1 January 2009.

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

Investment property

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in production, supply of goods or services, administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation under the cost method. Depreciation is provided on investment property (except land) on a straight-line basis.

Investment properties are reviewed for possible impairment losses. Where the carrying value of an investment property is greater than the estimated recoverable value, it is written down to its recoverable value. The recoverable value of an investment property is higher of discounted net future cash flows from the use of the related investment property or net sale price.

3.14 Leasing activities

Leased assets are recognized by recording an asset or a liability. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

In operating leases, the rent payments are charged to the statement of operations in equal installments.

3.15 Provisions and contingent liabilities

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”; provisions that were booked in the prior periods and released in the current year are recorded under “other operating income”.

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank or its financial affiliates. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

As per the existing labour law in Turkey, the entities are required to pay certain amounts to the employees retired or fired except for resignations or misbehaviours specified in the Turkish Labour Law.

Accordingly, the Bank and its financial affiliates subject to the labour law, reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits" for all its employees who retired or whose employment is terminated, called up for military service or died. The major actuarial assumptions used in the calculation of the total liability are as follows:

	31 March 2012 ^(*)	31 December 2011 ^(*)	31 December 2010
Discount Rate	4.25%	4.25%	4.66%
Interest Rate	9.52%	9.52%	10.00%
Inflation Rate	5.06%	5.06%	5.10%
Expected Rate of Salary Increase	6.56%	6.56%	6.60%

(*) The above rates are effective rates, whereas the rates applied for the calculation differ according to the employee's years in service.

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

Retirement Benefit Obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee and his/her dependents will receive on retirement.

The Bank's defined benefit plan (the "Plan") is managed by "Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı" (the Fund) established as per the provisional article 20 of the Social Security Law no.506 and the Bank's employees are the members of this Fund.

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law numbered 506. These contributions are as follows:

	31 March 2012	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

The Plan is composed of a) the contractual benefits of the employees, which are subject to transfer to Social Security Foundation ("SSF") as per the Social Security Law no.5754 ("the Law"), and b) other social rights and medical benefits provided by the Bank but not transferable to SSF.

a) Benefits transferable to SSF

The first paragraph of the provisional article 23 of Banking Law No.5411, published in the Official Gazette on 1 November 2005, which requires the transfer of the members of the funds subject to the provisional article 20 of the Social Security Law no.506, and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to the SSF within three years following the effective date of the related article was cancelled with the decision of the Constitutional Court dated 22 March 2007, numbered 2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette numbered 26731, dated 15 December 2007. The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members.

Following the publication of the verdict, the Turkish Grand National Assembly ("Turkish Parliament") started to work on the new legal arrangements by taking the cancellation reasoning into account and the articles of the Law no.5754 regulating the principles related with such transfers were accepted and approved by Turkish Parliament on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette no.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds' income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008. Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional article 20 of the Social Security Law no.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette no. 27900 dated 9 April 2011 as per the decision of the Council of Ministers, numbered 2011/1559, and as per the letter no. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional article 20 of the Social Security and Public Health Insurance Law no.5510.

On 19 June 2008, Cumhuriyet Halk Partisi ("CHP") had applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the article 73 and the first paragraph of the provisional Article 20 added to the law no. 5510 are not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

b) Other benefits not transferable to SSF

Other social rights and payments provided in the existing trust indenture but not covered through the transfer of the funds' members and their right-holders to the SSF, are to be covered by the funds and the institutions that employ the funds' members.

The consolidated affiliates do not have retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Taxation

3.18.1 Corporate tax

In Turkey, effective from 1 January 2006, statutory income is subject to corporate tax at 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decisions no. 2009/14593 and 2009/14594 of the Council of Ministers published in the Official Gazette no. 27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Tax applications for foreign branches

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subject to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The prepaid taxes are paid in April, August and December of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The excess part of the corporate tax that is not covered by such prepayments is paid to the tax office in September.

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 5% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 9% of the taxable income. The tax returns do not include any tax payable amounts. The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

Tax applications for foreign financial affiliates

THE NETHERLANDS

In the Netherlands, corporate income tax is levied at the rate of 20% for tax profits up to EUR 200,000 and 25% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. In general, there is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments. Under the Dutch taxation system, tax losses can be carried forward to offset against future taxable income for nine years. Tax losses can be carried back to the prior year.

Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. The corporate income tax for the Germany branch is 30%.

RUSSIA

The applicable corporate tax rate in Russia is 20% (2% federal and 18% regional). The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open for a longer period.

ROMANIA

The applicable corporate tax rate in Romania is 16%. The taxation system in Romania is continuously developing and is subject to varying interpretations and constant changes, which may become rarely retroactive. In Romania, tax periods remain open for tax audits for seven years. Tax losses can be carried forward to offset against future taxable income for seven years.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities of the Bank and its consolidated subsidiaries are reported as net in their individual financial statements.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated affiliates are presented on the asset and liability sides of financial statements separately, without any offsetting.

3.18.3 Transfer pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

3.18.4 Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

The expression of "only for the years 2006, 2007 and 2008" in the temporary article no.69 of the Income Tax Law no.193 that was cancelled by the decision no.2009/144 of the Turkish Constitutional Court published in the Official Gazette dated 8 January 2010 is revised by the Article 5 of the Law no.6009 effective with the promulgation on the Official Gazette no.27659 dated 1 August 2010. As per the new regulation, the investment allowances that cannot be benefited and transferred to future periods due to insufficient income level of the relevant year, can be used without any year limitation, however the investment allowance amount to be considered in the determination of taxable income, will not exceed 25% of the income of the relevant year. In addition to this, it is also agreed that the corporate tax rate for the companies to benefit from investment allowance will be the current applicable tax rate (20%) instead of 30%. However, the statement of "However the investment allowance amount to be considered in the determination of taxable income, will not exceed 25% of the relevant income" in the temporary article no.69 of the Law no.6009 has been cancelled on 18 February 2012 by the decision of the Constitutional Court, as this statement is decided to be against the Constitution, dated 9 February 2012, E:2010/93, K:2012/9 (decision for abolishing) as announced in the Official Gazette no.28208.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

3.19 Funds borrowed

Funds are generated from domestic and foreign sources whenever required. The funds borrowed from foreign sources are also in the form of syndications and securitizations. Besides, funding through bill and bond issuances in the local and international markets has commenced. The funds borrowed are recorded at their purchase costs and discounted by using the internal rate of return.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

3.22 Government incentives

As of 31 March 2012, the Bank or its financial affiliates do not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Shop&Miles, BusinessCard under the brand name of Visa and Mastercard, and also American Express credit cards and Maestro and Electron Garanti24 cards are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey's traditional agricultural products.

Additionally, the Bank provides "small business" banking service to enterprises in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

Information on the business segments on a consolidated basis is as follows:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	735,871	810,123	273,863	460,584	2,280,441
Other	-	-	-	-	-
Total Operating Profit	735,871	810,123	273,863	460,584	2,280,441
Net Operating Profit	166,153	530,967	271,814	236,237	1,205,171
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	75	75
Net Operating Profit	166,153	530,967	271,814	236,312	1,205,246
Provision for Taxes	-	-	-	(243,055)	(243,055)
Net Profit	166,153	530,967	271,814	(6,743)	962,191
Segment Assets	29,474,765	61,442,424	59,445,713	15,175,128	165,538,030
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	158,255	158,255
Undistributed Items	-	-	-	-	-
Total Assets	29,474,765	61,442,424	59,445,713	15,333,383	165,696,285
Segment Liabilities	58,020,288	33,343,878	41,954,296	13,212,213	146,530,675
Shareholders' Equity	-	-	-	19,165,610	19,165,610
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	58,020,288	33,343,878	41,954,296	32,377,823	165,696,285
Other Segment Items					
Capital Expenditures	-	-	-	55,067	55,067
Depreciation Expenses	25,472	13,716	786	18,370	58,344
Impairment Losses	93,600	29,495	(45,056)	53,675	131,714
Other Non-Cash Income/Expenses	(6,510)	(25,308)	288,119	170,868	427,169
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	788,456	826,980	361,657	313,493	2,290,586
Other	-	-	-	-	-
Total Operating Profit	788,456	826,980	361,657	313,493	2,290,586
Net Operating Profit	319,262	549,385	334,901	(8,750)	1,194,798
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	178	178
Net Operating Profit	319,262	549,385	334,901	(8,572)	1,194,976
Provision for Taxes	-	-	-	(281,715)	(281,715)
Net Profit	319,262	549,385	334,901	(290,287)	913,261
Segment Assets	28,915,024	62,376,914	56,911,004	15,121,167	163,324,109
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	151,214	151,214
Undistributed Items	-	-	-	-	-
Total Assets	28,915,024	62,376,914	56,911,004	15,272,381	163,475,323
Segment Liabilities	56,647,209	35,507,563	39,909,125	13,511,639	145,575,536
Shareholders' Equity	-	-	-	17,899,787	17,899,787
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	56,647,209	35,507,563	39,909,125	31,411,426	163,475,323
Other Segment Items					
Capital Expenditures	-	-	-	305,659	305,659
Depreciation Expenses	27,989	15,463	1,147	7,642	52,241
Impairment Losses	56,092	67,138	(3,396)	148,850	268,684
Other Non-Cash Income/Expenses	120,520	234,656	(1,191,401)	(336,647)	(1,172,872)
Restructuring Costs	-	-	-	-	-

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 15.70% (31 December 2011: 15.76%) as of 31 March 2012 (unconsolidated capital adequacy ratio: 16.92% (31 December 2011: 16.89%)).

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and "Regulation on Equities of Banks" published in Official Gazette no.26333 dated 1 November 2006.

In calculation of capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and commitments. In calculation of risk weighted assets, impairments, depreciation and amortisation, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted once more and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The credit derivative contracts are included in the calculation of the value at credit risk and of the capital requirement for general market risk and specific risk in accordance with the principles in "Regulation on Taking Credit Derivatives into Consideration for Calculation of Capital Adequacy Ratio according to the Standard Method".

4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
Current Period	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	24,966,807	-	2,364,196	20,043,979	60,433,115	1,497,389	2,757,905
Cash on Hand	962,196	-	3,513	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	3,999,371	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	5,248,220	-	1,606,192	-	2,327,880	-	-
Interbank Money Market Placements	140,800	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	6,557,917	-	-	-	-	-	-
Loans	4,604,205	-	339,462	19,786,996	52,965,061	1,497,389	2,757,905
Loans under Follow-Up (Net)	-	-	-	-	296,564	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	2,967,649	-	-	-	5,781	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,039	-	-
Miscellaneous Receivables	60,642	-	-	-	141,321	-	-
Accrued Interest and Income	120,284	-	27,421	256,983	939,838	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	2,182,413	-	-
Tangible Assets (Net)	-	-	-	-	1,200,317	-	-
Other Assets	305,523	-	387,608	-	353,901	-	-
Off-Balance Sheet Items	1,151,036	-	2,130,001	846,006	17,283,986	-	-
Non-Cash Loans and Commitments	1,151,036	-	1,004,876	846,006	16,889,730	-	-
Derivative Financial Instruments	-	-	1,125,125	-	394,256	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	26,117,843	-	4,494,197	20,889,985	77,717,101	1,497,389	2,757,905

	Risk Weightings						
Prior Period	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	22,311,307	-	7,485,092	19,349,200	63,093,358	1,412,914	2,078,792
Cash on Hand	1,072,709	-	3,587	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	972,268	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	5,176,039	-	5,703,537	-	3,426,803	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	6,212,587	-	-	-	-	-	-
Loans	4,635,296	-	381,568	19,056,825	54,629,704	1,412,914	2,078,792
Loans under Follow-Up (Net)	-	-	-	-	280,372	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	3,569,645	-	946,305	-	5,782	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,090	-	-
Miscellaneous Receivables	75,778	-	-	-	136,978	-	-
Accrued Interest and Income	316,179	-	37,459	292,375	882,617	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	2,186,458	-	-
Tangible Assets (Net)	-	-	-	-	1,221,961	-	-
Other Assets	280,806	-	412,636	-	302,593	-	-
Off-Balance Sheet Items	15,084,253	-	2,064,692	805,969	17,051,424	-	-
Non-Cash Loans and Commitments	15,084,253	-	1,076,615	805,969	16,742,631	-	-
Derivative Financial Instruments	-	-	988,077	-	308,793	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	37,395,560	-	9,549,784	20,155,169	80,144,782	1,412,914	2,078,792

	Risk Weightings						
Current Period	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	26,111,330	-	5,581,585	22,218,596	68,535,181	1,520,214	2,847,048
Cash on Hand	1,014,448	-	3,513	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	3,999,371	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	5,880,556	-	2,704,418	-	2,146,451	-	-
Interbank Money Market Placements	140,800	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	145	-	6,085	-	-	-	-
Reserve Deposits	6,557,917	-	-	-	-	-	-
Loans	4,920,455	-	2,420,116	21,347,113	58,018,593	1,520,214	2,847,048
Loans under Follow-Up (Net)	-	-	-	-	426,285	-	-
Lease Receivables	-	-	4,561	606,293	2,055,092	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	2,967,649	-	-	-	5,781	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,039	-	-
Miscellaneous Receivables	60,642	-	-	-	2,940,690	-	-
Accrued Interest and Income	120,772	-	55,284	265,190	975,001	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	156,303	-	-
Tangible Assets (Net)	-	-	-	-	1,368,207	-	-
Other Assets	448,575	-	387,608	-	422,739	-	-
Off-Balance Sheet Items	1,240,815	-	2,575,056	978,752	17,486,780	-	-
Non-Cash Loans and Commitments	1,240,815	-	1,244,050	978,752	16,981,831	-	-
Derivative Financial Instruments	-	-	1,331,006	-	504,949	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	27,352,145	-	8,156,641	23,197,348	86,021,961	1,520,214	2,847,048

	Risk Weightings						
Prior Period	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	24,367,033	-	10,757,393	21,068,598	70,161,097	1,425,258	2,137,765
Cash on Hand	1,124,008	-	3,587	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	972,268	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	6,581,613	-	7,157,137	-	2,939,836	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	6,800	-	-	-	-	-	-
Reserve Deposits	6,212,587	-	-	-	-	-	-
Loans	5,067,690	-	2,169,817	20,284,494	59,174,219	1,425,258	2,137,765
Loans under Follow-Up (Net)	-	-	-	-	405,001	-	-
Lease Receivables	5,535	-	5,963	483,166	2,160,783	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	3,569,645	-	946,305	-	5,782	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,090	-	-
Miscellaneous Receivables	75,778	-	-	-	2,610,830	-	-
Accrued Interest and Income	316,577	-	61,948	300,938	918,279	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	148,657	-	-
Tangible Assets (Net)	-	-	-	-	1,393,315	-	-
Other Assets	434,532	-	412,636	-	384,305	-	-
Off-Balance Sheet Items	15,223,995	-	2,525,179	961,489	17,562,506	-	-
Non-Cash Loans and Commitments	15,223,995	-	1,352,673	961,489	17,139,320	-	-
Derivative Financial Instruments	-	-	1,172,506	-	423,186	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	39,591,028	-	13,282,572	22,030,087	87,723,603	1,425,258	2,137,765

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	96,822,826	98,409,278
Value at Market Risk (VaMR)	5,346,088	4,789,663
Value at Operational Risk (VaOR)	13,234,760	11,970,584
Shareholders' Equity	19,525,504	19,454,197
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	16.92%	16.89%

	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	107,226,380	107,808,578
Value at Market Risk (VaMR)	7,757,525	6,821,925
Value at Operational Risk (VaOR)	14,582,678	12,981,944
Shareholders' Equity	20,337,212	20,110,022
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	15.70%	15.76%

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital that Comes Last in Terms of Receivable Rights in Case of Liquidation	4,196,973	4,198,641
Nominal Capital	4,196,973	4,198,641
Capital Commitments (-)	-	-
Paid-in Capital that Comes Last in Terms of Receivable Rights in Case of Liquidation	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	754,409	754,627
I. Legal Reserve (Turkish Commercial Code 466/1)	675,696	675,914
II. Legal Reserve (Turkish Commercial Code 466/2)	78,713	78,713
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	8,016,504	8,016,504
Reserve Allocated as per the Decision Held by the General Assembly	8,016,504	8,016,504
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	4,279,129	3,326,299
Current Period Profit	952,830	3,326,299
Prior Periods Profit	3,326,299	-
Provision for Possible Losses (upto 25% of Core Capital)	450,000	450,000
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	596,813	596,813
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	121,853	112,511
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	132,481	132,748
Intangible Assets (-)	80,495	77,858
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	18,980,751	18,022,835
SUPPLEMENTARY CAPITAL		
General Provisions	1,064,903	1,067,423
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	963	963
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	947	947
Primary Subordinated Debt Excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	143,933	1,081,745
45% of Securities Value Increase Fund (*)	173,208	2,239
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	173,208	2,239
Minority Interest	19	16
Other Reserves	17,794	13,922
Total Supplementary Capital	1,401,767	2,167,255
CAPITAL	20,382,518	20,190,090

(*) In cases where the Securities Value Increase Fund gives a positive result then only 45% of the amount is considered in the calculation, whereas if its is negative then the whole amount is considered in the calculation.

DEDUCTIONS FROM CAPITAL	45,306	80,068
Unconsolidated Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors	1,952	2,557
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the Form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Banks and Financial Institutions' Assets and Liabilities That are not Fully Consolidated but Included Using Equity Accounting	-	-
Loan granted to Customer Against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables Exceeding 50% of the Capital and of Assets Acquired Against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law But Retained More Than Five Years	27,253	27,718
Deducting Securitization Positions from Equity Instead of Risk Weighting by 1250% Under Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks as per the 45th Article of the Banking Law	-	-
Others	16,101	49,793
TOTAL SHAREHOLDERS' EQUITY	20,337,212	20,110,022

4.2 Consolidated credit risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.3 Consolidated market risk

The Bank that had already started working on risk management area before the regulations on Bank's Internal Control and Risk Management Systems and Measurement and Assessment of Capital Adequacy Ratios of Banks issued by the BRSA in February 2001, restructured its internal systems in accordance with the related regulations under the responsibility of the board of directors and currently works accordingly.

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with “Regulation on Bank's Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

The risk policies defined for the Bank's market risk exposure and the applications are approved and reviewed regularly by the board of directors.

The top management is responsible for applying risk policies, principles and application procedures approved by the board of directors, ensuring timely and reliable reporting to the board of directors about the important risks identified, assessing internal control, internal audit and risk reports prepared for departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those and participating in determination of risk limits.

The board of directors follows up the effectiveness of risk management systems through audit committee, related other committees and top management, and take decisions in the light of various risk reports and the assessments made by audit committee. The board of directors is responsible for the sound performance of internal systems.

Market risks arising from trading transactions are measured by the Bank as per internal risk measurement model using value at risk (VaR) methodology. In the VaR calculations, trading, available-for-sale and derivative portfolios of the Bank are taken into account. VaR is calculated using three different methods, namely historical simulation, monte carlo simulation and parametric methods. The Bank takes the historical VaR results as the basis for the internal management of market risk and determination of limits. The calculations made according to other two methods are used for comparison and monitoring purposes. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital adequacy calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Beside the VaR limits, the limits on transaction, dealer, desk, stop loss for trading portfolio as approved by the board of directors are also applied and monitored.

4.3.1 Value at market risk on a consolidated basis

	Current Period	Prior Period
(I) Capital Obligation against General Market Risk - Standard Method	361,345	280,011
(II) Capital Obligation against Specific Risks - Standard Method	69,059	71,097
(III) Capital Obligation against Currency Risk - Standard Method	70,363	43,625
(IV) Capital Obligation against Stocks Risks - Standard Method	4,136	870
(V) Capital Obligation against Exchange Risks - Standard Method	-	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	115,699	150,151
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	620,602	545,754
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	7,757,525	6,821,925

4.3.2 Average values at market risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.4 Consolidated operational risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.5 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2012, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to TL 1,618,651 thousands (31 December 2011: a long position of TL 1,432,280 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 1,381,192 thousands (31 December 2011: a short position of TL 1,661,051 thousands), while net foreign currency short open position amounts to TL 237,459 thousands (31 December 2011: TL 228,771 thousands).

The consolidated foreign currency position risk is measured by “standard method” and “value-at-risk (VaR) model”. Measurements by standard method are carried out weekly, whereas measurements by “VaR” are done daily by the Bank.

The Bank's effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	USD	EUR	JPY (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.7600	2.3456	2.1376	2.8134
<u>Foreign currency rates for the days before balance sheet date:</u>				
Day 1	1.7600	2.3453	2.1380	2.8120
Day 2	1.7650	2.3431	2.1455	2.8078
Day 3	1.7600	2.3398	2.1244	2.7896
Day 4	1.7650	2.3536	2.1227	2.8176
Day 5	1.7650	2.3520	2.1309	2.8127
Last 30-days arithmetical average rate	1.7656	2.3319	2.1425	2.7941

The Bank's consolidated currency risk:

	EUR	USD	JPY	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	6,787,464	143,095	752	1,508,304	8,439,615
Banks	2,455,238	4,700,950	3,994	1,343,552	8,503,734
Financial Assets at Fair Value through Profit/Loss	990,055	128,488	3	1,075	1,119,621
Interbank Money Market Placements	-	146,890	-	-	146,890
Financial Assets Available-for-Sale	1,551,341	1,943,876	-	218,247	3,713,464
Loans (*)	13,646,388	27,264,187	29,357	1,484,634	42,424,566
Investments in Associates, Subsidiaries and Joint-Ventures	684	-	-	2	686
Investments Held-to-Maturity	-	1,504,231	-	-	1,504,231
Derivative Financial Assets Held for Risk Management	-	111,212	-	-	111,212
Tangible Assets	48,640	77	-	81,399	130,116
Intangible Assets	-	-	-	-	-
Other Assets (**)	1,130,418	1,086,757	8,232	19,103	2,244,510
Total Assets	26,610,228	37,029,763	42,338	4,656,316	68,338,645
Liabilities					
Bank Deposits	586,081	1,816,982	20,390	276,838	2,700,291
Foreign Currency Deposits	16,356,042	21,870,682	33,036	1,562,340	39,822,100
Interbank Money Market Takings	304,311	1,423,266	-	158,012	1,885,589
Other Fundings	8,122,924	11,295,830	-	51,665	19,470,419
Securities Issued	-	1,500,500	-	-	1,500,500
Miscellaneous Payables	79,696	99,489	189	205,119	384,493
Derivative Financial Liabilities Held for Risk Management	-	446	-	-	446
Other Liabilities (***)	1,155,428	386,215	869	2,650,946	4,193,458
Total Liabilities	26,604,482	38,393,410	54,484	4,904,920	69,957,296
Net 'On Balance Sheet' Position	5,746	(1,363,647)	(12,146)	(248,604)	(1,618,651)
Net 'Off-Balance Sheet' Position	(844,289)	1,449,045	(3,294)	779,730	1,381,192
Derivative Assets	10,008,382	21,078,880	125,868	2,478,195	33,691,325
Derivative Liabilities	(10,852,671)	(19,629,835)	(129,162)	(1,698,465)	(32,310,133)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	28,217,111	40,626,933	82,497	4,544,172	73,470,713
Total Liabilities	26,873,648	40,379,143	80,139	4,705,503	72,038,433
Net 'On Balance Sheet' Position	1,343,463	247,790	2,358	(161,331)	1,432,280
Net 'Off-Balance Sheet' Position	(1,817,325)	(545,031)	(4,051)	705,356	(1,661,051)
Derivative Assets	8,791,859	17,757,920	253,331	2,516,426	29,319,536
Derivative Liabilities	(10,609,184)	(18,302,951)	(257,382)	(1,811,070)	(30,980,587)
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 2,567,569 thousands included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(**) The foreign currency indexed factoring receivables amounting TL 83,275 thousands included under TL assets in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(***) Other liabilities also include gold deposits of TL 2,581,922 thousands.

4.6 Consolidated interest rate risk

The interest rate risk resulting from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on and off-balance sheet. Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings of the Bank taking into account the developments in market conditions on a bank-only basis.

Bank's interest rate risk is measured by the standard method, value at risk (VaR), duration-gap and sensitivity analysis.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily by the Bank on a bank-only basis. The bank-only duration-gap and sensitivity analysis are run every two weeks period.

During the daily VaR calculations, the interest rate risks of the Bank's TL and FC trading and investment securities available for sale and off-balance sheet position are measured. These are supported by scenario analysis and stress testing.

In the duration-gap analysis used for the quantification of market risk arising from maturity mismatches of assets and liabilities, the present values of interest sensitive asset and liability items are calculated based on their cash flows and yield curves developed from market interest rates. The results are supported by the sensitivity and scenario analysis performed periodically due to the prospective fluctuations in markets. Furthermore, the interest rate risk is monitored within the limits approved by the board of directors.

4.6.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	11,575,249	11,575,249
Banks	4,391,058	2,030,136	1,096,192	1,048,416	352,000	1,863,516	10,781,318
Financial Assets at Fair Value through Profit/Loss (**)	13,679	8,394	100,993	463,070	584,112	829,325	1,999,573
Interbank Money Market Placements	147,030	-	-	-	-	5	147,035
Financial Assets Available-for-Sale	13,283,002	3,120,952	3,338,550	12,124,515	1,901,753	2,737,650	36,506,422
Loans (**)	17,613,669	12,464,200	15,897,503	27,945,896	15,953,334	1,685,599	91,560,201
Investments Held-to-Maturity	910,863	5,781	568,361	146,786	1,341,639	84,677	3,058,107
Other Assets	714,413	568,628	852,906	1,448,043	148,270	6,336,120	10,068,380
Total Assets	37,073,714	18,198,091	21,854,505	43,176,726	20,281,108	25,112,141	165,696,285
Liabilities							
Bank Deposits	2,427,446	388,404	35,952	351,206	-	407,998	3,611,006
Other Deposits	55,236,459	10,874,545	5,955,361	1,179,153	134,921	15,615,535	88,995,974
Interbank Money Market Takings	11,761,551	39,795	211,200	1,122,880	-	37,174	13,172,600
Miscellaneous Payables	-	-	-	-	-	6,416,939	6,416,939
Securities Issued	1,509,595	666,343	579,410	-	872,480	123,338	3,751,166
Other Fundings	6,745,822	6,109,387	4,830,287	4,674,043	2,292,451	204,472	24,856,462
Other Liabilities	907,177	-	-	-	-	23,984,961	24,892,138
Total Liabilities	78,588,050	18,078,474	11,612,210	7,327,282	3,299,852	46,790,417	165,696,285
On Balance Sheet Long Position	-	119,617	10,242,295	35,849,444	16,981,256	-	63,192,612
On Balance Sheet Short Position	(41,514,336)	-	-	-	-	(21,678,276)	(63,192,612)
Off-Balance Sheet Long Position	1,542,999	3,049,183	2,044,884	3,002,007	2,931,101	-	12,570,174
Off-Balance Sheet Short Position	(1,888,317)	(1,988,170)	(2,060,308)	(3,791,339)	(1,995,633)	-	(11,723,767)
Total Position	(41,859,654)	1,180,630	10,226,871	35,060,112	17,916,724	(21,678,276)	846,407

(*) Interest accruals are included in non-interest bearing column.

(**) Loans amounting to TL 212,194 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Loans.

Average interest rates on monetary financial instruments (%):

Current Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.3-6.10	0.72-4.85	3.00	7.90-12.40
Financial Assets at Fair Value through Profit/Loss	3.83	2.34-7.11	-	5.35-20.80
Interbank Money Market Placements	-	0.65	-	-
Financial Assets Available-for-Sale	3.64-7.93	5.19-11.88	-	2.62-13.92
Loans	1.49-14.00	1.62-12.00	6.30	10.21-30.00
Investments Held-to-Maturity	-	7.22	-	12.74
Liabilities				
Bank Deposits	0.80-5.37	0.83-4.29	3.00	4.75-10.75
Other Deposits	0.90-6.50	2.92-3.70	0.39	8.83
Interbank Money Market Takings	0.30-1.40	2.40	-	9.84
Miscellaneous Payables	-	-	-	-
Securities Issued	-	5.63	-	10.75
Other Fundings	1.00-4.18	2.20-6.09	-	11.35-15.00

4.6.2 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	8,312,450	8,312,450
Banks	9,961,437	1,607,707	2,072,916	437,020	-	2,637,435	16,716,515
Financial Assets at Fair Value through Profit/Loss	112,664	14,692	53,510	259,820	568,096	965,352	1,974,134
Interbank Money Market Placements	6,800	-	-	-	-	-	6,800
Financial Assets Available-for-Sale	12,232,186	3,919,261	2,134,071	9,578,813	984,245	2,306,463	31,155,039
Loans	17,768,557	12,585,374	15,652,944	26,529,611	16,407,602	1,790,021	90,734,109
Investments Held-to-Maturity	910,864	1,458,014	574,141	157,033	1,421,680	264,798	4,786,530
Other Assets	404,216	737,516	1,014,631	1,423,151	191,098	6,019,134	9,789,746
Total Assets	41,396,724	20,322,564	21,502,213	38,385,448	19,572,721	22,295,653	163,475,323
Liabilities							
Bank Deposits	1,777,950	234,740	163,946	484,997	-	435,177	3,096,810
Other Deposits	53,016,993	11,823,204	6,441,582	1,503,846	139,209	17,214,671	90,139,505
Interbank Money Market Takings	9,311,696	1,211,683	-	1,189,870	-	24,908	11,738,157
Miscellaneous Payables	-	-	-	-	-	6,059,290	6,059,290
Securities Issued	1,325,937	-	1,371,442	-	906,605	138,072	3,742,056
Other Fundings	11,462,054	1,715,238	4,379,208	3,504,548	3,915,273	320,854	25,297,175
Other Liabilities	713,444	-	-	1	-	22,688,885	23,402,330
Total Liabilities	77,608,074	14,984,865	12,356,178	6,683,262	4,961,087	46,881,857	163,475,323
On Balance Sheet Long Position	-	5,337,699	9,146,035	31,702,186	14,611,634	-	60,797,554
On Balance Sheet Short Position	(36,211,350)	-	-	-	-	(24,586,204)	(60,797,554)
Off-Balance Sheet Long Position	1,585,694	1,773,331	1,965,410	2,921,914	2,511,160	-	10,757,509
Off-Balance Sheet Short Position	(1,053,837)	(812,713)	(2,449,735)	(4,050,028)	(1,502,335)	-	(9,868,648)
Total Position	(35,679,493)	6,298,317	8,661,710	30,574,072	15,620,459	(24,586,204)	888,861

(*) Interest accruals are included in non-interest bearing column.

Average interest rates on monetary financial instruments (%):

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks (*)	0.59-6.10	0.25-4.40	-	5.50-12.50
Financial Assets at Fair Value through Profit/Loss	4.25	6.79	-	5.58-20.80
Interbank Money Market Placements	-	-	-	7.87
Financial Assets Available-for-Sale	3.06-7.93	5.00-11.88	-	7.14-10.05
Loans	1.68-14.00	1.26-18.20	6.06	9.23-26.00
Investments Held-to-Maturity	-	7.22	-	13.88
Liabilities				
Bank Deposits	0.20-5.37	0.89-5.19	-	4.75-10.14
Other Deposits	0.05-8.00	0.05-7.00	0.50	8.41
Interbank Money Market Takings	1.18-2.09	1.00-2.58	-	5.00-10.58
Miscellaneous Payables	-	-	-	-
Securities Issued	-	5.64	-	7.76-8.75
Other Fundings	1.00-3.98	2.20-5.41	-	11.26-13.99

(*) The interest rate for USD placements at banks is 0.57% excluding the placements with range accrual agreements.

4.7 Consolidated liquidity risk

In order to avoid the liquidity risk, the Bank diversifies funding resources as customer deposits and foreign borrowings, considers the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitisation transactions. There are no significant idle liquidity resources.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Bank's liquidity ratios for the first three months of 2012 and the year of 2011 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	131.26	139.37	97.23	104.37

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	135.89	148.57	94.32	109.14

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) And Balances with the Central Bank	5,017,332	6,557,917	-	-	-	-	-	11,575,249
Banks	3,019,285	1,992,237	378,334	593,468	2,510,314	2,287,680	-	10,781,318
Financial Assets at Fair Value through Profit/Loss (**)	17,231	110,749	226,154	251,744	675,271	718,424	-	1,999,573
Interbank Money Market Placements	-	147,035	-	-	-	-	-	147,035
Financial Assets Available-for-Sale	26,581	26,226	76,226	1,011,082	30,721,764	4,644,543	-	36,506,422
Loans (**)	130,522	15,515,852	9,104,199	13,149,971	32,783,806	20,448,486	427,365	91,560,201
Investments Held-to-Maturity	-	-	6,056	628,392	1,066,213	1,357,446	-	3,058,107
Other Assets	659,408	819,228	3,300,698	906,237	1,550,179	268,905	2,563,725	10,068,380
Total Assets	8,870,359	25,169,244	13,091,667	16,540,894	69,307,547	29,725,484	2,991,090	165,696,285
Liabilities								
Bank Deposits	515,397	2,556,043	240,897	138,456	160,213	-	-	3,611,006
Other Deposits	17,820,461	52,820,760	10,830,340	5,813,077	1,551,418	159,918	-	88,995,974
Other Fundings	-	2,574,233	3,287,195	8,057,777	7,787,125	3,150,132	-	24,856,462
Interbank Money Market Takings	-	11,788,469	39,801	211,200	1,133,130	-	-	13,172,600
Securities Issued	-	981,595	666,343	602,728	530,901	969,599	-	3,751,166
Miscellaneous Payables	401,421	3,353,903	-	2,661,615	-	-	-	6,416,939
Other Liabilities (***)	558,025	1,327,563	219,264	214,000	372,912	140,559	22,059,815	24,892,138
Total Liabilities	19,295,304	75,402,566	15,283,840	17,698,853	11,535,699	4,420,208	22,059,815	165,696,285
Liquidity Gap	(10,424,945)	(50,233,322)	(2,192,173)	(1,157,959)	57,771,848	25,305,276	(19,068,725)	-
Prior Period								
Total Assets	7,474,122	27,556,310	15,650,011	16,990,108	63,333,220	29,557,884	2,913,668	163,475,323
Total Liabilities	21,147,805	69,780,844	14,879,692	19,300,514	11,906,371	5,967,740	20,492,357	163,475,323
Liquidity Gap	(13,673,683)	(42,224,534)	770,319	(2,310,406)	51,426,849	23,590,144	(17,578,689)	-

- (*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.
- (**) Loans amounting to TL 212,194 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Loans.
- (***) Shareholders' Equity is included in "Other liabilities" line under "Undistributed" column.

4.8 Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.9 Transactions carried out on behalf of customers, items held in trust

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	592,760	318,030	617,208	426,380
Central Bank of Turkey	2,542,874	8,014,414	972,268	6,212,587
Others	-	107,171	30	83,977
Total	3,135,634	8,439,615	1,589,506	6,722,944

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2,542,874	1,456,497	972,268	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	6,557,917	-	6,212,587
Total	2,542,874	8,014,414	972,268	6,212,587

The reserve deposits kept as per the Communiqué no. 2005/1 “Reserve Deposits” of the Central Bank of Turkey in Turkish Lira, foreign currencies and gold, are included in the table above.

5.1.2 Financial assets at fair value through profit/loss

5.1.2.1 Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	95	366,515	3,681	646,886
Assets Subject to Repurchase Agreements	2,217	263,210	2,036	-
Total	2,312	629,725	5,717	646,886

5.1.2.2 Positive differences on derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	59,514	11,664	68,223	25,013
Swap Transactions	274,128	326,531	37,964	504,566
Futures	9	4,447	12	4,950
Options	50,428	75,901	108,373	174,649
Others	-	51	-	54
Total	384,079	418,594	214,572	709,232

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	194,754	616,981	350,488	755,877
Foreign banks	2,082,830	7,886,753	2,071,354	13,538,796
Foreign headoffices and branches	-	-	-	-
Total	2,277,584	8,503,734	2,421,842	14,294,673

The placements at foreign banks include blocked accounts amounting TL 6,901,621 thousands (31 December 2011: TL 7,888,133 thousands) of which TL 93,657 thousands (31 December 2011: TL 215,432 thousands), TL 94,597 thousands (31 December 2011: TL 185,474 thousands) and TL 28,540 thousands (31 December 2011: TL 26,372 thousands) are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 6,684,827 thousands (31 December 2011: TL 7,460,855 thousands) as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 91,335 thousands (31 December 2011: TL 94,091 thousands) as required for insurance activities.

Due from foreign banks:

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.4 Financial assets available-for-sale

5.1.4.1 ***Financial assets subject to repurchase agreements and provided as collateral/blocked***

Collateralized financial assets available-for-sale in TL consist of government bonds. Total carrying value of such securities with total face value of TL 9,077,795 thousands (31 December 2011: TL 6,699,932 thousands) is TL 9,158,576 thousands (31 December 2011: TL 6,901,185 thousands). The related accrued interests amount to TL 831,906 thousands (31 December 2011: TL 763,474 thousands). The related impairment losses on these securities amount to TL 9,591 thousands (31 December 2011: 41,718). Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds, foreign governments bonds and corporate bonds. Carrying values of such securities with total face value of USD 10,803,000, EUR 231,527,934 and RUB 148,000,000 (31 December 2011: USD 20,728,000, EUR 301,823,542 and RUB 125,000,000), are USD 11,838,959, EUR 228,741,533 and RUB 147,718,800 (31 December 2011: USD 21,959,154, EUR 300,387,939 and RUB 124,062,500). The related accrued interest income amount to USD 1,452,622, EUR 11,154,290 and RUB 282,680 respectively (31 December 2011: USD 2,755,324, EUR 3,378,158 and RUB 2,388,750), and the impairment losses to USD 266,031 respectively (31 December 2011: USD 209,237 and EUR 2,455,333).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	9,980,891	593,660	7,622,941	783,085
Assets subject to Repurchase Agreements	13,231,969	339,485	11,142,092	1,279,161
Total	23,212,860	933,145	18,765,033	2,062,246

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	33,809,404	29,141,787
Quoted at Stock Exchange	31,050,211	26,435,077
Unquoted at Stock Exchange	2,759,193	2,706,710
Common Shares/Investment Fund	20,201	19,668
Quoted at Stock Exchange	5,081	5,081
Unquoted at Stock Exchange	15,120	14,587
Value Increase/Impairment Losses (-)	2,676,817	1,993,584
Total	36,506,422	31,155,039

As of 31 March 2012, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 427,222,222 (31 December 2011: USD 428,333,333) and a total carrying value of TL 756,098 thousands (31 December 2011: TL 810,571 thousands).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	14	44,273	26	35,339
Corporates	14	44,273	26	35,339
Individuals	-	-	-	-
Indirect Lendings to Shareholders	251,256	489,202	268,574	551,004
Loans to Employees	154,927	-	151,148	-
Total	406,197	533,475	419,748	586,343

5.1.5.2 Loans and other receivables classified in groups I and II and restructured or rescheduled

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
Current Period	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	88,012,292	928,384	993,066	1,200,174
Discounted Bills	578,168	-	5,182	-
Export Loans	5,178,676	153,407	19,840	80,762
Import Loans	473	-	-	-
Loans to Financial Sector	2,377,331	2,487	88	1,232
Foreign Loans (*)	4,915,248	211,547	23,570	15,590
Consumer Loans	19,434,704	358,932	253,799	114,873
Credit Cards	9,866,071	-	92,378	150,824
Precious Metal Loans	255,601	903	1,161	1,238
Others	45,406,020	201,108	597,048	835,655
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	88,012,292	928,384	993,066	1,200,174

(*) Loans amounting to TL 212,194 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Foreign Loans.

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
Prior Period	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	87,225,393	1,002,824	909,183	1,191,708
Discounted Bills	520,754	641	1,490	16
Export Loans	5,236,557	110,333	8,674	87,254
Import Loans	730	-	-	-
Loans to Financial Sector	2,281,899	10,500	1,378	-
Foreign Loans	4,803,462	325,628	27,589	9,713
Consumer Loans	18,941,782	361,077	195,939	128,764
Credit Cards	9,732,233	-	83,406	146,634
Precious Metal Loans	245,969	4,647	5,452	1,275
Others	45,462,007	189,998	585,255	818,052
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	87,225,393	1,002,824	909,183	1,191,708

Collaterals received for loans under follow-up

Current Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	23,087	12,271	-	35,358
Loans Collateralized by Mortgages	483,242	128,585	-	611,827
Loans Collateralized by Pledged Assets	472,842	16,848	-	489,690
Loans Collateralized by Cheques and Notes	166,654	125,346	-	292,000
Loans Collateralized by Other Collaterals	388,283	42,620	-	430,903
Unsecured Loans	47,258	43,002	243,202	333,462
Total	1,581,366	368,672	243,202	2,193,240

Prior Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	21,608	1,313	-	22,921
Loans Collateralized by Mortgages	439,391	132,998	-	572,389
Loans Collateralized by Pledged Assets	489,012	16,038	-	505,050
Loans Collateralized by Cheques and Notes	159,881	108,712	-	268,593
Loans Collateralized by Other Collaterals	389,001	14,076	-	403,077
Unsecured Loans	47,255	51,566	230,040	328,861
Total	1,546,148	324,703	230,040	2,100,891

Delinquency periods of loans under follow-up

Current Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	48,201	112,857	67,585	228,643
61-90 days	33,707	66,416	23,631	123,754
Other	1,499,458	189,399	151,986	1,840,843
Total	1,581,366	368,672	243,202	2,193,240

Prior Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	33,508	104,090	64,559	202,157
61-90 days	146,436	45,945	18,074	210,455
Other	1,366,204	174,668	147,407	1,688,279
Total	1,546,148	324,703	230,040	2,100,891

Loans with extended maturities

Current Period							
No. of Extension	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1- 5 Years	Over 5 Years	Total
1	98,866	27,575	108,960	156,518	624,753	163,651	1,180,323
2	6,718	966	12,301	90,315	17,672	478	128,450
3	1,238	111	138	520	5,299	162	7,468
4	91	6,662	4,540	216	124	185	11,818
5	465	8	619	-	-	-	1,092
6	73	1,867	14,932	9,049	14,350	-	40,271
Total	107,451	37,189	141,490	256,618	662,198	164,476	1,369,422

Prior Period							
No. of Extension	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1- 5 Years	Over 5 Years	Total
1	117,202	52,276	146,043	187,792	552,509	117,485	1,173,307
2	704	1,432	368	13,966	7,614	7,085	31,169
3	-	15,057	159	20	4,559	1,193	20,988
4	-	-	40	300	23,931	473	24,744
5	-	-	464	-	15,851	74	16,389
Total	117,906	68,765	147,074	202,078	604,464	126,310	1,266,597

5.1.5.3 Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	382,210	17,566,298	17,948,508
Housing Loans	11,805	8,881,310	8,893,115
Automobile Loans	18,388	1,087,308	1,105,696
General Purpose Loans	50,933	798,063	848,996
Others	301,084	6,799,617	7,100,701
Consumer Loans – FC-indexed	-	358,867	358,867
Housing Loans	-	341,603	341,603
Automobile Loans	-	870	870
General Purpose Loans	-	9,121	9,121
Others	-	7,273	7,273
Consumer Loans – FC	269,647	1,054,064	1,323,711
Housing Loans	12,935	434,330	447,265
Automobile Loans	6	8,895	8,901
General Purpose Loans	38,560	417,554	456,114
Others	218,146	193,285	411,431
Retail Credit Cards – TL	9,371,040	134,752	9,505,792
With Installment	4,192,466	134,752	4,327,218
Without Installment	5,178,574	-	5,178,574
Retail Credit Cards – FC	48,009	47,329	95,338
With Installment	2,277	1,625	3,902
Without Installment	45,732	45,704	91,436
Personnel Loans – TL	19,887	25,215	45,102
Housing Loan	-	1,583	1,583
Automobile Loans	-	161	161
General Purpose Loans	2,561	2,422	4,983
Others	17,326	21,049	38,375
Personnel Loans - FC-indexed	504	10,835	11,339
Housing Loans	504	10,835	11,339
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	1,692	51,462	53,154
Housing Loans	71	16,235	16,306
Automobile Loans	-	50	50
General Purpose Loans	254	32,553	32,807
Others	1,367	2,624	3,991
Personnel Credit Cards – TL	35,020	430	35,450
With Installment	26,368	430	26,798
Without Installment	8,652	-	8,652
Personnel Credit Cards – FC	539	1,695	2,234
With Installment	18	-	18
Without Installment	521	1,695	2,216
Deposit Accounts– TL (real persons)	421,627	-	421,627
Deposit Accounts– FC (real persons)	-	-	-
Total	10,550,175	19,250,947	29,801,122

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	385,331	16,971,897	17,357,228
Housing Loans	12,680	8,682,875	8,695,555
Automobile Loans	18,473	1,078,107	1,096,580
General Purpose Loans	28,796	635,716	664,512
Others	325,382	6,575,199	6,900,581
Consumer Loans – FC-indexed	-	408,695	408,695
Housing Loans	-	387,458	387,458
Automobile Loans	-	1,491	1,491
General Purpose Loans	-	10,380	10,380
Others	-	9,366	9,366
Consumer Loans – FC	259,227	1,085,584	1,344,811
Housing Loans	12,741	471,986	484,727
Automobile Loans	5	9,096	9,101
General Purpose Loans	27,004	37,944	64,948
Others	219,477	566,558	786,035
Retail Credit Cards – TL	9,270,682	121,785	9,392,467
With Installment	4,315,910	121,785	4,437,695
Without Installment	4,954,772	-	4,954,772
Retail Credit Cards – FC	54,092	45,461	99,553
With Installment	7,041	-	7,041
Without Installment	47,051	45,461	92,512
Personnel Loans – TL	20,775	20,964	41,739
Housing Loan	-	1,081	1,081
Automobile Loans	-	66	66
General Purpose Loans	972	985	1,957
Others	19,803	18,832	38,635
Personnel Loans - FC-indexed	527	11,360	11,887
Housing Loans	527	11,360	11,887
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	1,020	50,495	51,515
Housing Loans	-	16,088	16,088
Automobile Loans	-	83	83
General Purpose Loans	39	41	80
Others	981	34,283	35,264
Personnel Credit Cards – TL	36,359	414	36,773
With Installment	27,391	414	27,805
Without Installment	8,968	-	8,968
Personnel Credit Cards – FC	453	1,573	2,026
With Installment	27	-	27
Without Installment	426	1,573	1,999
Deposit Accounts– TL (real persons)	411,687	-	411,687
Deposit Accounts– FC (real persons)	-	-	-
Total	10,440,153	18,718,228	29,158,381

5.1.5.5 Installment based commercial loans and corporate credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	1,016,771	7,232,217	8,248,988
Real Estate Loans	1,759	539,181	540,940
Automobile Loans	56,472	1,434,437	1,490,909
General Purpose Loans	958,536	5,255,975	6,214,511
Others	4	2,624	2,628
Installment-based Commercial Loans - FC-indexed	95,044	679,406	774,450
Real Estate Loans	91	49,706	49,797
Automobile Loans	5,005	210,292	215,297
General Purpose Loans	89,948	419,408	509,356
Others	-	-	-
Installment-based Commercial Loans – FC	590,346	748,937	1,339,283
Real Estate Loans	-	1,653	1,653
Automobile Loans	107	3,784	3,891
General Purpose Loans	163	7,686	7,849
Others	590,076	735,814	1,325,890
Corporate Credit Cards – TL	464,374	681	465,055
With Installment	222,095	681	222,776
Without Installment	242,279	-	242,279
Corporate Credit Cards – FC	5,404	-	5,404
With Installment	-	-	-
Without Installment	5,404	-	5,404
Deposit Accounts– TL (corporates)	608,196	-	608,196
Deposit Accounts– FC (corporates)	-	-	-
Total	2,780,135	8,661,241	11,441,376

Prior Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	798,777	7,194,941	7,993,718
Real Estate Loans	1,121	528,143	529,264
Automobile Loans	56,032	1,417,261	1,473,293
General Purpose Loans	741,624	5,247,089	5,988,713
Others	-	2,448	2,448
Installment-based Commercial Loans - FC-indexed	88,845	696,249	785,094
Real Estate Loans	136	49,918	50,054
Automobile Loans	5,191	219,563	224,754
General Purpose Loans	83,518	426,768	510,286
Others	-	-	-
Installment-based Commercial Loans – FC	578,429	729,008	1,307,437
Real Estate Loans	-	1,178	1,178
Automobile Loans	151	4,724	4,875
General Purpose Loans	312	5,200	5,512
Others	577,966	717,906	1,295,872
Corporate Credit Cards – TL	426,613	724	427,337
With Installment	196,638	724	197,362
Without Installment	229,975	-	229,975
Corporate Credit Cards – FC	4,117	-	4,117
With Installment	-	-	-
Without Installment	4,117	-	4,117
Deposit Accounts– TL (corporates)	525,078	-	525,078
Deposit Accounts– FC (corporates)	-	-	-
Total	2,421,859	8,620,922	11,042,781

5.1.5.6 Allocation of loans by customers

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	84,877,351	84,546,363
Foreign Loans (*)	6,256,565	5,782,745
Total	91,133,916	90,329,108

(*) Loans amounting to TL 212,194 thousands included under Financial Assets at Fair Value through Profit/Loss in the accompanying consolidated financial statements are presented above under Foreign Loans.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	49,501	16,384
Indirect Lending	-	-
Total	49,501	16,384

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	45,720	28,890
Doubtful Loans and Receivables	166,865	156,321
Uncollectible Loans and Receivables	1,353,356	1,343,321
Total	1,565,941	1,528,532

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	14,526	17,139	149,220
Rescheduled Loans and Receivables	-	-	4,933
Total	14,526	17,139	154,153
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	12,368	20,353	157,497
Rescheduled Loans and Receivables	-	-	5,167
Total	12,368	20,353	162,664

Movements in non-performing loan groups:

Current Period	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	78,176	191,288	1,664,069
Additions (+)	124,458	918	47,915
Transfer from Other NPL Categories (+)	-	76,855	56,464
Transfer to Other NPL Categories (-)	76,855	56,674	1,217
Collections during the Period (-)	12,378	10,760	81,538
Write-offs (-) (*)	-	-	8,495
Corporate and Commercial Loans	-	-	228
Retail Loans	-	-	4,317
Credit Cards	-	-	3,950
Other	-	-	-
Balances at End of Period	113,401	201,627	1,677,198
Specific Provisions (-)	45,720	166,865	1,353,356
Net Balance on Balance Sheet	67,681	34,762	323,842

(*) TL 5,938 thousands of this amount is due to sale of non-performing loans.

Prior Period	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	69,719	138,127	2,025,265
Additions (+)	303,743	81,937	251,146
Transfer from Other NPL Categories (+)	-	248,894	215,546
Transfer to Other NPL Categories (-)	249,400	219,156	213,210
Collections during the Period (-)	45,886	58,514	383,423
Write-offs (-) (*)	-	-	231,255
Corporate and Commercial Loans	-	-	30,064
Retail Loans	-	-	112,307
Credit Cards	-	-	88,884
Other	-	-	-
Balances at End of Period	78,176	191,288	1,664,069
Specific Provisions (-)	28,890	156,321	1,343,321
Net Balance on Balance Sheet	49,286	34,967	320,748

(*) TL 220,894 thousands of this amount is due to sale of non-performing loans.

Movements in specific loan provisions

Current Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	565,200	397,411	565,921	1,528,532
Additions during the Period (+)	67,736	13,237	39,700	120,673
Restructured/Rescheduled Loans (-)	245	75	-	320
Collections during the Period (-)	42,040	14,981	18,502	75,523
Write-Offs (-)	228	3,834	3,359	7,421
Balances at End of Period	590,423	391,758	583,760	1,565,941

Prior Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	646,712	512,810	644,653	1,804,175
Additions during the Period (+)	223,165	98,924	135,782	457,871
Restructured/Rescheduled Loans (-)	161,237	179	-	161,416
Collections during the Period (-)	113,789	101,899	125,630	341,318
Write-Offs (-)	29,651	112,245	88,884	230,780
Balances at End of Period	565,200	397,411	565,921	1,528,532

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	1,932	20,853	596,823
Specific Provisions (-)	40	16,598	424,437
Net Balance at Balance Sheet	1,892	4,255	172,386
Prior Period			
Balance at End of Period	3,038	26,843	596,701
Specific Provisions (-)	211	18,555	429,011
Net Balance at Balance Sheet	2,827	8,288	167,690

Gross and net non-performing loans and receivables as per customer categories

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period (Net)	67,681	34,762	323,842
Loans to Individuals and Corporates (Gross)	113,401	201,627	1,670,162
Specific Provision (-)	45,720	166,865	1,346,320
Loans to Individuals and Corporates (Net)	67,681	34,762	323,842
Banks (Gross)			311
Specific Provision (-)			311
Banks (Net)			-
Other Loans and Receivables (Gross)			6,725
Specific Provision (-)			6,725
Other Loans and Receivables (Net)			-
Prior Period (Net)	49,286	34,967	320,748
Loans to Individuals and Corporates (Gross)	78,176	191,288	1,657,029
Specific Provision (-)	28,890	156,321	1,336,281
Loans to Individuals and Corporates (Net)	49,286	34,967	320,748
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,729
Specific Provision (-)	-	-	6,729
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	298	142	-	440
Loans Collateralized by Mortgages	260,389	59,868	-	320,257
Loans Collateralized by Pledged Assets	118,636	34,516	-	153,152
Loans Collateralized by Cheques and Notes	184,107	121,249	-	305,356
Loans Collateralized by Other Collaterals	189,267	57,029	-	246,296
Unsecured Loans	161,989	182,310	622,426	966,725
Total	914,686	455,114	622,426	1,992,226

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	353	149	-	502
Loans Collateralized by Mortgages	258,444	62,908	-	321,352
Loans Collateralized by Pledged Assets	111,998	36,077	-	148,075
Loans Collateralized by Cheques and Notes	153,909	125,391	-	279,300
Loans Collateralized by Other Collaterals	159,124	8,795	-	167,919
Unsecured Loans	174,145	246,970	595,270	1,016,385
Total	857,973	480,290	595,270	1,933,533

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.12 Write-off policy

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.6 Factoring receivables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.7 Investments held-to-maturity

5.1.7.1 Investment subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	974,174	451,552	2,470,203	487,156
Investments subject to Repurchase Agreements	-	-	156,819	-
Total	974,174	451,552	2,627,022	487,156

5.1.7.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	1,547,820	3,170,068
Treasury Bills	-	-
Other Government Securities	1,504,231	1,610,487
Total	3,052,051	4,780,555

5.1.7.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	2,974,837	4,521,731
Quoted at Stock Exchange	2,969,056	4,515,950
Unquoted at Stock Exchange	5,781	5,781
Valuation Increase / (Decrease)	83,270	264,799
Total	3,058,107	4,786,530

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	4,786,530	5,893,931
Foreign Currency Differences on Monetary Assets	(88,882)	292,041
Purchases during the Period	-	5,781
Disposals through Sales/Redemptions	(1,458,012)	(1,360,037)
Valuation Effect	(181,529)	(45,186)
Balances at End of Period	3,058,107	4,786,530

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Emeklilik Gözetim Merkezi AŞ ⁽¹⁾	Istanbul/Turkey	-	6.67
2	Bankalararası Kart Merkezi AŞ ⁽¹⁾	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	Istanbul/Turkey	0.77	0.77
4	İMKB Takas ve Saklama Bankası AŞ ⁽¹⁾	Istanbul/Turkey	5.83	5.83
5	Vadeli İşlem ve Opsiyon Borsası AŞ ⁽¹⁾	Istanbul/Turkey	6.00	6.00
6	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	Istanbul/Turkey	9.09	9.09
7	Gelişen Bilgi Teknolojileri AŞ ⁽²⁾	Istanbul/Turkey	5.00	5.00
8	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽³⁾	Ankara / Turkey	2.48	2.48
9	Kredi Garanti Fonu AŞ ⁽¹⁾	Ankara / Turkey	1.67	1.67

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	7,048	5,100	534	415	1	1	647	-
2	25,225	18,484	10,345	1,117	(1)	2,619	1,105	-
3	554,660	65,062	1,306	20,741	311	5,976	3,205	-
4	2,355,782	307,516	11,386	42,236	3,932	34,844	92,469	-
5	64,406	56,117	4,461	4,220	61	6,730	36,207	-
6	44,844	33,989	2,465	2,614	4	18,340	-	-
7	427	425	-	12	-	(5)	345	-
8	154,509	12,108	245	32	4,137	3,099	12,060	-
9	201,055	195,160	3,051	7,637	-	997	7,632	-

(1) Financial information is as of 31 December 2011.

(2) The company is under liquidation, the financial information is as of 30 June 2011.

(3) Financial information is as of 31 December 2010.

(*) Total fixed assets include tangible and intangible assets.

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

None.

5.1.8.2 Consolidated investments in associates

Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Garanti Yatırım Ortaklığı AŞ ⁽¹⁾	İstanbul / Türkiye	-	0.21

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	30,595	30,267	257	144	244	(638)	137	21,300

(1) Financial information is as of 31 December 2011, however the fair value information is as of 31 March 2012.

(*) Total fixed assets include tangible and intangible assets.

Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 0.21%, has been consolidated in the accompanying consolidated financial statements starting from 30 June 2010 under full consolidation method due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

5.1.8.3 Movement of consolidated investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	38	60,244
Movements during the Period	7	(60,206)
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Allocation from Current Period Profit	-	6,261
Sales/Liquidations (-) (*)	-	(66,448)
Reclassifications	-	-
Increase/Decrease in Fair Values	7	(19)
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	45	38
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Prior period;

(*) As per the Shareholders' Agreement dated 21 June 2007 between the Bank and Eureko BV, the Bank sold its 20% shares of Eureko Sigorta AŞ with a nominal value of TL 12,000 thousands to Eureko BV for EUR 69,999,999 in 2011.

Valuation methods of consolidated investments in associates

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	45	38
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments and associates

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	45	38
Other Associates	-	-

Quoted consolidated investments in associates

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	45	38
Quoted at International Stock Exchanges	-	-

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. T. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian	Amsterdam/The Netherlands	-	100.00
8	Golden Clover Stichting Custody	Amsterdam/The Netherlands	-	100.00
9	Stichting Safekeeping	Amsterdam/The Netherlands	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00
11	Garanti Teknolojinet İletişim Hizmetleri ve Tic. AŞ	Istanbul/Turkey	-	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	33,467	25,257	629	19	644	1,470	(83,514)	-
2	29,159	14,415	6,548	-	308	395	13,534	-
3	764	497	20	-	6	182	(98)	-
4	1,171	379	74	-	3	(2)	40	-
5	937	689	-	-	14	(667)	585	-
6	38	36	27	-	-	(22)	(3)	-
7	293	293	-	-	-	-	-	-
8	293	293	-	-	-	-	-	-
9	42	42	-	-	-	-	-	-
10	242,569	33,280	202,603	4	-	7,389	15,891	-
11	582	591	-	-	13	4	(521)	-

(*) Total fixed assets include tangible and intangible assets.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

The non-financial investments are accounted under cost method of accounting.

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	2,064,495	1,646,532
Movements during the Period	(4,103)	417,963
Acquisitions and Capital Increases ^(*)	-	83,420
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	8,653
Increase/Decrease in Market Values	32,476	154,562
Currency Differences on Foreign Subsidiaries	(36,579)	171,328
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balance at End of Period	2,060,392	2,064,495
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Prior period;

(*) The paid-in capital of Garanti Holding BV was increased from EUR 329,088,600 to EUR 349,088,600 on 29 December 2011 as per the decision made at the board of directors' meeting held on 1 December 2011. Garanti Holding BV increased the share capital of Garanti Bank SA by 20 million EUR through G Netherlands BV with its capital increase.

The Bank purchased 5.86% of the paid-in capital of Garanti Finansal Kiralama AŞ at a total face value of TL 4,278 thousands from Garanti Faktoring Hizmetleri AŞ for a consideration of TL 34,574 thousands on 5 December 2011.

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	235,950	235,950
Valued at Fair Value	1,824,442	1,828,545

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	Prior Period
Banks	1,013,073	1,023,375
Insurance Companies	56,545	56,545
Factoring Companies	96,592	68,749
Leasing Companies	110,743	110,743
Finance Companies	783,439	805,083
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	96,592	68,749
Quoted at International Stock Exchanges	-	-

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	99.96	-	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ ⁽¹⁾	Istanbul/Turkey	81.84	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	-	Full Consolidation
6	Garanti Bank International NV	Amsterdam/The Netherlands	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	99.94	-	Full Consolidation
8	Garanti Holding BV ^(**)	Amsterdam/The Netherlands	100.00	-	Full Consolidation
9	G Netherlands BV	Amsterdam/The Netherlands	-	100.00	Full Consolidation
10	Garanti Bank SA	Bucharest/Romania	-	100.00	Full Consolidation
11	Motoractive IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
12	Ralfi IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
13	Domenia Credit IFN SA	Bucharest/Romania	-	100.00	Full Consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	2,713,193	515,303	17,376	43,557	-	15,446	401,443	-
2	1,275,030	84,522	2,554	9,215	331	34,534	25,281	118,020
3	37,010	29,103	5,555	228	530	(2,705)	-	-
4	17,114	15,386	2,724	253	21	348	1,859	-
5	3,358,729	484,001	14,621	13,777	1,528	41,857	364,694	-
6	9,581,530	917,364	51,314	110,272	18,317	24,020	474,899	851,875
7	777,685	160,556	44,663	7,705	4,082	3,816	84,205	161,292
8	714,299	714,299	-	-	-	(9)	(118,323)	714,777
9	768,936	646,683	-	109	-	(2,863)	(15,608)	-
10	3,579,545	458,547	51,249	46,896	7,735	9,525	(56,588)	-
11	211,335	32,143	7,291	5,167	-	1,255	6,550	-
12	169,738	19,037	1,642	9,967	-	1,896	9,518	-
13	297,612	31,164	430	4,836	-	914	6,839	-

(1) Financial information is as of 31 December 2011, however the fair value information is as of 31 March 2012.

(*) Total fixed assets include tangible and intangible assets.

(**) The fair value stated above for Garanti Holding BV covers all the consolidated affiliates under the company; namely G Netherlands BV, Garanti Bank SA, Motoractive IFN SA, Ralfi IFN SA and Domenia Credit IFN SA.

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

None.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	788,663	644,533	1,045,915	897,416
Between 1-5 Years	1,787,726	1,673,623	1,810,768	1,581,938
Longer than 5 Years	506,374	362,701	219,913	190,540
Total	3,082,763	2,680,857	3,076,596	2,669,894

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	3,082,763	3,076,596
Unearned Income on Financial Lease Receivables (-)	(401,906)	(406,702)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	2,680,857	2,669,894

5.1.11.3 Financial lease agreements

The criteria applied for the financial lease agreements are as follows:

The customer applied for a financial lease is evaluated based on the lending policies and criteria taking into account the legal legislation. A “customer analysis report” according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as “customer risk rating” and “equipment rating/scoring” are applied.

In compliance with the legal legislation and the authorization limits of the general manager, credit committee and board of directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criterias mentioned above, if yes, which conditions will be applied. At this stage, collateral such as bank guarantees, mortgages, asset pledges, promissory notes or the personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

The followings are monitored for the financial lease agreements signed:

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures, timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the credit monitoring unit even for the performing customers.

The reports prepared by the credit monitoring unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.12 Derivative financial assets held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	111,212	-	129,335
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	111,212	-	129,335

The Bank hedged its fixed-rate eurobonds issued on 20 April 2011 with a maturity of 10 years for the amount of USD 500 millions under various fair value hedges.

5.1.13 Tangible assets

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.14 Intangible assets

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.15 Investment property

Real Estate Type	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Building	55,817	(11,019)	-	Operational lease
Land	-	-	-	-

5.1.16 Deferred tax asset

As of 31 March 2012, on a consolidated basis the Bank has a deferred tax asset of TL 67,596 thousands (31 December 2011: TL 62,852 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 March 2012. However, there is a deferred tax asset of TL 214,125 thousands (31 December 2011: TL 197,339 thousands) and deferred tax liability of TL 146,529 thousands (31 December 2011: TL 134,487 thousands) presented as net in the accompanying consolidated financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 1,741 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2011 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future. In the accompanying consolidated financial statements as of 31 March 2012, a deferred tax asset amounting TL 1,691 thousands is included in this respect.

For the cases where such differences are related with certain items on the shareholders’ equity accounts, the deferred taxes are charged or credited directly to these accounts.

5.1.17 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	130,102	105,679
Accumulated Depreciation (-)	(2,446)	(1,646)
Net Book Value	127,656	104,033
End of Current Period		
Additions	27,281	123,683
Disposals (Cost)	(19,882)	(94,857)
Disposals (Accumulated Depreciation)	219	659
Reversal of Impairment / Impairment Losses (-)	(478)	(4,403)
Depreciation Expense for Current Period (-)	(562)	(1,459)
Currency Translation Differences on Foreign Operations	-	-
Cost	137,023	130,102
Accumulated Depreciation (-)	(2,789)	(2,446)
Net Book Value	134,234	127,656

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 6,944 thousands (31 December 2011: TL 6,273 thousands).

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	3,085	3,167
Sale of Real Estates	13,976	13,945
Sale of Other Assets	2,978	2,978
Total	20,039	20,090

5.1.18.2 Prepaid expenses

	Current Period	Prior Period
Prepaid Expenses	350,519	289,532

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	2,874,168	-	3,706,678	23,727,410	522,431	231,419	268,692	1,855	31,332,653
Foreign Currency Deposits	8,294,384	-	4,774,958	17,080,132	1,449,101	2,739,663	5,402,514	81,348	39,822,100
Residents in Turkey	5,370,679	-	4,337,933	15,063,325	1,076,820	462,087	958,841	79,722	27,349,407
Residents in Abroad	2,923,705	-	437,025	2,016,807	372,281	2,277,576	4,443,673	1,626	12,472,693
Public Sector Deposits	517,993	-	2,972	22,739	4,262	6	-	-	547,972
Commercial Deposits	3,499,043	-	2,316,861	7,046,479	1,154,144	145,605	265,803	-	14,427,935
Others	59,349	-	14,397	126,094	82,494	765	293	-	283,392
Precious Metal Deposits	2,575,524	-	3,182	-	-	2,260	956	-	2,581,922
Bank Deposits	515,397	-	1,790,141	786,401	178,505	129,766	210,796	-	3,611,006
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	37,944	-	29,015	23,942	59,795	43	806	-	151,545
Foreign Banks	252,255	-	1,761,126	762,459	118,710	129,723	209,990	-	3,234,263
Special Financial Institutions	225,198	-	-	-	-	-	-	-	225,198
Others	-	-	-	-	-	-	-	-	-
Total	18,335,858	-	12,609,189	48,789,255	3,390,937	3,249,484	6,149,054	83,203	92,606,980

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	2,926,197	-	3,897,909	22,093,153	962,176	276,351	272,297	1,531	30,429,614
Foreign Currency Deposits	9,911,152	-	4,642,512	15,890,716	1,984,801	3,144,929	4,933,946	87,885	40,595,941
Residents in Turkey	6,888,561	-	4,362,454	14,040,203	1,254,759	489,583	1,331,768	86,177	28,453,505
Residents in Abroad	3,022,591	-	280,058	1,850,513	730,042	2,655,346	3,602,178	1,708	12,142,436
Public Sector Deposits	313,115	-	872	36,525	1,336	6	-	-	351,854
Commercial Deposits	3,725,761	-	2,531,943	5,845,595	2,919,089	539,490	261,359	-	15,823,237
Others	64,105	-	18,936	274,705	10,055	549	331	-	368,681
Precious Metal Deposits	2,562,568	-	3,247	-	-	3,414	949	-	2,570,178
Bank Deposits	827,375	-	1,130,586	682,853	70,922	368,477	16,597	-	3,096,810
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	7,970	-	128,853	103,157	-	5,391	1,078	-	246,449
Foreign Banks	273,975	-	1,001,733	573,584	70,922	363,086	15,519	-	2,298,819
Special Financial Institutions	545,430	-	-	6,112	-	-	-	-	551,542
Others	-	-	-	-	-	-	-	-	-
Total	20,330,273	-	12,226,005	44,823,547	5,948,379	4,333,216	5,485,479	89,416	93,236,315

5.2.1.1 Saving deposits and other deposit accounts insured by Saving Deposit Insurance Fund

5.2.1.1.1 Deposits exceeding insurance limit

Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit:

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	11,764,750	11,531,720	19,453,843	18,603,874
Foreign Currency Saving Deposits	8,064,852	7,639,644	13,615,705	12,607,762
Other Saving Deposits	1,213,550	1,214,676	1,257,182	1,254,695
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.1.3 Saving deposits not covered by insurance limits

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	499,755	441,070
Deposits and Other Accounts held by Shareholders and their Relatives	8,054	7,193
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	308,221	352,525
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	70,809	15,259	62,818	31,401
Swap Transactions	341,877	401,882	385,060	497,412
Futures	315	7	-	95
Options	55,022	83,358	59,204	175,161
Others	-	13	-	245
Total	468,023	500,519	507,082	704,314

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	778,577	999,550	1,268,505	979,878
Foreign Banks, Institutions and Funds	4,607,466	18,317,146	4,336,855	17,589,799
Total	5,386,043	19,316,696	5,605,360	18,569,677

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,350,228	8,179,794	1,444,175	8,285,742
Medium and Long-Term	4,035,815	11,136,902	4,161,185	10,283,935
Total	5,386,043	19,316,696	5,605,360	18,569,677

5.2.3.2 Disclosures for concentration areas of bank's liabilities

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.4 Other external funds

5.2.4.1 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	2,475,353	-	-	1,383,192
Cost	2,371,981	-	-	1,376,114
Carrying Value (*)	2,250,666	-	-	1,500,500

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	2,558,731	-	-	1,181,284
Cost	2,423,391	-	-	1,175,445
Carrying Value (*)	2,138,635	-	-	1,603,421

(*) The Bank and/or its financial affiliates repurchased the Bank's own TL securities with a total nominal value of TL 215,640 thousands (31 December 2011: TL 410,950 thousands) and foreign currency securities with a total nominal value of TL 25,591 thousands (31 December 2011: TL 18,716 thousands) and netted off such securities in the accompanying consolidated financial statement.

5.2.4.2 Funds provided through repurchase transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	11,256,947	-	8,340,241	-
Financial Institutions and Organizations	11,209,898	-	8,293,202	-
Other Institutions and Organizations	22,060	-	20,249	-
Individuals	24,989	-	26,790	-
Foreign Transactions	64	1,885,589	388	3,397,528
Financial Institutions and Organizations	-	1,885,589	-	3,397,528
Other Institutions and Organizations	-	-	-	-
Individuals	64	-	388	-
Total	11,257,011	1,885,589	8,340,629	3,397,528

5.2.4.3 Miscellaneous payables

	Current Period		Prior Period	
	TL	FC	TL	FC
Payables from credit card transactions	3,275,355	37,692	3,331,594	39,534
Payables from insurance transactions	2,620,344	41,271	2,330,981	41,732
Other	136,747	305,530	174,655	140,794
Total	6,032,446	384,493	5,837,230	222,060

5.2.5 Factoring payables

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.6 Lease payables

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	215	195	211	187
Between 1-5 Years	103	99	240	233
Longer than 5 Years	-	-	-	-
Total	318	294	451	420

5.2.6.2 Operational lease agreements

The operational leasing agreements are signed for some branches and ATM's. The agreements are prepared annually and annual rents are paid in advance and recorded as prepaid expense in "other assets". The Bank does not have any commitments arising on the existing operational lease agreements.

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	446	-	782
Net Foreign Investment Hedges	-	-	-	-
Total	-	446	-	782

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	1,064,903	1,067,423
Loans and Receivables in Group I	924,425	931,956
Loans and Receivables in Group II	62,536	60,164
Non-Cash Loans	77,942	75,303
Others	-	-

5.2.8.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

	Current Period	Prior Period
Short-Term Loans	20,988	2,345
Medium and Long Term Loans	4,840	968
Total	25,828	3,313

Foreign exchange differences on foreign currency indexed loans are netted with loans on the asset side.

5.2.8.3 Provisions for non-cash loans that are not indemnified or converted into cash

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	450,000	450,000

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	341,919	280,575
Insurance Technical Provisions, Net	175,395	159,487
Provision for Promotion Expenses of Credit Cards ^(*)	49,664	44,353
Provision for Lawsuits	19,306	15,906
Other Provisions	30,462	32,097
Total	616,746	532,418

^(*) The Bank provides full allowance for the committed promotion expenses of credit cards as of the balance sheet date.

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 11 January 2012 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 1,143,072 thousands at 31 December 2011 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2011 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 11 January 2012 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 740,699 thousands remains as of 31 December 2011 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 305,628 thousands as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF as of 31 December 2011. However, despite this treatment there are no excess obligation that needs to be provided against.

	31 December 2011
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(376,357)
Net present value of medical benefits and health premiums transferable to SSF	305,628
General administrative expenses	(20,039)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(90,768)
Fair Value of Plan Assets (2)	1,233,840
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	1,143,072
Non-Transferable Benefits:	
Other pension benefits	(264,514)
Other medical benefits	(137,859)
Total Non-Transferable Benefits (4)	(402,373)
Asset Surplus over Total Benefits ((3)-(4)=(5))	740,699
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(305,628)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	435,071

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF in compliance with TAS 19 are as follows:

	31 December 2011
	%
Discount Rate (*)	9.52
Inflation Rate (*)	5.06
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	40% above inflation
Future Pension Increase Rate (*)	5.06

(*) The above rates are effective rates, whereas the rates applied as of 31 December 2011 for the calculation differ according to the employees' years in service.

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 60 is 17 for males, and at age 58 for females is 23.

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 31 March 2012, the corporate tax liability amounts to TL 279,287 thousands (31 December 2011: TL 78,647 thousands) after offsetting with prepaid taxes.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	279,287	78,647
Taxation on Securities Income	100,710	75,858
Taxation on Real Estates Income	2,171	1,908
Banking Insurance Transaction Tax	41,942	46,474
Foreign Exchange Transaction Tax	25	21
Value Added Tax Payable	2,431	4,303
Others	19,314	76,256
Total	445,880	283,467

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	891	714
Social Security Premiums-Employer	960	970
Bank Pension Fund Premium-Employees	1,380	24
Bank Pension Fund Premium-Employer	1,755	36
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	4	5
Unemployment Insurance-Employees	1,152	1,181
Unemployment Insurance-Employer	2,242	2,317
Others	20	8
Total	8,404	5,255

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 6,107 thousands as of 31 March 2012 (31 December 2011: TL 1,333 thousands).

5.2.10 Liabilities for assets held for sale and assets of discontinued operations

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.11 Subordinated debts

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.12 Shareholders’ equity

5.2.12.1 Paid-in capital

	Current Period	Prior Period
Common shares	4,200,000	4,200,000
Shares repurchased	(3,027)	(1,359)
Paid-in common shares	4,196,973	4,198,641
Preference shares	-	-

The Bank's shares acquired by Garanti Yatırım Ortaklığı AŞ, one the parent Bank's financial affiliates subject to full consolidation, are deducted from the paid-in capital in the accompanying consolidated balance sheet.

5.2.12.2 Registered share capital system

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Registered Shares	4,200,000	7,000,000

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

5.2.12.6 Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	352,017	42,554	114,597	(21,664)
Valuation Difference	352,017	42,554	114,597	(21,664)
Exchange Rate Difference	-	-	-	-
Total	352,017	42,554	114,597	(21,664)

5.2.12.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,140	-	2,140	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	596,813	-	596,813	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	598,953	-	598,953	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

Bonus shares resulted from non-cash capital increases from the following investee companies; Doğuş Gayrimenkul Yatırım Ortaklığı AŞ by TL 20 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	675,696	675,914
II. Legal Reserve	78,713	78,713
Special Reserves	-	-
Total	754,409	754,627

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	8,016,504	8,016,504
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	8,016,504	8,016,504

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	112,527	97,383
Profit Share of Subsidiaries Net Profits	9,361	19,507
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	(4,346)
Others	8	(17)
Balance at End of Period	121,896	112,527

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 2,403,565 thousands (31 December 2011: TL 4,940,934 thousands), commitments for cheque payments of TL 3,333,650 thousands (31 December 2011: TL 2,230,783 thousands) and commitments for credit card limits of TL 14,769,002 thousands (31 December 2011: TL 13,631,471 thousands).

5.3.1.2 Possible losses and commitments resulted from off-balance sheet items

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	9,181,911	9,629,237
Letters of Guarantee in TL	6,130,296	5,791,162
Letters of Credit	5,770,148	6,231,224
Bills of Exchange and Acceptances	655,077	515,550
Prefinancings	-	-
Other Guarantees	66,312	70,236
Total	21,803,744	22,237,409

A specific provision of TL 58,028 thousands (31 December 2011: TL 52,298 thousands) is made for unliquidated non-cash loans of TL 128,830 thousands (31 December 2011: TL 113,577 thousands) recorded under the off-balance sheet items as of 31 March 2012.

The detailed information for commitments, guarantees and sureties are provided under the statement of “off-balance sheet items”.

As of 31 March 2012, in the Bank and its consolidated financial affiliates’ “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 427,222,222 (31 December 2010: USD 428,333,333).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	1,502,671	1,508,650
<i>With Original Maturity of 1 Year or Less</i>	<i>337,753</i>	<i>362,310</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>1,164,918</i>	<i>1,146,340</i>
Other Non-Cash Loans	20,301,073	20,728,759
Total	21,803,744	22,237,409

5.3.1.4 Other information on non-cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.1.5 Non-cash loans classified under Group I and II:

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.2 Financial derivative instruments

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.3 Contingent liabilities and assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.4 Services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	751,410	104,756	492,402	85,187
Medium and long-term loans	830,324	476,831	596,778	352,760
Loans under follow-up	9,300	1,514	28,285	901
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	1,591,034	583,101	1,117,465	438,848

(*) Includes also fees and commissions income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	6	-	-	-
Domestic Banks	6,025	6,664	508	5,230
Foreign Banks	46,404	10,142	42,712	11,889
Foreign Head Offices and Branches	-	-	-	-
Total	52,435	16,806	43,220	17,119

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	8,278	1,878	5,608	393
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	942,231	47,612	544,325	59,429
Investments Held-to-Maturity	102,252	24,613	120,389	24,097
Total	1,052,761	74,103	670,322	83,919

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	36	271

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	28,185	3,427	18,226	1,664
Foreign Banks	117,646	107,563	130,634	72,622
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	9,133	-	15,587
Total	145,831	120,123	148,860	89,873

(*) Includes also fees and commissions expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	122	2,571

5.4.2.3 Interest expenses on securities issued

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Time Deposits							Total
Account Description	Demand Deposits	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	355	15,232	1,324	-	-	3,528	-	20,439
Saving Deposits	651	85,186	584,631	21,284	6,616	6,649	-	705,017
Public Sector Deposits	-	97	892	53	-	-	-	1,042
Commercial Deposits	1,283	58,135	169,855	78,478	9,927	7,049	-	324,727
Others	2	339	6,298	2,260	15	5	-	8,919
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	2,291	158,989	763,000	102,075	16,558	17,231	-	1,060,144
Foreign Currency								
Foreign Currency Deposits	18,618	62,350	147,183	14,610	18,768	21,304	343	283,176
Bank Deposits	493	13,562	321	403	772	388	-	15,939
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	-	-	12	18	-	31
Total FC	19,111	75,913	147,504	15,013	19,552	21,710	343	299,146
Grand Total	21,402	234,902	910,504	117,088	36,110	38,941	343	1,359,290

Prior Period	Time Deposits							Total
Account Description	Demand Deposits	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	793	12,783	40	2,612	3,080	40	-	19,348
Saving Deposits	142	93,835	349,582	14,022	4,212	4,147	-	465,940
Public Sector Deposits	-	580	486	1	1	-	-	1,068
Commercial Deposits	400	63,192	132,370	5,051	1,179	3,436	-	205,628
Others	4	1,032	6,414	307	3,435	107	-	11,299
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	1,339	171,422	488,892	21,993	11,907	7,730	-	703,283
Foreign Currency								
Foreign Currency Deposits	3,898	52,528	110,905	10,973	8,638	15,637	418	202,997
Bank Deposits	868	193	46	117	19	29	-	1,272
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	21	-	-	21
Total FC	4,766	52,721	110,951	11,090	8,678	15,666	418	204,290
Grand Total	6,105	224,143	599,843	33,083	20,585	23,396	418	907,573

5.4.2.5 Interest expense on repurchase agreements

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.6 Financial lease expenses

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.7 Interest expenses on factoring payables

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.3 Dividend income

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	13,013,051	16,436,511
Trading Account Income	55,948	258,897
Derivative Financial Instruments	1,138,137	689,149
Foreign Exchange Gain	11,818,966	15,488,465
Losses (-)	12,940,103	16,177,640
Trading Account Losses	13,519	38,643
Derivative Financial Instruments	1,228,954	674,721
Foreign Exchange Losses	11,697,630	15,464,276
Total	72,948	258,871

TL 3,984,154 thousands (31 March 2011: TL 2,060,795 thousands) of foreign exchange gains and TL 4,035,475 thousands (31 March 2011: TL 1,885,388 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

The Bank enters into interest rate swap agreements in order to hedge the change in fair value of its fixed rate financial instruments due to fluctuations in market interest rates. In this respect, the Bank has applied fair value hedge accounting for the fixed rate eurobonds issued in 2011 with a total face value of USD 500,000,000, maturity of 10 years and maturity date of 20 April 2021 which were priced at 6.375% originally and had a coupon rate of 6.25%, by designating interest rate swaps with the same face value amount and conditions.

Accordingly, for the period ended 31 March 2012, TL 18,123 thousands of expense from interest rate swaps held for fair value hedges was recognized in income/losses from derivative financial instruments under net trading income/losses in the accompanying financial statements. In the same period, TL 24,968 thousands of income from eurobonds subject to fair value hedges was netted with the expense from interest rate swaps held for fair value hedges in the income/losses from derivative financial instruments under net trading income/losses.

As per the calculation as of 31 March 2012, the hedge accounting was assessed as effective.

5.4.5 Other operating income

The items under “other operating income” generally consists of collection or reversals of prior year provisions, banking services related costs charged to customers and income in custody services.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	105,187	67,306
<i>Loans and receivables in Group III</i>	<i>45,515</i>	<i>17,842</i>
<i>Loans and receivables in Group IV</i>	<i>30,461</i>	<i>28,143</i>
<i>Loans and receivables in Group V</i>	<i>29,211</i>	<i>21,321</i>
General Provisions	2,781	57,479
Provision for Possible Losses	-	100,000
Impairment Losses on Financial Assets	1,202	1,024
<i>Financial assets at fair value through profit or loss</i>	<i>1,202</i>	<i>989</i>
<i>Financial assets available-for-sale</i>	<i>-</i>	<i>35</i>
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	204
<i>Associates</i>	<i>-</i>	<i>-</i>
<i>Subsidiaries</i>	<i>-</i>	<i>204</i>
<i>Joint ventures (business partnership)</i>	<i>-</i>	<i>-</i>
<i>Investments held-to-maturity</i>	<i>-</i>	<i>-</i>
Others	20,993	40,843
Total	130,163	266,856

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	418,157	366,629
Reserve for Employee Termination Benefits	6,449	6,353
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	1,073	150
Depreciation Expenses of Tangible Assets	49,475	46,439
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	8,307	5,434
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	478	1,678
Depreciation Expenses of Assets to be Disposed	562	368
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	351,918	287,210
<i>Operational lease related expenses</i>	55,052	46,529
<i>Repair and maintenance expenses</i>	6,639	6,085
<i>Advertisement expenses</i>	25,694	19,291
<i>Other expenses</i>	264,533	215,305
Loss on Sale of Assets	1,814	231
Others	106,874	118,960
Total	945,107	833,452

5.4.8 Information on profit/loss before taxes from continued and discontinued operations

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.9 Information on provision for taxes for continued and discontinued operations

As of 31 March 2012, on a consolidated basis, the Bank recorded a current tax expense of TL 312,715 thousands (31 March 2011: TL 120,094 thousands) and a deferred tax income of TL 69,660 thousands (31 March 2011: a deferred tax expense of TL 161,621 thousands).

Deferred tax benefit/charge on timing differences :

Deferred tax benefit/(charge) on timing differences	Current Period	Prior Period
Increase in Tax Deductable Timing Differences (+)	80,344	19,616
Decrease in Tax Deductable Timing Differences (-)	(13,164)	(161,020)
Increase in Taxable Timing Differences (-)	(14,657)	(24,976)
Decrease in Taxable Timing Differences (+)	17,137	4,759
Total	69,660	(161,621)

Deferred tax benefit/charge in the income statement arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	Current Period	Prior Period
Increase/(Decrease) in Tax Deductable Timing Differences (net)	67,180	(141,404)
Increase/(Decrease) in Taxable Timing Differences (net)	2,480	(20,217)
Increase/(Decrease) in Tax Losses (net)	-	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-	-
Total	69,660	(161,621)

5.4.10 Net operating profit/loss after taxes including net profit/loss from discontinued operations

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of bank’s performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.11.3 Minority interest’s profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	9,361	2,342

5.4.12 Components of other items in income statement

Other items do not exceed 10% of the total of income statement.

5.5 Consolidated statement of changes in shareholders' equity

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.6 Consolidated statement of cash flows

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.7 Related Party Risks

5.7.1 Transactions with parent bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	54,938	3,280	188,278	35,339	356,435	551,004
Balance at end of period	95,259	3,358	352,551	44,273	361,099	489,202
Interest and Commission Income	1,020	1	250	1	10,392	360

Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	61,551	3,727	14	4,831	300,517	419,398
Balance at end of period	54,938	3,280	188,278	35,339	356,435	551,004
Interest and Commission Income	807	11	-	1	5,274	338

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	5,737	60,473	1,109,063	207,008	342,796	390,409
Balance at end of period	12,042	5,737	296,829	1,109,063	269,058	342,796
Interest Expenses	122	2,571	7,384	1,234	4,083	2,271

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss:						
Balance at beginning of period	-	35,454	1,066,781	-	28,710	3,992
Balance at end of period	-	-	1,136,298	1,066,781	12,311	28,710
Total Profit/(Loss)	10,536	9,673	3,893	-	869	(3,472)
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 Bank's risk group

5.7.2.1 *Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions*

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 *Concentration of transaction volumes and balances with risk group and pricing policy*

The cash loans of the risk group amounting TL 300,771 thousands (31 December 2011: TL 284,984 thousands) compose 0.33% (31 December 2011: 0.31%) of the Bank's total consolidated cash loans and 0.18% (31 December 2011: 0.17%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 808,909 thousands (31 December 2011: TL 599,651 thousands) compose 0.49% (31 December 2011: 0.37%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 536,833 thousands (31 December 2011: TL 589,623 thousands) compose 2.46% (31 December 2011: 2.65%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 577,929 thousands (31 December 2011: TL 1,457,596 thousands) compose 0.62% (31 December 2011: 1.56%) of the Bank's total consolidated deposits. The funds borrowed by the Bank and its consolidated financial affiliates from their risk group amounting to TL 47,241 thousands (31 December 2011: TL 48,432 thousands) compose 0.19% (31 December 2011: 0.20%) of the Bank's total consolidated funds borrowed. Securities purchased from the risk group amounting to TL 37,309 thousands (31 December 2011: -) compose 0.09% (31 December 2011: -) of the Bank's total consolidated securities portfolio. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 49,066 thousands (31 December 2011: TL 50,726 thousands) to related parties.

Operating expenses of TL 2,919 thousands (31 March 2011: TL 3,072 thousands) for IT services rendered by related parties and rent income of TL 406 thousands (31 March 2011: TL 97 thousands) for the real estates rented to related parties, are recorded.

The net payment provided or to be provided to the key management of the Bank and its consolidated financial affiliates amounts to TL 30,876 thousands as of 31 March 2012 (31 March 2011: TL 32,429 thousands).

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted for under equity method*

None.

5.7.2.5 *All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services*

The Bank has agency contracts with certain consolidated subsidiaries namely Garanti Yatırım Menkul Kıymetler AŞ and Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities on behalf of customers are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for internal use are partly arranged through financial leasing.

5.8 Domestic, foreign and off-shore branches or investments and foreign representative offices

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.9 Significant events and matters arising subsequent to the balance sheet date

At the annual general assembly of the Bank dated 12 April 2012, it was decided to distribute the profit of the year 2011 as follows:

2011 PROFIT DISTRIBUTION TABLE	
2011 Net Profit	3,070,575
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(153,529)
Undistributable funds	(193,695)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(135,352)
D – Second dividend to the shareholders	(390,000)
E – Extraordinary reserves	(1,948,999)
F – II. Legal reserve (Turkish Commercial Code 466/2)	(39,000)

5.10 Other Disclosures on Activities of the Bank

5.10.1 Parent bank's latest international risk ratings

MOODY'S (March 2012)*

Long Term FC Deposit	Ba3
Long Term TL Deposit ⁽¹⁾	Baa1
Short Term TL Deposit ⁽¹⁾	Prime-2
Short Term FC Deposit	NP
Long Term FC Deposit Outlook	Positive
Financial Strength Rate (FSR) ⁽¹⁾	C-
FSR Outlook ⁽¹⁾	Stable
Long Term National ⁽¹⁾	Aa1-tr
Short Term National	TR-1

(1) Under review for a possible downgrade due to the change in the rating company's methodology in its global scaling.

STANDARD AND POORS (March 2012)*

Long Term FC Obligations	BB
Long Term TL Deposit	BB
Outlook	Positive
Credit profile (independent from the bank's shareholders and the rating of its resident country)	bbb-

FITCH RATINGS (December 2011)*

Foreign Currency	
Long Term	BBB-
Short Term	F3
Outlook	Stable
Individual	C
Support	3
Turkish Lira	
Long Term	BBB-
Short Term	F3
Outlook	Stable
National	AAA (Trk)
Outlook	Stable

JCR EURASIA RATINGS (April 2012)*

Long Term International FC	BBB- (Stable)
Long Term International TL	BBB (Stable)
Long Term International	AAA (Trk) (Stable)
Short Term International FC	A-3 (Stable)
Short Term International TL	A-3 (Stable)
Short Term National	A-1+ (Trk) (Stable)
Support	1
Independency from Shareholders	A

(*) Latest dates in risk ratings or outlooks

5.10.2 Latest international risk ratings of Garanti Bank International NV, a consolidated subsidiary

MOODY'S (October 2011)*

Long Term FC Deposit	Baa1
Short Term FC Deposit	Prime-2
Subordinate-Dom Curr	Baa2
FSR	C-
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

5.10.3 Latest international risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS (July 2010)*

Foreign Currency	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

5.10.4 Latest international risk ratings of Garanti Finansal Kiralama, a consolidated subsidiary

FITCH RATINGS (December 2011)*

Foreign Currency	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

STANDARD AND POORS (December 2011)*

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Positive
Turkish Lira	
Long Term	BB+
Short Term	B
Outlook	Positive

(*) Latest dates in risk ratings or outlooks.

6 Independent Accountants' Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The consolidated financial statements of the Bank and its financial affiliates as of 31 March 2012, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited). The independent limited review report dated 24 April 2012 is presented before the accompanying consolidated financial statements.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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