

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish, See Note 3.1.1)*

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements
As of and For the Six-Month Period Ended
30 June 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
30 July 2012

*This report contains "Independent Accountants'
Limited Review Report" comprising 2 pages
and;"Unconsolidated Financial Statements and
Related Disclosures and Footnotes" comprising 83
pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2012

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") as at 30 June 2012 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent 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 a 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 financial statements include a general reserve amounting to TL 420,000 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.

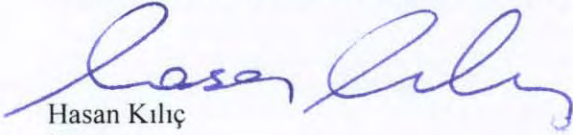
Based on our review, except for the effect of the matter referred to in the preceding paragraph on the financial statements, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank as of and for the period ended 30 June 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 of the Banking Act No. 5411, and other regulations, communiqués 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's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

Istanbul, 30 July 2012

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Interim Financial Report as of and for the Six-Month Period Ended 30 June 2012

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The unconsolidated interim financial report 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 the Bank
2. Unconsolidated Financial Statements of the Bank
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Limited Review Report

The unconsolidated 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
Board of Directors
Chairman

S. Ergun Özen
General Manager

Aydın Şenel
Financial Reporting
Executive Vice President

Hakan Özdemir
General Accounting
Senior Vice President

M. Cüneyt Sezgin
Audit Committee Member

**Manuel Pedro
Galatas Sanchez Harguindey**
Audit Committee Member

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1 General Information

1.1 History of the 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 915 domestic branches, seven foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 The bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank’s risk group

As of 30 June 2012, the group of companies under Doğu Holding AŞ that currently owns 24.23% shares of the Bank, is named the Doğu Group (the Group).

On 22 December 2005, Doğu Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management.

GE Araştırma ve Müşavirlik Limited Şti had sold 9,765,000,000 shares of Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 each to Doğu Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ on 27 December 2007.

Number of shares representing 20.85% ownership of GE Araştırma ve Müşavirlik Limited Şti 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 Doğu 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 Doğu Group.

On 7 April 2011, BBVA acquired additional 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 Doğu 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.

Doğuş Group

The Doğuş 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 132 companies and more than 30 thousand employees.

The major worldwide joint ventures of the Group are; Volkswagen AG and TÜVSÜD in automotive, CNBC, MSNBC and Condé Nast in media and, Hyatt International Ltd and HMS International Hotel GmbH (Maritim) in tourism.

The major investments of the 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, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş 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 operates in China and Turkey, and operates in more than 30 countries with more than 100 thousand employees.

1.3 Information on the 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-Technology Operations Management & Central Marketing	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	14 years

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

1.4 Information on the bank's qualified shareholders

Name / 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 the 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 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 30 June 2012

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 June 2012			PRIOR PERIOD 31 December 2011		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	2,583,505	9,720,876	12,304,381	1,589,491	6,671,660	8,261,151
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	749,172	1,137,396	1,886,568	430,934	1,225,908	1,656,842
2.1 Financial assets held for trading		534,674	1,137,396	1,672,070	430,934	1,225,908	1,656,842
2.1.1 Government securities		36,730	859,098	895,828	179,828	762,198	942,026
2.1.2 Equity securities		14,379	-	14,379	17,901	-	17,901
2.1.3 Derivative financial assets held for trading		428,420	274,525	702,945	190,428	460,554	650,982
2.1.4 Other securities		55,145	3,773	58,918	42,777	3,156	45,933
2.2 Financial assets valued at fair value through profit or loss		214,498	-	214,498	-	-	-
2.2.1 Government securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans	(5.1.5)	214,498	-	214,498	-	-	-
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	2,286,047	5,607,703	7,893,750	2,102,492	12,241,459	14,343,951
IV. INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	33,730,868	1,045,611	34,776,479	27,257,001	1,542,643	28,799,644
5.1 Equity securities		22,584	3,808	26,392	23,865	1,706	25,571
5.2 Government securities		33,463,083	87,952	33,551,035	26,234,437	173,268	26,407,705
5.3 Other securities		245,201	953,851	1,199,052	998,699	1,367,669	2,366,368
VI. LOANS	(5.1.5)	54,623,347	32,821,064	87,444,411	49,618,481	34,194,821	83,813,302
6.1 Performing loans		54,319,100	32,821,064	87,140,164	49,338,109	34,194,821	83,532,930
6.1.1 Loans to bank's risk group	(5.7)	418,918	1,000,653	1,419,571	296,961	1,167,853	1,464,814
6.1.2 Government securities		-	-	-	-	-	-
6.1.3 Others		53,900,182	31,820,411	85,720,593	49,041,148	33,026,968	82,068,116
6.2 Loans under follow-up		1,611,895	-	1,611,895	1,532,087	-	1,532,087
6.3 Specific provisions (-)		1,307,648	-	1,307,648	1,251,715	-	1,251,715
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	1,581,010	1,536,705	3,117,715	3,176,043	1,610,487	4,786,530
8.1 Government securities		1,573,902	1,536,705	3,110,607	3,170,068	1,610,487	4,780,555
8.2 Other securities		7,108	-	7,108	5,975	-	5,975
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	19,892	-	19,892	19,834	-	19,834
9.1 Associates consolidated under equity accounting		-	-	-	-	-	-
9.2 Unconsolidated associates		19,892	-	19,892	19,834	-	19,834
9.2.1 Financial investments in associates		16,225	-	16,225	18,120	-	18,120
9.2.2 Non-financial investments in associates		3,667	-	3,667	1,714	-	1,714
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	426,655	1,759,614	2,186,269	408,780	1,759,796	2,168,576
10.1 Unconsolidated financial investments in subsidiaries		322,570	1,759,614	2,082,184	304,695	1,759,796	2,064,491
10.2 Unconsolidated non-financial investments in subsidiaries		104,085	-	104,085	104,085	-	104,085
XI. INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
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)	(5.1.10)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	-	-	-	129,335	129,335
13.1 Fair value hedges		-	-	-	-	129,335	129,335
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Net foreign investment hedges		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	1,144,033	664	1,144,697	1,243,531	80	1,243,611
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	53,922	-	53,922	55,550	-	55,550
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		53,922	-	53,922	55,550	-	55,550
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	62,666	-	62,666	-	-	-
XVII. TAX ASSET		146,760	-	146,760	6,359	-	6,359
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset	(5.1.15)	146,760	-	146,760	6,359	-	6,359
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	123,536	-	123,536	121,759	-	121,759
18.1 Assets held for sale		123,536	-	123,536	121,759	-	121,759
18.2 Assets of discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	1,099,314	141,979	1,241,293	1,128,823	107,174	1,235,997
TOTAL ASSETS		98,630,727	53,771,612	152,402,339	87,159,078	59,483,363	146,642,441

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 30 June 2012

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 June 2012			PRIOR PERIOD 31 December 2011		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	50,189,425	37,231,876	87,421,301	47,777,457	36,765,318	84,542,775	
1.1 Deposits from bank's risk group	(5.7)	713,775	205,743	919,518	602,101	1,234,981	1,837,082	
1.2 Others		49,475,650	37,026,133	86,501,783	47,175,356	35,530,337	82,705,693	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	655,141	305,039	960,180	495,160	279,157	774,317	
III. FUNDS BORROWED	(5.2.3)	4,151,065	17,296,105	21,447,170	4,384,503	16,139,154	20,523,657	
IV. INTERBANK MONEY MARKETS		10,408,786	1,210,307	11,619,093	8,338,618	2,616,373	10,954,991	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements	(5.2.4)	10,408,786	1,210,307	11,619,093	8,338,618	2,616,373	10,954,991	
V. SECURITIES ISSUED (Net)	(5.2.4)	2,415,714	1,566,248	3,981,962	2,082,601	1,621,496	3,704,097	
5.1 Bills		2,415,714	-	2,415,714	2,082,601	-	2,082,601	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		-	1,566,248	1,566,248	-	1,621,496	1,621,496	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES	(5.2.4.3)	3,879,216	267,009	4,146,225	3,481,891	75,440	3,557,331	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		439,725	1,019,679	1,459,404	676,407	1,153,312	1,829,719	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	1	1	2	1	4	5	
10.1 Financial lease payables		1	1	2	1	4	5	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		-	-	-	-	-	-	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	229	229	-	782	782	
11.1 Fair value hedges		-	-	-	-	-	-	
11.2 Cash flow hedges		-	229	229	-	782	782	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	1,938,805	42,862	1,981,667	1,795,843	35,303	1,831,146	
12.1 General provisions		1,045,402	31,847	1,077,249	979,797	34,152	1,013,949	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		338,666	-	338,666	266,805	-	266,805	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		554,737	11,015	565,752	549,241	1,151	550,392	
XIII. TAX LIABILITY	(5.2.8)	436,791	1,919	438,710	265,165	235	265,400	
13.1 Current tax liability		436,791	1,919	438,710	265,165	235	265,400	
13.2 Deferred tax liability		-	-	-	-	-	-	
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
XV. SUBORDINATED DEBTS	(5.2.10)	-	114,031	114,031	-	1,081,402	1,081,402	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	18,271,020	561,345	18,832,365	17,104,283	472,536	17,576,819	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		1,858,870	494,130	2,353,000	1,503,041	427,157	1,930,198	
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		394,240	494,204	888,444	180,988	427,546	608,534	
16.2.4 Revaluation surplus on tangible assets		741,530	-	741,530	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		1,891	-	1,891	1,891	-	1,891	
16.2.8 Hedging reserves (effective portion)		(63,225)	(74)	(63,299)	(63,225)	(389)	(63,614)	
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		10,631,936	67,215	10,699,151	8,330,667	45,379	8,376,046	
16.3.1 Legal reserves		907,653	7,724	915,377	716,363	6,940	723,303	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		9,724,283	-	9,724,283	7,612,215	-	7,612,215	
16.3.4 Other profit reserves		-	59,491	59,491	2,089	38,439	40,528	
16.4 Profit or loss		1,580,214	-	1,580,214	3,070,575	-	3,070,575	
16.4.1 Prior periods profit/loss		-	-	-	-	-	-	
16.4.2 Current period net profit/loss		1,580,214	-	1,580,214	3,070,575	-	3,070,575	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		92,785,689	59,616,650	152,402,339	86,401,929	60,240,512	146,642,441	

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

Türkiye Garanti Bankası Anonim Şirketi

Off-Balance Sheet Items

At 30 June 2012

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2012			31 December 2011		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		71,003,255	138,314,968	209,318,223	56,011,426	127,698,145	183,709,571
I. GUARANTEES AND SURETIES	(5.3.1)	6,513,971	15,446,947	21,960,918	5,802,261	15,219,237	21,021,498
1.1. Letters of guarantee		6,498,084	8,967,164	15,465,248	5,786,884	9,134,682	14,921,566
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		465,238	201,547	666,785	431,028	266,469	697,497
1.1.3. Other letters of guarantee		6,032,846	8,765,617	14,798,463	5,355,856	8,868,213	14,224,069
1.2. Bank acceptances		3,098	844,381	847,479	3,687	511,863	515,550
1.2.1. Import letter of acceptance		150	844,381	844,531	1,705	511,863	513,568
1.2.2. Other bank acceptances		2,948	-	2,948	1,982	-	1,982
1.3. Letters of credit		12,789	5,568,394	5,581,183	11,690	5,502,456	5,514,146
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		12,789	5,568,394	5,581,183	11,690	5,502,456	5,514,146
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		-	67,008	67,008	-	70,236	70,236
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	34,277,392	62,126,842	96,404,234	32,059,110	60,470,829	92,529,939
2.1. Irrevocable commitments		25,379,828	7,656,133	33,035,961	23,630,190	8,513,450	32,143,640
2.1.1. Asset purchase and sale commitments		825,843	1,988,664	2,814,507	1,889,216	1,204,371	3,093,587
2.1.2. Deposit purchase and sale commitments		-	136,421	136,421	200	559,500	559,700
2.1.3. Share capital commitments to associates and subsidiaries		1,000	8,576	9,576	1,000	10,407	11,407
2.1.4. Loan granting commitments		5,108,960	4,765,972	9,874,932	4,688,182	5,946,547	10,634,729
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		3,408,537	-	3,408,537	2,230,853	-	2,230,853
2.1.8. Tax and fund obligations on export commitments		16,128	-	16,128	16,390	-	16,390
2.1.9. Commitments for credit card limits		14,755,150	-	14,755,150	13,540,139	-	13,540,139
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	756,500	2,020,710	1,264,210	792,625	2,056,835
2.2. Revocable commitments		8,897,564	54,470,709	63,368,273	8,428,920	51,957,379	60,386,299
2.2.1. Revocable loan granting commitments		8,897,564	54,470,004	63,367,568	8,428,920	51,956,658	60,385,578
2.2.2. Other revocable commitments		-	705	705	-	721	721
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	30,211,892	60,741,179	90,953,071	18,150,055	52,008,079	70,158,134
3.1. Derivative financial instruments held for risk management		-	48,950	48,950	-	1,967,575	1,967,575
3.1.1. Fair value hedges		-	-	-	-	1,865,000	1,865,000
3.1.2. Cash flow hedges		-	48,950	48,950	-	102,575	102,575
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		30,211,892	60,692,229	90,904,121	18,150,055	50,040,504	68,190,559
3.2.1. Forward foreign currency purchases/sales		5,249,810	6,281,157	11,530,967	4,211,614	5,989,590	10,201,204
3.2.1.1. Forward foreign currency purchases		1,782,523	3,941,626	5,724,149	1,527,702	3,612,899	5,140,601
3.2.1.2. Forward foreign currency sales		3,467,287	2,339,531	5,806,818	2,683,912	2,376,691	5,060,603
3.2.2. Currency and interest rate swaps		17,726,740	41,066,249	58,792,989	8,745,935	33,714,427	42,460,362
3.2.2.1. Currency swaps-purchases		5,966,054	13,147,703	19,113,757	4,721,703	8,378,462	13,100,165
3.2.2.2. Currency swaps-sales		8,060,586	11,179,463	19,240,049	715,032	12,354,491	13,069,523
3.2.2.3. Interest rate swaps-purchases		2,050,050	8,181,347	10,231,397	1,654,600	6,490,737	8,145,337
3.2.2.4. Interest rate swaps-sales		1,650,050	8,557,736	10,207,786	1,654,600	6,490,737	8,145,337
3.2.3. Currency, interest rate and security options		7,201,782	12,693,622	19,895,404	5,067,362	9,824,110	14,891,472
3.2.3.1. Currency call options		3,604,098	5,259,222	8,863,320	2,040,606	4,933,329	6,973,935
3.2.3.2. Currency put options		3,576,284	5,619,179	9,195,463	3,007,756	3,994,033	7,001,789
3.2.3.3. Interest rate call options		-	1,802,690	1,802,690	-	888,861	888,861
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		21,400	1,780	23,180	19,000	7,887	26,887
3.2.3.6. Security put options		-	10,751	10,751	-	-	-
3.2.4. Currency futures		17,285	46,510	63,795	66,940	60,369	127,309
3.2.4.1. Currency futures-purchases		17,285	24,670	41,955	30,820	23,623	54,443
3.2.4.2. Currency futures-sales		-	21,840	21,840	36,120	36,746	72,866
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.2.6. Others		16,275	604,691	620,966	58,204	452,008	510,212
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		353,777,281	207,671,835	561,449,116	320,368,460	209,380,024	529,748,484
IV. ITEMS HELD IN CUSTODY		68,171,890	21,242,841	89,414,731	69,767,974	20,141,049	89,909,023
4.1. Customers' securities held		32,186,676	1,108	32,187,784	37,046,678	1,188	37,047,866
4.2. Investment securities held in custody		24,157,160	6,198,685	30,355,845	22,266,158	7,297,692	29,563,850
4.3. Checks received for collection		8,356,088	1,546,539	9,902,627	7,474,216	1,447,143	8,921,359
4.4. Commercial notes received for collection		3,404,106	1,532,867	4,936,973	2,915,109	1,135,226	4,050,335
4.5. Other assets received for collection		41,858	10,739,877	10,781,735	38,697	9,401,147	9,439,844
4.6. Assets received through public offering		-	43,866	43,866	-	46,051	46,051
4.7. Other items under custody		26,002	1,179,899	1,205,901	27,116	812,602	839,718
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		285,605,391	186,428,994	472,034,385	250,600,486	189,238,975	439,839,461
5.1. Securities		1,569,911	113,181	1,683,092	1,390,133	121,371	1,511,504
5.2. Guarantee notes		37,776,948	9,799,773	47,576,721	33,971,973	10,100,312	44,072,285
5.3. Commodities		-	-	-	-	-	-
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		55,092,091	48,638,034	103,730,125	49,423,787	51,360,202	100,783,989
5.6. Other pledged items		191,166,402	127,877,618	319,044,020	165,814,423	127,656,682	293,471,105
5.7. Pledged items-depository		170	388	558	170	408	578
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		424,780,536	345,986,803	770,767,339	376,379,886	337,078,169	713,458,055

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

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Six-Month Period Ended 30 June 2012

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD 1 January 2012- 30 June 2012	PRIOR PERIOD 1 January 2011- 30 June 2011	CURRENT PERIOD 1 April 2012- 30 June 2012	PRIOR PERIOD 1 April 2011- 30 June 2011
I. INTEREST INCOME	(5.4.1)	6,440,361	4,702,150	3,249,151	2,453,559
1.1 Interest income on loans		4,089,742	2,956,456	2,092,233	1,513,547
1.2 Interest income on reserve deposits		-	-	-	-
1.3 Interest income on banks		122,032	110,262	61,522	58,792
1.4 Interest income on money market transactions		2,388	1,190	1,251	867
1.5 Interest income on securities portfolio		2,162,382	1,577,473	1,067,157	857,864
1.5.1 Trading financial assets		19,584	10,794	10,328	6,371
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		1,937,586	1,285,242	978,482	714,542
1.5.4 Investments held-to-maturity		205,212	281,437	78,347	136,951
1.6 Financial lease income		-	-	-	-
1.7 Other interest income		63,817	56,769	26,988	22,489
II. INTEREST EXPENSE	(5.4.2)	3,703,891	2,613,842	1,854,745	1,367,222
2.1 Interest on deposits		2,582,368	1,796,374	1,285,190	932,474
2.2 Interest on funds borrowed		440,317	442,695	218,955	229,074
2.3 Interest on money market transactions		520,363	318,074	264,708	162,414
2.4 Interest on securities issued		151,192	52,140	84,243	41,604
2.5 Other interest expenses		9,651	4,559	1,649	1,656
III. NET INTEREST INCOME (I - II)		2,736,470	2,088,308	1,394,406	1,086,337
IV. NET FEES AND COMMISSIONS INCOME		982,156	1,009,991	475,055	484,606
4.1 Fees and commissions received		1,217,095	1,180,628	600,484	577,936
4.1.1 Non-cash loans		72,184	84,827	43,053	39,813
4.1.2 Others		1,144,911	1,095,801	557,431	538,123
4.2 Fees and commissions paid		234,939	170,637	125,429	93,330
4.2.1 Non-cash loans		560	404	367	173
4.2.2 Others		234,379	170,233	125,062	93,157
V. DIVIDEND INCOME	(5.4.3)	2,444	3,757	2,386	3,667
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	156,152	325,577	67,252	61,321
6.1 Trading account income/losses		86,669	244,787	59,007	33,264
6.2 Income/losses from derivative financial instruments		(241,474)	137,405	(205,436)	120,936
6.3 Foreign exchange gains/losses		310,957	(56,615)	213,681	(92,879)
VII. OTHER OPERATING INCOME	(5.4.5)	168,423	695,564	94,330	418,596
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		4,045,645	4,123,197	2,033,429	2,054,527
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	391,458	437,808	282,459	188,641
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	1,661,216	1,418,015	836,485	713,443
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,992,971	2,267,374	914,485	1,152,443
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	1,992,971	2,267,374	914,485	1,152,443
XVI. PROVISION FOR TAXES (±)	(5.4.9)	412,757	468,972	195,985	209,264
16.1 Current tax charge		561,165	232,710	273,876	133,712
16.2 Deferred tax charge/(credit)		(148,408)	236,262	(77,891)	75,552
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	1,580,214	1,798,402	718,500	943,179
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)	1,580,214	1,798,402	718,500	943,179
Earnings per Share		0.376	0.428	0.171	0.225

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Income/Expense Items Accounted for under Shareholders' Equity

For the Six-Month Period Ended 30 June 2012

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2012- 30 June 2012	PRIOR PERIOD 1 January 2011- 30 June 2011
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	211,133	(963,668)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(4,893)	7,262
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	394	726
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	107,678	83,484
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(38,980)	171,048
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	275,332	(701,148)
XI. CURRENT PERIOD PROFIT/LOSSES	1,580,214	1,798,402
1.1 Net changes in fair value of securities (transferred to income statement)	(21,361)	214,245
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	1,601,575	1,584,157
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1,855,546	1,097,254

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Six-Month Period Ended 30 June 2012

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s 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	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (1 January - 30 June 2011)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	528,456	-	5,268,509	12,574	-	3,127,964	1,973,810	598,187	2,453	(64,707)	-	16,431,680
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)	(5.5)	4,200,000	772,554	11,880	-	528,456	-	5,268,509	12,574	-	3,127,964	1,973,810	598,187	2,453	(64,707)	-	16,431,680
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(708,429)	-	-	-	-	(708,429)
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	581	-	581
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	581	-	581
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		-	-	-	-	1,293	-	-	5,969	-	-	-	-	-	-	-	7,262
XI. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	(562)	-	(562)
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current period net profit/loss		-	-	-	-	-	-	-	1,798,402	-	-	-	-	-	-	-	1,798,402
XX. Profit distribution		-	-	-	-	193,262	-	2,343,706	20,230	-	(3,127,964)	-	766	-	-	-	(570,000)
20.1. Dividends		-	-	-	-	193,262	-	2,343,706	20,230	-	(570,000)	-	766	-	-	-	(570,000)
20.2. Transfers to reserves		-	-	-	-	193,262	-	2,343,706	20,230	-	(2,536,968)	-	766	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	(20,996)	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	723,011	-	7,612,215	38,773	1,798,402	-	1,265,381	598,953	1,891	(64,126)	-	16,958,934
CURRENT PERIOD (1 January - 30 June 2012)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	723,303	-	7,612,215	40,528	-	3,070,575	608,534	598,953	1,891	(63,614)	-	17,576,819
Changes during the period	(5.5)																
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	279,910	-	-	-	-	279,910
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	315	-	315
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	315	-	315
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		-	-	-	-	(455)	-	-	(4,438)	-	-	-	-	-	-	-	(4,893)
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period net profit/loss		-	-	-	-	-	-	-	1,580,214	-	-	-	-	-	-	-	1,580,214
XVIII. Profit distribution		-	-	-	-	192,529	-	2,112,068	23,401	-	(3,070,575)	-	142,577	-	-	-	(600,000)
18.1. Dividends		-	-	-	-	192,529	-	2,112,068	23,401	-	(600,000)	-	142,577	-	-	-	(600,000)
18.2. Transfers to reserves		-	-	-	-	192,529	-	2,112,068	23,401	-	(2,276,880)	-	(27,717)	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	(193,695)	-	170,294	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	915,377	-	9,724,283	59,491	1,580,214	-	888,444	741,530	1,891	(63,299)	-	18,832,365

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Six-Month Period Ended 30 June 2012

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2012- 30 June 2012	PRIOR PERIOD 1 January 2011- 30 June 2011
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2,254,140	1,586,009
1.1.1 Interests received		6,280,375	4,402,389
1.1.2 Interests paid		(3,837,211)	(2,611,072)
1.1.3 Dividend received		2,386	3,757
1.1.4 Fees and commissions received		1,217,094	1,279,474
1.1.5 Other income		146,216	407,431
1.1.6 Collections from previously written-off loans and other receivables		20,808	44,011
1.1.7 Payments to personnel and service suppliers		(1,259,967)	(1,116,492)
1.1.8 Taxes paid		(461,848)	(356,789)
1.1.9 Others	(5.6)	146,287	(466,700)
1.2 Changes in operating assets and liabilities		393,126	(129,769)
1.2.1 Net (increase) decrease in financial assets held for trading		4,492	(97,841)
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		2,389,064	(802,825)
1.2.4 Net (increase) decrease in loans		(3,904,868)	(10,246,142)
1.2.5 Net (increase) decrease in other assets		(1,782,643)	(1,581,721)
1.2.6 Net increase (decrease) in bank deposits		2,130,951	(199,288)
1.2.7 Net increase (decrease) in other deposits		760,620	4,454,995
1.2.8 Net increase (decrease) in funds borrowed		740,519	4,825,240
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	54,991	3,517,813
I. Net cash flow from banking operations		2,647,266	1,456,240
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(3,762,376)	3,501,790
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		(54,864)	(105,136)
2.4 Sales of tangible assets		37,636	43,053
2.5 Cash paid for purchase of financial assets available-for-sale		(8,413,111)	(6,206,385)
2.6 Cash obtained from sale of financial assets available-for-sale		3,211,235	8,417,046
2.7 Cash paid for purchase of investments held-to-maturity		(7,065)	(5,781)
2.8 Cash obtained from sale of investments held-to-maturity		1,463,793	1,358,993
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(334,205)	2,827,397
3.1 Cash obtained from funds borrowed and securities issued		2,505,406	3,642,913
3.2 Cash used for repayment of funds borrowed and securities issued		(2,239,609)	(245,144)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(600,000)	(570,000)
3.5 Payments for financial leases		(2)	(372)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	(273,002)	157,079
V. Net increase/(decrease) in cash and cash equivalents		(1,722,317)	7,942,507
VI. Cash and cash equivalents at beginning of period		7,613,562	6,195,233
VII. Cash and cash equivalents at end of period		5,891,245	14,137,740

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

3 Accounting policies

3.1 Basis of presentation

As per the Article 37 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 unconsolidated 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 Regulatory and Supervisory 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 unconsolidated 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 and that are in foreign currencies which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes 3.2 to 3.24.

3.1.1 Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

3.2 Strategy for the use of financial instruments and foreign currency transactions

3.2.1 Strategy for the use of financial instruments

The liability side of the Bank’s 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 has 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 is 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 Bank’s 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 management of interest and liquidity risks 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 and the differences are recorded as foreign exchange gain or loss in the income statement.

The 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.

3.3 Investments in associates and subsidiaries

The unconsolidated investments in associates and subsidiaries are accounted for in accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement". Investments in companies quoted in organized markets and for which their fair values can be reliably determined, are valued at their fair values. Others are valued at costs reduced by provisions for impairment losses, if any, in the accompanying financial statements.

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.

According to 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

Interests 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 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.

3.6 Fees and commissions

Except for certain fees related with certain banking transactions and recognized when received, 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 initially 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 has the intent and ability to hold until maturity, excluding 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.

Assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and 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 by the Bank 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 provides specific and general allowances for loan and other receivables classified 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. 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.

The Bank provides specific allowances for loan and other receivables in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. The allowances are recorded under “loans” as negative balances 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. 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. The 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

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 has no discontinued operations.

3.12 Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in compliance 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.

Estimated useful lives of the Bank’s intangible assets 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 than 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 compliance 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 than 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.

The depreciation rates and the estimated useful lives of tangible assets 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 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

The maximum period of the leasing agreements is 4 years. 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. If an inflow of economic benefits to the Bank 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 Bank is 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 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:

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

(*) The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees’ 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:

	30 June 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”) 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 first paragraph of the provisional Article 20 of the Law is 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.

3.18 Taxation

3.18.1 Corporate tax

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 are not subject to withholding tax. As per the decisions no.2009/14593 and no.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 tax legislation, 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.

The 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 amounts to be paid. 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.

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 are reported as net in the financial statements.

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.

3.19 Funds borrowed

The Bank generates funds 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 30 June 2012, the Bank does not have any government incentives or grants.

3.23 Segment reporting

The Bank operates in corporate, commercial, 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, Miles&Smiles Card, FlexiCard, MoneyCard, BusinessCard under the brand name of Visa and Mastercard, virtual cards and also American Express credit cards and “Paracard” debit cards with Maestro, Electron, Visa and Mastercard brand names, 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 banking services to enterprises and their employees working in retail and service sectors through product packages including overdraft accounts, POS machines, credit cards, cheque books, Turkish Lira and foreign currency deposits, investment accounts, internet banking and call-center, debit cards and bill payment modules.

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 is as follows:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,471,614	1,495,452	547,923	528,212	4,043,201
Other	-	-	-	-	-
Total Operating Profit	1,471,614	1,495,452	547,923	528,212	4,043,201
Net Operating Profit	317,449	818,672	508,705	345,701	1,990,527
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	2,444	2,444
Net Operating Profit	317,449	818,672	508,705	348,145	1,992,971
Provision for Taxes	-	-	-	412,757	412,757
Net Profit	317,449	818,672	508,705	(64,612)	1,580,214
Segment Assets	30,110,638	57,348,271	58,977,327	3,759,942	150,196,178
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	2,206,161	2,206,161
Undistributed Items	-	-	-	-	-
Total Assets	30,110,638	57,348,271	58,977,327	5,966,103	152,402,339
Segment Liabilities	54,845,756	33,219,302	43,045,456	2,459,460	133,569,974
Shareholders' Equity	-	-	-	18,832,365	18,832,365
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	54,845,756	33,219,302	43,045,456	21,291,825	152,402,339
Other Segment Items					
Capital Expenditures	-	-	-	78,848	78,848
Depreciation Expenses	51,131	27,264	1,563	17,879	97,837
Impairment Losses	269,140	162,102	(56,318)	17,425	392,349
Other Non-Cash Income/Expenses	(13,792)	11,531	477,179	(8,597)	466,321
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,528,793	1,515,411	664,403	410,833	4,119,440
Other	-	-	-	-	-
Total Operating Profit	1,528,793	1,515,411	664,403	410,833	4,119,440
Net Operating Profit	609,613	981,235	576,157	96,612	2,263,617
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	3,757	3,757
Net Operating Profit	609,613	981,235	576,157	100,369	2,267,374
Provision for Taxes	-	-	-	468,972	468,972
Net Profit	609,613	981,235	576,157	(368,603)	1,798,402
					-
Segment Assets	27,857,755	55,955,547	56,911,004	3,729,725	144,454,031
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	2,188,410	2,188,410
Undistributed Items	-	-	-	-	-
Total Assets	27,857,755	55,955,547	56,911,004	5,918,135	146,642,441
Segment Liabilities	51,721,161	35,039,949	39,909,125	2,395,387	129,065,622
Shareholders' Equity	-	-	-	17,576,819	17,576,819
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	51,721,161	35,039,949	39,909,125	19,972,206	146,642,441
Other Segment Items					
Capital Expenditures	-	-	-	269,128	269,128
Depreciation Expenses	52,754	30,525	2,180	530	85,989
Impairment Losses	110,686	98,759	5,267	224,352	439,064
Other Non-Cash Income/Expenses	120,520	215,606	(1,191,401)	(46,337)	(901,612)
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 16.58% (31 December 2011: 16.89%).

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios 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 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 Capital adequacy ratio

Current Period	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	25,189,332	-	1,998,866	20,836,221	62,283,443	1,944,572	3,429,888
Cash on Hand	1,000,482	-	4,373	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	3,401,816	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,993,239	-	1,085,041	-	1,758,611	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	7,897,710	-	-	-	-	-	-
Loans	4,415,475	-	408,910	20,585,319	55,294,374	1,944,572	3,429,888
Loans under Follow-Up (Net)	-	-	-	-	304,247	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	2,985,985	-	-	-	7,065	-	-
Receivables from Term Sale of Assets	-	-	-	-	15,941	-	-
Miscellaneous Receivables	68,447	-	-	-	177,394	-	-
Accrued Interest and Income	160,253	-	27,695	250,902	952,226	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	-	2,206,161	-	-
Tangible Assets (Net)	-	-	-	-	1,208,493	-	-
Other Assets	265,925	-	472,847	-	358,931	-	-
Off-Balance Sheet Items	1,649,617	-	2,072,065	896,413	16,975,320	-	-
Non-Cash Loans and Commitments	1,649,617	-	1,044,319	896,413	16,515,207	-	-
Derivative Financial Instruments	-	-	1,027,746	-	460,113	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	26,838,949	-	4,070,931	21,732,634	79,258,763	1,944,572	3,429,888

Prior Period	Risk Weightings						
	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 (Net)	-	-	-	-	2,186,458	-	-
Tangible Assets (Net)	-	-	-	-	1,221,961	-	-
Other Assets	280,806	-	412,636	-	302,593	-	-
Off-Balance Sheet Items	3,007,137	-	2,064,692	805,969	17,051,424	-	-
Non-Cash Loans and Commitments	3,007,137	-	1,076,615	805,969	16,742,631	-	-
Derivative Financial Instruments	-	-	988,077	-	308,793	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	25,318,444	-	9,549,784	20,155,169	80,144,782	1,412,914	2,078,792

4.1.3 Summary information related to capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk (VaCR)	100,715,900	98,409,278
Value at Market Risk (VaMR)	5,164,438	4,789,663
Value at Operational Risk (VaOR)	13,234,760	11,970,584
Shareholders' Equity	19,746,070	19,454,197
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100	16.58%	16.89%

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	915,377	723,303
I. Legal Reserve (Turkish Commercial Code 466/1)	801,087	648,013
II. Legal Reserve (Turkish Commercial Code 466/2)	114,290	75,290
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	9,724,283	7,612,215
Reserve allocated as per the Decision held by the General Assembly	9,724,283	7,612,215
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	59,491	40,528
Profit	1,580,214	3,070,575
Current Period Profit	1,580,214	3,070,575
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	420,000	420,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	739,390	596,813
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	95,661	115,733
Intangible Assets (-)	53,922	55,550
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 (-)	-	-
Total Core Capital	18,273,606	17,276,585
SUPPLEMENTARY CAPITAL		
General Provisions	1,077,249	1,013,949
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	963	963
Bonus shares of Associates, Subsidiaries and Joint-Ventures	1,891	1,891
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	112,910	1,053,580
45% of Securities Value Increase Fund (*)	383,024	259,298
Associates and Subsidiaries	241,322	194,477
Investment Securities Available for Sale	141,702	64,821
Other Reserves	-	-
Total Supplementary Capital	1,576,037	2,329,681
TIER III CAPITAL		
CAPITAL	19,849,643	19,606,266

(*) 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 it is negative then the whole amount is considered in the calculation.

DEDUCTIONS FROM CAPITAL	103,573	152,069
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-	1,952
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
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	67,746	72,648
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	26,745	27,676
Others	9,082	49,793
TOTAL SHAREHOLDERS' EQUITY	19,746,070	19,454,197

4.2 Credit risk

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".

4.3 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 the highest authority responsible for the sound performance of internal systems.

Market risks arising from trading transactions are measured by internal risk measurement model using value at risk (VaR) methodology. In the VaR calculations, trading, available-for-sale and derivative portfolios are taken into account. VaR is calculated by three different methods, namely historical simulation, monte carlo simulation and parametric method. 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

	Current Period	Prior Period
(I) Capital Obligation against General Market Risk - Standard Method	261,775	239,551
(II) Capital Obligation against Specific Risks - Standard Method	37,184	40,367
(III) Capital Obligation against Currency Risk - Standard Method	75,952	64,477
(IV) Capital Obligation against Stocks Risks - Standard Method	5,356	870
(V) Capital Obligation against Exchange Risks - Standard Method	-	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	32,888	37,908
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	413,155	383,173
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	5,164,438	4,789,663

4.3.2 Monthly average values at market risk

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”.

4.4 Operational risk

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”.

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 June 2012, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 2,720,156 thousands (31 December 2011: a foreign currency long balance sheet position of TL 2,321,493 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 2,667,905 thousands (31 December 2011: a foreign currency short off-balance sheet position of TL 2,173,154 thousands), while net foreign currency short position amounts to TL 52,251 thousands (31 December 2011: a net foreign currency long position of TL 148,339 thousands).

The Bank’s 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.

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
Foreign currency purchase rates at balance sheet date	1.7800	2.2582	2.2313	2.7921
<u>Rates for the days before balance sheet date;</u>				
Day 1	1.7800	2.2588	2.2299	2.7918
Day 2	1.8050	2.2430	2.2763	2.7992
Day 3	1.7900	2.2303	2.2438	2.7840
Day 4	1.7900	2.2325	2.2526	2.7920
Day 5	1.7970	2.2443	2.2577	2.7964
Last 30-days arithmetical average rates	1.7980	2.2529	2.2673	2.7941

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	7,900,573	169,497	685	1,650,121	9,720,876
Banks	1,983,094	2,908,516	2,276	713,817	5,607,703
Financial Assets at Fair Value through Profit/Loss	942,838	127,015	-	-	1,069,853
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	185,228	860,383	-	-	1,045,611
Loans (*)	10,836,778	24,012,038	7,309	479,033	35,335,158
Investments in Associates, Subsidiaries and Joint-Ventures	1,598,614	161,000	-	-	1,759,614
Investments Held-to-Maturity	-	1,536,705	-	-	1,536,705
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	610	48	-	-	658
Intangible Assets	-	-	-	-	-
Other Assets	39,402	83,343	193	2,420	125,358
Total Assets	23,487,137	29,858,545	10,463	2,845,391	56,201,536
Liabilities					
Bank Deposits	688,925	2,236,627	248	66,307	2,992,107
Foreign Currency Deposits	11,514,181	19,560,890	72,193	711,523	31,858,787
Interbank Money Market Takings	170,956	1,039,349	-	2	1,210,307
Other Fundings	6,062,058	11,326,126	-	21,952	17,410,136
Securities Issued	-	1,566,248	-	-	1,566,248
Miscellaneous Payables	26,672	49,414	97	190,826	267,009
Derivative Financial Liabilities Held for Risk Management	-	229	-	-	229
Other Liabilities (**)	864,576	357,976	1,895	2,392,422	3,616,869
Total Liabilities	19,327,368	36,136,859	74,433	3,383,032	58,921,692
Net 'On Balance Sheet' Position	4,159,769	(6,278,314)	(63,970)	(537,641)	(2,720,156)
Net 'Off-Balance Sheet' Position	(4,436,747)	6,588,299	5,908	510,445	2,667,905
Derivative Assets	4,069,902	18,300,217	139,076	732,482	23,241,677
Derivative Liabilities	8,506,649	11,711,918	133,168	222,037	20,573,772
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	24,192,845	34,622,010	48,823	3,103,990	61,967,668
Total Liabilities	19,143,094	37,231,588	56,778	3,214,715	59,646,175
Net 'On Balance Sheet' Position	5,049,751	(2,609,578)	(7,955)	(110,725)	2,321,493
Net 'Off-Balance Sheet' Position	(4,751,323)	2,455,470	8,024	114,675	(2,173,154)
Derivative Assets	4,387,201	12,481,980	136,286	548,026	17,553,493
Derivative Liabilities	9,138,524	10,026,510	128,262	433,351	19,726,647
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 2,514,094 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities also include gold deposits of TL 2,380,982 thousands.

4.6 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 taking into account the developments in market conditions.

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. The 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 mismatch for the Bank “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	-	-	-	-	-	12,304,381	12,304,381
Banks	2,717,649	1,314,056	1,636,680	1,042,703	-	1,182,662	7,893,750
Financial Assets at Fair Value through Profit/Loss (**)	3,884	10,028	58,279	226,291	666,225	707,363	1,672,070
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	12,182,830	5,144,473	4,892,537	8,187,740	1,293,145	3,075,754	34,776,479
Loans (**)	17,141,545	11,284,713	13,028,591	29,410,511	15,290,006	1,503,543	87,658,909
Investments Held-to-Maturity	910,865	568,359	7,065	149,877	1,356,884	124,665	3,117,715
Other Assets	28,569	-	2,743	5,401	7,796	4,934,526	4,979,035
Total Assets	32,985,342	18,321,629	19,625,895	39,022,523	18,614,056	23,832,894	152,402,339
Liabilities							
Bank Deposits	2,253,172	1,165,529	12,197	-	-	684,182	4,115,080
Other Deposits	52,990,976	9,782,613	3,911,965	33,481	-	16,587,186	83,306,221
Interbank Money Market Takings	10,468,418	189,259	504,251	442,803	-	14,362	11,619,093
Miscellaneous Payables	-	-	-	-	-	4,146,225	4,146,225
Securities Issued	1,577,661	824,107	547,946	-	882,488	149,760	3,981,962
Other Fundings	3,873,796	1,865,895	8,829,082	4,750,336	2,056,610	185,482	21,561,201
Other Liabilities	667,932	-	1	1	-	23,004,623	23,672,557
Total Liabilities	71,831,955	13,827,403	13,805,442	5,226,621	2,939,098	44,771,820	152,402,339
On Balance Sheet Long Position	-	4,494,226	5,820,453	33,795,902	15,674,958	-	59,785,539
On Balance Sheet Short Position	(38,846,613)	-	-	-	-	(20,938,926)	(59,785,539)
Off-Balance Sheet Long Position	1,695,363	3,261,910	3,220,437	2,040,199	1,840,653	-	12,058,562
Off-Balance Sheet Short Position	(725,307)	(1,647,160)	(2,415,727)	(3,239,951)	(2,204,116)	-	(10,232,261)
Total Position	(37,876,557)	6,108,976	6,625,163	32,596,150	15,311,495	(20,938,926)	1,826,301

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

(**) Loans amounting to TL 214,498 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included 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	1.64	0.66	-	9.22
Financial Assets at Fair Value through Profit/Loss	4.63	5.83	-	10.42
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	3.42	5.21	-	11.22
Loans	5.74	5.86	6.20	16.03
Investments Held-to-Maturity	-	7.28	-	13.86
Liabilities				
Bank Deposits	1.67	2.65	-	10.94
Other Deposits	2.58	2.82	2.18	9.02
Interbank Money Market Takings	0.25	2.26	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	5.02	-	10.54
Other Fundings	2.16	2.36	-	11.36

4.6.2 Interest rate mismatch for the Bank “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	-	-	-	-	-	8,261,151	8,261,151
Banks	8,118,111	1,570,388	1,624,898	433,464	-	2,597,090	14,343,951
Financial Assets at Fair Value through Profit/Loss	110,564	14,692	37,919	246,154	563,254	684,259	1,656,842
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	12,232,186	3,919,261	1,991,085	7,850,138	497,478	2,309,496	28,799,644
Loans	15,672,488	10,303,220	14,973,826	25,641,936	15,726,070	1,495,762	83,813,302
Investments Held-to-Maturity	910,864	1,458,014	574,141	157,033	1,421,680	264,798	4,786,530
Other Assets	13,475	1,000	2,498	7,473	9,118	4,947,457	4,981,021
Total Assets	37,057,688	17,266,575	19,204,367	34,336,198	18,217,600	20,560,013	146,642,441
Liabilities							
Bank Deposits	977,358	263,239	22,908	-	-	719,836	1,983,341
Other Deposits	49,653,429	10,982,656	4,587,989	75,760	137,108	17,122,492	82,559,434
Interbank Money Market Takings	8,893,238	847,839	-	1,189,870	-	24,044	10,954,991
Miscellaneous Payables	-	-	-	-	-	3,557,331	3,557,331
Securities Issued	1,270,659	-	1,371,442	-	924,305	137,691	3,704,097
Other Fundings	9,027,908	1,679,770	3,635,879	3,126,011	3,839,414	296,077	21,605,059
Other Liabilities	713,448	1	1	2	-	21,564,736	22,278,188
Total Liabilities	70,536,040	13,773,505	9,618,219	4,391,643	4,900,827	43,422,207	146,642,441
On Balance Sheet Long Position	-	3,493,070	9,586,148	29,944,555	13,316,773	-	56,340,546
On Balance Sheet Short Position	(33,478,352)	-	-	-	-	(22,862,194)	(56,340,546)
Off-Balance Sheet Long Position	1,585,694	1,773,331	1,815,686	2,332,115	2,511,160	-	10,017,986
Off-Balance Sheet Short Position	(1,053,837)	(812,713)	(2,300,011)	(3,460,229)	(1,502,335)	-	(9,129,125)
Total Position	(32,946,495)	4,453,688	9,101,823	28,816,441	14,325,598	(22,862,194)	888,861

(*) Interest accruals are also 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 (*)	1.16	0.37	-	9.16
Financial Assets at Fair Value through Profit/Loss	4.25	6.79	-	8.73
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	3.76	5.68	-	8.47
Loans	5.79	5.40	6.06	15.47
Investments Held-to-Maturity	-	7.22	-	13.88
Liabilities				
Bank Deposits	2.03	3.13	-	10.14
Other Deposits	2.78	3.05	0.50	8.41
Interbank Money Market Takings	-	2.15	-	10.58
Miscellaneous Payables	-	-	-	-
Securities Issued	-	5.64	-	7.76
Other Fundings	2.47	2.38	-	11.26

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

4.7 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 liquidity ratios for the first half 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 (%)	130.85	137.40	98.59	103.49

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 of Turkey	4,406,671	7,897,710	-	-	-	-	-	12,304,381
Banks	1,127,700	1,020,863	265,119	449,507	2,929,101	2,101,460	-	7,893,750
Financial Assets at Fair Value through Profit/Loss (**)	1,857	93,593	87,958	271,621	387,705	829,336	-	1,672,070
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	26,392	-	76,271	6,843,661	23,849,709	3,980,446	-	34,776,479
Loans (**)	135,131	14,689,209	8,504,118	11,039,452	33,726,999	19,259,753	304,247	87,658,909
Investments Held-to-Maturity	-	-	655,952	7,099	1,068,823	1,385,841	-	3,117,715
Other Assets	577,269	352,940	-	2,743	5,401	7,796	4,032,886	4,979,035
Total Assets	6,275,020	24,054,315	9,589,418	18,614,083	61,967,738	27,564,632	4,337,133	152,402,339
Liabilities								
Bank Deposits	677,422	2,256,771	1,015,894	12,518	152,475	-	-	4,115,080
Other Deposits	16,215,747	53,229,659	9,837,245	3,914,429	86,970	22,171	-	83,306,221
Other Fundings	-	391,923	1,145,318	9,612,722	7,531,442	2,879,796	-	21,561,201
Interbank Money Market Takings	-	10,479,435	189,558	505,831	444,269	-	-	11,619,093
Securities Issued	-	1,043,661	824,107	547,946	537,162	1,029,086	-	3,981,962
Miscellaneous Payables	387,603	3,758,622	-	-	-	-	-	4,146,225
Other Liabilities (***)	249,559	1,096,295	155,256	121,688	327,020	163,303	21,559,436	23,672,557
Total Liabilities	17,530,331	72,256,366	13,167,378	14,715,134	9,079,338	4,094,356	21,559,436	152,402,339
Liquidity Gap	(11,255,311)	(48,202,051)	(3,577,960)	3,898,949	52,888,400	23,470,276	(17,222,303)	-
Prior Period								
Total Assets	5,441,225	25,613,044	10,765,193	13,826,328	58,866,923	27,991,470	4,138,258	146,642,441
Total Liabilities	18,204,429	65,391,998	13,409,429	13,774,426	9,999,080	5,961,902	19,901,177	146,642,441
Liquidity Gap	(12,763,204)	(39,778,954)	(2,644,236)	51,902	48,867,843	22,029,568	(15,762,919)	-

- (*) 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 214,498 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included 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 Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	626,754	304,670	617,193	375,096
Central Bank of Turkey	1,956,751	9,342,775	972,268	6,212,587
Others	-	73,431	30	83,977
Total	2,583,505	9,720,876	1,589,491	6,671,660

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,956,751	1,445,065	972,268	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	7,897,710	-	6,212,587
Total	1,956,751	9,342,775	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 Information on 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	-	407,318	-	646,886
Assets Subject to Repurchase Agreements	-	169,988	-	-
Total	-	577,306	-	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	58,918	10,714	68,193	20,179
Swap Transactions	321,095	221,775	13,865	379,817
Futures	-	5,196	-	4,950
Options	48,407	36,840	108,370	55,608
Other	-	-	-	-
Total	428,420	274,525	190,428	460,554

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	189,414	35,812	32,179	157
Foreign banks	2,096,633	5,571,891	2,070,313	12,241,302
Foreign headoffices and branches	-	-	-	-
Total	2,286,047	5,607,703	2,102,492	12,241,459

The placements at foreign banks include blocked accounts amounting TL 5,924,862 thousands (31 December 2011: TL 7,888,133 thousands) of which TL 92,970 thousands (31 December 2011: TL 185,474 thousands) and TL 28,367 thousands (31 December 2011: TL 26,372 thousands) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus (and 31 December 2011: TL 215,432 thousands at the central bank of Luxembourg), respectively as reserve deposits, and TL 5,803,525 thousands (31 December 2011: TL 7,460,855 thousands) as collateral against funds borrowed.

Due from foreign banks:

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”.

5.1.4 Financial assets available-for-sale

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

The collateralized financial assets available-for-sale in TL consist of government bonds. The total carrying value of such securities with total face value of TL 9,006,424 thousands (31 December 2011: TL 6,493,103 thousands) is TL 9,135,925 thousands (31 December 2011: TL 6,716,870 thousands). The related accrued interests amount to TL 1,034,201 thousands (31 December 2011: TL 613,321 thousands). The related impairment losses on these securities amount to TL 4,962 thousands (31 December 2011: TL 24,481 thousands).

In prior period, the collateralized financial assets available-for-sale in foreign currencies consisted of Eurobonds. The total carrying value of such securities with total face value of USD 9,925,000 and EUR 32,500,000, were USD 10,119,913 and EUR 26,364,891. The related accrued interests amounted to USD 1,300,911 and EUR 29,997. The related impairment losses on these securities amounted to EUR 12,333.

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	10,165,164	-	7,622,941	85,188
Assets subject to Repurchase Agreements	12,281,726	-	11,142,092	353,925
Total	22,446,890	-	18,765,033	439,113

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	31,717,595	26,731,268
Quoted at Stock Exchange	29,883,248	24,915,253
Unquoted at Stock Exchange	1,834,347	1,816,015
Common Shares/Investment Funds	26,884	19,666
Quoted at Stock Exchange ^(*)	5,081	5,081
Unquoted at Stock Exchange	21,803	14,585
Value Increases/Impairment Losses (-)	3,032,000	2,048,710
Total	34,776,479	28,799,644

As of 30 June 2012, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 425,000,000 (31 December 2011: USD 425,000,000) and a total carrying value of TL 767,796 thousands (31 December 2011: TL 804,237 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	6	54,070	26	34,925
Corporates	6	54,070	26	34,925
Individuals	-	-	-	-
Indirect Lendings to Shareholders	293,130	323,825	245,679	478,356
Loans to Employees	94,609	-	86,115	-
Total	387,745	377,895	331,820	513,281

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)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Current Period				
Loans	84,413,787	713,877	1,079,412	1,147,586
Discounted Bills	708,340	-	1,432	49
Export Loans	3,392,057	16,713	17,989	77,529
Import Loans	3,061	-	-	-
Loans to Financial Sector	1,777,236	2,926	-	-
Foreign Loans (*)	2,235,379	98,126	113,927	3,817
Consumer Loans	19,025,600	399,527	206,745	89,610
Credit Cards	10,442,880	-	109,057	166,106
Precious Metal Loans	199,940	454	219	448
Other	46,629,294	196,131	630,043	810,027
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	84,413,787	713,877	1,079,412	1,147,586

(*) Loans amounting to TL 214,498 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Foreign Loans”.

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Prior Period				
Loans	80,928,213	588,445	838,780	1,177,492
Discounted Bills	520,754	641	1,490	16
Export Loans	3,526,691	15,283	6,311	87,254
Import Loans	730	-	-	-
Loans to Financial Sector	1,984,144	10,500	1,378	-
Foreign Loans	1,929,013	61,725	1,963	4,264
Consumer Loans	17,673,263	305,651	155,328	119,997
Credit Cards	9,653,599	-	81,726	146,634
Precious Metal Loans	245,969	4,647	5,452	1,275
Other	45,394,050	189,998	585,132	818,052
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	80,928,213	588,445	838,780	1,177,492

Collaterals received for loans under follow-up:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Current Period				
Loans Collateralized by Cash	15,674	2,463	-	18,137
Loans Collateralized by Mortgages	402,848	119,784	-	522,632
Loans Collateralized by Pledged Assets	482,529	17,270	-	499,799
Loans Collateralized by Cheques and Notes	159,593	137,758	-	297,351
Loans Collateralized by Other Collaterals	578,948	1,588	-	580,536
Unsecured Loans	15,888	17,492	275,163	308,543
Total	1,655,480	296,355	275,163	2,226,998

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Prior Period				
Loans Collateralized by Cash	21,125	805	-	21,930
Loans Collateralized by Mortgages	430,374	102,467	-	532,841
Loans Collateralized by Pledged Assets	488,931	16,038	-	504,969
Loans Collateralized by Cheques and Notes	159,881	108,712	-	268,593
Loans Collateralized by Other Collaterals	370,689	3,305	-	373,994
Unsecured Loans	41,587	43,998	228,360	313,945
Total	1,512,587	275,325	228,360	2,016,272

Delinquency periods of loans under follow-up:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Current Period				
31-60 days	33,860	128,079	85,222	247,161
61-90 days	23,837	39,444	23,835	87,116
Others	1,597,783	128,832	166,106	1,892,721
Total	1,655,480	296,355	275,163	2,226,998

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Prior Period				
31-60 days	33,508	102,844	64,559	200,911
61-90 days	120,717	23,282	17,167	161,166
Others	1,358,362	149,199	146,634	1,654,195
Total	1,512,587	275,325	228,360	2,016,272

Loans with extended maturities:

Current Period							
No. of Extensions	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1-5 Years	Over 5 years	Total
1 or 2 times	96,473	17,922	40,831	181,436	614,092	162,727	1,113,481
3, 4 or 5 times	37	538	777	17,761	20,998	317	40,428
Over 5 times	-	-	8	-	2,305	1	2,314
Total	96,510	18,460	41,616	199,197	637,395	163,045	1,156,223

Prior Period							
No. of Extensions	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1-5 Years	Over 5 years	Total
1 or 2 times	113,257	26,946	53,279	180,413	472,779	91,882	938,556
3, 4 or 5 times	-	15,057	663	320	24	-	16,064
Over 5 times	-	-	-	-	-	-	-
Total	113,257	42,003	53,942	180,733	472,803	91,882	954,620

5.1.5.3 Maturity analysis of 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”.

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

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	450,136	18,475,679	18,925,815
Housing Loans	15,202	9,291,023	9,306,225
Automobile Loans	21,472	1,142,830	1,164,302
General Purpose Loans	71,284	985,910	1,057,194
Other	342,178	7,055,916	7,398,094
Consumer Loans – FC-indexed	-	324,606	324,606
Housing Loans	-	310,113	310,113
Automobile Loans	-	468	468
General Purpose Loans	-	8,417	8,417
Other	-	5,608	5,608
Consumer Loans – FC	-	38,476	38,476
Housing Loans	-	29,280	29,280
Automobile Loans	-	7,238	7,238
General Purpose Loans	-	868	868
Other	-	1,090	1,090
Retail Credit Cards – TL	10,007,450	141,646	10,149,096
With Installment	4,547,284	141,646	4,688,930
Without Installment	5,460,166	-	5,460,166
Retail Credit Cards – FC	20,416	-	20,416
With Installment	4,044	-	4,044
Without Installment	16,372	-	16,372
Personnel Loans – TL	18,788	28,504	47,292
Housing Loan	-	1,225	1,225
Automobile Loans	-	144	144
General Purpose Loans	3,733	3,902	7,635
Other	15,055	23,233	38,288
Personnel Loans - FC-indexed	-	75	75
Housing Loans	-	75	75
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	137	137
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	137	137
Other	-	-	-
Personnel Credit Cards – TL	39,214	458	39,672
With Installment	30,172	458	30,630
Without Installment	9,042	-	9,042
Personnel Credit Cards – FC	354	-	354
With Installment	80	-	80
Without Installment	274	-	274
Deposit Accounts– TL (real persons)	385,081	-	385,081
Deposit Accounts– FC (real persons)	-	-	-
Total	10,921,439	19,009,581	29,931,020

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
Other	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
Other	-	9,366	9,366
Consumer Loans – FC	15	34,701	34,716
Housing Loans	-	24,062	24,062
Automobile Loans	-	8,248	8,248
General Purpose Loans	15	745	760
Other	-	1,646	1,646
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	21,042	-	21,042
With Installment	4,016	-	4,016
Without Installment	17,026	-	17,026
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
Other	19,803	18,832	38,635
Personnel Loans - FC-indexed	-	94	94
Housing Loans	-	94	94
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	39	41	80
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	39	41	80
Other	-	-	-
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	223	-	223
With Installment	27	-	27
Without Installment	196	-	196
Deposit Accounts– TL (real persons)	411,687	-	411,687
Deposit Accounts– FC (real persons)	-	-	-
Total	10,146,153	17,558,591	27,704,744

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	1,132,452	7,543,368	8,675,820
Real Estate Loans	1,848	551,846	553,694
Automobile Loans	59,831	1,534,671	1,594,502
General Purpose Loans	1,070,770	5,454,797	6,525,567
Other	3	2,054	2,057
Installment-based Commercial Loans - FC-indexed	103,103	672,025	775,128
Real Estate Loans	52	46,257	46,309
Automobile Loans	4,299	208,989	213,288
General Purpose Loans	98,752	416,779	515,531
Other	-	-	-
Installment-based Commercial Loans – FC	106	86,482	86,588
Real Estate Loans	-	1,570	1,570
Automobile Loans	65	3,757	3,822
General Purpose Loans	41	9,109	9,150
Other	-	72,046	72,046
Corporate Credit Cards – TL	502,694	719	503,413
With Installment	234,640	719	235,359
Without Installment	268,054	-	268,054
Corporate Credit Cards – FC	5,092	-	5,092
With Installment	-	-	-
Without Installment	5,092	-	5,092
Deposit Accounts– TL (corporates)	621,036	-	621,036
Deposit Accounts– FC (corporates)	-	-	-
Total	2,364,483	8,302,594	10,667,077

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
Other	-	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
Other	-	-	-
Installment-based Commercial Loans – FC	463	94,244	94,707
Real Estate Loans	-	1,178	1,178
Automobile Loans	151	4,724	4,875
General Purpose Loans	312	5,200	5,512
Other	-	83,142	83,142
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	1,843,893	7,986,158	9,830,051

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	84,903,413	81,535,965
Foreign Loans (*)	2,451,249	1,996,965
Total	87,354,662	83,532,930

(*) Loans amounting to TL 214,498 thousands classified under “financial assets at fair value through profit or loss” in the accompanying balance sheet, are included above under “Foreign Loans”.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	1,126,435	1,219,109
Indirect Lending	-	-
Total	1,126,435	1,219,109

5.1.5.9 Specific provisions for loans

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	153,381	28,890
Doubtful Loans and Receivables	139,964	156,321
Uncollectible Loans and Receivables	1,014,303	1,066,504
Total	1,307,648	1,251,715

5.1.5.10 Non-performing loans and other receivables (NPLs) (Net)

Non-performing loans and other receivables restructured or rescheduled (gross amounts before specific provisions):

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
(Gross Amounts before Specific Provisions)	19,131	22,509	73,536
Restructured Loans and Receivables	19,131	22,509	73,536
Rescheduled Loans and Receivables	-	-	-
Prior Period			
(Gross Amounts before Specific Provisions)	12,368	20,353	90,382
Restructured Loans and Receivables	12,368	20,353	90,382
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
Balances at Beginning of Period	78,176	191,288	1,262,623
Additions during the Period (+)	367,955	2,900	25,479
Transfer from Other NPL Categories (+)	-	190,534	179,340
Transfer to Other NPL Categories (-)	190,534	179,550	1,217
Collections during the Period (-)	26,895	22,901	95,319
Write-offs (-) (*)	-	-	169,984
Corporate and Commercial Loans	-	-	2,864
Retail Loans	-	-	33,577
Credit Cards	-	-	133,543
Others	-	-	-
Balances at End of Period	228,702	182,271	1,200,922
Specific Provisions (-)	153,381	139,964	1,014,303
Net Balance on Balance Sheet	75,321	42,307	186,619

(*) This amount is due to sale of non-performing loans.

	Group III	Group IV	Group V
Prior Period	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	69,719	138,127	1,731,263
Additions during the Period (+)	303,743	81,937	91,767
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	362,328
Write-offs (-) (*)	-	-	200,415
Corporate and Commercial Loans	-	-	25,841
Retail Loans	-	-	105,598
Credit Cards	-	-	68,976
Others	-	-	-
Balances at End of Period	78,176	191,288	1,262,623
Specific Provisions (-)	28,890	156,321	1,066,504
Net Balance on Balance Sheet	49,286	34,967	196,119

(*) TL 200,310 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	450,411	248,229	553,075	1,251,715
Additions during the Period(+)	115,567	89,395	115,527	320,489
Restructured/Rescheduled Loans (-)	245	75	-	320
Collections during the Period (-)	27,164	30,630	36,458	94,252
Write-offs (-)	2,864	33,577	133,543	169,984
Balances at End of Period	535,705	273,342	498,601	1,307,648

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	576,401	377,447	633,701	1,587,549
Additions during the Period(+)	159,134	77,482	112,034	348,650
Restructured/Rescheduled Loans (-)	161,237	179	-	161,416
Collections during the Period (-)	98,128	100,986	123,684	322,798
Write-offs (-)	25,759	105,535	68,976	200,270
Balances at End of Period	450,411	248,229	553,075	1,251,715

Non-performing loans and other receivables 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	73,416	3,477	219,755
Specific Provisions (-)	68,401	430	181,875
Net Balance at Balance Sheet	5,015	3,047	37,880
Prior Period			
Balance at End of Period	3,038	26,843	195,255
Specific Provisions (-)	211	18,555	152,194
Net Balance at Balance Sheet	2,827	8,288	43,061

Gross and net non-performing loans and receivable 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)	75,321	42,307	186,619
Loans to Individuals and Corporates (Gross)	228,702	182,271	1,193,893
Specific Provision (-)	153,381	139,964	1,007,274
Loans to Individuals and Corporates (Net)	75,321	42,307	186,619
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,718
Specific Provision (-)	-	-	6,718
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	49,286	34,967	196,119
Loans to Individuals and Corporates (Gross)	78,176	191,288	1,255,583
Specific Provision (-)	28,890	156,321	1,059,464
Loans to Individuals and Corporates (Net)	49,286	34,967	196,119
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	227	206	-	433
Loans Collateralized by Mortgages	292,780	44,461	-	337,241
Loans Collateralized by Pledged Assets	87,548	35,121	-	122,669
Loans Collateralized by Cheques and Notes	170,111	167,845	-	337,956
Loans Collateralized by Other Collaterals	189,044	6,574	-	195,618
Unsecured Loans	34,447	57,767	525,764	617,978
Total	774,157	311,974	525,764	1,611,895

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	353	149	-	502
Loans Collateralized by Mortgages	241,111	47,657	-	288,768
Loans Collateralized by Pledged Assets	84,078	33,968	-	118,046
Loans Collateralized by Cheques and Notes	153,856	125,391	-	279,247
Loans Collateralized by Other Collaterals	159,124	8,795	-	167,919
Unsecured Loans	29,912	68,234	579,459	677,605
Total	668,434	284,194	579,459	1,532,087

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” policies

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 Investments held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	916,057	464,649	2,470,203	487,156
Investments subject to Repurchase Agreements	203,164	-	156,819	-
Total	1,119,221	464,649	2,627,022	487,156

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	1,573,902	3,170,068
Treasury Bills	-	-
Other Government Securities	1,536,705	1,610,487
Total	3,110,607	4,780,555

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	2,993,051	4,521,731
Quoted at Stock Exchange	2,985,986	4,515,950
Unquoted at Stock Exchange	7,065	5,781
Valuation Increase / (Decrease)	124,664	264,799
Total	3,117,715	4,786,530

5.1.6.4 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	(71,952)	292,041
Purchases during the Period	7,065	5,781
Disposals through Sales/Redemptions	(1,463,793)	(1,360,037)
Valuation Effect	(140,135)	(45,186)
Balances at End of Period	3,117,715	4,786,530

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi AŞ ⁽¹⁾	İstanbul/Türkiye	10.15	10.15
2	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	İstanbul/Türkiye	0.77	0.77
3	İMKB Takas ve Saklama Bankası AŞ ⁽¹⁾	İstanbul/Türkiye	5.83	5.83
4	Vadeli İşlem ve Opsiyon Borsası AŞ ⁽¹⁾	İstanbul/Türkiye	6.00	6.00
5	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	İstanbul/Türkiye	9.09	9.09
6	Gelişen Bilgi Teknolojileri AŞ ⁽²⁾	İstanbul/Türkiye	5.00	5.00
7	Türkiye Cumhuriyet Merkez Bankası AŞ ⁽³⁾	Ankara / Türkiye	2.48	2.48
8	Kredi Garanti Fonu AŞ ⁽¹⁾	Ankara / Türkiye	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	Company's Fair Value (if available)
1	25,106	20,942	10,754	243	6	2,458	3,592	-
2	602,108	65,998	1,376	4,220	50	581	1,239	-
3	3,334,107	289,123	13,095	21,318	738	13,489	92,543	-
4	69,515	59,458	4,114	1,482	26	3,342	42,937	-
5	53,021	41,442	2,398	348	-	7,454	18,340	-
6	427	425	-	12	-	(5)	345	-
7	219,810,695	29,740,117	242,921	2,981,762	2,110,871	18,381,955	10,830,725	-
8	203,965	196,750	3,356	2,435	1	1,928	8,579	-

(1) Financial information is as of 31 March 2012.

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

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

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

5.1.7.2 Movement of investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	19,834	29,512
Movements during the Period	58	(9,678)
Acquisitions and Capital Increases	-	1,000
Bonus Shares Received	58	634
Dividends from Current Year Profit	-	-
Sales(*)	-	(11,312)
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	19,892	19,834
Capital Commitments	1,000	1,000
Share Percentage at the End of Period (%)	-	-

In 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.

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	18,178	18,120
Other Associates	1,714	1,714

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	Current Period	Prior Period
Valued at Cost	19,892	19,834
Valued at Fair Value	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. TAŞ	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	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	99.96	99.96
7	Garanti Faktoring Hizmetleri AŞ ⁽¹⁾	Istanbul/Turkey	81.84	81.84
8	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	100.00
9	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	100.00
10	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	84.91
11	Garanti Bank International NV	Amsterdam/The Netherlands	100.00	100.00
12	Garanti Bank Moscow	Moscow/Russia	99.94	100.00
13	Garanti Holding BV	Amsterdam/The Netherlands	100.00	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	37,265	28,030	596	19	1,294	4,243	(84,190)	-
2	32,669	14,633	6,079	454	562	521	13,534	-
3	1,107	872	15	-	12	557	(98)	-
4	1,194	377	62	-	13	(4)	40	-
5	1,205	1,065	-	-	32	(290)	585	-
6	2,786,949	531,047	17,176	103,399	-	31,189	401,443	-
7	1,239,005	91,540	2,659	32,742	97	6,994	59,815	105,840
8	39,871	29,201	5,368	394	1,147	(2,608)	16,414	-
9	19,287	16,445	2,538	533	29	1,409	1,805	-
10	3,665,180	517,507	14,435	27,841	3,622	75,242	364,694	-
11	10,240,020	924,216	48,743	225,223	36,207	61,950	474,899	905,676
12	776,489	146,569	40,152	15,564	8,659	6,740	80,620	161,094
13	687,620	687,620	-	-	-	(72)	(118,323)	692,938

(1) Financial information is as of 31 March 2012.

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

5.1.8.2 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	2,168,576	1,655,134
Movements during the Period	17,693	513,442
Acquisitions and Capital Increases	-	83,420
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassification of Shares	-	8,653
Increase/(Decrease) in Market Values	92,210	163,773
Currency Differences on Foreign Subsidiaries	(74,517)	171,328
Impairment Reversals/(Losses)	-	86,268
Balance at End of Period	2,186,269	2,168,576
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.8.3 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	1,066,676	1,023,375
Insurance Companies	56,545	56,545
Factoring Companies	86,623	68,749
Leasing Companies	110,743	110,743
Finance Companies	761,597	805,079
Other Subsidiaries	104,085	104,085

5.1.8.4 Quoted subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	86,623	68,749
Quoted at International Stock Exchanges	-	-

5.1.8.5 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	340,031	340,031
Valued at Fair Value	1,846,238	1,828,545

5.1.8.6 Investments in subsidiaries disposed during the current period

None.

5.1.8.7 Investments in subsidiaries acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 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	-	-	-	129,335
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	-	-	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. On 5 June 2012, the Bank ceased to apply hedge accounting as per TAS 39 due to early closing of the related derivative transactions held for fair value risk management.

5.1.12 Tangible 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”.

5.1.13 Intangible 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”.

5.1.14 Investment property

Real Estate Type	Cost	Accumulated Depreciation (-)	Impairment Losses	Intend of Use
Building	74,678	(12,012)	-	Operational lease
Land	-	-	-	-

5.1.15 Deferred tax asset

As of 30 June 2012, the Bank has a deferred tax asset of TL 146,760 thousands (31 December 2011: TL 6,359 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 June 2012. However, there is a deferred tax asset of TL 216,950 thousands (31 December 2011: TL 134,774 thousands) and deferred tax liability of TL 70,190 thousands (31 December 2011: TL 128,415 thousands) presented as net in the accompanying 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.

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.

5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	124,203	99,700
Accumulated Depreciation (-)	(2,444)	(1,644)
Net Book Value	121,759	98,056
End of Current Period		
Additions	36,762	96,975
Disposals (Cost)	(33,536)	(70,562)
Disposals (Accumulated Depreciation)	473	659
Impairment Losses (-)	(891)	(1,910)
Depreciation Expense for Current Period (-)	(1,031)	(1,459)
Currency Translation Differences on Foreign Operations	-	-
Cost	126,538	124,203
Accumulated Depreciation (-)	(3,002)	(2,444)
Net Book Value	123,536	121,759

As of the balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 4,269 thousands (31 December 2011: TL 6,273 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint Ventures	2,986	3,167
Sale of Real Estates	9,970	13,945
Sale of Other Assets	2,985	2,978
Total	15,941	20,090

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	280,402	235,131
Prepaid Taxes	-	-

5.1.18 Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	1,128	1,433	4,614	25,805
Banks	38,983	17,876	19,053	18,519
Interbank Money Markets	-	-	-	-
Financial Assets Available-for-Sale	3,027,921	21,441	2,232,901	51,024
Loans	770,544	428,752	812,775	402,615
Investments Held-to-Maturity	94,721	29,944	233,024	31,774
Other Accruals	3,947	6,309	10,870	-
Total	3,937,244	505,755	3,313,237	529,737

5.2 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 Accounts	Total
Saving Deposits	3,283,579	-	3,592,440	25,655,777	520,069	110,405	284,718	2,172	33,449,160
Foreign Currency Deposits	6,038,944	-	4,049,341	16,009,103	1,217,742	3,147,606	1,316,536	79,515	31,858,787
Residents in Turkey	5,762,577	-	3,873,425	14,500,461	1,076,308	1,186,617	679,951	78,031	27,157,370
Residents in Abroad	276,367	-	175,916	1,508,642	141,434	1,960,989	636,585	1,484	4,701,417
Public Sector Deposits	387,294	-	1,947	24,273	9	-	-	-	413,523
Commercial Deposits	4,074,389	-	2,307,449	7,650,033	219,716	98,623	252,069	-	14,602,279
Other	70,957	-	10,825	241,615	277,209	588	296	-	601,490
Precious Metal Deposits	2,360,584	-	4,802	13,424	-	2,172	-	-	2,380,982
Bank Deposits	677,422	-	638,359	1,993,772	579,494	62,072	163,961	-	4,115,080
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	973	-	465,441	380,500	11,262	54,592	-	-	912,768
Foreign Banks	225,798	-	172,918	1,613,272	568,232	7,480	163,961	-	2,751,661
Special Financial Institutions	450,651	-	-	-	-	-	-	-	450,651
Other	-	-	-	-	-	-	-	-	-
Total	16,893,169	-	10,605,163	51,587,997	2,814,239	3,421,466	2,017,580	81,687	87,421,301

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 Accounts	Total
Saving Deposits	2,925,484	-	3,877,057	22,053,893	958,056	269,486	272,297	1,531	30,357,804
Foreign Currency Deposits	7,140,570	-	4,496,212	14,863,506	1,492,586	2,795,740	2,008,823	87,885	32,885,322
Residents in Turkey	6,828,537	-	4,324,542	13,817,207	1,249,803	488,656	1,314,294	86,177	28,109,216
Residents in Abroad	312,033	-	171,670	1,046,299	242,783	2,307,084	694,529	1,708	4,776,106
Public Sector Deposits	313,115	-	872	36,525	1,336	6	-	-	351,854
Commercial Deposits	3,731,380	-	2,543,810	5,903,471	3,051,481	538,083	257,370	-	16,025,595
Other	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	713,846	-	423,390	605,619	49,794	185,942	4,750	-	1,983,341
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	6,042	-	27,548	103,181	-	5,391	-	-	142,162
Foreign Banks	162,374	-	395,842	496,326	49,794	180,551	4,750	-	1,289,637
Special Financial Institutions	545,430	-	-	6,112	-	-	-	-	551,542
Other	-	-	-	-	-	-	-	-	-
Total	17,451,068	-	11,363,524	43,737,719	5,563,308	3,793,220	2,544,520	89,416	84,542,775

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

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	12,321,817	11,517,475	20,752,454	18,581,731
Foreign Currency Saving Deposits	3,169,681	3,165,621	11,803,096	12,114,312
Other Saving Deposits	1,177,264	1,214,676	1,149,882	1,254,695
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches 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

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	580,258	441,070
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	277,493	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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	110,260	12,805	61,995	25,309
Swap transactions	457,021	249,375	373,961	197,906
Futures	-	39	-	95
Options	87,860	42,820	59,204	55,847
Other	-	-	-	-
Total	655,141	305,039	495,160	279,157

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	287,530	341,604	265,651	240,192
Foreign Banks, Institutions and Funds	3,863,535	16,954,501	4,118,852	15,898,962
Total	4,151,065	17,296,105	4,384,503	16,139,154

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	261,440	3,738,574	223,318	6,338,631
Medium and Long-Term	3,889,625	13,557,531	4,161,185	9,800,523
Total	4,151,065	17,296,105	4,384,503	16,139,154

5.2.3.2 Disclosures for concentration areas of bank's 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".

5.2.4 Other external funds

5.2.4.1 Securities issued

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	2,610,781	-	-	1,424,000
Cost	2,505,406	-	-	1,415,865
Carrying Value (*)	2,415,714	-	-	1,566,248

Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	2,500,000	-	-	1,200,000
Cost	2,365,935	-	-	1,193,145
Carrying Value (*)	2,082,601	-	-	1,621,496

(*) The Bank repurchased its own TL securities with total nominal value of TL 151,310 thousands (31 December 2011: TL 369,681 thousands) and netted off such securities in the accompanying financial statement.

5.2.4.2 Funds provided through repurchase transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	9,872,381	-	8,338,230	-
Financial Institutions and Organizations	9,832,209	-	8,293,202	-
Other Institutions and Organizations	20,047	-	20,249	-
Individuals	20,125	-	24,779	-
Foreign Transactions	536,405	1,210,307	388	2,616,373
Financial Institutions and Organizations	536,250	1,210,307	-	2,616,373
Other Institutions and Organizations	155	-	-	-
Individuals	-	-	388	-
Total	10,408,786	1,210,307	8,338,618	2,616,373

5.2.4.3 *Miscellaneous payables*

	Current Period		Prior Period	
	TL	FC	TL	FC
Payables from credit card transactions	3,748,410	36,719	3,331,594	36,887
Other	130,806	230,290	150,297	38,553
Total	3,879,216	267,009	3,481,891	75,440

5.2.5 **Lease payables (Net)**

5.2.5.1 *Financial lease payables*

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	1	1	4	4
1-4 Years	1	1	1	1
More than 4 Years	-	-	-	-
Total	2	2	5	5

5.2.5.2 *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.

5.2.6 **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	-	229	-	782
Net foreign investment hedges	-	-	-	-
Total	-	229	-	782

5.2.7 **Provisions**

5.2.7.1 *General provisions*

	Current Period	Prior Period
General Provision for	1,077,249	1,013,949
Loans and Receivables in Group I	942,280	888,467
Loans and Receivables in Group II	57,952	50,179
Non-Cash Loans	77,017	75,303
Other	-	-

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

	Current Period	Prior Period
Short-Term Loans	15,801	2,345
Medium and Long-Term Loans	7,693	968
Total	23,494	3,313

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

5.2.7.3 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”.

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	420,000	420,000

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	338,666	266,805
Provision for Promotion Expenses of Credit Cards	47,996	44,353
Provision for Lawsuits	22,060	15,906
Other Provisions	20,628	17,835
Total	429,350	344,899

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 (31 December 2010: TL 951,896 thousands) 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 (31 December 2010: TL 504,338 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 (31 December 2010: TL 266,382 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	31 December 2010
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(376,357)	(315,823)
Net present value of medical benefits and health premiums transferable to SSF	305,628	266,382
General administrative expenses	(20,039)	(19,046)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(90,768)	(68,487)
Fair Value of Plan Assets (2)	1,233,840	1,020,383
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	1,143,072	951,896
Non-Transferable Benefits:		
Other pension benefits	(264,514)	(242,307)
Other medical benefits	(137,859)	(205,251)
Total Non-Transferable Benefits (4)	(402,373)	(447,558)
Asset Surplus over Total Benefits ((3)-(4)=(5))	740,699	504,338
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(305,628)	(266,382)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	435,071	237,956

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	31 December 2010
	%	%
Discount Rate (*)	9.52	10.00
Inflation Rate (*)	5.06	5.10
Future Real Salary Increase Rate	1.50	1.50
Medical Cost Trend Rate	40% above inflation	%1.60 above inflation
Future Pension Increase Rate (*)	5.06	5.10

(*) As of 31 December 2011, the above rates are effective rates, whereas the rates applied 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.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 30 June 2012, the Bank had a current tax liability of TL 267,377 thousands (31 December 2011: TL 67,849 thousands) after offsetting with prepaid taxes.

5.2.8.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	267,377	67,849
Taxation on Securities Income	91,017	75,858
Taxation on Real Estates Income	2,354	1,907
Banking Insurance Transaction Tax	55,440	46,017
Foreign Exchange Transaction Tax	28	21
Value Added Tax Payable	1,258	2,700
Others	16,016	67,635
Total	433,490	261,987

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	735	24
Bank Pension Fund Premium-Employer	904	36
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	1,202	1,129
Unemployment Insurance-Employer	2,372	2,216
Others	7	8
Total	5,220	3,413

5.2.8.2 Deferred tax liability

None.

5.2.9 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”.

5.2.10 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”.

5.2.11 Shareholders’ equity

5.2.11.1 Paid-in capital

	Current Period	Prior Period
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

5.2.11.2 Registered share capital system

Capital	Paid-in Capital	Ceiling per Registered Share Capital
Registered Shares	4,200,000	10,000,000

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	70,327	498,263	56,027	408,460
Valuation difference	38,010	498,263	23,710	408,460
Exchange rate difference	32,317	-	32,317	-
Securities Available-for-Sale	323,913	(4,059)	124,961	19,086
Valuation difference	323,913	(4,059)	124,961	19,086
Exchange rate difference	-	-	-	-
Total	394,240	494,204	180,988	427,546

5.2.11.9 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 allocated for Capital Increases	739,390	-	596,813	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	Prior Period
Garanti Yatırım Menkul Değerler AŞ	942	942
Kredi Kartları Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Tat Konserve AŞ	36	36
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Total	1,891	1,891

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	801,087	648,013
II. Legal Reserve	114,290	75,290
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

	Current Period	Prior Period
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	9,724,283	7,612,215
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

5.2.12 Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	256,207	121,992	256,928	134,317
Funds Borrowed	116,980	68,502	212,822	83,255
Interbank Money Markets	11,058	3,304	6,920	17,124
Other Accruals	71,471	151,411	38,034	164,795
Total	455,716	345,209	514,704	399,491

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 2,814,507 thousands (31 December 2011: TL 3,093,587 thousands), commitments for cheque payments of TL 3,408,537 thousands (31 December 2011: TL 2,230,853 thousands) and commitments for credit card limits of TL 14,755,150 thousands (31 December 2011: TL 13,540,139 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	8,967,164	9,134,682
Letters of Guarantee in TL	6,498,084	5,786,884
Letters of Credit	5,581,183	5,514,146
Bills of Exchange and Acceptances	847,479	515,550
Prefinancings	-	-
Other Guarantees	67,008	70,236
Total	21,960,918	21,021,498

A specific provision of TL 55,068 thousands (31 December 2011: TL 52,298 thousands) is made for unliquidated non-cash loans of TL 113,668 thousands (31 December 2011: TL 113,577 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

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

As of 30 June 2012, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 425,000,000 (31 December 2011: USD 425,000,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	1,318,853	1,298,865
With Original Maturity of 1 Year or Less	231,451	302,053
With Original Maturity of More Than 1 Year	1,087,402	996,812
Other Non-Cash Loans	20,642,065	19,722,633
Total	21,960,918	21,021,498

5.3.1.4 Sectoral risk concentration of 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 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	1,387,859	99,650	948,343	75,878
Medium and long-term loans	1,719,865	861,560	1,221,310	666,915
Loans under follow-up	20,808	-	44,010	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,128,532	961,210	2,213,663	742,793

(*) Includes also the fee and commission income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	36	-	-	-
Domestic Banks	4,014	194	1,833	390
Foreign Banks	92,560	25,228	76,647	31,392
Foreign Head Offices and Branches	-	-	-	-
Total	96,610	25,422	78,480	31,782

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	15,675	3,909	8,972	1,822
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,906,126	31,460	1,228,674	56,568
Investments Held-to-Maturity	153,430	51,782	232,932	48,505
Total	2,075,231	87,151	1,470,578	106,895

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	31,427	40,129

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	235,274	193,205	268,458	141,475
Central Bank of Turkey	-	646	-	-
Domestic Banks	9,236	4,264	9,071	2,507
Foreign Banks	226,038	188,295	259,387	138,968
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	11,838	-	32,762
Total	235,274	205,043	268,458	174,237

(*) Includes also the fee and commission 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	22,026	16,973

5.4.2.3 Interest expenses on securities issued

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”.

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	108	37,565	-	-	-	-	-	37,673
Saving Deposits	87	159,596	1,230,242	33,897	11,051	11,252	-	1,446,125
Public Sector Deposits	-	142	1,780	118	-	-	-	2,040
Commercial Deposits	66	110,591	380,225	94,127	13,825	11,524	-	610,358
Other	3	884	11,858	8,176	31	10	-	20,962
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	264	308,778	1,624,105	136,318	24,907	22,786	-	2,117,158
Foreign Currency								
Foreign Currency Deposits	358	41,880	279,617	25,014	64,644	33,066	696	445,275
Bank Deposits	-	19,819	-	-	-	-	-	19,819
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	10	-	105	-	-	116
Total FC	358	61,700	279,627	25,014	64,749	33,066	696	465,210
Grand Total	622	370,478	1,903,732	161,332	89,656	55,852	696	2,582,368

Prior Period	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	123	19,323	-	-	-	-	-	19,446
Saving Deposits	240	173,155	745,304	39,306	7,898	7,787	-	973,690
Public Sector Deposits	-	620	756	25	1	-	-	1,402
Commercial Deposits	135	124,276	242,001	38,938	2,451	6,913	-	414,714
Other	11	1,532	8,932	949	8,766	214	-	20,404
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	509	318,906	996,993	79,218	19,116	14,914	-	1,429,656
Foreign Currency								
Foreign Currency Deposits	328	73,459	233,736	13,324	6,553	28,680	839	356,919
Bank Deposits	-	9,746	-	-	-	-	-	9,746
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1	-	-	50	2	-	53
Total FC	328	83,206	233,736	13,324	6,603	28,682	839	366,718
Grand Total	837	402,112	1,230,729	92,542	25,719	43,596	839	1,796,374

5.4.2.5 *Interest expense on repurchase agreements*

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”.

5.4.2.6 *Financial lease expenses*

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”.

5.4.2.7 *Interest expenses on factoring payables*

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”.

5.4.3 **Dividend income**

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”.

5.4.4 Trading income/losses (Net)

	Current Period	Prior Period
Income	23,798,223	47,573,109
Trading Account Income	94,667	292,601
Gains from Derivative Financial Instruments	1,581,907	1,269,144
Foreign Exchange Gains	22,121,649	46,011,364
Losses (-)	23,642,071	47,247,532
Trading Account Losses	7,998	47,814
Losses from Derivative Financial Instruments	1,823,381	1,131,739
Foreign Exchange Losses	21,810,692	46,067,979
Total	156,152	325,577

TL 4,592,639 thousands (30 June 2011: TL 2,324,358 thousands) of foreign exchange gains and TL 4,259,870 thousands (30 June 2011: TL 2,198,671 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial 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.

On 5 June 2012, the Bank ceased to apply hedge accounting and accordingly fair value calculations for these bonds. The accumulated fair value differences incurred starting from the date of hedge accounting up to the date on which it was ceased, are amortized as per the effective interest-rate method in compliance with TAS 39.

5.4.5 Other operating income

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

A part of the Bank’s non-performing loan portfolio amounting to TL 200,564 thousands was sold to a local asset management company at a sale price of TL 32,600 thousands. The sale price is fully recognized as income under other operating income as such receivables were fully provided against in the Bank’s financial statements before the sale.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	313,710	97,548
<i>Loans and receivables in Group III</i>	153,178	19,490
<i>Loans and receivables in Group IV</i>	113,943	64,108
<i>Loans and receivables in Group V</i>	46,589	13,950
General Provisions	66,243	204,926
Provision for Possible Losses	-	100,000
Impairment Losses on Securities	279	2,546
<i>Financial assets at fair value through profit or loss</i>	279	2,518
<i>Financial assets available-for-sale</i>	-	28
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	11,226	32,788
Total	391,458	437,808

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	713,743	607,683
Reserve for Employee Termination Benefits	12,511	10,453
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	86,147	80,420
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	10,659	4,911
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	891	1,256
Depreciation Expenses of Assets to be Disposed	1,031	658
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	689,059	584,259
<i>Operational Lease related Expenses</i>	102,450	85,630
<i>Repair and Maintenance Expenses</i>	10,583	10,912
<i>Advertisement Expenses</i>	47,988	30,254
<i>Other Expenses</i>	528,038	457,463
Loss on Sale of Assets	547	806
Others	146,628	127,569
Total	1,661,216	1,418,015

5.4.8 Information on profit/loss before taxes from continued and 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”.

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 30 June 2012, the Bank recorded a tax charge of TL 561,165 thousands (30 June 2011: TL 232,710 thousands) and a deferred tax income of TL 148,408 thousands (30 June 2011: a deferred tax expense of TL 236,262 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax (benefit)/charge on timing differences	Current Period	Prior Period
Increase in tax deductible timing differences (+)	129,144	13,680
Decrease in tax deductible timing differences (-)	17,382	203,493
Increase in taxable timing differences (-)	2,695	54,766
Decrease in taxable timing differences (+)	39,341	8,317
Total	(148,408)	236,262

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 deductible timing differences (net)	(111,762)	189,813
(Increase)/decrease in taxable timing differences (net)	(36,646)	46,449
(Increase)/decrease in tax losses (net)	-	-
(Increase)/decrease in tax deductions and exemptions (net)	-	-
Total	(148,408)	236,262

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 communique “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 the 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.

5.4.12 Components of other items in income statement

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

5.5 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 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 the 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	3,932,849	1,359,135	26	34,925	245,679	478,356
Balance at end of period	3,218,456	1,295,109	6	54,070	293,130	323,825
Interest and Commission Income	74,141	96	370	3	9,118	582

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	3,475,734	757,091	14	4,831	232,831	358,273
Balance at end of period	3,932,849	1,359,135	26	34,925	245,679	478,356
Interest and Commission Income	91,841	102	1	2	7,307	696

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	386,511	571,953	1,109,031	207,006	341,540	389,333
Balance at end of period	453,232	386,511	204,985	1,109,031	261,301	341,540
Interest Expense	22,026	16,973	10,391	22,730	8,053	6,136

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 for Trading:						
Balance at beginning of period	951,574	707,375	1,066,781	-	28,710	3,992
Balance at end of period	1,214,056	951,574	1,048,647	1,066,781	7,113	28,710
Total Profit/(Loss)	17,649	1,719	(8,850)	(115)	1,096	178
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The 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 1,419,571 thousands (31 December 2011: TL 1,464,814 thousands) compose 1.62% (31 December 2011: 1.75%) of the Bank's total cash loans and 0.93% (31 December 2011: 1.00%) of the Bank's total assets. The total loans and similar receivables amounting TL 3,511,592 thousands (31 December 2011: TL 4,178,554 thousands) compose 2.31% (31 December 2011: TL 2.85%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 1,673,004 thousands (31 December 2011: TL 1,872,416 thousands) compose 7.62% (31 December 2011: 8.91%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 919,518 thousands (31 December 2011: TL 1,837,082 thousands) compose 1.05% (31 December 2011: 2.17%) of the Bank's total deposits. The funds borrowed by the Bank from its risk group amounting TL 40,648 thousands (31 December 2011: TL 48,432 thousands) compose 0.19% (31 December 2011: 0.24%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arms-length basis.

Furthermore, there is a credit card (POS) payable amounting TL 58,705 thousands (31 December 2011: TL 57,693 thousands) to related parties.

Operating expenses of TL 3,363 thousands (30 June 2011: TL 3,126 thousands) for IT services and rent income of TL 1,830 thousands (30 June 2011: TL 1,411 thousands) for the real estates rented to related parties, are recorded.

As of 30 June 2012, the net payment provided or to be provided to the key management of the Bank amounts to TL 37,559 thousands (30 June 2011: TL 43,416 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 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 the Bank's internal use are partly arranged through financial leasing.

5.8 Domestic, Foreign and Off-Shore Branches or Investments and Foreign Representative

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 Balance Sheet Date

None.

5.10 Other Disclosures on Activities of the Bank

5.10.1 The Bank's latest international risk ratings

MOODY'S (July 2012*)

Long Term FC Deposit	Ba2
Long Term TL Deposit	Baa2
Short Term TL Deposit	Prime-2
Short Term FC Deposit	NP
Long Term FC Deposit Outlook	Stable
Financial Strength Rate (FSR)	D+
FSR Outlook	Stable
Long Term National	Aa2.tr
Short Term National	TR-1

STANDARD AND POORS (May 2012*)

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

FITCH RATINGS (July 2012*)

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

JCR EURASIA RATINGS (April 2012*)

Long Term International FC	BBB- (Stable)
Long Term International TL	BBB (Stable)
Long Term National	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 Dividends

At the annual general assembly 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)

6 Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The unconsolidated interim financial statements of the Bank as of 30 June 2012, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited). It was noted in their limited review report dated 30 July 2012 that except for the effect of the matter described in the third paragraph on the financial statements, nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as of 30 June 2012.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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