

**TÜRK EKONOMİ BANKASI
ANONİM ŞİRKETİ**

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

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Türk Ekonomi Bankası A.Ş.
İstanbul

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE PERIOD JANUARY 1, 2011 – SEPTEMBER 30, 2011

We have reviewed the accompanying balance sheet of Türk Ekonomi Bankası A.Ş. (the "Bank") as at September 30, 2011 and the related statements of income, cash flows and changes in shareholders' equity 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 lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank for the period ended September 30, 2011 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 Banking Regulation and Supervision Agency ("BRSA").

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.

İstanbul, November 10, 2011

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

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Özlem Gören Güçdemir
Partner

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

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The unconsolidated financial report for the nine months designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures for the nine months, unless otherwise indicated, are prepared **in thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently reviewed and presented as attached.

	Jean -Milan Charles				
	Dominique				
Yavuz Canevi	Givadinovitch	Dr. Akın Akbaygil	Varol Civil	M. Aşkın Dolaştır	Gökhan Kazcılar
Chairman of the	Chairman	Vice Chairman	General	Assistant General	Director
Board of	of the Audit	of the Audit	Manager	Manager Responsible of	Responsible of
Directors	Committee	Committee		Financial Reporting	Financial Reporting

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

Name-Surname / Title: Çiğdem Başaran / Investor Relations Manager

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SECTION ONE

GENERAL INFORMATION

I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status, if any

Türk Ekonomi Bankası Anonim Şirketi (the “Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul.

II. Explanation on the Bank’s Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

Following announcement of the Banking Regulation and Supervision Agency (the “BRSA”) approval dated February 10, 2011 at the Official Gazette dated February 12, 2011 and numbered 27844, merger of two banks by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated February 14, 2011 to İstanbul Trade Registry. Due to the merger, ceiling for the registered capital of the Bank is increased from TRY 1,400,000 to TRY 2,204,390, and the issued capital of the Bank is increased by TRY 1,104,390, from TRY 1,100,000 to TRY 2,204,390.

Issued registered shares were distributed to the shareholders of Fortis Bank A.Ş., which was dissolved due to the merger, in exchange of their current shares. Fortis Bank A.Ş. shareholders received 1.0518 registered Türk Ekonomi Bankası A.Ş. (“TEB”) shares for each Fortis Bank A.Ş. share having a nominal value of TRY 1.

As a consequence of the merger, Fortis Bank SA/NV became shareholder of TEB with a shareholding percentage of 47.15% and BNP Paribas SA’s indirect ownership increased to 51.086% due to its 75% ownership in Fortis Bank SA/NV and 50% share in TEB Mali Yatırımlar A.Ş. whose ownership percentage became 42.043% in TEB following the merger transaction.

As declared in the public disclosure dated June 3, 2010 and the following public disclosures, and within the framework of the agreement between BNP Paribas Group and Çolakoğlu Group, restructuring procedures to allow TEB Mali Yatırımlar A.Ş. to continue being the majority shareholder of the Bank and to allow each of Çolakoğlu Group and BNP Paribas Group to hold 50% of the shares in TEB Mali Yatırımlar A.Ş. following the merger, subject to the required approvals of the regulatory authorities. Accordingly, as a result of the abovementioned restructuring procedures, which include a capital increase in TEB Mali Yatırımlar A.Ş. and several share transfers, TEB Mali Yatırımlar A.Ş.’s shareholding ratio in the Bank is aimed to be increased to 55%, and the shareholding ratios of each of Çolakoğlu Group and BNP Paribas Group in TEB Mali Yatırımlar A.Ş. are aimed to be 50%, subject to the required approvals of the regulatory authorities.

At the Extraordinary General Assembly of TEB Mali Yatırımlar A.Ş., held on March 25, 2011, it was resolved to change the trade name of the company to “TEB Holding A.Ş.”; to increase its share capital from TRY 500,000 to TRY 590,863 through the issuance of 90,863,380 shares.

BNP Paribas Fortis Yatırımlar Holding A.Ş., one of the shareholders of TEB Holding A.Ş., subscribed to 88,423,113 newly-issued shares with respect to the mentioned capital increase; and as a result of this capital increase, shareholding ratio of BNP Paribas Fortis Yatırımlar Holding A.Ş. in TEB Holding A.Ş., has been increased from 50.00% to 57.28%.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

II. Explanation on the Bank's Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to (continued)

In addition, following the above-mentioned transactions, for Çolakoğlu Group and BNP Paribas Group to have equal shareholding in TEB Holding A.Ş. (50% each), BNP Paribas Fortis Yatırımlar Holding A.Ş.'s 7.28% shares in TEB Holding A.Ş. were transferred to Galata Yatırım Holding A.Ş., which is owned by the Çolakoğlu Group, on March 31, 2011. After the share transfer, both Çolakoğlu Group and BNP Paribas Group have 50% of share participation each in TEB Holding A.Ş. as in the share structure before the merger.

On March 30, 2011, upon the permissions granted by the BRSA and the Capital Markets Board (the "CMB"), 12.72% of TEB shares held by Fortis Bank SA/NV and 0.24% of TEB shares held by the Çolakoğlu Group were transferred to TEB Holding A.Ş. for a total consideration of TRY 616,935. Following the share transfer, TEB Holding A.Ş.'s direct participation in TEB has been increased from 42.04% to 55%.

20.35% of shares in TEB, having a total nominal value of TRY 448,512, held by Fortis Bank SA/NV, were transferred to BNPP Yatırımlar Holding A.Ş. for a consideration of TRY 865,440; and 14.08% of shares in TEB, having a total nominal value of TRY 310,480, held by Fortis Bank SA/NV, were transferred to BNP Paribas Fortis Yatırımlar Holding A.Ş. for a consideration of TRY 670,636.

Consequently, BNPP Yatırımlar Holding A.Ş., which has no participation in TEB, eventually has 20.35% of shares in TEB, while BNPP Paribas Fortis Yatırımlar Holding A.Ş. has 14.05% of direct shareholding in TEB.

Upon the resolution no: 16/475 of the CMB issued on May 27, 2011, BNP Paribas Fortis Yatırımlar Holding A.Ş. and BNPP Yatırımlar Holding A.Ş. initiated a public call on June 2, 2011 for the acquisition of Türk Ekonomi Bankası A.Ş.'s 227,730,437.91 shares with a nominal per value of TRY 1 at TRY 2.21 under the call requirements set out in the CMB's Communiqué Serial: IV, No:44 "Principles of Gathering Equity Interests Through Public Call". The public call intermediated by TEB Yatırım Menkul Değerler A.Ş. was finalized at 17:00 on June 17, 2011.

a) Total nominal value and capital percentage before the call:

-BNP Paribas Fortis Yatırımlar Holding A.Ş. TRY 310,480 (14.085%)
-BNPP Yatırımlar Holding A.Ş. TRY 448,512 (20.346%)

b) Total nominal value and capital percentage after the call:

-BNP Paribas Fortis Yatırımlar Holding A.Ş. TRY 376,584 (17.083%)
-BNPP Yatırımlar Holding A.Ş. TRY 514,616 (23.345%)

As of September 30, 2011 and December 31, 2010 the shareholders' structure and their respective ownerships are summarized as follows:

Name of shareholders	As of September 30, 2011		As of December 31, 2010	
	Paid in capital	%	Paid in capital	%
TEB Holding A.Ş.	1,212,414	55.00	926,796	84.25
BNP Yatırımlar Holding A.Ş.	514,616	23.34	-	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	376,584	17.08	-	-
Publicly Traded	99,556	4.52	171,966	15.63
Other Shareholders	1,220	0.06	1,238	0.12
	2,204,390	100.00	1,100,000	100.00

As of September 30, 2011, the Bank's paid-in-capital consists of 2,204,390,000 shares of TRY 1.00 (full TRY) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>
Board of Directors;	
Yavuz Canevi	Chairman of the Board of Directors
Dr.Akın Akbaygıl	Vice Chairman of the Board of Directors, Vice Chairman of the Audit Committee
Jean-Milan Charles Dominique Givadinovitch	Member of the Board of Directors, Chairman of the Audit Committee
Jean Paul Sabet	Vice Chairman of the Board of Directors
Yves Paul Henri Martrenchar	Member of the Board of Directors
Ayşe Aşardağ	Member of the Board of Directors
Varol Civil	In Charge Member of the Board of Directors and General Manager
Musa Erden	Member of the Board of Directors
Alain Georges Auguste Fonteneau	Member of the Board of Directors
Jean Yves Fillon	Member of the Board of Directors
Assistant General Managers;	
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Control
Gökhan Mendi	Assistant General Manager Responsible from Consumer Banking and Private Banking
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking
Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources
Nuri Tunçalı	Assistant General Manager Responsible from SME Loans
Saniye Telci	Assistant General Manager Responsible from Banking Operations
Turgut Boz	Assistant General Manager Responsible from SME Banking
Turgut Güney (*)	Assistant General Manager Responsible from Information Technologies (***)
Ümit Leblebici	Assistant General Manager Responsible from Asset Liability Management and Treasury
Melis Coşan Baban	Assistant General Manager Responsible from Legal Affairs and Secretary of the Board of Directors
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans
Başar Ordukaya	Assistant General Manager Responsible from Large Corporate Customers
Arnaud Denis Jean Sebastien Tellier (**)	Assistant General Manager Responsible from Corporate Investment Banking
Group Heads;	
Ayşe Korkmaz	Head of Compliance and Internal Control Group
Didier Albert Nicole Van Hecke	Chief Risk Officer
Inspection Committee and Auditors;	
Hakan Tıraşın	Chairman of the Inspection Committee
Esra Peri Aydoğan	Statutory Auditor
Cihat Madanoğlu	Statutory Auditor

(*) Turgut Güney left from his position as an Assistant General Manager as of September 30, 2011.

(**) Arnaud Denis Jean Sebastien Tellier, was appointed as an Assistant General Manager as of September 27, 2011.

(***) Mehmet Ali Cer was appointed as the Assistant General Manager Responsible from Information Technologies as of November 3, 2011.

Shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. Information about the Persons and Institutions That Have Qualified Shares

Name / Commercial Name	Share Amount	Share Ratio	Paid up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,414	55.00%	1,212,414	-
BNP Yatırımlar Holding A.Ş.	514,616	23.34%	514,616	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	376,584	17.08%	376,584	-

The directly or indirectly authorized group that has the qualified shares in the Bank's capital is TEB Holding A.Ş. TEB Holding A.Ş. is a member of Çolakoğlu and BNP Paribas Group. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, while the remaining 50% is controlled by Çolakoğlu Group. As of October 25, 2010, 50% of the shares of TEB Holding A.Ş. held by BNP Paribas S.A. were transferred to BNP Paribas Fortis Yatırımlar Holding A.Ş.

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

The Bank's operating areas include corporate, retail and private banking as well as project finance, fund management and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Yatırım Menkul Değerler A.Ş., Zurich Sigorta A.Ş., Cardif Hayat Sigorta A.Ş., Fortis Emeklilik ve Hayat A.Ş. As of September 30, 2011, the Bank has 598 local branches and 4 foreign branches (December 31, 2010: 331 local branches, 4 foreign branches).

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2011

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

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

	Note Ref.	Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2,940,264	2,004,046	4,944,310	786,645	1,240,651	2,027,296
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,582,169	925,092	2,507,261	171,883	23,169	195,052
2.1 Financial assets held for trading		1,582,169	925,092	2,507,261	171,883	23,169	195,052
2.1.1 Public sector debt securities		1,135,303	854,174	1,989,477	91,124	4,937	96,061
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		446,866	70,918	517,784	80,759	18,232	98,991
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets classified at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	54,913	314,762	369,675	412,828	290,656	703,484
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
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)	(4)	4,014,039	620,212	4,634,251	2,996,143	415,942	3,412,085
5.1 Share certificates		19,619	3,610	23,229	14,603	2,256	16,859
5.2 Public sector debt securities		3,993,363	616,602	4,609,965	2,980,519	413,686	3,394,205
5.3 Other marketable securities		1,057	-	1,057	1,021	-	1,021
VI. LOANS AND RECEIVABLES	(5)	19,994,455	5,654,806	25,649,261	9,217,230	2,536,025	11,753,255
6.1 Loans and receivables		19,792,796	5,654,806	25,447,602	9,094,408	2,536,025	11,630,433
6.1.1 Loans to Risk Group of the Bank		113,763	76,831	190,594	142,197	22,700	164,897
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		19,679,033	5,577,975	25,257,008	8,952,211	2,513,325	11,465,536
6.2 Non-performing loans		702,177	-	702,177	360,075	-	360,075
6.3 Specific provisions (-)		500,518	-	500,518	237,253	-	237,253
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	-	-	-	217,604	-	217,604
8.1 Public sector debt securities		-	-	-	217,604	-	217,604
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	106,607	61,254	167,861	58,436	61,254	119,690
10.1 Unconsolidated financial subsidiaries		106,607	61,254	167,861	58,436	61,254	119,690
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(9)	5	-	5	5	-	5
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		5	-	5	5	-	5
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		5	-	5	5	-	5
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	10,773	6	10,779	11,114	43	11,157
13.1 Fair value hedge		7,386	6	7,392	11,114	43	11,157
13.2 Cash flow hedge		3,387	-	3,387	-	-	-
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	242,858	-	242,858	109,506	-	109,506
XV. INTANGIBLE ASSETS (Net)	(13)	435,089	-	435,089	10,156	-	10,156
15.1 Goodwill		421,124	-	421,124	-	-	-
15.2 Other		13,965	-	13,965	10,156	-	10,156
XVI. INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	55,749	-	55,749	13,093	-	13,093
17.1 Current tax asset		1,188	-	1,188	-	-	-
17.2 Deferred tax asset		54,561	-	54,561	13,093	-	13,093
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	840,935	150,360	991,295	392,331	66,391	458,722
TOTAL ASSETS		30,277,856	9,730,538	40,008,394	14,396,974	4,634,131	19,031,105

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2011

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

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

	Note Ref.	Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	14,351,503	7,242,025	21,593,528	8,408,010	3,591,140	11,999,150
1.1 Deposits from Risk Group of the Bank		262,749	366,745	629,494	1,180,754	253,759	1,434,513
1.2 Other		14,088,754	6,875,280	20,964,034	7,227,256	3,337,381	10,564,637
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	317,725	84,486	402,211	64,433	31,046	95,479
III. FUNDS BORROWED	(3)	2,658,587	5,789,890	8,448,477	2,011,238	1,592,880	3,604,118
IV. MONEY MARKET BALANCES		1,385,008	728,525	2,113,533	74,357	-	74,357
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1,385,008	728,525	2,113,533	74,357	-	74,357
V. MARKETABLE SECURITIES ISSUED (Net)		254,983	-	254,983	-	-	-
5.1 Bills		254,983	-	254,983	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		699,148	175,563	874,711	317,031	20,221	337,252
VIII. OTHER LIABILITIES	(4)	981,046	1,891	982,937	304,061	1,354	305,415
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(5)	-	-	-	-	13	13
10.1 Finance lease payables		1	3	4	-	17	17
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		1	3	4	-	4	4
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	63,823	-	63,823	56,547	-	56,547
11.1 Fair value hedge		25,888	-	25,888	56,547	-	56,547
11.2 Cash flow hedge		37,935	-	37,935	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	454,935	921	455,856	171,507	19,530	191,037
12.1 General loan loss provisions		247,295	-	247,295	87,265	19,529	106,794
12.2 Restructuring provisions		4,165	-	4,165	228	-	228
12.3 Reserve for employee benefits		108,783	-	108,783	57,073	-	57,073
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		94,692	921	95,613	26,941	1	26,942
XIII. TAX LIABILITY	(8)	61,784	-	61,784	82,332	-	82,332
13.1 Current tax liability		61,784	-	61,784	82,332	-	82,332
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	567,454	567,454	-	472,542	472,542
XVI. SHAREHOLDERS' EQUITY	(11)	4,203,265	(14,168)	4,189,097	1,813,164	(301)	1,812,863
16.1 Paid-in capital		2,204,390	-	2,204,390	1,100,000	-	1,100,000
16.2 Supplementary capital		751,462	(14,168)	737,294	95,060	(301)	94,759
16.2.1 Share premium		2,565	-	2,565	2,158	-	2,158
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		(14,536)	(14,168)	(28,704)	91,976	(301)	91,675
16.2.4 Tangible assets revaluation differences		100,483	-	100,483	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		527	-	527	-	-	-
16.2.8 Hedging funds (Effective portion)		(7,746)	-	(7,746)	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		670,169	-	670,169	926	-	926
16.3 Profit reserves		1,113,770	-	1,113,770	317,803	-	317,803
16.3.1 Legal reserves		111,333	-	111,333	45,468	-	45,468
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		937,628	-	937,628	228,530	-	228,530
16.3.4 Other profit reserves		64,809	-	64,809	43,805	-	43,805
16.4 Profit or loss		133,643	-	133,643	300,301	-	300,301
16.4.1 Prior years' income / (losses)		9,497	-	9,497	-	-	-
16.4.2 Current year income / (loss)		124,146	-	124,146	300,301	-	300,301
16.5 Minority shares	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		25,431,807	14,576,587	40,008,394	13,302,680	5,728,425	19,031,105

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES
AND COMMITMENTS AS OF SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref.	Reviewed Current Period 30.09.2011			Audited Prior Period 31.12.2010		
		TRY	FC	TOTAL	TRY	FC	TOTAL
		A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		20,905,375	29,963,305	50,868,680	9,506,454
I. GUARANTEES	(1), (3)	3,184,212	4,273,209	7,457,421	1,985,101	2,083,282	4,068,383
1.1 Letters of guarantee		2,795,240	2,531,611	5,326,851	1,754,833	1,266,659	3,021,492
1.1.1 Guarantees subject to State Tender Law		147,806	51,000	198,806	85,204	15,287	100,491
1.1.2 Guarantees given for foreign trade operations		226,023	38,475	264,498	202,716	17,266	219,982
1.1.3 Other letters of guarantee		2,421,411	2,442,136	4,863,547	1,466,913	1,234,106	2,701,019
1.2 Bank loans		813	436,836	437,649	345	55,187	55,532
1.2.1 Import letter of acceptance		813	232,492	233,305	345	54,407	54,752
1.2.2 Other bank acceptances		-	204,344	204,344	-	780	780
1.3 Letters of credit		-	1,146,915	1,146,915	493	676,336	676,829
1.3.1 Documentary letters of credit		-	660,083	660,083	493	553,611	554,104
1.3.2 Other letters of credit		-	486,832	486,832	-	122,725	122,725
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		386,065	86,176	472,241	228,526	50,508	279,034
1.9 Other collaterals		2,094	71,671	73,765	904	34,592	35,496
II. COMMITMENTS	(1), (3)	6,307,802	1,973,101	8,280,903	3,300,200	416,634	3,716,834
2.1 Irrevocable commitments		6,307,802	1,973,101	8,280,903	3,300,200	416,634	3,716,834
2.1.1 Forward asset purchase commitments		13,520	1,846,388	1,859,908	463	363,776	364,239
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		4,000	-	4,000	2,000	-	2,000
2.1.4 Loan granting commitments		2,312,770	109	2,312,879	1,410,868	86	1,410,954
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		1,431,039	-	1,431,039	707,681	-	707,681
2.1.8 Tax and fund liabilities from export commitments		9,370	-	9,370	15,565	-	15,565
2.1.9 Commitments for credit card expenditure limits		2,529,025	-	2,529,025	1,152,230	-	1,152,230
2.1.10 Commitments for promotions related with credit cards and banking activities		5,567	-	5,567	2,986	-	2,986
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		2,511	126,604	129,115	8,407	52,772	61,179
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	11,413,361	23,716,995	35,130,356	4,221,153	7,011,976	11,233,129
3.1 Derivative financial instruments for hedging purposes		1,002,451	53,685	1,056,136	343,443	147,610	491,053
3.1.1 Fair value hedge		106,780	53,685	160,465	343,443	147,610	491,053
3.1.2 Cash flow hedge		895,671	-	895,671	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		10,410,910	23,663,310	34,074,220	3,877,710	6,864,366	10,742,076
3.2.1 Forward foreign currency buy/sell transactions		1,403,489	3,851,071	5,254,560	464,457	1,566,012	2,030,469
3.2.1.1 Forward foreign currency transactions-buy		426,312	2,320,610	2,746,922	140,012	966,486	1,106,498
3.2.1.2 Forward foreign currency transactions-sell		977,177	1,530,461	2,507,638	324,445	599,526	923,971
3.2.2 Swap transactions related to f.c. and interest rates		3,492,834	8,901,876	12,394,710	1,309,178	2,186,284	3,495,462
3.2.2.1 Foreign currency swap-buy		1,369,223	4,301,276	5,670,499	591,303	879,062	1,470,365
3.2.2.2 Foreign currency swap-sell		2,023,611	3,766,138	5,789,749	385,375	1,225,858	1,611,233
3.2.2.3 Interest rate swaps-buy		50,000	417,231	467,231	166,250	40,682	206,932
3.2.2.4 Interest rate swaps-sell		50,000	417,231	467,231	166,250	40,682	206,932
3.2.3 Foreign currency, interest rate and securities options		5,514,587	9,987,951	15,502,538	2,104,075	2,613,176	4,717,251
3.2.3.1 Foreign currency options-buy		1,913,817	5,755,013	7,668,830	861,455	1,377,898	2,239,353
3.2.3.2 Foreign currency options-sell		3,561,270	4,006,469	7,567,739	978,075	1,217,600	2,195,675
3.2.3.3 Interest rate options-buy		39,500	220,298	259,798	264,545	-	264,545
3.2.3.4 Interest rate options-sell		-	6,171	6,171	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	17,678	17,678
3.2.4 Foreign currency futures		-	922,412	922,412	-	498,894	498,894
3.2.4.1 Foreign currency futures-buy		-	461,206	461,206	-	246,626	246,626
3.2.4.2 Foreign currency futures-sell		-	461,206	461,206	-	252,268	252,268
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		81,366,837	22,820,025	104,186,862	30,506,986	7,581,631	38,088,617
IV. ITEMS HELD IN CUSTODY		14,717,055	1,389,769	16,106,824	7,603,077	568,901	8,171,978
4.1 Assets under management		2,078,865	-	2,078,865	1,143,126	-	1,143,126
4.2 Investment securities held in custody		5,916,186	267,332	6,183,518	2,759,586	111,796	2,871,382
4.3 Checks received for collection		6,415,617	674,095	7,089,712	3,527,213	323,800	3,851,013
4.4 Commercial notes received for collection		305,017	127,267	432,284	171,883	60,274	232,157
4.5 Other assets received for collection		1,271	321,075	322,346	1,170	73,031	74,201
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		99	-	99	99	-	99
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		66,537,734	21,400,957	87,938,691	22,863,395	7,004,752	29,868,147
5.1 Marketable securities		2,119,512	49,200	2,168,712	548,824	10,852	559,676
5.2 Guarantee notes		36,135,022	13,179,174	49,314,196	11,722,942	5,498,932	17,221,874
5.3 Commodity		2,526	223,401	225,927	38,558	106,280	144,838
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		24,079,566	6,929,857	31,009,423	9,076,441	877,281	9,953,722
5.6 Other pledged items		4,201,108	1,019,325	5,220,433	1,476,630	511,407	1,988,037
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		112,048	29,299	141,347	40,514	7,978	48,492
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		102,272,212	52,783,330	155,055,542	40,013,440	17,093,523	57,106,963

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF INCOME FOR THE PERIOD FROM
JANUARY 1 TO SEPTEMBER 30, 2011

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

III. STATEMENT OF INCOME

		Reviewed Current Period 01.01-30.09.2011	Reviewed Prior Period 01.01-30.09.2010	Reviewed Current Period 01.07-30.09.2011	Reviewed Prior Period 01.07-30.09.2010	
		Total	Total	Total	Total	
I.	INTEREST INCOME	(1)	2,016,134	1,093,954	826,663	371,084
1.1	Interest on loans		1,687,352	886,283	688,811	305,893
1.2	Interest received from reserve deposits		-	13,804	-	4,765
1.3	Interest received from banks		5,863	5,308	2,521	1,789
1.4	Interest received from money market placements		57	1,881	53	518
1.5	Interest received from marketable securities portfolio		322,163	185,173	135,179	58,156
1.5.1	Held-for-trading financial assets		78,564	12,786	44,765	5,328
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Available-for-sale financial assets		241,130	131,950	90,414	43,596
1.5.4	Investments held-to-maturity		2,469	40,437	-	9,232
1.6	Finance lease Income		-	-	-	-
1.7	Other interest income		699	1,505	99	(37)
II.	INTEREST EXPENSE	(2)	1,054,827	532,405	445,573	189,243
2.1	Interest on deposits		716,944	367,813	319,657	128,804
2.2	Interest on funds borrowed		235,798	108,717	91,618	46,403
2.3	Interest on money market borrowings		77,448	39,397	33,061	10,344
2.4	Interest on securities issued		-	-	4,703	-
2.5	Other interest expense		19,934	16,478	(3,466)	3,692
III.	NET INTEREST INCOME/EXPENSE (I - II)		961,307	561,549	381,090	181,841
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		241,223	179,930	86,509	58,505
4.1	Fees and commissions received		399,171	278,496	148,507	91,017
4.1.1	Non-cash loans		40,266	33,294	13,634	10,659
4.1.2	Other		358,905	245,202	134,873	80,358
4.2	Fees and commissions paid		157,948	98,566	61,998	32,512
4.2.1	Non-cash loans		560	957	127	222
4.2.2	Other		157,388	97,609	61,871	32,290
V.	DIVIDEND INCOME	(3)	18,234	14,458	1	2
VI.	NET TRADING INCOME	(4)	(25,173)	4,089	(72,060)	1,897
6.1	Securities trading gains/ (losses)		28,916	27,594	(19,773)	7,715
6.2	Gains/ (losses) from derivative financial instruments		142,190	(178,104)	70,858	(13,377)
6.3	Foreign exchange gains/ (losses)		(196,279)	154,599	(123,145)	7,559
VII.	OTHER OPERATING INCOME	(5)	83,950	38,276	41,983	8,599
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,279,541	798,302	437,523	250,844
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	89,785	105,388	44,571	40,949
X.	OTHER OPERATING EXPENSES (-)	(7)	1,017,332	561,931	369,092	196,235
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		172,424	130,983	23,860	13,660
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		172,424	130,983	23,860	13,660
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(48,278)	(26,881)	(12,872)	(4,341)
16.1	Current income tax (charge)/benefit		(1,880)	(33,663)	(1,880)	(8,855)
16.2	Deferred tax (charge)/benefit		(46,398)	6,782	(10,992)	4,514
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	124,146	104,102	10,988	9,319
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	77,173	-	77,173
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control (Joint vent.)		-	77,173	-	77,173
18.3	Income on other discontinued operations		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	77,173	-	77,173
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	(3,859)	-	(3,859)
21.1	Current income tax (charge)/benefit		-	(3,859)	-	(3,859)
21.2	Deferred tax (charge)/benefit		-	-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	73,314	-	73,314
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	124,146	177,416	10,988	82,633
23.1	Group's profit/loss		124,146	177,416	10,988	82,633
23.2	Minority shares		-	-	-	-
	Earnings per share		0.0614	0.1613	0.0028	0.0751

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Reviewed Current Period 01.01-30.09.2011	Reviewed Prior Period 01.01-30.09.2010
I.	Additions to marketable securities revaluation differences for available for sale financial assets	(78,124)	47,671
II.	Tangible assets revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Foreign exchange differences for foreign currency transactions	-	-
V.	Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	(9,682)	-
VI.	Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII.	The effect of correction of errors and changes in accounting policies	-	-
VIII.	Other profit loss items accounted for under equity due to TAS	-	-
IX.	Deferred tax of valuation differences	31,172	(2,955)
X.	Total Net Profit/Loss accounted for under equity (I+II+...+IX)	(56,634)	44,716
XI.	Profit/Loss	(76,760)	(26,468)
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(76,760)	(26,468)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3	Transfer of hedge of net investments in foreign operations to Income Statement	-	-
11.4	Other	-	-
XII.	Total profit/loss accounted for the period (X±XI)	(133,394)	18,248

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2010

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Note Ref	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Reserves		Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity	
			Capital	Reserves																	
Prior Period – 01.01-30.09.2010																					
I.		1,100,000	926	2,158	-	34,959	-	279,694	-	-	210,167	21,548	-	-	-	-	-	1,649,452	-	1,649,452	
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.		1,100,000	926	2,158	-	34,959	-	279,694	-	-	210,167	21,548	-	-	-	-	-	1,649,452	-	1,649,452	
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.		-	-	-	-	-	-	-	-	-	-	-	18,248	-	-	-	-	-	18,248	-	18,248
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIX.		-	-	-	-	-	-	-	-	-	177,416	-	-	-	-	-	-	-	177,416	-	177,416
XX.		-	-	-	-	10,509	-	199,658	-	-	(210,167)	-	-	-	-	-	-	-	-	-	
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.2		-	-	-	-	10,509	-	199,658	-	-	(210,167)	-	-	-	-	-	-	-	-	-	
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance 30.09.2010																					
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)																					
		1,100,000	926	2,158	-	45,468	-	479,352	-	177,416	-	39,796	-	-	-	-	-	1,845,116	-	1,845,116	

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Note Ref	Paid-in Capital	Effect of Inflation Accounting on Capital and		Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before		Total Equity	
				Other Capital Reserves	Share Premium													Minority Shares	Minority Shares		
I.	Current Period – 01.01-30.09.2011																				
	Beginning Balance 31.12.2010		1,100,000	926	2,158	-	45,468	-	228,530	43,805	-	300,301	91,675	-	-	-	-	-	1,812,863	-	1,812,863
	Changes in period																				
II.	Increase/Decrease related to merger		1,050,000	199,336	407	-	50,850	-	557,085	469,907	-	9,497	5,269	42,604	527	-	-	-	2,385,482	-	2,385,482
III.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(125,648)	-	-	-	-	-	(125,648)	-	(125,648)
IV.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(7,746)	-	-	(7,746)	-	(7,746)
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(7,746)	-	-	(7,746)	-	(7,746)
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		54,390	-	-	-	-	-	(54,390)	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		54,390	-	-	-	-	-	(54,390)	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)		-	-	-	-	-	-	-	-	124,146	-	-	-	-	-	-	-	124,146	-	124,146
XVIII.	Profit distribution		-	-	-	-	15,015	-	206,403	21,004	-	(300,301)	-	57,879	-	-	-	-	-	-	-
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves		-	-	-	-	15,015	-	206,403	21,004	-	(300,301)	-	57,879	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance 30.09.2011																				
	(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)		2,204,390	200,262	2,565	-	111,333	-	937,628	534,716	124,146	9,497	(28,704)	100,483	527	(7,746)	-	-	4,189,097	-	4,189,097

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE PERIOD FROM
JANUARY 1 TO SEPTEMBER 30, 2011

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

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 01.01-30.09.2011	Reviewed Prior Period 01.01-30.09.2010
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	110,906	389,890
1.1.1 Interest received	1,772,150	1,127,377
1.1.2 Interest paid	(873,225)	(435,685)
1.1.3 Dividend received	18,234	14,458
1.1.4 Fees and commissions received	459,530	281,356
1.1.5 Other income	172,102	227,978
1.1.6 Collections from previously written off loans	164,498	112,530
1.1.7 Payments to personnel and service suppliers	(419,571)	(268,496)
1.1.8 Taxes paid	(83,622)	(27,352)
1.1.9 Others	(1,099,190)	(642,276)
1.2 Changes in operating assets and liabilities	762,309	(772,271)
1.2.1 Net (increase) decrease in financial assets held for trading	(1,367,748)	(108,979)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss	-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions	59,679	8,486
1.2.4 Net (increase) decrease in loans	(5,855,913)	(1,927,539)
1.2.5 Net (increase) decrease in other assets	147,616	(142,072)
1.2.6 Net increase (decrease) in bank deposits	712,933	(505,743)
1.2.7 Net increase (decrease) in other deposits	4,558,481	264,224
1.2.8 Net increase (decrease) in funds borrowed	2,031,735	1,436,152
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	475,526	203,200
I. Net cash provided from / (used in) banking operations	873,215	(382,381)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(314,307)	(198,066)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries	(10,000)	(5,963)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries	-	113,345
2.3 Fixed asset purchases	(33,427)	(11,462)
2.4 Fixed asset sales	336	16,288
2.5 Cash paid for purchase of financial assets available for sale	(3,629,150)	(3,467,248)
2.6 Cash obtained from sale of financial assets available for sale	3,256,637	2,488,895
2.7 Cash paid for purchase of investment securities	(1,243)	-
2.8 Cash obtained from sale of investment securities	106,038	672,599
2.9 Others	(3,498)	(4,520)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from/ (used in) financing activities	246,045	(4,432)
3.1 Cash obtained from funds borrowed and securities issued	250,607	-
3.2 Cash used for repayment of funds borrowed and securities issued	(4,536)	(4,416)
3.3 Capital increase	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(26)	(16)
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	172,566	(40,260)
V. Net increase / (decrease) in cash and cash equivalents	977,519	(625,139)
VI. Cash and cash equivalents at beginning of the period (*)	3,221,163	2,336,935
VII. Cash and cash equivalents at end of the period	4,198,682	1,711,796

(*) The cash and cash equivalents at beginning of the period also includes cash and cash equivalents that were transferred from Fortis Bank A.Ş. as at February 14, 2011 amounting to TRY 901,181.

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

The prior period financial statements are presented in line with the principles of TAS No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on January 16, 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. Certain reclassifications have been made to the prior year financial statements in order to comply with the current year presentation whenever required. For comparison purposes, "Marketable Securities Impairment Losses" have been reclassified from "Provision for Loan Losses and Other Receivables" to "Interest Received from Marketable Securities Portfolio" in the income statement. (September 30, 2010: TRY 20,517)

As explained in Note XXII. "Other Issues", transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated as of February 14, 2011. The related transaction has been accounted for in accordance with the requirements of TFRS 3 "Business Combination", and prior period balances presented in the financial statements and notes to the financial statements do not include any balances or figures related to Fortis Bank A.Ş.

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

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short positions of currency, interest or price movements is performed only by the Treasury Asset-Liability Management department using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011

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

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

The Bank's hedging activities for the currency risk due to foreign currency available-for-sale equity instruments are described under the Currency Risk section; and the Bank's hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank's Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

III. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date with the prevailing current market rates. The resulting gain or loss is reflected to the income statement.

In the assessment of fair value of interest rate swap instruments, interest amounts to be paid or to be received due to/from the fixed rate on the derivative contract are discounted to the balance sheet date with the current applicable fixed rate in the market that is prevailing between the balance sheet date and the interest payment date, whereas interest amounts to be paid or to be received due to/from the floating rate on the derivative contract are recalculated with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date and are discounted to the balance sheet date again with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date. The differences between the fixed rate interest amounts and floating rate interest amounts to be received/paid are recorded in the profit/loss accounts in the current period.

The fair value of call and put option agreements are measured at the valuation date by using the current premium values of all option agreements, and the differences between the contractual premiums received/paid and the current premiums measured at valuation date are recognized in the statement of income.

Futures transactions are valued on a daily basis by the primary market prices and related unrealized gains or losses are reflected in the income statement.

The valuation of CDS transactions are based on discounting the differences between the existing and recalculated payment plans to the valuation date with current CDS interest rates.

As of July 1, 2008, the Bank has adopted fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching a portion of its swap portfolio with its loan portfolio. As of August 2011, the Bank has also adopted cash flow hedge accounting by matching a portion of its swap portfolio with its deposit basis.

While the Bank recognizes the fair value changes of the hedged items in the "other interest income" and "other interest expense" accounts, it recognizes the fair value changes of the hedging instruments related to the same period in the "gains/(losses) from derivative financial instruments" account.

Additionally, the difference between the fair value and carrying value of the hedged items as of the application date of hedge accounting is amortized based on their maturities and recognized in "other interest income" and "other interest expense" accounts.

IV. Explanations on Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. Explanations on Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income on cash and non-cash loans is recorded as income by using effective interest rate in the related period.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses by using effective interest rate and are expensed on the related periods.

The dividend income is reflected to the financial statements when the profit distribution is realized by the associates and subsidiaries.

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. The Bank trades these instruments on behalf of its customers and on its own behalf.

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

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are described below.

Cash, Banks, and Other Financial Institutions

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

Financial Assets at Fair Value through Profit and Loss

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

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Held to Maturity Investments and Financial Assets Available for Sale

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

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

Marketable securities are initially recognized at cost including the transaction costs.

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

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

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

Following the merger with Fortis Bank A.Ş., the Bank revised its risk management policies. As a result, held to maturity investments amounting to TRY 261,199 are classified as financial assets available for sale in accordance with TAS 39.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to "tainting" rule.

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

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

Loans and Provisions for Impairment

Loans are financial assets those generated by lending money and exclude those that are held with the intention of trading or selling in the near future.

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

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The provisioning criteria for non-performing loans are determined by the Bank's management for compensating the probable losses of the current loan portfolio, by evaluating the quality of loan portfolio, risk factors and considering the economical conditions, other facts and related regulations.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011

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

VI. Explanations on Financial Assets (continued)

Loans and Provisions for Impairment (continued)

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” (“the Provisioning Decree”) published in the Official Gazette No. 26333 dated November 1, 2006 which was amended with the communiqué published in the Official Gazette No. 27119 dated January 23, 2009. These provisions are reflected in the income statement under “Provision and Impairment Expenses - Special Provision Expense”. The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are reversed from the “Provision for Loans and Other Receivables” account in the income statement, and related interest income is credited to the “Interest Received from Non-performing Loans” account.

Releases of loan loss provisions are booked in “Other Operating Income” account and reversed from the “Provision and Impairment Expenses - Specific Provision Expense” account in the income statement.

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; the Bank records general loan loss provision for loans and other receivables. The Bank calculated the general loan provision as 0.5% for cash loans and other receivables, and 0.1% for non-cash loans until November 1, 2006. Subsequent to the change in the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 26333 dated November 1, 2006; the Bank started to book general loan loss provision of 1% for cash loans and other receivables; and 0.2% for non-cash loans on the increase in the cash and non-cash loan portfolio as compared to their October 31, 2006 balances whereas allocating 0.5% general loan loss provision for cash loans and other receivables, and 0.1% for non-cash loans for the balances as of October 31, 2006. Together with the change in the same regulation made on February 6, 2008, the Bank started to book general loan loss provision of 2% for cash loans under watch-list and 0.4% for non-cash loans under watch-list.

In accordance with the amendment in the Communiqué “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No: 27947 dated May 28, 2011, if the loans and other receivables of the banks classified as standard loans and other receivables meet the required conditions set out in the Communiqué, loan agreement terms can be changed; however, if the change is related to the extension of the first payment schedule in the loan agreement, the general loan loss provision rate is applied as 5% for the related loans and other receivables and for loans and other receivables under watch-list. In accordance with the amendment in the Communiqué “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No: 27968 dated June 18, 2011, as the consumer loan portfolio of the Bank is more than 20% of the total loans, the general loan loss provision rate applied by the Bank for consumer loans except for housing and vehicle loans classified under Group 1 shall be 4% whereas the general provision rate applied by the Bank for consumer loans except for housing and vehicle loans classified under Group 2 shall be 8%.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss or not. If any such indication exists, the Bank determines the related impairment.

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

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VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of September 30, 2011, the Bank does not have any reverse repo transactions (December 31, 2010: None).

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

X. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

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

The Bank does not have any assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

XI. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

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XI. Explanations on Goodwill and Other Intangible Assets (continued)

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Bank's policy for goodwill arising on the merger transaction is described in Section Five, Note I-13.

As explained in Note XXII. "Other Issues", transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated as of February 14, 2011. Within the framework of TFRS 3 "Business Combination", identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. The amount of TRY 421,124 which is the difference between the fair value of identifiable net asset value and the fair value of consideration transferred measured in accordance with TFRS 3, is accounted as goodwill in the September 30, 2011 financial statements of the Bank.

Intangible assets are accounted for at restated cost until December 31, 2004 in accordance with inflation accounting and are amortized with straight-line method, after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly softwares. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Softwares used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized. Softwares are purchased only in emergency cases and for special projects.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

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XII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until December 31, 2004; after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years.

Other tangible fixed assets are accounted for at their restated costs until December 31, 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. There has been no change in the depreciation method applied in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor vehicles	10-33
Furniture, fixtures and office equipment and others	2 – 50

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

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There is no purchase commitments related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

The Bank employs independent appraisers in determining the current fair values of its real estates when there is any indication of impairment in value of real estates. The impairment on the branches amounting to TRY 11,594 is taken over with the transfer of Fortis Bank A.Ş. (December 31, 2010: None).

As per the appraisals performed for the real estates held for sale included in “Other Assets” in the financial statements, there is a provision for impairment loss amounting to TRY 3,034 (December 31, 2010 – TRY 3,380).

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XIII. Explanations on Leasing Transactions

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

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" by taking the useful lives into account.

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

The Bank does not have any leasing transactions as "Lessor".

XIV. Explanations on Provisions and Contingent Liabilities

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

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

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

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

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are reviewed annually. The carrying value of provision for employee termination benefits as of September 30, 2011 is TRY 54,490 (December 31, 2010: TRY 24,178).

Employees transferred to the Bank following the business combination of the Bank and Fortis Bank A.Ş. are presented in details in Note XXII. "Other Issues" and they are referred to as the members of "Türk Dış Ticaret Bankası Mensupları Emekli Sandığı" ("the Pension Fund") which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are reviewed by a licensed actuary in accordance with Article 38 of the Insurance Law and the requirements of "Actuary Regulations" issued by referring to Article 38. As of September 30, 2011, the Pension Fund has 3,478 employees and 820 pensioners (December 31, 2010: 4,520 employees and 785 pensioners).

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XV. Explanations on Liabilities Regarding Employee Benefits (continued)

Defined Benefit Plans (continued)

Provisional Article 23 (1) of Banking Law No: 5411 (“the Banking Law”) published in the Official Gazette repeated no: 25983 on November 1, 2005 requires the transfer of bank funds to Social Security Institution (“SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on March 22, 2007 and ruled for the stay of execution as of March 31, 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on December 15, 2007.

Following the issuance of the related ruling in the Official Gazette, The Turkish Grand National Assembly (“the TGNA”) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related transfer articles of the Social Security Law No: 5754 (“the New Law”) that are set out to determine the basis of fund transfers were approved by the general assembly of the TGNA on April 17, 2008 and new regulations are published in the Official Gazette No: 26870 on May 8, 2008.

The New Law requires the measurement of the present value of the liabilities in relation to the transferred individuals as of the transfer date by using the technical interest rate of 9.8% by a commission composed of representatives from SSI, Department of Finance, Under secretariat of Treasury, Secretariat of The State Planning Organization, BRSA, SDIF, the bank and fund, considering the income and expense per insurance segments specified under this law and any differences that may arise where pensions and wages paid by funds exceed the amounts specified under SSI regulations, and the new law also requires the completion of the transfer within 3 years starting from January 1, 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of March 14, 2011.

Under the new law, all other outstanding social rights and payments of participants (even though they are covered in their respective settlement deed) shall be covered by the companies employing pension fund participants following the transfer of the pension fund participants and/or those that are paid annuities and their beneficiaries to the Social Security Institution.

The technical financial statements of the Pension Fund are prepared by an independent actuary company and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared on December 31, 2010. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank Management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable, they believe such liabilities will not bring any additional liability to the Bank.

Defined Contribution Plans

The Bank pays contributions to Social Security Funds on a mandatory basis. There are no other liabilities related to employee benefits to be provisioned.

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XVI. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated June 21, 2006, the corporate tax rate is 20%.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset from the final tax liability for the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are offset against the corporate tax levied in Turkey.

75% of participation shares held at least for two years and 75% of sale proceeds of real estate, to the extent that they are included in capital as required in Corporate Tax Law or they are retained in a special fund liability account for 5 years, and 75% of sale proceeds of real estate received from bank receivables are exempt from corporate taxation.

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

Tax provision related with items that are credited or charged directly to equity are charged or credited to equity. As of September 30, 2011 TRY 10,187 (December 31, 2010: TRY 21,310) deferred tax which is related with items recorded in the equity was net off under equity in "Marketable Securities Valuation Differences".

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

Deferred Tax Liability / Asset

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

As of September 30, 2011 and December 31, 2010, in accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the changes in the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculated deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are shown in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax charge of TRY 46,398 (September 30, 2010: TRY 6,782 deferred tax benefit) is stated under the tax provision in the income statement. The deferred tax of TRY 10,187 (December 31, 2010: TRY 21,310) resulting from differences related to items that are debited or charged directly to equity is netted with these accounts.

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

XVII. Additional Explanations on Borrowings

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

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XVII. Additional Explanations on Borrowings (continued)

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

Explanations on debt securities issued by the Bank is described in Section Five, Note II-3.

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

Following announcement of the Banking Regulation and Supervision Agency approval dated February 10, 2011 at the Official Gazette dated February 12, 2011 and numbered 27844, merger of two bank by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated February 14, 2011 to İstanbul Trade Registry. Due to the merger, ceiling for the registered capital of the Bank is increased from TRY 1,400,000 to TRY 2,204,390, and the issued capital of the Bank is increased by TRY 1,104,390 from TRY 1,100,000 to TRY 2,204,390.

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Reporting According to Segmentation

The Group mainly operates in retail and corporate banking segments. Due to the merger of the Bank with Fortis Bank A.Ş. and changes in the structure of segments at February 14, 2011, segment reporting of balance sheet and income statement is presented only for the current period.

Current Period	Retail	Corporate	Treasury/ Head Office	Total
Net interest income	138,000	482,609	340,698	961,307
Net fees and commissions income, other operating income	39,364	52,387	233,422	325,173
Trading profit / loss	8,254	40,097	(73,524)	(25,173)
Dividend income	-	-	18,234	18,234
Impairment provision for loans and other receivables (-)	40,545	84,338	(35,098)	89,785
Other operating expenses (-)	165,332	295,299	556,701	1,017,332
Profit before taxes	(20,259)	195,456	(2,773)	172,424
Tax provision	-	-	(48,278)	(48,278)
Net profit for the period	(20,259)	195,456	(51,051)	124,146

Current Period	Retail	Corporate	Treasury/ Head Office	Total
Segment assets	17,757,004	5,755,027	16,328,497	39,840,528
Investments in associates and subsidiaries	-	-	167,866	167,866
Total Assets	17,757,004	5,755,027	16,496,363	40,008,394
Segment liabilities	10,645,019	10,879,100	14,295,178	35,819,297
Shareholders' equity	-	-	4,189,097	4,189,097
Total Liabilities	10,645,019	10,879,100	18,484,275	40,008,394

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XXII. Explanations on Other Matters

Following announcement of the Banking Regulation and Supervision Agency approval dated February 10, 2011 at the Official Gazette dated February 12, 2011 and numbered 27844, merger of two banks by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated February 14, 2011 to İstanbul Trade Registry.

The merger is recognized by using the purchase method under TFRS 3 “Business Combinations”. Under the purchase method, the acquiree’s, Fortis Bank A.Ş., the identifiable assets acquired and identifiable liabilities assumed at the date of the merger are recognized at fair value and classified under the related account items in the financial statements. TRY 48,783 of fair value difference is reflected in the related asset and liability items in the financial statements and its equity effect is included in the other capital reserves account. TRY 421,124 of positive difference between the fair value of the consideration transferred amounting to TRY 2,385,482 and net amount of identifiable assets acquired amounting to TRY 1,964,358 is accounted as goodwill in the financial statements and its equity effect is included in the other capital reserves account.

The measurement period for the recognition of the business combination required in Paragraph 45 of TFRS 3 is one year as of the merger date, at maximum. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Explanation for convenience translation to English

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

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks ", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related Communiqué is 13.71% at September 30, 2011 (December 31, 2010: 14.43%).

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements is used. Additionally, the market risk amount is calculated in accordance with the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" is multiplied by the loan conversion rates presented in the Article 5, the Clause 1 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Receivables from counter parties from derivative foreign currency and interest rate transactions are multiplied by the loan conversion rates presented in the Article 5, the Clause 2 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

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

Information related to the capital adequacy ratio:

	Risk Weight						
	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash							
Loans							
Balance Sheet Items (Net)	10,708,407	-	897,931	7,453,402	17,397,092	196,403	340,565
Cash	695,246	-	2,813	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	3,166,066	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	285,646	-	82,553	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	1,079,825	-	-	-	-	-	-
Loans	709,402	-	176,075	7,384,078	15,937,921	196,403	340,565
Non-performing loans (Net)	-	-	-	-	201,659	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	4,532,537	-	-	-	29,332	-	-
Held to Maturity Investments	-	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	135	-	-
Sundry Debtors	-	-	389,447	-	14,824	-	-
Interest and Income Accruals	72,382	-	641	69,324	613,233	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	-	-	-	-	167,866	-	-
Tangible Assets	-	-	-	-	182,459	-	-
Other Assets	452,949	-	43,309	-	167,110	-	-
Off-Balance Sheet Items	412,230	-	772,822	-	5,067,724	-	-
Guarantees and Commitments	412,230	-	429,717	-	4,907,568	-	-
Derivative Financial Instruments	-	-	343,105	-	160,156	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	11,120,637	-	1,670,753	7,453,402	22,464,816	196,403	340,565
Total Risk Weighted Assets	-	-	334,151	3,726,701	22,464,816	294,605	681,130

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	27,501,403	13,122,377
Amount Subject to Market Risk (ASMR)	1,001,075	694,138
Amount Subject to Operational Risk (ASOR) (*)	3,628,847	1,724,813
Shareholders' Equity	4,406,788	2,242,780
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	13.71	14.43

TRWA: Total Risk Weighted Assets

ASMR: Amount Subject to Market Risk

ASOR: Amount Subject to Operational Risk

(*) Operational risk has been calculated by using the Basic Indicator Approach.

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

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	2,204,390	1,100,000
Nominal capital	2,204,390	1,100,000
Capital commitments (-)	-	-
Paid-in capital indexation difference	200,262	926
Share premium	2,565	2,158
Cancellation profits	-	-
Legal reserves	111,333	45,468
First legal reserve (Turkish Commercial Code 466/1)	101,547	39,932
Second legal reserve (Turkish Commercial Code 466/2)	9,786	5,536
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Other reserves (*)	485,933	43,805
Extraordinary reserves	937,628	228,530
Reserves allocated by the General Assembly	937,628	228,530
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	133,643	300,301
Current period net profit	124,146	300,301
Prior years' profits	9,497	-
Provision for possible losses up to 25% of the Core Capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	100,483	-
Primary subordinated loans up to 15% of the Core Capital	185,120	153,760
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Leasehold improvements (-)	60,399	34,884
Prepaid expenses (-)	-	22,742
Intangible assets (-)	435,089	10,156
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	3,865,869	1,807,166
SUPPLEMENTARY CAPITAL		
General loan loss reserves	247,295	106,794
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control	527	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	330,613	287,566
45% of Marketable securities value increase fund	(36,450)	41,254
Associates and subsidiaries	-	-
Available for sale securities (**)	(36,450)	41,254
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	541,985	435,614
TIER III CAPITAL		
CAPITAL	4,407,854	2,242,780
DEDUCTIONS FROM THE CAPITAL	1,066	-
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	1,066	-
Other	-	-
Total Shareholders' Equity	4,406,788	2,242,780

(*) Value increases due to the merger is included in "other reserves".

(**) Includes hedging funds.

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II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statement of accounts for the loans is derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions is realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of September 30, 2011, the receivables of the Bank from its top 100 cash loan customers amount to TRY 3,349,885 (December 31, 2010: TRY 1,898,762) with a share of 13.16% in total cash loans (December 31, 2010 16.33%).

As of September 30, 2011, the receivables of the Bank from its top 100 non-cash loan customers amount to TRY 2,537,143 (December 31, 2010: TRY 1,524,875) with a share of 34.02% in total non-cash loans (December 31, 2010: 37.48%).

As of September 30, 2011, the share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and off-balance sheet assets is 5.14%. (December 31, 2010: 7.13%).

As of September 30, 2011, the general loan loss provision related with the credit risk taken by the Bank is TRY 247,295 (December 31, 2010: TRY 106,794).

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II. Explanations Related to Credit Risk (continued)

Credit risk by types of borrowers and geographical concentration:

	Loans to Real Persons and Legal Entities		Loans to Banks and Other Financial Institutions		Marketable Securities*		Other Loans**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers								
Private Sector	17,622,751	8,235,969	468,108	383,387	-	-	401,675	275,780
Public Sector	55,120	34,738	-	-	6,600,499	3,707,870	-	-
Banks	-	-	403,587	723,369	-	-	61,254	61,254
Retail	7,469,370	3,079,276	-	-	-	-	-	-
Share Certificates	-	-	-	-	23,229	17,880	106,612	-
Total	25,147,241	11,349,983	871,695	1,106,756	6,623,728	3,725,750	569,541	337,034
Information according to geographical concentration								
Domestic	24,868,130	11,213,636	583,671	859,680	6,615,181	3,722,362	508,287	275,780
European Union Countries	35,400	48,662	146,240	104,947	-	-	61,254	61,254
OECD Countries***	507	605	9,555	5,449	-	-	-	-
Off-shore Banking Regions	124,496	22,821	82,253	86,114	5,047	1,197	-	-
USA, Canada	1,282	8,906	48,289	50,289	3,500	2,191	-	-
Other Countries	117,426	55,353	1,687	277	-	-	-	-
Total	25,147,241	11,349,983	871,695	1,106,756	6,623,728	3,725,750	569,541	337,034

* Includes marketable securities at fair value through profit or loss, available-for-sale and held-to-maturity.

** Includes balance sheet transactions classified in the Uniform Chart of Accounts except the ones in the first three categories and the transactions defined as loan in the Article 48 of the Banking Act No: 5411.

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

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II. Explanations Related to Credit Risk (continued)

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income/Loss (***)
Current Period					
Domestic	38,841,267	25,859,469	7,359,919	-	124,146
European Union Countries	520,038	8,717,279	7,460	-	-
OECD Countries (*)	48,067	77,074	8	-	-
Off-shore Banking Regions	214,219	225,902	7,179	-	-
USA, Canada	97,824	577,991	-	-	-
Other Countries	119,113	361,582	82,855	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	167,866	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	39,840,528	35,819,297	7,457,421	167,866	124,146
Prior Period					
Domestic	18,407,235	12,097,287	3,990,167	-	177,416
European Union Countries	234,627	4,282,946	10,805	-	-
OECD Countries (*)	10,333	38,416	-	-	-
Off-shore Banking Regions	112,941	239,871	16,123	-	-
USA, Canada	90,644	364,134	-	-	-
Other Countries	55,630	195,588	51,288	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	119,695	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	18,911,410	17,218,242	4,068,383	119,695	177,416

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

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

(***) Net income/loss of prior period is the amount as at September 30, 2010.

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	798,120	4.03	121,734	2.15	351,395	3.86	85,443	3.37
Farming and Raising Livestock	703,280	3.55	102,666	1.82	312,455	3.44	69,417	2.74
Forestry, Wood and Paper	78,289	0.40	18,312	0.32	30,259	0.32	15,857	0.62
Fishery	16,551	0.08	756	0.01	8,681	0.10	169	0.01
Manufacturing	6,511,288	32.90	4,064,249	71.87	3,184,687	35.02	1,779,644	70.17
Mining and Quarry	385,381	1.95	184,506	3.26	175,602	1.93	53,291	2.10
Production	6,062,883	30.63	3,800,964	67.22	2,997,436	32.96	1,676,625	66.11
Electricity, Gas and Water	63,024	0.32	78,779	1.39	11,649	0.13	49,728	1.96
Construction	1,064,455	5.38	300,371	5.31	410,875	4.52	89,223	3.52
Services	4,600,734	23.24	1,088,987	19.26	1,797,746	19.77	545,329	21.51
Wholesale and Retail Trade	1,193,017	6.03	137,134	2.43	480,878	5.29	50,846	2.00
Hotel, Tourism, Food and Beverage Services	298,227	1.51	155,076	2.74	123,398	1.36	86,278	3.40
Transportation and Communication	833,829	4.21	208,306	3.68	335,031	3.68	117,564	4.64
Financial Institutions	665,140	3.36	132,910	2.35	488,601	5.37	42,045	1.66
Real Estate and Renting Services	346,890	1.75	409,492	7.24	143,417	1.58	237,524	9.38
Self-Employment Services	855,792	4.32	33,223	0.59	90,466	0.99	1,556	0.06
Education Services	102,641	0.52	143	0.01	11,033	0.12	277	0.01
Health and Social Services	305,198	1.54	12,703	0.22	124,922	1.38	9,239	0.36
Other(*)	6,818,199	34.45	79,465	1.41	3,349,705	36.83	36,386	1.43
Total	19,792,796	100.00	5,654,806	100.00	9,094,408	100.00	2,536,025	100.00

(*) Accruals of loans are included in other.

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II. Explanations Related to Credit Risk (continued)

Credit Rating System

The credit risk is assessed through the internal rating system of the Bank, by classifying loans from highest grade to lowest grade according to the probability of default. As of September 30, 2011 consumer loans and business loans are excluded from the internal rating system of the Bank and these loans consist of 34% of the loan portfolio. The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total %
1st Category	Case where the borrower has a very strong financial structure	29.07
2nd Category	Case where the borrower has a good financial structure	26.12
3rd Category	Case where the borrower has an intermediate level of financial structure	34.50
4th Category	Case where the financial structure of the borrower has to be closely monitored in the medium term	10.31
Total		100.00

III. Explanations Related to Market Risk

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

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

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarized below) is taken into consideration. Besides the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by three different methods which are historic simulation, Monte Carlo simulation and parametric method, and results are reported daily to the management.

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	66,260
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	2,497
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	11,303
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	26
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	80,086
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	1,001,075

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III. Explanations Related to Market Risk (continued)

b) Average market risk table calculated at month ends during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	68,518	74,316	51,516	27,944	46,166	17,022
Common Stock Risk	3,741	3,818	2,793	1,266	2,763	583
Currency Risk	11,245	23,838	9,268	6,390	6,595	4,050
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	172	737	554	131	7	9
Total Value Subject to Risk(*)	1,045,950	1,283,863	801,638	446,643	694,138	270,800

(*) "Total Value Subject to Risk" is calculated as the total amount of capital requirements for the market risk multiplied by 12.5.

Other price risks

The Bank is not subject to a significant share price risk due to share certificates.

IV. Explanations Related to Currency Risk

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

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

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

The Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank's Asset-Liability Committee on a weekly basis.

As of September 30, 2011, the Bank's net long position is TRY 711,565 (December 31, 2010: TRY 25,496 net long) resulting from short position on the balance sheet amounting to TRY 2,415,004 (December 31, 2010: TRY 279,358 short) and long position on the off-balance sheet amounting to TRY 3,126,569 (December 31, 2010: TRY 304,854 long).

The announced current foreign exchange buying rates of the Bank at September 30, 2011 and the previous five working days in full TRY are as follows:

	23.09.2011	26.09.2011	27.09.2011	28.09.2011	29.09.2011	30.09.2011
USD	1.8262	1.8425	1.8410	1.8375	1.8453	1.8512
JPY	0.0239	0.0241	0.0240	0.0240	0.0241	0.0241
EURO	2.4646	2.4822	2.4911	2.5058	2.5157	2.5007

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

	Monthly Average Foreign Exchange Rate
USD	1.7859
JPY	0.0232
EURO	2.4633

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IV. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EURO	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	539,377	1,231,867	246	232,556	2,004,046
Banks	75,126	190,418	6,312	42,906	314,762
Financial Assets at Fair Value Through Profit and Loss (*****)	7,929	864,255	-	1,321	873,505
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	226,395	390,202	-	3,615	620,212
Loans (**)	2,891,709	4,298,856	193,400	691,850	8,075,815
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	61,254	-	-	-	61,254
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	6	-	-	6
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets (***)	91,187	58,941	-	232	150,360
Total Assets	3,892,977	7,034,545	199,958	972,480	12,099,960
Liabilities					
Bank Deposits	131,341	38,343	634	30,140	200,458
Foreign Currency Deposits (*)	2,556,168	3,652,294	9,787	823,318	7,041,567
Money Market Borrowings	-	728,525	-	-	728,525
Funds Provided From Other Financial Institutions	2,714,262	3,625,693	1,730	15,659	6,357,344
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	12,301	160,315	-	2,947	175,563
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	2,320	7,806	-	1,381	11,507
Total Liabilities	5,416,392	8,212,976	12,151	873,445	14,514,964
Net Balance Sheet Position	(1,523,415)	(1,178,431)	187,807	99,035	(2,415,004)
Net Off-Balance Sheet Position	2,061,353	1,370,763	(214,059)	(91,488)	3,126,569
Financial Derivative Assets (****)	5,006,650	8,422,712	351,104	555,255	14,335,721
Financial Derivative Liabilities (*****)	2,945,297	7,051,949	565,163	646,743	11,209,152
Non-Cash Loans (*****)	1,767,960	2,338,902	11,438	154,909	4,273,209
Prior Period					
Total Assets	1,950,634	2,946,582	9,331	492,479	5,399,026
Total Liabilities	2,665,148	2,746,645	2,395	264,196	5,678,384
Net Balance Sheet Position	(714,514)	199,937	6,936	228,283	(279,358)
Net Off-Balance Sheet Position	862,991	(351,932)	(7,363)	(198,842)	304,854
Financial Derivative Assets (****)	1,706,252	1,827,544	37,037	269,470	3,840,303
Financial Derivative Liabilities (*****)	843,261	2,179,476	44,400	468,312	3,535,449
Non-Cash Loans (*****)	660,214	1,375,754	1,937	45,377	2,083,282

(*) Precious metal accounts amounting to TRY 691,254 (December 31, 2010: TRY 129,374) are included in the foreign currency deposits.

(**) Foreign currency indexed loans amounting to TRY 2,421,009 (December 31, 2010: TRY 782,548) are included in the loan portfolio.

(***) TRY 75,791 (December 31, 2010: TRY 30,813) expense accruals are deducted from derivative financial instruments. TRY 5 prepaid expenses was deducted from other assets as at December 31, 2010.

(****) Forward asset and marketable securities purchase-sale commitments of TRY 806,402 (December 31, 2010: TRY 181,939) are added to derivative financial assets and TRY 1,021,476 (December 31, 2010: TRY 181,837) is added to derivative financial liabilities.

(*****) TRY 51,587 (December 31, 2010: TRY 17,648) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value through Profit and Loss.

(*****) There is no effect on the net off-balance sheet position.

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IV. Explanations Related to Currency Risk (continued)

Foreign currency sensitivity:

The Bank is mainly exposed to EUR and USD currency risks.

The following table details the Bank's sensitivity to a 10% increase and decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity in the case of short position and a decrease in the case of long position where the TRY strengthens against USD and EUR.

	Change in currency rate in %	Effect on profit or loss		Effect on equity (*)	
		September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
USD	10 increase	19,233	(15,200)	(151)	158
USD	10decrease	(19,233)	15,200	151	(158)
EUR	10 increase	53,794	14,848	(1,266)	(188)
EUR	10decrease	(53,794)	(14,848)	1,266	188

(*) The effect on equity does not include the effect of changes in foreign exchange rate on the income statement.

The Bank's sensitivity to foreign currency rates have not changed significantly during the current period. The positions taken in line with market expectations can increase the foreign currency sensitivity from period to period.

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V. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The first priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

Since the Bank has interest rate risk inside the limit, no significant interest rate risk exposure is expected.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	4,944,310	4,944,310
Banks	87,293	-	14,614	-	-	267,768	369,675
Financial Assets at Fair Value Through Profit and Loss	4,389	2,357	763,680	909,584	318,055	509,196	2,507,261
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	612,012	168,896	1,359,935	1,961,637	507,485	24,286	4,634,251
Loans(*)	9,350,261	1,796,742	3,815,141	8,042,111	2,361,160	283,846	25,649,261
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	481	995	2,398	1,899,762	1,903,636
Total Assets	10,053,955	1,967,995	5,953,851	10,914,327	3,189,098	7,929,168	40,008,394
Liabilities							
Bank Deposits	629,503	-	4,048	-	-	69,882	703,433
Other Deposits	12,264,301	4,599,331	318,000	1,324	156	3,706,983	20,890,095
Money Market Borrowings	786,034	1,327,499	-	-	-	-	2,113,533
Sundry Creditors	171,849	-	-	-	-	702,862	874,711
Marketable Securities Issued	-	-	254,983	-	-	-	254,983
Funds Provided From Other Financial Institutions	1,951,227	2,960,208	3,186,739	440,121	477,636	-	9,015,931
Other Liabilities	-	2,130	14,228	127,201	23,332	5,988,817	6,155,708
Total Liabilities	15,802,914	8,889,168	3,777,998	568,646	501,124	10,468,544	40,008,394
Balance Sheet Long Position	-	-	2,175,853	10,345,681	2,687,974	-	15,209,508
Balance Sheet Short Position	(5,748,959)	(6,921,173)	-	-	-	(2,539,376)	(15,209,508)
Off-Balance Sheet Long Position	-	33,041	436,398	874,549	346,348	-	1,690,336
Off-Balance Sheet Short Position	-	(27,126)	(416,841)	(790,418)	(346,348)	-	(1,580,733)
Total Position	(5,748,959)	(6,915,258)	2,195,410	10,429,812	2,687,974	(2,539,376)	109,603

(*) Loans with floating interest rates amounting to TRY 6,635,917 are included in "Up to 1 Month" while mark to market differences from hedged loans amounting to TRY 19,993 are included in "1-5 Years".

The other assets line in the non-interest bearing column consists of tangible assets amounting to TRY 242,858 intangible assets amounting to TRY 435,089, assets held for resale amounting to TRY 68,886, subsidiaries amounting to TRY 167,861, entities under common control (joint vent.) amounting to TRY 5 and the other liabilities line includes the shareholders' equity of TRY 4,189,097.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances With the Central Bank of Turkey	-	-	-	-
Banks	-	0.11	-	8.36
Financial Assets at Fair Value Through Profit and Loss	5.06	4.75	-	7.89
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	5.37	4.31	-	7.69
Loans	4.53	4.65	1.26	12.61
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	1.10	0.69	-	6.92
Other Deposits	3.75	3.80	1.49	9.28
Money Market Borrowings	-	1.26	-	5.76
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.17	1.42	2.87	8.26

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	2,027,296	2,027,296
Banks	502,389	-	-	-	-	201,095	703,484
Financial Assets at Fair Value Through Profit and Loss	51,449	6,470	49,776	5,967	2,882	78,508	195,052
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	278,742	70,438	997,533	1,694,487	353,005	17,880	3,412,085
Loans(*)	4,939,032	867,655	1,521,186	3,601,238	639,156	184,988	11,753,255
Held-To-Maturity Investments	106,040	66,789	44,775	-	-	-	217,604
Other Assets	-	187	2,267	1,091	9	718,775	722,329
Total Assets	5,877,652	1,011,539	2,615,537	5,302,783	995,052	3,228,542	19,031,105
Liabilities							
Bank Deposits	1,105,143	5,052	3,156	-	-	98,280	1,211,631
Other Deposits	7,197,706	1,128,507	122,969	31	-	2,338,306	10,787,519
Money Market Borrowings	74,357	-	-	-	-	-	74,357
Sundry Creditors	-	-	-	-	-	337,252	337,252
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	784,000	1,149,864	1,745,006	24,673	373,117	-	4,076,660
Other Liabilities	39	416	22,000	40,032	28,102	2,453,097	2,543,686
Total Liabilities	9,161,245	2,283,839	1,893,131	64,736	401,219	5,226,935	19,031,105
Balance Sheet Long Position	-	-	722,406	5,238,047	593,833	-	6,554,286
Balance Sheet Short Position	(3,283,593)	(1,272,300)	-	-	-	(1,998,393)	(6,554,286)
Off-Balance Sheet Long Position	-	-	6,356	4,008	-	-	10,364
Off-Balance Sheet Short Position	-	-	-	-	(2,189)	-	(2,189)
Total Position	(3,283,593)	(1,272,300)	728,762	5,242,055	591,644	(1,998,393)	8,175

(*) Loans with floating interest rates amounting to TRY 3,199,937 are included in "Up to 1 Month" while mark to market differences from hedged loans amounting to TRY 33,648 are included in "1-5 Years".

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V. Explanations Related to Interest Rate Risk (continued)

The other assets line in the non-interest bearing column consists of tangible assets amounting to TRY 109,506 intangible assets amounting to TRY 10,156, assets held for sale amounting to TRY 33,982, subsidiaries amounting to TRY 119,690, entities under common control (joint vent.) amounting to TRY 5 and the other liabilities line includes the shareholders' equity of TRY 1,812,863.

Average interest rates applied to monetary financial instruments

	EURO %	USD %	YEN %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances With the Central Bank of Turkey	-	-	-	3.75
Banks	0.19	0.16	-	6.96
Financial Assets at Fair Value Through Profit and Loss	3.18	4.78	-	9.02
Money Market Placements	-	1.05	-	6.41
Available-For-Sale Financial Assets	3.98	5.72	-	8.39
Loans	4.59	4.11	5.36	12.66
Held-To-Maturity Investments	-	-	-	12.58
Liabilities				
Bank Deposits	0.51	0.17	-	5.70
Other Deposits	1.99	2.34	0.10	7.18
Money Market Borrowings	-	-	-	6.73
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.11	2.60	3.10	7.71

Interest rate sensitivity:

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

- Net profit for the period would have changed by TRY 34,900 (December 31, 2010: TRY 6,812).

The interest rate sensitivity the Bank is exposed to due to its balance sheet composition is calculated with the net interest income approach. The net interest income is calculated by using the original interest rates until maturity and using market interest curves until the remaining annualized period subject to analysis. This calculation is re-performed by altering the market interest curves based on rate changes accepted by management. The difference between the initial and re-performed calculation is assessed to be the interest sensitivity of the Bank.

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VI. Explanations Related to Liquidity Risk

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

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

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

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of Turkish Lira and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, the Bank manages its maturity risk within the limits determined by Bank's Board of Directors.

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

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, set to reflect market conditions. The ratios realized during the year were as follows:

	Current Period	Prior Period
	%	%
Average during the period	22	20
Highest	27	27
Lowest	16	16

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VI. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3,864,485	1,079,825	-	-	-	-	-	4,944,310
Banks	267,768	87,293	-	14,614	-	-	-	369,675
Financial Assets at Fair Value Through Profit and Loss	-	69,975	119,273	981,270	1,005,353	331,390	-	2,507,261
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	24,286	1	22,253	933,119	2,539,494	1,115,098	-	4,634,251
Loans(**)	-	9,274,856	1,153,859	3,916,097	8,601,879	2,500,911	201,659	25,649,261
Held-To-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	-	-	1,188	481	7,900	2,398	1,891,669	1,903,636
Total Assets	4,156,539	10,511,950	1,296,573	5,845,581	12,154,626	3,949,797	2,093,328	40,008,394
Liabilities								
Bank Deposits	69,882	629,503	-	4,048	-	-	-	703,433
Other Deposits	3,706,983	12,264,301	4,599,331	318,000	1,324	156	-	20,890,095
Funds Provided From Other Financial Institutions	-	1,566,002	1,885,252	3,657,338	1,243,299	664,040	-	9,015,931
Money Market Borrowings	-	786,034	1,327,499	-	-	-	-	2,113,533
Marketable Securities Issued	-	-	-	254,983	-	-	-	254,983
Sundry Creditors	-	874,711	-	-	-	-	-	874,711
Other Liabilities	-	1,100,803	76,219	200,220	137,379	23,332	4,617,755	6,155,708
Total Liabilities	3,776,865	17,221,354	7,888,301	4,434,589	1,382,002	687,528	4,617,755	40,008,394
Liquidity Gap	379,674	(6,709,404)	(6,591,728)	1,410,992	10,772,624	3,262,269	(2,524,427)	-
Prior Period								
Total Assets	1,183,985	7,133,370	694,823	2,210,195	5,833,178	1,543,049	432,505	19,031,105
Total Liabilities	2,436,586	9,603,741	2,277,991	1,952,932	178,885	577,070	2,003,900	19,031,105
Liquidity Gap	(1,252,601)	(2,470,371)	(1,583,168)	257,263	5,654,293	965,979	(1,571,395)	-

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

(**) Loans with floating interest rates amounting to TRY 6,478,326 TL (December 31, 2010: TRY 3,146,930) are included in "Up to 1 Month" while income accrual resulted from mark to market differences from hedged loans amounting to TRY 19,993 (December 31, 2010: TRY 33,648) are included in "1-5 Years".

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. Explanations and Disclosures Related to the Assets

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/FC	227,624	246,597	136,299	151,431
Balances with the Central Bank of Turkey	2,712,640	1,533,611	650,346	1,061,550
Other	-	223,838	-	27,670
Total	2,940,264	2,004,046	786,645	1,240,651

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposits	2,712,640	-	650,346	-
Unrestricted time deposits	-	453,786	-	651,635
Restricted time deposits	-	1,079,825	-	409,915
Total	2,712,640	1,533,611	650,346	1,061,550

TRY 453,786 (December 31, 2010: TRY 651,635) foreign currency unrestricted deposit, TRY 1,079,825 (December 31, 2010: TRY 409,915) foreign currency restricted deposits and TRY 2,712,640 (December 31, 2010: TRY 650,287) TRY unrestricted deposit balance comprises of reserve deposits. As of September 30, 2011, the Turkish lira required reserve ratios are determined to be within the range of 5%-16% depending on the maturity structure of deposits denominated in Turkish lira, whereas this range for other Turkish lira liabilities was determined to be 13% (December 31, 2010: 6% for all Turkish Lira liabilities). As of September 30, 2011, the required reserve ratios for foreign currency deposits and other liabilities are determined to be within the range of 8.5%-11.5% depending on the maturity structure (December 31, 2010: 11% for all foreign currency liabilities). With an amendment in the Communiqué about "Required Reserve Ratios" published in the Official Gazette dated October 6, 2011, required reserves ratios are determined to be within the range of 6%-11% depending on the maturity structure of deposits denominated in foreign currency. According to the latest amendment in the Communiqué about "Required Reserve Ratios" published in the Official Gazette dated October 28, 2011, the Turkish lira denominated required reserve ratios are determined to be within the range of 5%-11% depending on the maturity structure of deposits, whereas this range for other Turkish lira liabilities was determined to be 13%. Moreover, the ceiling of the required reserves for Turkish lira liabilities concerning the part that can be held as foreign currency increased from 20% to 40%.

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

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (December 31, 2010 – None).

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	45,472	687,413	-	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	45,472	687,413	-	-

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 1,256,592 (December 31, 2010: TRY 96,061).

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

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

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	37,328	3,807	5,286	6,117
Swap Transactions	205,936	14,993	39,155	3,908
Futures Transactions	-	-	-	-
Options	203,602	39,596	36,318	8,207
Other	-	12,522	-	-
Total	446,866	70,918	80,759	18,232

3.a) Information on banks :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	16,794	64,857	397,828	79,000
Foreign	38,119	249,905	15,000	211,656
Branches and head office abroad	-	-	-	-
Total	54,913	314,762	412,828	290,656

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	146,240	104,947	-	-
USA and Canada	48,289	50,289	-	-
OECD Countries (*)	9,555	5,449	-	-
Off-shore banking regions	82,253	65,694	-	-
Other	1,687	277	-	-
Total	288,024	226,656	-	-

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

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

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

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	731,031	157,619	243,848	125,062
Other	-	-	-	-
Total	731,031	157,619	243,848	125,062

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	1,345,054	129,344	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,345,054	129,344	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 2,271,203 (December 31, 2010: TRY 3,043,175).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	4,671,655	3,399,812
Quoted on a stock exchange	4,671,655	3,399,812
Unquoted	-	-
Share certificates	24,286	17,880
Quoted on a stock exchange	4,558	3,212
Unquoted (*)	19,728	14,668
Impairment provision(-)	61,690	5,607
Total	4,634,251	3,412,085

(*) After the sale of the Bank's 90.01% shares in TEB Finansal Kiralama A.Ş as at September 30, 2010; the remaining 9.99% shares are presented as available-for-sale financial assets and accounted for at fair value in accordance with TAS 39. The related amount is TRY 12,594 and valuation difference amounting to TRY 8,575 is accounted for under the "Marketable Securities Valuation Differences" account. With the sale of the Bank's shares as at September 29, 2011, the related amount became TRY 9,227 and valuation difference decreased to TRY 5,730 as of September 30, 2011.

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 10,501 which is recorded at cost since its fair value cannot be reliably estimated (December 31, 2010: TRY 2,074).

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

5. Information on loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	77,192	102,302	24,509	40,782
Corporate shareholders	76,670	102,296	24,102	40,773
Real person shareholders	522	6	407	9
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	43,776	-	22,893	-
Total	120,968	102,302	47,402	40,782

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

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring (*)	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	24,385,136	61,584	937,437	63,445
Discount notes	457,069	-	39,713	-
Export loans	2,371,558	-	26,045	-
Import loans	-	-	-	-
Loans given to financial sector	502,020	-	-	-
Foreign loans	169,817	-	9	-
Consumer loans(**)	5,971,492	31,724	303,287	21,188
Credit cards	1,200,497	-	80,877	-
Precious metal loans	448,192	-	37,512	-
Other	13,264,491	29,860	449,994	42,257
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	24,385,136	61,584	937,437	63,445

(*) The total principal amount of the loans under close monitoring in accordance with the requirements of the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" changed on February 6, 2008.

(**) TRY 19,993 income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

c) Loans and other receivables according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	12,503,032	12,860	414,166	3,935
Non-specialized loans	12,503,032	12,860	414,166	3,935
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and Long-term loans and other receivables	11,882,104	48,724	523,271	59,510
Non-specialized loans	11,882,104	48,724	523,271	59,510
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	24,385,136	61,584	937,437	63,445

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5. Information on loans (continued)

- d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	125,806	5,862,692	5,988,498
Housing Loans	2,884	3,342,271	3,345,155
Vehicle Loans	10,609	539,115	549,724
General Purpose Loans	112,313	1,981,306	2,093,619
Other	-	-	-
Consumer Loans –Indexed to FC	-	196,598	196,598
Housing Loans	-	179,107	179,107
Vehicle Loans	-	4,398	4,398
General Purpose Loans	-	13,093	13,093
Other	-	-	-
Consumer Loans-FC (**)	37	16,042	16,079
Housing Loans	-	3,201	3,201
Vehicle Loans	-	9,529	9,529
General Purpose Loans	37	3,312	3,349
Other	-	-	-
Individual Credit Cards-TRY	1,079,194	-	1,079,194
With Installments	365,347	-	365,347
Without Installments	713,847	-	713,847
Individual Credit Cards-FC	3,760	-	3,760
With Installments	-	-	-
Without Installments	3,760	-	3,760
Personnel Loans-TRY	4,274	20,840	25,114
Housing Loans	-	195	195
Vehicle Loans	-	86	86
General Purpose Loans	4,274	20,559	24,833
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	16,819	-	16,819
With Installments	7,331	-	7,331
Without Installments	9,488	-	9,488
Personnel Credit Cards-FC	75	-	75
With Installments	-	-	-
Without Installments	75	-	75
Overdraft Accounts-TRY (Real Persons) (*)	100,757	-	100,757
Overdraft Accounts-FC (Real Persons)	645	-	645
Total	1,331,367	6,096,172	7,427,539

(*) Overdraft Accounts include personnel loans amounting to TRY 1,768.

(**) Loans granted via branches abroad.

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5. Information on loans: (continued)

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	288,159	2,951,275	3,239,434
Business Loans	226	132,395	132,621
Vehicle Loans	22,399	782,106	804,505
General Purpose Loans	265,534	2,036,774	2,302,308
Other	-	-	-
Commercial loans with installment facility - Indexed to FC	23,794	428,731	452,525
Business Loans	-	12,648	12,648
Vehicle Loans	2,184	158,842	161,026
General Purpose Loans	21,610	257,241	278,851
Other	-	-	-
Commercial loans with installment facility –FC	23,985	-	23,985
Business Loans	-	-	-
Vehicle Loans	12	-	12
General Purpose Loans	23,973	-	23,973
Other	-	-	-
Corporate Credit Cards-TRY	179,379	-	179,379
With Installments	53,310	-	53,310
Without Installments	126,069	-	126,069
Corporate Credit Cards-FC	2,147	-	2,147
With Installments	-	-	-
Without Installments	2,147	-	2,147
Overdraft Accounts-TRY(Legal Entities)	322,548	-	322,548
Overdraft Accounts-FC(Legal Entities)	8,544	-	8,544
Total	848,556	3,380,006	4,228,562

f) Loans according to borrowers:

	Current Period	Prior Period
Public	55,120	34,738
Private	25,392,482	11,595,695
Total	25,447,602	11,630,433

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	25,224,625	11,454,413
Foreign loans	222,977	176,020
Total	25,447,602	11,630,433

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	80	275
Indirect loans granted to subsidiaries and associates	-	-
Total	80	275

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5. Information on loans (continued)

i) Specific provisions provided against loans

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectability	7,170	4,833
Loans and receivables with doubtful collectability	30,718	21,608
Uncollectible loans and receivables	462,630	210,812
Total	500,518	237,253

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
(Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	6,654	3,717	13,721

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior period end balance	34,203	59,874	265,998
Additions (+) (*)	182,067	44,386	336,410
Transfers from other categories of non-performing loans (+)	10	137,158	126,196
Transfers to other categories of non-performing loans (-)	138,902	124,462	-
Collections (-)	30,065	34,702	99,731
Write-offs (-) (**)	9	-	56,254
Corporate and commercial loans	-	-	54,489
Retail loans	9	-	37
Credit cards	-	-	1,728
Other	-	-	-
Current period end balance	47,304	82,254	572,619
Specific provision (-)	7,170	30,718	462,630
Net Balances on Balance Sheet	40,134	51,536	109,989

(*) Increase due to the merger is TRY 388,400.

(**) TRY 55,484 of the non-performing loans portfolio of the Bank with TRY 54,078 provision has been sold to LBT Varlık Yönetim A.Ş. for TRY 4,250. This balance has been collected upon the completion of the necessary procedures as of January 12, 2011, and the related non-performing loans have been written off from the records.

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

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5. Information on loans: (continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	47,304	82,254	559,368
Specific Provision (-)	7,170	30,718	455,259
Loans to Real Persons and Legal Entities (Net)	40,134	51,536	104,109
Banks (Gross)	-	-	13,251
Specific Provision (-)	-	-	7,371
Banks (Net)	-	-	5,880
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	34,203	59,874	265,998
Specific Provision (-)	4,833	21,608	210,812
Loans to Real Persons and Legal Entities (Net)	29,370	38,266	55,186
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidating non performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; loans and other receivables for which the collection is believed to be impossible are classified as nonperforming loans by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Bank.

l) Explanations on write-off policy:

Unrecoverable non performing loans can be written off with the decision of the Board of Directors.

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

5. Information on loans (continued)

m) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Neither past due nor impaired	17,206,355	5,979,626	1,119,621	24,305,602
Past due not impaired	632,182	348,065	161,753	1,142,000
Individually impaired	415,900	113,378	172,899	702,177
Total	18,254,437	6,441,069	1,454,273	26,149,779
Specific provisions	259,672	85,830	155,016	500,518
Total	259,672	85,830	155,016	500,518
Total Net Loans	17,994,765	6,355,239	1,299,257	25,649,261

Prior Period	Commercial	Consumer	Credit Cards	Total
Neither past due nor impaired	8,100,720	2,491,312	504,616	11,096,648
Past due not impaired	385,634	82,858	65,293	533,785
Individually impaired	284,242	21,706	54,127	360,075
Total	8,770,596	2,595,876	624,036	11,990,508
Specific provisions	179,867	12,721	44,665	237,253
Total	179,867	12,721	44,665	237,253
Total Net Loans	8,590,729	2,583,155	579,371	11,753,255

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired at September 30, 2011 is TRY 204,021 (December 31, 2010: TRY 113,515).

The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:

	Current Period	Prior Period
Mortgage	167,304	91,408
Vehicle	23,796	15,820
Cash	6,118	7
Other	6,803	6,280
Total	204,021	113,515

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5. Information on loans (continued)

m) Other explanations and disclosures (continued)

Aging analysis of past due but not impaired loans per classes of financial statements:

September 30, 2011	Less than 30 days	31-60 days	61-90 days	Total
Loans and advances to customers				
Commercial Credits	442,302	117,108	72,772	632,182
Consumer lending	182,241	115,810	50,014	348,065
Credit cards	154,534	167	7,052	161,753
Total	779,077	233,085	129,838	1,142,000

December 31, 2010	Less than 30 days	31-60 days	61-90 days	Total
Loans and advances to customers				
Commercial lending	280,829	64,185	40,620	385,634
Consumer lending	35,662	36,151	11,045	82,858
Credit cards	59,836	412	5,045	65,293
Total	376,327	100,748	56,710	533,785

Of the total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding total loan balance of the customer, that the Bank held as at September 30, 2011 is TRY 701,316 (December 31, 2010: TRY 201,268).

The fair value of collaterals, capped with the respective outstanding loan balance relating to those that are past due but not impaired:

	Current Period	Prior Period
Mortgage	505,215	159,122
Vehicle	86,874	24,017
Cash	14,387	2,134
Other	94,840	15,995
Total	701,316	201,268

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

5. Information on loans (continued)

m) Other explanations and disclosures (continued)

Explanations on the loans and other receivables of the Bank for which the payment schedules are revised as per the agreement:

Based on the Article 4 of the Communiqué “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the number of loans, total amount and extension periods for which the payment schedules are revised after May 28, 2011 are as follows:

(i) Loans for which the payment schedules are revised for once:

		Extension Period					Total
		Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	
Loans	Number	216	511	1,815	4,865	63	7,470
	Amount	6,223	7,436	24,660	61,782	3,906	104,007

(ii) Loans for which the payment schedules are revised for twice:

		Extension Period					Total
		Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	
Loans	Number	5	74	167	493	6	745
	Amount	105	2,278	3,131	12,040	488	18,042

(iii) Loans for which the payment schedules are revised more than twice:

		Extension Period					Total
		Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	
Loans	Number	-	-	-	-	1	1
	Amount	-	-	-	-	75	75

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

6. Information on held-to-maturity investments

Following the merger with Fortis Bank A.Ş. , the Bank revised its risk management policies. As a result held to maturity investments amounting to TRY 261,199 are classified as financial assets available for sale in accordance with TAS 39.

a.1) Information on held to maturity public sector debt securities:

	Current Period	Prior Period
Government bonds	-	217,604
Treasury bills	-	-
Other public sector debt securities	-	-
Total	-	217,604

a.2) Information on held to maturity investments:

	Current Period	Prior Period
Debt securities		
Quoted on a stock exchange	-	217,604
Unquoted	-	-
Impairment provision(-)	-	-
Total	-	217,604

a.3) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bond, Treasury bill and similar securities	-	-	68,245	-
Other	-	-	-	-
Total	-	-	68,245	-

a.4) Held-to-maturity investments subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	-	-	70,042	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	70,042	-

There are no unrestricted financial assets held-to maturity (December 31, 2010: TRY 79,317).

b) Movement of public sector debt investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	217,604	880,803
Foreign currency differences on monetary assets	-	-
Purchases during the year (*), (**)	149,187	9,403
Disposals through sales and redemptions (***)	(366,791)	(672,602)
Impairment provision (-)	-	-
Change in income on redeemed cost adjustments	-	-
Closing Balance	-	217,604

(*) Accruals are included in purchases during the year.

(**) Includes assets amounting to TRY 138,203 transferred from Fortis Bank A.Ş.

(***) Classified in portfolio of securities available for sale as mentioned above.

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7. Information on associates (Net):

- a.1) Information on the unconsolidated associates: None (December 31, 2010: None).
a.2) Valuation of consolidated associates: None (December 31, 2010: None).
a.3) Consolidated associates which are quoted on the stock exchange: None (December 31, 2010: None).

8. Information on subsidiaries (Net):

- a) Information on the unconsolidated subsidiaries: None (December 31, 2010: None).
b) Information on the consolidated subsidiaries:
b.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
The Economy Bank N.V.	Netherlands		
Fortis Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100.00	-
TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
TEB Yatırım Menkul Değerler A.Ş. (*)	İstanbul/Turkey	96.62	3.38
TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	46.77	53.23

Information on the consolidated subsidiaries with the order as presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (**)	Fair Value
(i)	1,810,959	251,751	9,695	52,179	2,839	19,054	12,983	-
(ii)	664,700	36,296	1,906	47,636	-	8,081	6,873	-
(ii)	82,997	76,449	7,211	6,464	122	4,313	7,676	-
(ii)	16,716	15,236	716	860	221	2,043	3,134	-

- (*) As explained in the Material Disclosure on March 24, 2011, the followings are concluded in regards to the transfer of Fortis Yatırım Menkul Değerler A.Ş. ("Fortis Yatırım") in which TEB has 99.998% participation, with all of its assets and liabilities without any dissolution to TEB Yatırım Menkul Değerler A.Ş. ("TEB Yatırım") in which TEB has a direct share of 92.481%:

The transfer of Fortis Yatırım to TEB Yatırım and the related transfer agreement are approved in the Extraordinary General Meeting of TEB Yatırım and Fortis Yatırım held on June 21, 2011.

In relation to the transfer, Article 6 "Capital and Share Types" set out in the articles of association of TEB Yatırım is decided to be amended upon the unqualified opinion of the CMB no: B.02.1.SP.K.0.16-205.01.02/714-6076 issued on June 14, 2011 and the permit no: B.14.0.İT.G.0.10.00.01/351-02-56082-72593-3267 given by the Domestic Trade Administration of the Ministry of Trade and Industry of Turkish Republic on June 14, 2011, and the capital of TEB Yatırım is decided to be increased from TRY 12,950 to TRY 28,794 in relation to the transfer transaction accordingly to the extent that shareholders of Fortis Yatırım are granted with shares that represent the increased capital.

The transfer was finalized on June 24, 2011 upon the registry of the resolutions issued in the TEB Yatırım and Fortis Yatırım's Extraordinary General Meeting held on June 21, 2011 to the İstanbul Trade Registry.

Following the transfer, TEB's direct participation in TEB Yatırım has increased to 96.617%.

- (**) Represents the amounts in the financial statements as of September 30, 2010.
(i) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and nine months' average rates for profit and loss as of September 30, 2011. The Economy Bank NV has two consolidated subsidiaries named Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.
(ii) Represents financial figures based on BRSA as of September 30, 2011.

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8. Information on subsidiaries (Net) (continued):

b.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	119,690	153,921
Movements during the period	48,171	(34,231)
Purchases (*), (**), (***)	48,171	5,959
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (****)	-	(40,190)
Revaluation increase	-	-
Provision for impairment	-	-
Balance at the end of the period	167,861	119,690
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(*) The Bank has transferred 17.54% of the shares of TEB Finansal Kiralama A.Ş. in TEB Yatırım Menkul Değerler A.Ş. amounting to TRY 2,271 in exchange for TRY 5,959 and payment for the related transfer was made after the completion of required procedures as at September 29, 2010.

(**) Fortis Yatırım Menkul Değerler A.Ş., the subsidiary of Fortis Bank A.Ş. transferred with the merger is included in the purchases as the net of the transfer amount of TRY 44,745 and the reversal of the revaluation increase of TRY 6,574.

(***) The share capital increase of TEB Faktoring A.Ş. in the amount of TRY 10,000 is presented in the "purchases" line with the completion of the required procedures as at July 29, 2011.

(****) The Bank sold 90.01% shares of its subsidiary TEB Finansal Kiralama A.Ş. to Fortis Finansal Kiralama A.Ş. in consideration of TRY 113,345. The sale amount was received after the completion of the necessary procedures as of September 30, 2010. The profit amounts to TRY 77,173 resulting from this sale. The remaining 9.99% shares are classified as "Financial Assets Available for Sale".

b.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		Current Period	Prior Period
Banks	/ The Economy Bank N.V.	61,254	61,254
Factoring Companies	/ TEB Faktoring A.Ş.	34,037	24,037
Other Financial Subsidiaries	/ TEB Yatırım Menkul Değerler A.Ş. (*)	70,512	32,341
	TEB Portföy Yönetimi A.Ş.	2,058	2,058
		167,861	119,690

(*) As explained in the Material Disclosure on March 24, 2011, Fortis Yatırım Menkul Değerler A.Ş. ("Fortis Yatırım") in which TEB has 99.998% participation, is transferred with all of its assets and liabilities without any dissolution to TEB Yatırım Menkul Değerler A.Ş. ("TEB Yatırım") in which TEB has a direct share of 92.481%.

b.4) Consolidated subsidiaries quoted on the stock exchange: None (December 31, 2010: None).

9. Information on entities under common control (joint ventures):

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	İstanbul/Türkiye	0.1	33.3

10. Information on finance lease receivables (Net): None (December 31, 2010: None).

11. Information on derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair value hedge	7,386	6	11,114	43
Cash flow hedge	3,387	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	10,773	6	11,114	43

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

12. Information on tangible assets:

	Opening Balance December 31, 2010	Additions	Disposals	Other(*)	Ending Balance September 30, 2011
Cost:					
Land and buildings	9,637	-	(450)	106,036	115,223
Leased tangible assets	48,616	-	(586)	8,770	56,800
Other	270,256	33,427	(36,701)	411,233	678,215
Total Cost	328,509	33,427	(37,737)	526,039	850,238
Accumulated Depreciation:					
	Opening Balance December 31, 2010	Period Charge	Disposals	Other	Ending Balance September 30, 2011
Land and buildings	(3,737)	(1,268)	243	(24,941)	(29,703)
Leased tangible assets	(43,292)	(3,600)	586	(7,731)	(54,037)
Other	(171,974)	(55,062)	36,228	(332,832)	(523,640)
Total Accumulated Depreciation	(219,003)	(59,930)	37,057	(365,504)	(607,380)
Net Book Value	109,506				242,858

(*) Tangible assets transferred from Fortis Bank A.Ş. are presented in "Other" column.

- The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

13. Information on intangible assets:

	Opening Balance December 31, 2010	Additions	Disposals	Other(*)	Ending Balance September 30, 2011
Cost:					
Other Intangible Assets	42,083	3,498	-	51,112	96,693
Total Cost	42,083	3,498	-	51,112	96,693
Accumulated Amortization:					
	Opening Balance December 31, 2010	Period Charge	Disposals	Other(*)	Ending Balance September 30, 2011
Other intangible assets	(31,927)	(7,834)	-	(42,967)	(82,728)
Total Accumulated Amortization	(31,927)	(7,834)	-	(42,967)	(82,728)
Net Book Value	10,156				13,965

(*) Intangible assets transferred from Fortis Bank A.Ş. are presented in "Other" column.

- Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.

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

13. Information on intangible assets: (continued)

- d) The book value of intangible fixed assets that are pledged or restricted for use: None.
- e) Amount of purchase commitments for intangible fixed assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements.
- i) Information on goodwill:

Following announcement of the Banking Regulation and Supervision Agency approval dated February 10, 2011 at the Official Gazette dated February 12, 2011 and numbered 27844, merger of two banks by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated February 14, 2011 to İstanbul Trade Registry. Registered shares to be issued were distributed to the shareholders of Fortis Bank A.Ş., which was dissolved due to the merger, in exchange of their current shares. Fortis Bank A.Ş. shareholders received 1.0518 registered Türk Ekonomi Bankası A.Ş. shares for each Fortis Bank A.Ş. share having a nominal value of TRY 1. The related transaction has been accounted for in accordance with the requirements of TFRS 3 “Business Combination”, since the merging banks were not under common control of the same parties before and after the merger. In this merger transaction, Fortis Bank A.Ş. was determined as the acquiree, and with the merger, the fair value of the equity shares exchanged as of February 14, 2011 was considered as the fair value of consideration transferred, and the difference between this value and the fair value of identifiable net asset value of Fortis Bank A.Ş. is accounted as goodwill.

Main principles related with the merger transaction are summarized as follows:

- All prior period financial statements of the Bank as of December 31, 2010 remained same with the publicly announced figures, and effect of the merger was not reflected to the prior period financials.
- Identifiable assets and liabilities of Fortis Bank A.Ş. were measured at fair value as of February 14, 2011. The difference between the fair value of the identifiable net assets and the fair value of equity shares exchanged is accounted as goodwill.
- Fair value of the equity shares exchanged as of the merger date is based on an independent appraisal report in which “discounted dividend” method was used.
- The difference resulting from the transactions described above is accounted under “Other Capital Reserves”.
- The net profit and net interest income of the acquiree Fortis Bank A.Ş. was realized as TRY 64 and TRY 90,147, respectively, for the period January 1, 2011-February 14, 2011 before the merger. The stated amounts were accounted under retained earnings in the accompanying financial statements. If the merger had been completed as of January 1, 2011, the net profit and net interest income of the merged Bank would have been realized as TRY 124,210 and TRY 1,051,454 respectively.

Information related to the calculation of the goodwill related to the merger is as follows:

	February 14, 2011
Fair value of equity shares exchanged	2,385,482
Fair value of the identifiable net assets of Fortis Bank A.Ş.	1,964,358
Goodwill	421,124

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

13. Information on intangible assets: (continued)

i) Information on goodwill: (continued)

Fair value of the identifiable net assets of Fortis Bank A.Ş. as of February 14, 2011 is considered as follows:

	February 14, 2011
	Fair Value (*)
Cash and balances with Central Bank and money market placements	2,133,269
Marketable securities	1,438,043
Loans and receivables	8,062,707
Tangible and intangible assets	170,696
Deferred tax asset	56,650
Other receivables and other assets	325,384
Deposits	(6,195,402)
Funds borrowed and money market balances	(2,990,035)
Other liabilities	(1,036,954)
Net assets acquired	1,964,358

(*) Fair value differences arise mainly from loans and receivables, marketable securities, fixed assets and funds borrowed.

j) Movements on goodwill in the current period:

	Current Period	Prior Period
Beginning balance	-	-
Foreign exchange differences	-	-
Additions	421,124	-
Ending balance	421,124	-

14. Information on investment property: None (December 31, 2010: None).

15. Explanations on deferred tax asset:

- a) As of September 30, 2011, deferred tax asset computed on the temporary differences is TRY 54,561 (December 31, 2010: TRY 13,093). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

	Current Period	Prior Period
At January 1,	13,093	7,869
Other(*)	56,694	144
Deferred tax (charge)/benefit	(46,398)	21,004
Deferred tax accounted for under equity	31,172	(15,924)
Deferred Tax Asset	54,561	13,093

(*) Deferred tax asset transferred from Fortis Bank A.Ş. is presented in "Other" column.

16. Information on assets held for sale and discontinued operations:

None (December 31, 2010: None).

17. Information on other assets:

Other assets of the balance sheet amounting to TRY 991,295 (December 31, 2010: TRY 458,722) does not exceed 10% of the balance sheet total excluding off balance sheet commitments.

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SECTION FIVE

II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	582,521	-	698,375	5,550,482	297,534	66,488	44,376	4,493	7,244,269
Foreign currency deposits	1,178,006	-	1,608,058	3,452,579	52,400	56,322	2,209	739	6,350,313
Residents in Turkey	1,091,853	-	1,526,560	3,338,137	44,796	42,774	1,261	739	6,046,120
Residents abroad	86,153	-	81,498	114,442	7,604	13,548	948	-	304,193
Public sector deposits	198,955	-	203,640	98,645	432,115	-	95	-	933,450
Commercial deposits	1,217,705	-	1,006,689	2,574,770	138,179	27,248	303	21	4,964,915
Other institutions deposits	21,572	-	30,164	403,316	208,494	41,826	522	-	705,894
Precious metals deposits	508,224	-	71,767	84,310	16,696	10,257	-	-	691,254
Interbank deposits	69,882	-	622,192	7,311	-	2,024	2,024	-	703,433
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	144	-	341,573	-	-	-	2,024	-	343,741
Foreign Banks	35,710	-	280,619	7,311	-	2,024	-	-	325,664
Special finance houses	34,028	-	-	-	-	-	-	-	34,028
Other	-	-	-	-	-	-	-	-	-
Total	3,776,865	-	4,240,885	12,171,413	1,145,418	204,165	49,529	5,253	21,593,528

a.2) Prior Period :

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	345,594	-	700,447	2,274,948	243,706	80,810	372	6,381	3,652,258
Foreign currency deposits	831,419	-	1,364,222	1,158,564	17,907	22,452	3,134	1,256	3,398,954
Residents in Turkey	773,216	-	1,300,345	1,130,108	17,294	19,105	715	1,256	3,242,039
Residents abroad	58,203	-	63,877	28,456	613	3,347	2,419	-	156,915
Public sector deposits	121,698	-	1,208	3,315	43	-	-	-	126,264
Commercial deposits	917,353	-	1,086,547	1,230,715	34,832	45,413	-	30	3,314,890
Other institutions deposits	13,730	-	8,707	140,554	2,670	116	2	-	165,779
Precious metals deposits	108,512	-	14,962	4,384	1,160	356	-	-	129,374
Interbank deposits	98,280	-	1,084,434	22,725	3,036	-	3,156	-	1,211,631
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	28,022	-	-	-	-	-	28,022
Foreign Banks	18,307	-	1,056,412	22,725	3,036	-	3,156	-	1,103,636
Special finance houses	79,973	-	-	-	-	-	-	-	79,973
Other	-	-	-	-	-	-	-	-	-
Total	2,436,586	-	4,260,527	4,835,205	303,354	149,147	6,664	7,667	11,999,150

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

b.1) Saving deposits exceeding the limit of insurance:

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

Saving Deposits	Under the Guarantee of Insurance (*)		Exceeding the Limit of Insurance (*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	2,615,747	1,451,750	4,529,373	2,119,857
Foreign currency saving deposits	601,694	348,999	2,121,672	1,233,522
Other deposits in the form of saving deposits	222,578	12,876	411,557	113,771
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	3,440,019	1,813,625	7,062,602	3,467,150

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

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

b.2) Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad: None.

b.3) Saving deposits not guaranteed by insurance:

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

	Current Period	Prior Period
Deposits and accounts in branches abroad	111,548	74,905
Deposits of ultimate shareholders and their close families	169,562	251,356
Deposits of chairman and members of the Board of Directors and their close families	15,138	10,805
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	9,263	8,698	4,156	8,708
Swap Transactions	190,855	34,411	37,448	7,963
Futures Transactions	-	1,085	-	6,168
Options	117,604	39,443	22,829	8,207
Other	3	849	-	-
Total	317,725	84,486	64,433	31,046

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	101,020	118,915	31,102	80,358
From Foreign Banks, Institutions and Funds	2,557,567	5,670,975	1,980,136	1,512,522
Total	2,658,587	5,789,890	2,011,238	1,592,880

As of September 30, 2011 the Group has borrowings from its related parties amounting to TRY 7,001,606 (December 31, 2010: TRY 2,634,729).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	2,091,164	3,961,578	1,560,219	1,316,722
Medium and long-term	567,423	1,828,312	451,019	276,158
Total	2,658,587	5,789,890	2,011,238	1,592,880

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

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

Bank diversifies its funding resources by the customer deposits and by the foreign borrowings. As of September 30, 2011, the Bank has a syndication loan of EUR 192,000,000 and USD 115,000,000 obtained based on the agreement dated August 25, 2011 with a maturity of August 23, 2012, under foreign borrowings.

Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Bank, in consideration of profitability. Bank takes short and long term preventive measures to spread its customers on a wider spectrum on the basis of customer concentration in the branches.

Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	1,385,008	-	74,357	-
Financial institutions and organizations	1,380,648	-	73,565	-
Other institutions and organizations	-	-	-	-
Real persons	4,360	-	792	-
From foreign transactions	-	728,525	-	-
Financial institutions and organizations	-	728,525	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	1,385,008	728,525	74,357	-

Information on debt securities issued:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Bank bonds	254,983	-	-	-
Treasury bills	-	-	-	-
Toplam	254,983	-	-	-

Upon the resolution of the Governing Committee of the Stock Market issued on June 22, 2011, the bonds issued by TEB with a nominal value of TRY 300,000 and a maturity of 178 days (starting from July 19, 2011 and ending on January 13, 2012 with 8.72877% of simple interest; and 8.92408% of annual compound interest) are traded on the Bonds and Bills Market under the ISIN"TRQTEBK11215" code starting from July 21, 2011 as required in the Listing Requirements of ISE.

- 4. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:** None (December 31, 2010: None).

5. Explanations on financial lease obligations (Net):

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

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

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

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

5. Explanations on financial lease obligations (Net) (continued)

- c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	4	-	17	13
Between 1-4 Years	-	-	-	-
More than 4 Years	-	-	-	-
Total	4	-	17	13

- d) Explanations regarding operational leases:

For the period ended September 30, 2011, operational lease expenses amounting to TRY 100,965 (September 30, 2010: TRY 57,197) have been recorded in the profit and loss accounts. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice.

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

6. Information on derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair value hedge	25,888	-	56,547	-
Cash flow hedge	37,935	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	63,823	-	56,547	-

7. Information on provisions:

- a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for First Group Loans and Receivables	210,177	85,445
Provisions for Second Group Loans and Receivables	20,027	9,785
Provisions for Non-Cash Loans	17,091	11,564
Other	-	-
Total	247,295	106,794

- b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses on the foreign currency indexed loans amounting to TRY 27,371 (December 31, 2010: TRY 24,097) is offset from the loans on the balance sheet.

- c) The specific provisions provided for unindemnified non cash loans amount to TRY 34,227 (December 31, 2010 - TRY 18,722).

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

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in the TAS No:19 and reflected this in the financial statements.

As of September 30, 2011, the Bank accrued TRY 27,095 (December 31, 2010: TRY 10,375) for the unused vacations and TRY 27,198 (December 31, 2010: TRY 22,520) for premiums to be paid to the Bank's personnel. Those amounts are classified under "Reserve for Employee Benefits" in the financial statements.

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

7. Information on provisions (continued)

d.1) Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	24,178	17,556
Increase due to merger	23,653	-
Service cost	3,242	3,232
Interest cost	2,023	1,875
Settlement cost	4,238	905
Actuarial gain / (loss)	-	2,895
Benefits paid	(2,844)	(2,285)
Total	54,490	24,178

e) Information on other provisions:

e.1) Provisions for possible losses: None (December 31, 2010: None).

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

	Current Period	Prior Period
Provision for legal cases (*)	42,219	-
Provision for unindemnified non-cash loans	34,227	18,722
Provision for promotions of credit cards and banking services	9,807	4,990
Other (**)	9,360	3,230
Total	95,613	26,942

(*) Includes TRY 42,219 litigation provision transferred from Fortis Bank A.Ş.

(**) Provision booked in 2011 amounting to TRY 4,775 for tax risk related to the credit card agreements is presented within the "other" line.

f) Liabilities on pension rights:

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (December 31, 2010: None).

f.2) Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees: None (December 31, 2010: None).

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

8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for corporate taxes	-	50,085

a.2) Information on taxes payable:

	Current Period	Prior Period
Taxation on Securities	21,160	6,461
Property Tax	1,631	1,044
Banking Insurance Transaction Tax (BITT)	20,681	10,922
Foreign Exchange Transaction Tax	10	9
Value Added Tax Payable	566	1,509
Other (*)	10,835	6,532
Total	54,883	26,477

(*) Other includes income taxes deducted from wages amounting to TRY 9,344 (December 31, 2010: TRY 6,362) and stamp taxes payable amounting to TRY 813 (December 31, 2010: TRY 732) while prepaid income tax amounting to TRY 562 as of December 31, 2010 is deducted from other.

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	2,883	2,537
Social Security Premiums-Employer	3,294	2,700
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	320	177
Unemployment Insurance-Employer	404	356
Other	-	-
Total	6,901	5,770

c) Explanations on deferred tax liabilities, if any: None (December 31, 2010: None)

9. Information on liabilities regarding assets held for sale and discontinued operations: None (December 31, 2010 – None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Bank has signed an agreement with the International Finance Corporation (IFC) on July 17, 2002, for a subordinated loan of USD 15 million. The maturity of the loan is October 15, 2011 and interest rate is LIBOR+2.85%. USD 12 million principle of this subordinated loan was paid in five tranches on October 15, 2009, April 15, 2010, October 15, 2010, April 15, 2011 and October 15, 2011 in accordance with the terms of the main agreement.

The Bank has signed another agreement with the IFC on June 27, 2005, for a subordinated loan. The facility is a USD 50 million subordinated loan, with a maturity of July 15, 2015 and with an interest rate of LIBOR+3.18%.

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

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

The Bank has signed an agreement with the Economy Luxembourg S.A on October 27, 2006 for a subordinated loan. The facility is a EUR 110 million subordinated loan, with a maturity of October 31, 2016, and with a fixed interest rate of 6.10%. If the transaction is not closed and the securities issued from bond owners are not recalled at step-up date which is October 31, 2011, coupon rate of the loan will be increased by 1% and become 7.10% annually while the maturity will remain as October 31, 2016.

The Bank has obtained a primary subordinated loan by issuing a bond amounting to USD 100 million as of July 31, 2007. The investor of the bond is IFC International Finance Corporation (IFC). The maturity of the borrowing is indefinite with semi-annually interest payment. The interest rate is defined as LIBOR+3.5% until July 31, 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as LIBOR + 5.25%. These issued bonds are convertible bonds. IFC has the option to convert these bonds into share certificates if the issued bonds are not recalled at the maturity of 10 years.

Each of the four of the above facilities match BRSA's subordinated loan-capital definitions and contribute to the Bank's capital adequacy ratio in a positive manner, as well as creating long term financing.

a) Information on subordinated loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	567,454	-	472,542
Total	-	567,454	-	472,542

11. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock	2,204,390	1,100,000
Preferred stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank if so amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases and their sources; other information on increased capital shares in current period:

Following announcement of the Banking Regulation and Supervision Agency approval dated 10 February 2011 at the Official Gazette dated February 12, 2011 and numbered 27844, merger of two bank by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated February 14, 2011 to İstanbul Trade Registry. Due to the merger, ceiling for the registered capital of the Bank is increased from TRY 1,400,000, to TRY 2,204,390, and the issued capital of the Bank is increased by TRY 1,104,390, from TRY 1,100,000, to TRY 2,204,390.

Date of Increase	Amount of Increase	Cash	Transfer from Fortis Bank A.Ş.	Profit Reserves	Capital Reserves
February14, 2011	1,104,390	-	1,050,000	54,390	-

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

11. Information on Shareholders' Equity: (continued)

- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored and reported to Board of Directors, Asset and Liability Committee, and Risk Management by the Budget and Financial Control Group. This group tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

- g) Information on preferred shares:

7% of the Bank's remaining net income after tax subsequent to deducting legal reserves and first dividends, corresponding to the Bank's 0.06 shares of TRY 30 (in full TRY) is distributed to the founder shares.

- h) Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(14,536)	(14,168)	91,976	(301)
Foreign Exchange Difference	-	-	-	-
Total	(14,536)	(14,168)	91,976	(301)

	Current Period	Prior Period
Foreign currency marketable securities value increase fund	(14,168)	(301)
Foreign exchange gains resulting from foreign currency associates, subsidiaries, and securities held to maturity related to the above amount	-	-
Total	(14,168)	(301)

Information on legal reserves:

	Current Period	Prior Period
First legal reserves	101,547	39,932
Second legal reserves	9,786	5,536
Other legal reserves appropriated in accordance with special legislation	-	-
Total	111,333	45,468

- 12. Information on minority shares:** None (December 31, 2010: None).

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SECTION FIVE

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

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: Credit card expenditure limit commitments are TRY 2,529,025 and TRY 1,152,230; payment commitments for checks are TRY 1,431,039 and TRY 707,681 as of September 30, 2011 and December 31, 2010, respectively.

- b) Possible losses and commitments related to off-balance sheet items including items listed below:

- b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of Credit	1,146,915	676,829
Bank Acceptances	437,649	55,532
Other Commitments	472,241	279,034
Other Contingencies	73,765	35,496
Total	2,130,570	1,046,891

- b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee Letters	3,914,785	2,158,257
Advance Guarantee Letters	561,848	285,114
Guarantee Letters Given for Customs	244,949	211,909
Temporary Guarantee Letters	419,807	223,055
Other Guarantee Letters	185,462	143,157
Total	5,326,851	3,021,492

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

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	269,964	195,074
With maturity of 1 year or less than 1 year	63,582	29,421
With maturity of more than 1 year	206,382	165,653
Other non-cash loans	7,187,457	3,873,309
Total	7,457,421	4,068,383

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

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

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

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	49,645	1.55	44,492	1.04	30,319	1.53	14,411	0.69
Farming and raising livestock	39,282	1.23	28,745	0.67	23,255	1.17	2,699	0.13
Forestry	9,637	0.30	15,747	0.37	6,826	0.35	11,661	0.56
Fishery	726	0.02	-	-	238	0.01	51	0.00
Manufacturing	1,559,248	48.97	2,429,400	56.85	1,060,727	53.43	1,143,247	54.88
Mining	86,857	2.73	40,842	0.95	58,762	2.96	37,749	1.81
Production	1,432,687	44.99	2,360,908	55.25	984,013	49.57	1,101,093	52.86
Electric, gas and water	39,704	1.25	27,650	0.65	17,952	0.90	4,405	0.21
Construction	742,786	23.33	541,206	12.67	374,732	18.88	305,485	14.66
Services	756,890	23.77	481,617	11.27	487,512	24.56	317,107	15.22
Wholesale and retail trade	329,511	10.35	59,271	1.39	178,561	9.00	44,360	2.13
Hotel, food and beverage services	28,273	0.88	16,306	0.38	13,373	0.67	6,499	0.31
Transportation and telecommunication	169,765	5.33	209,711	4.91	133,277	6.71	207,215	9.95
Financial institutions	56,764	1.78	63,441	1.48	40,641	2.05	31,024	1.49
Real estate and renting services	54,533	1.71	32,759	0.77	35,180	1.77	13,336	0.64
Self-employment services	58,505	1.84	28,131	0.66	53,117	2.68	4,031	0.19
Education services	2,068	0.06	814	0.02	461	0.02	891	0.04
Health and social services	57,471	1.80	71,184	1.66	32,902	1.66	9,751	0.47
Other	75,643	2.38	776,494	18.17	31,811	1.60	303,032	14.55
Total	3,184,212	100.00	4,273,209	100.00	1,985,101	100.00	2,083,282	100.00

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

Non-cash loans	I st Group		II nd Group	
	TRY	FC	TRY	FC
Letters of guarantee	2,740,555	2,508,235	54,685	23,376
Bank acceptances	813	436,836	-	-
Letters of credit	-	1,144,891	-	2,024
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	385,252	156,134	2,907	1,713
Total	3,126,620	4,246,096	57,592	27,113

The Bank provided a reserve of TRY 34,227 (December 31, 2010: TRY 18,722) for non-cash loans not yet indemnified amounting to TRY 46,532 (December 31, 2010: TRY 25,204).

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

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedge	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	32,873,789	10,045,989	-	-
Forward transactions	5,254,560	2,030,469	-	-
Swap transactions	11,460,248	3,081,598	-	-
Futures transactions	922,412	498,894	-	-
Option transactions	15,236,569	4,435,028	-	-
Interest related derivative transactions (II) :	1,200,431	678,409	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	934,462	413,864	-	-
Interest option transactions	265,969	264,545	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	17,678	-	-
Other trading derivative transactions (IV)	-	-	-	-
A.Total trading derivative transactions (I+II+III+IV)	34,074,220	10,742,076	-	-
Types of hedging transactions				
Fair value hedges	-	-	160,465	491,053
Cash flow hedges	-	-	895,671	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	1,056,136	491,053
Total Derivative Transactions (A+B)	34,074,220	10,742,076	1,056,136	491,053

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

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

As of July 1, 2008, the Bank has started to apply fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching TRY 160,465 (December 31, 2010: 491,053) of its swap portfolio with its loan portfolio. As of August 2011, the Bank has also adopted cash flow hedge accounting by matching its swap portfolio with total buy-sell nominal amounting to TRY 895,671 with its deposit basis.

3. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in entities under common control (joint ventures): None.

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

3. Explanations on contingent liabilities and assets: (continued)

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of September 30, 2011, there are no contingent assets that need to be explained (December 31, 2010: None).

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes:

One of the loan customers filed a litigation case against the Bank, however, since the case is still in progress for expertise appointment and gathering supporting documents, the Bank could not yet evaluate the probable effects of the case on financial statements.

Following a resolution in favor of the Bank in 2003 for the case related to deduct accumulated losses from the corporate tax base for 2002 and for subsequent periods in accordance with Corporate Tax Law article 14/7; the Ministry of Finance appealed against the decision, however, the case was again concluded in favor of the Bank by Tax Supreme Court. In this context, the Bank acquired the right to deduct accumulated losses amounting to TRY 364,501 thousand from the corporate tax base. Related accumulated losses have been deducted from tax base by the Bank between the years 2003 and 2006.

On the other hand, the Tax Office has not taken into consideration the deduction amount of TRY 144,824 which is included in the 2003/4 temporary tax declaration based on the resolution of the Tax Supreme Court, and recalculated a temporary corporate tax liability of TRY 15,510 and levied a fine of TRY 16,131 to the Bank based on the declaration as of April 20, 2004. In that respect, the Bank has filed a counter case against the Tax Office, and 1st Tax Office decided in favor of the Bank with resolution no: K:2006/974 based on its decision related with 2002/I period explained above .

The Tax Office filed an appeal against the ruling; however, the 4th Administration of Council of State resolution no: K:2007/4747 ruled that the defendant's claim on the Management's double loss deduction should be initially reviewed and a new ruling should be made accordingly. Therefore the tax office's resolution is overruled by the Council of State.

Although the 1st Tax Office of İstanbul had reviewed the related issues upon the Council of State's overruling and conducted the litigation in favor of the Bank upon its resolution no: K:2010/2377, TRY 48,557 of loss amount is considered as undeductible in the basis of the resolution. Therefore, the Bank has filed an appeal on October 4, 2010 for the overruling of the related resolution basis and the outcome of the appeal is still in process. As the Bank management foresees no significant risk in relation to the related lawsuits, no provision is provided in the financial statements. The Bank has increased the tax base by TRY 2,863 in regards to the related lawsuit in accordance with the requirements of the Communiqué No:6111 "Restructuring of Specific Receivables and Social Insurance and General Health Insurance Law and Amendments to Some Other Laws and Requirements".

4. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

Investment fund participation certificates held in custody which belong to the customers and the portfolio are accounted for with their nominal values. As of September 30, 2011 the total nominal value and number of certificates are TRY 2,053,815 and 205,381,491 thousand (December 31, 2010: TRY 1,143,126 and 114,312,600 thousand) and the total fair value is TRY 8,665,648 (December 31, 2010: TRY 4,885,303).

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SECTION FIVE

IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	814,160	84,815	451,855	53,513
Medium and long term loans	689,289	71,376	335,998	35,724
Interest on non-performing loans	27,712	-	9,193	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	1,531,161	156,191	797,046	89,237

(*) Includes fees and commissions obtained from cash loans amounting to TRY 75,512 (September 30, 2010: TRY 39,413).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	2,396	41	1,134	53
Foreign banks	1,762	1,664	2,666	1,455
Branches and head office abroad	-	-	-	-
Total	4,158	1,705	3,800	1,508

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	38,752	39,812	12,212	574
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	224,715	16,415	128,114	3,836
Held-to-maturity securities	2,469	-	40,437	-
Total	265,936	56,227	180,763	4,410

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

	Current Period	Prior Period
Interest received from associates and subsidiaries	3,176	1,882

2. a) Information on interest on funds borrowed (*):

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	4,012	2,107	2,534	1,923
Foreign banks	145,494	59,642	67,310	12,586
Branches and head office abroad	-	-	-	-
Other financial institutions	-	24,543	-	24,364
Total	149,506	86,292	69,844	38,873

(*) Includes fees and commission expenses of cash loans amounting to TRY 6,850 (September 30, 2010: TRY 5,068).

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

b) Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	1,318	294

c) Information on interest expenses to marketable securities issued:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest expenses to marketable securities issued	4,703	-	-	-
Total	4,703	-	-	-

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

Account Name	Time Deposits						Accumulated Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Turkish Lira								
Bank deposits	15	13,751	471	28	24	57	-	14,346
Saving deposits	11	42,971	296,533	14,695	4,809	1,391	319	360,729
Public sector deposits	-	4,606	2,905	5,465	-	1	-	12,977
Commercial deposits	52	58,500	120,792	3,699	3,287	-	-	186,330
Other deposits	-	1,311	24,372	4,960	871	22	-	31,536
7 days call accounts	-	-	-	-	-	-	-	-
Total	78	121,139	445,073	28,847	8,991	1,471	319	605,918
Foreign Currency								
Foreign currency deposits	-	39,095	67,927	810	817	157	10	108,816
Bank deposits	182	157	212	19	-	-	-	570
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	387	507	472	202	72	-	-	1,640
Total	569	39,759	68,611	1,031	889	157	10	111,026
Grand Total	647	160,898	513,684	29,878	9,880	1,628	329	716,944

3. Information on dividend income:

	Current Period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	432	5
Other	17,802	14,453
Total	18,234	14,458

4. Information on net trading income:

	Current Period	Prior Period
Income	6,005,691	1,634,636
Gains on capital market operations	186,129	36,836
Gains on derivative financial instruments (*)	1,555,917	406,289
Foreign exchange gains(**)	4,263,645	1,191,511
Losses (-)	6,030,864	1,630,547
Losses on capital market operations	157,213	9,242
Losses on derivative financial instruments (*)	1,413,727	584,393
Foreign exchange losses(**)	4,459,924	1,036,912

(*) Gains on hedging transactions are TRY 6,905 (September 30, 2010: TRY 11,631), while losses on hedging transactions are TRY 4,167 (September 30, 2010: TRY 65,590).

(**) Foreign exchange gains on derivative financial transactions are TRY 168,354 (September 30, 2010: TRY 10,967 foreign exchange losses).

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

5. Information on other operating income:

The information on the factors affecting the Bank's income including new developments, and the explanation on nature and amount of income earned from such items: None.

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	34,336	90,675
III. Group Loans and Receivables	13,689	(6,494)
IV. Group Loans and Receivables	17,242	(17,139)
V. Group Loans and Receivables	3,405	114,308
General provision expenses	68,693	14,713
Provision expenses for possible losses	-	-
Marketable securities impairment losses	4,427	-
Financial assets at fair value through profit and loss	4,427	-
Investment securities available for sale	-	-
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	-	-
Other (*)	(17,671)	-
Total	89,785	105,388

(*) Reversal of provision for loans under watch-list in the amount of TRY 17,334 is included in "Other" as of September 30, 2011.

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	419,571	268,496
Reserve for employee termination benefits	9,503	5,379
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	152	-
Depreciation expenses of fixed assets	59,930	34,528
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	7,834	4,990
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	192	1,822
Depreciation expenses of assets to be disposed	789	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	361,051	184,154
Rent expenses	100,965	57,197
Maintenance expenses	7,279	4,195
Advertisement expenses	31,895	16,646
Other expenses	220,912	106,116
Loss on sales of assets	424	31
Other (*)	157,886	62,531
Total	1,017,332	561,931

(*) Included in other, premiums paid to the Saving Deposit Insurance Fund is TRY 13,043 (September 30, 2010: TRY 8,164), taxes other than on income is TRY 48,238 (September 30, 2010: TRY 29,755) and, merger and restructuring expense is TRY 44,666 (September 30, 2010: None).

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

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

Profit before tax of the Bank consists of net interest income and net fees and commission income amounting to TRY 961,307 (September 30, 2010: TRY 561,549) and TRY 241,223 (September 30, 2010: TRY 179,930), respectively; while operating expenses are TRY 1,017,332 (September 30, 2010: TRY 561,931).

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

- As of September 30, 2011 current tax charge is TRY 1,880 (September 30, 2010: TRY 33,663), and deferred tax charge is TRY 46,398. (September 30, 2010: TRY 6,782 deferred tax benefit).
- Deferred tax charge on temporary differences resulted from continued operations is TRY 46,398 (September 30, 2010: TRY 6,782 deferred tax benefit)
- Tax Reconciliation:

	Current Period	Prior Period
Profit before tax	172,424	208,156
Additions		
Disallowables	109,314	18,716
General loan loss provision	34,314	4,512
Other	75,000	13,979
	-	225
Deductions	(40,349)	(73,170)
Dividend income	(18,120)	(14,330)
	-	(57,880)
Other	(22,229)	(960)
Taxable Profit / (Loss)	241,389	153,702
Corporate tax rate	%20	%20
Tax calculated	48,278	30,740

As of September 30, 2011, current tax charge is TRY 1,880 (September 30, 2010: TRY 37,522) and deferred tax charge on temporary differences is TRY 46,398 (September 30, 2010: TRY 6,782 deferred tax benefit). Net tax charge recognized in the financial statements is TRY 48,278 (September 30, 2010: TRY 30,740).

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

The Bank's net profit from continued operations is TRY 124,146 (September 30, 2010: TRY 104,102) for the period ended September 30, 2011.

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

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (September 30, 2010: None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (September 30, 2010: None).
- Profit or loss attributable to minority shares: None (September 30, 2010: None).

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

- 12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items:**

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Credit cards commissions and fees	203,218	130,935
Fund management commissions	21,902	20,649
Insurance commissions	18,495	11,259
Transfer commissions	13,907	5,912
Settlement expense provision, eft, swift, agency commissions	9,701	8,193
Commissions and fees earned from correspondent banks	8,167	5,695
Inquiry and company search fees and commissions	7,269	16,096
Other	76,246	46,463
Total	358,905	245,202
<u>Other fees and commissions given</u>		
Credit cards commissions and fees	121,132	80,607
Settlement and swift commissions	6,607	3,200
Commissions and fees paid to correspondent banks	3,110	1,981
Other	26,539	11,821
Total	157,388	97,609

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SECTION FIVE

V. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) Current Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	331	735	38,643	40,782	142,406	114,606
Balance at end of period	148	1,680	88,040	102,302	137,515	55,434
Interest and commission income	3,176	34	1,632	16	4,435	306

Included in the balances above, the Bank has placements in foreign bank accounts amounting to TRY 68 from subsidiaries and associates, TRY 10,848 under direct and indirect corporate and real person shareholders and TRY 24,193 from other entities included in the risk group.

b) Prior Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect Shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	557	7,198	15,688	46,004	57,190	86,909
Balance at end of period	331	735	38,643	40,782	142,406	114,606
Interest and commission income	1,882	220	2,212	11	3,507	381

Included in the balances above, the Bank has placements in foreign bank accounts amounting to TRY 56 from subsidiaries and associates, TRY 14,134 under direct and indirect corporate and real person shareholders and TRY 2,293 from other entities included in the risk group.

c.1) Information on related party deposits balances:

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	73,452	18,591	1,024,799	282,015	336,262	127,883
Balance at end of period	41,897	73,452	259,897	1,024,799	327,700	336,262
Interest on deposits	1,318	294	16,252	17,318	5,914	2,486

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

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances (continued)

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of period	-	32,150	2,958,850	1,508,190	887,840	746,942
End of period	-	-	9,774,631	2,958,850	222,767	887,840
Total income/loss	-	(374)	(17,848)	(30,392)	11,290	34,023
Hedging transactions purposes						
Beginning of period	-	-	201,151	306,331	-	-
End of period	-	-	325,000	201,151	-	-
Total income/loss	-	-	(17,164)	507	-	-

d) As of September 30, 2011, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 21,310 (September 30, 2010: TRY 14,380).

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SECTION SIX

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT

I. Explanations on the Independent Accountants' Limited Review Report

The unconsolidated interim financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent accountants' limited review report dated November 10, 2011 is presented preceding the financial statements.

II. Footnotes and Explanations Prepared by Independent Accountants

None.