

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S REPORT,  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES  
FOR THE YEAR ENDED  
DECEMBER 31, 2010**

*Translated into English from the  
Original Turkish Report*

To the Board of Directors of  
Finansbank A.Ş.  
İstanbul

DRT Bağımsız Denetim ve  
Serbest Muhasebeci  
Mali Müşavirlik A.Ş.  
Sun Plaza  
Bilim Sok. No:5  
Maslak, Şişli 34398  
İstanbul, Türkiye

## FINANSBANK ANONİM ŞİRKETİ

### INDEPENDENT AUDITOR'S REPORT

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FOR THE YEAR JANUARY 1 – DECEMBER 31, 2010

We have audited the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as of December 31, 2010 and the related statements of income, cash flows, changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks' Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

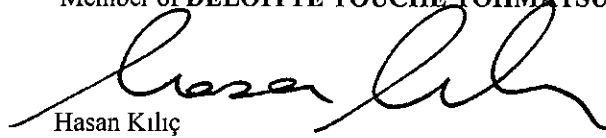
#### Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

#### Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of DELOITTE TOUCHE TOHMATSU LIMITED

  
Hasan Kılıç  
Partner

İstanbul, February 10, 2011

THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.  
FOR THE YEAR ENDED DECEMBER 31, 2010



The Bank's;

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Phone number : (0 212) 318 50 00  
Facsimile number : (0 212) 318 58 50  
Web page : [www.finansbank.com.tr](http://www.finansbank.com.tr)  
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The unconsolidated financial report for the year ended December 31, 2010 in compliance with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures regulated by the Banking Regulation and Supervision Agency consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Ömer  
A. Aras  
Chairman

Mustafa A. Aysan  
Member of the Board of  
Directors and Chairman  
of the Audit Committee

Paul Mylonas  
Member of the  
Board of  
Directors and of the  
Audit Committee

Temel Güzeloglu  
General Manager and  
Member of the  
Board of Directors

Adnan Menderes Yayla  
Executive Vice President  
Responsible of Financial Control and Planning

Gökhan Yücel  
Senior Vice President  
Responsible of Financial-Legal Reporting  
And Treasury Control

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Gökhan Yücel  
Senior Vice President Responsible of Financial-Legal Reporting and Treasury Control  
Phone Number : (0 212) 318 55 65  
Facsimile Number : (0 212) 318 55 78

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**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL ) unless otherwise stated.)*

**SECTION ONE**

**GENERAL INFORMATION**

**I. Explanatory note on the establishment date, nature of activities and history of the Bank**

Finansbank Anonim Şirketi (the Bank) was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990 and its Global Depository Receipts (GDRs) have been listed on the London Stock Exchange since 1998.

**II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the Bank's Group**

As of December 31, 2010, 77.22% of the Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5% by International Finance Corporation ("IFC").

The Bank is a National Bank of Greece S.A. (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL ) unless otherwise stated.)

**III. Information about the chairman and members of board of directors, members of auditor committee, general manager and executive vice presidents; any changes, and the information about the Bank shares they hold**

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	PhD
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	Phd
Demetrios Lefakis <sup>(1)</sup>	Board Member and The Audit Committee Member	April 17, 2007	Masters
Dimitrios Anagnostopoulos	Board Member	September 24, 2009	Graduate
Edward Nassim	Board Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Paul Mylonas	Board Member and The Audit Committee Member	March 11, 2010	Phd
Yener Dinçmen <sup>(2)</sup>	Board Member	August 20, 2001	Masters
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Agis Leopoulos	Board Member	April 16, 2010	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Bekir Dildar	Assistant Managing Director	September 10, 2003	Graduate
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Hakan Şenül	Assistant Managing Director	August 18, 2008	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Kubilay Güler	Assistant Managing Director	January 16, 2004	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Elçin Yanık <sup>(3)</sup>	Assistant Managing Director	February 1, 2010	Masters
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

<sup>(1)</sup> Demetrios Lefakis resigned from his Board Member and Member of The Audit Committee duty as of December 21, 2010. Appointment of Michael Oratis instead is still in process.

<sup>(2)</sup> Yener Dinçmen resigned from his Board Member duty as of December 21, 2010. Appointment of Christos Alexis Komninos instead is still in process.

<sup>(3)</sup> Elçin Yanık resigned from her Assistant Managing Director duty as of January 12, 2011.

The directors listed above possess immaterial number of shares of the Bank.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**IV. Information about the persons and institutions that have qualified shares**

<b>Name Surname/Trade Name</b>	<b>Amount of Shares</b>	<b>Percentage of Shares</b>	<b>Paid-up Shares</b>	<b>Unpaid Shares</b>
National Bank of Greece S.A.	1,702,741	77.22%	1,702,741	-
NBG Finance (Dollar) PLC	213,430	9.68%	213,430	-
NBGI Holdings B.V.	174,195	7.90%	174,195	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend and 10% of the remaining distributable profit is distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are provided as additional legal reserve.

**V. Explanations on the Bank's services and activities**

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2010, the Bank operates through 501 domestic (December 31, 2009 - 459), 1 off-shore banking (December 31, 2009 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2009 - 1) branches.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flows Statement
- VII. Statement of Profit Distribution



**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF DECEMBER 31, 2010 (STATEMENT OF FINANCIAL POSITION)**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**I. BALANCE SHEET – ASSETS**

		Audited 31.12.2010			Audited 31.12.2009		
	Section 5 Part I	TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	1,146,431	1,247,952	2,394,383	1,012,861	779,520	1,792,381
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(2)	1,303,876	153,948	1,457,824	2,030,662	53,237	2,083,899
2.1 Financial assets held for trading		252,271	153,948	406,219	380,081	53,237	433,318
2.1.1 Public sector debt securities		9,776	4,163	13,939	9,839	925	10,764
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		242,495	149,785	392,280	370,242	52,312	422,554
2.1.4 Other securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		1,051,605	-	1,051,605	1,650,581	-	1,650,581
2.2.1 Public sector debt securities		74,654	-	74,654	78,452	-	78,452
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		976,951	-	976,951	1,572,129	-	1,572,129
2.2.4 Other securities		-	-	-	-	-	-
<b>III. BANKS</b>	(3)	7,255	184,248	191,503	10,005	1,147,028	1,157,033
<b>IV. MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)</b>	(4)	6,548,167	867,655	7,415,822	4,953,215	592,540	5,545,755
5.1 Equity securities		-	-	-	-	-	-
5.2 Public sector debt securities		6,427,633	602,273	7,029,906	4,873,092	338,804	5,211,896
5.3 Other securities		120,534	265,382	385,916	80,123	253,736	333,859
<b>VI. LOANS AND RECEIVABLES</b>	(5)	22,416,755	2,442,390	24,859,145	15,504,071	2,042,351	17,546,422
6.1 Loans and receivables		22,184,432	2,442,390	24,626,822	15,398,109	2,042,351	17,440,460
6.1.1 Loans to risk group of the Bank		36,477	36,831	73,308	5,874	30,632	36,506
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		22,147,955	2,405,559	24,553,514	15,392,235	2,011,719	17,403,954
6.2 Non-performing loans		1,757,762	-	1,757,762	1,454,726	-	1,454,726
6.3 Specific provisions (-)		1,525,439	-	1,525,439	1,348,764	-	1,348,764
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)</b>	(6)	-	-	-	-	-	-
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other securities		-	-	-	-	-	-
<b>IX. INVESTMENT IN ASSOCIATES (Net)</b>	(7)	5,769	-	5,769	6,016	-	6,016
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		5,769	-	5,769	6,016	-	6,016
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		5,769	-	5,769	6,016	-	6,016
<b>X. INVESTMENT IN SUBSIDIARIES (Net)</b>	(8)	377,044	-	377,044	237,574	-	237,574
10.1 Unconsolidated financial investments		362,058	-	362,058	222,588	-	222,588
10.2 Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
<b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)</b>	(9)	2,800	-	2,800	800	-	800
11.1 Equity method entities under common control		-	-	-	-	-	-
11.2 Unconsolidated		2,800	-	2,800	800	-	800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	800	-	800
<b>XII. LEASE RECEIVABLES (Net)</b>	(10)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES</b>	(11)	28,648	-	28,648	-	2,417	2,417
13.1 Fair value hedge		28,648	-	28,648	-	2,417	2,417
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(12)	362,201	39	362,240	373,488	19	373,507
<b>XV. INTANGIBLE ASSETS (Net)</b>	(13)	98,571	-	98,571	62,404	-	62,404
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		98,571	-	98,571	62,404	-	62,404
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(14)	-	-	-	-	-	-
<b>XVII. TAX ASSETS</b>	(15)	-	-	-	50,499	-	50,499
17.1 Current tax assets		-	-	-	50,499	-	50,499
17.2 Deferred tax assets		-	-	-	-	-	-
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(17)	428,806	464,648	893,454	369,666	89,257	458,923
<b>TOTAL ASSETS</b>		32,726,323	5,360,880	38,087,203	24,611,261	4,706,369	29,317,630

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF DECEMBER 31, 2010 (STATEMENT OF FINANCIAL POSITION)**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**I. BALANCE SHEET – LIABILITIES AND EQUITY**

		Audited 31.12.2010			Audited 31.12.2009			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	18,286,960	6,143,717	24,430,677	13,008,433	7,259,129	20,267,562
1.1	Deposits from risk group of the Bank		381,915	166,102	548,017	282,756	1,241,032	1,523,788
1.2	Other		17,905,045	5,977,615	23,882,660	12,725,677	6,018,097	18,743,774
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	333,765	140,499	474,264	229,234	37,321	266,555
III.	FUNDS BORROWED	(3)	370,877	3,120,048	3,490,925	349,207	1,700,158	2,049,365
IV.	MONEY MARKET BORROWINGS		814,118	309,882	1,124,000	19,126	-	19,126
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	814,118	309,882	1,124,000	19,126	-	19,126
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		849,103	36,356	885,459	565,228	160,385	725,613
VIII.	OTHER LIABILITIES	(5)	466,524	11,297	477,821	313,380	3,226	316,606
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(6)	-	23	23	-	4,738	4,738
10.1	Financial lease payables		-	253	253	-	5,251	5,251
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses ( - )		-	230	230	-	513	513
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	319,785	7,000	326,785	-	2,693	2,693
11.1	Fair value hedge		250,240	7,000	257,240	-	2,693	2,693
11.2	Cash flow hedge		69,545	-	69,545	-	-	-
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(8)	485,904	31,215	517,119	449,162	32,704	481,866
12.1	General provisions		234,593	31,215	265,808	166,747	32,704	199,451
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		72,224	-	72,224	63,701	-	63,701
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		179,087	-	179,087	218,714	-	218,714
XIII.	TAX LIABILITY	(9)	141,256	-	141,256	83,168	-	83,168
13.1	Current tax liability		65,583	-	65,583	-	-	-
13.2	Deferred tax liability		75,673	-	75,673	83,168	-	83,168
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	1,010,383	1,010,383	-	1,473,260	1,473,260
XVI.	SHAREHOLDERS' EQUITY		5,198,286	10,205	5,208,491	3,586,123	40,955	3,627,078
16.1	Paid-in capital	(12)	2,205,000	-	2,205,000	1,575,000	-	1,575,000
16.2	Capital reserves		234,273	10,205	244,478	83,927	40,955	124,882
16.2.1	Share premium	(13)	665	-	665	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(14)	252,095	10,205	262,300	83,927	40,955	124,882
16.2.4	Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	-	-	-
16.2.8	Hedging funds (effective portion)		(21,176)	-	(21,176)	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		1,844,339	-	1,844,339	1,277,082	-	1,277,082
16.3.1	Legal reserves		182,424	-	182,424	149,918	-	149,918
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,661,915	-	1,661,915	1,127,164	-	1,127,164
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		914,674	-	914,674	650,114	-	650,114
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current year income/ (loss)		914,674	-	914,674	650,114	-	650,114
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			27,266,578	10,820,625	38,087,203	18,603,061	10,714,569	29,317,630

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**

**STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES**

**AS OF DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**II. STATEMENT OF OFF BALANCE COMMITMENTS AND CONTINGENCIES**

	Section 5 Part III	Audited 31.12.2010			Audited 31.12.2009		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		40,631,370	32,911,955	73,543,325	26,773,041	19,977,056	46,750,097
<b>I. GUARANTEES</b>	(1), (2), (3), (4)	2,970,060	3,065,622	6,035,682	2,239,078	2,951,914	5,190,992
1.1. Letters of guarantee		2,967,436	1,587,549	4,554,985	2,239,000	1,706,226	3,945,226
1.1.1. Guarantees subject to State Tender Law		181,832	14,443	196,275	94,304	16,130	110,434
1.1.2. Guarantees given for foreign trade operations		2,292,413	1,573,106	3,865,519	1,756,064	1,690,096	3,446,160
1.1.3. Other letters of guarantee		493,191	-	493,191	388,632	-	388,632
1.2. Bank loans		2,483	719,055	721,538	-	664,139	664,139
1.2.1. Import letter of acceptance		2,483	719,055	721,538	-	664,139	664,139
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		141	722,709	722,850	78	539,845	539,923
1.3.1. Documentary letters of credit		141	697,409	697,550	78	496,789	496,867
1.3.2. Other letters of credit		-	25,300	25,300	-	43,056	43,056
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		-	36,309	36,309	-	41,704	41,704
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		14,538,605	510,390	15,048,995	10,712,786	1,100,436	11,813,222
2.1. Irrevocable commitments		14,538,605	510,390	15,048,995	10,712,786	1,100,436	11,813,222
2.1.1. Forward asset purchase commitments		193,664	504,197	697,861	435,640	1,082,526	1,518,166
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		5,187	-	5,187	2,250	-	2,250
2.1.4. Loan granting commitments		1,876,601	-	1,876,601	1,726,856	-	1,726,856
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		673,661	-	673,661	556,793	-	556,793
2.1.8. Tax and fund liabilities from export commitments		5,141	-	5,141	5,297	-	5,297
2.1.9. Commitments for credit card expenditure limits		11,705,737	-	11,705,737	7,764,698	-	7,764,698
2.1.10. Commitments for promotions related with credit cards and banking activities		25,298	-	25,298	21,074	-	21,074
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		53,316	6,193	59,509	200,178	17,910	218,088
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	23,122,705	29,335,943	52,458,648	13,821,177	15,924,706	29,745,883
3.1. Derivative financial instruments for hedging purposes		6,138,670	4,126,450	10,265,120	-	144,480	144,480
3.1.1. Fair value hedge		4,828,794	4,126,450	8,955,244	-	144,480	144,480
3.1.2. Cash flow hedge		1,309,876	-	1,309,876	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		16,984,035	25,209,493	42,193,528	13,821,177	15,780,226	29,601,403
3.2.1. Forward foreign currency buy/sell transactions		693,384	1,139,058	1,832,442	331,042	500,375	831,417
3.2.1.1. Forward foreign currency transactions-buy		321,497	590,854	912,351	126,393	287,420	413,813
3.2.1.2. Forward foreign currency transactions-sell		371,887	548,204	920,091	204,649	212,955	417,604
3.2.2. Swap transactions related to foreign currency, and interest rates		10,455,312	16,027,137	26,482,449	10,755,114	11,144,917	21,900,031
3.2.2.1. Foreign currency swap-buy		4,216,018	5,773,181	9,989,199	2,281,147	7,281,113	9,562,260
3.2.2.2. Foreign currency swap-sell		4,204,144	5,854,110	10,058,254	7,648,449	2,607,602	10,256,051
3.2.2.3. Interest rate swaps-buy		1,017,575	2,130,363	3,147,928	412,759	628,101	1,040,860
3.2.2.4. Interest rate swaps-sell		1,017,575	2,269,493	3,287,068	412,759	628,101	1,040,860
3.2.3. Foreign currency, interest rate and securities options		5,828,545	7,649,636	13,478,181	2,735,021	3,825,276	6,560,297
3.2.3.1. Foreign currency options-buy		2,977,137	3,765,395	6,742,532	1,307,931	1,811,640	3,119,571
3.2.3.2. Foreign currency options-sell		2,835,408	3,884,241	6,719,649	1,413,806	1,712,496	3,126,302
3.2.3.3. Interest rate options-buy		-	-	-	-	150,570	150,570
3.2.3.4. Interest rate options-sell		-	-	-	-	150,570	150,570
3.2.3.5. Securities options-buy		8,000	-	8,000	6,642	-	6,642
3.2.3.6. Securities options-sell		8,000	-	8,000	6,642	-	6,642
3.2.4. Foreign currency futures		6,794	368,280	375,074	-	274,612	274,612
3.2.4.1. Foreign currency futures-buy		3,397	184,140	187,537	-	137,306	137,306
3.2.4.2. Foreign currency futures-sell		3,397	184,140	187,537	-	137,306	137,306
3.2.5. Interest rate futures		-	25,382	25,382	-	35,046	35,046
3.2.5.1. Interest rate futures-buy		-	12,691	12,691	-	17,523	17,523
3.2.5.2. Interest rate futures-sell		-	12,691	12,691	-	17,523	17,523
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		71,048,792	17,540,203	88,588,995	55,581,802	20,132,808	75,714,610
<b>IV. ITEMS HELD IN CUSTODY</b>		2,049,039	1,038,800	3,087,839	2,889,919	1,084,443	3,974,362
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		803,002	659,386	1,462,388	1,980,007	853,205	2,833,212
4.3. Checks received for collection		997,200	156,295	1,153,495	691,184	105,815	796,999
4.4. Commercial notes received for collection		248,824	216,750	465,574	217,205	119,220	336,425
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		10	6,369	6,379	1,520	6,203	7,723
4.8. Custodians		3	-	3	3	-	3
<b>V. PLEDGED ITEMS</b>		68,999,753	16,501,403	85,501,156	52,691,883	19,048,365	71,740,248
5.1. Marketable securities		282,255	189,201	471,456	246,832	212,765	459,598
5.2. Guarantee notes		88,338	55,700	144,038	94,036	59,206	153,242
5.3. Commodity		20,737	-	20,737	19,864	-	19,864
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		30,516,561	6,003,909	36,520,470	23,328,456	8,493,260	31,821,716
5.6. Other pledged items		38,091,862	10,252,593	48,344,455	29,002,695	10,283,133	39,285,828
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>111,680,162</b>	<b>50,452,158</b>	<b>162,132,320</b>	<b>82,354,843</b>	<b>40,109,864</b>	<b>122,464,707</b>

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )**

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**III. INCOME STATEMENT**

			Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
		Section 5 Part IV		
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>3,792,561</b>	<b>3,895,997</b>
1.1	Interest on loans		3,336,163	3,265,317
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		36,095	54,229
1.4	Interest received from money market placements		8,914	3,694
1.5	Interest received from marketable securities portfolio		410,519	570,932
1.5.1	Held-for-trading financial assets		4,068	7,257
1.5.2	Financial assets at fair value through profit and loss		11,794	18,110
1.5.3	Available-for-sale financial assets		394,657	442,861
1.5.4	Investments held-to-maturity		-	102,704
1.6	Finance lease income		-	-
1.7	Other interest income		870	1,825
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(2)</b>	<b>1,538,137</b>	<b>1,635,378</b>
2.1	Interest on deposits		1,350,286	1,339,296
2.2	Interest on funds borrowed		136,317	213,069
2.3	Interest on money market borrowings		51,250	81,637
2.4	Interest on securities issued		-	-
2.5	Other interest expense		284	1,376
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>2,254,424</b>	<b>2,260,619</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>593,616</b>	<b>553,211</b>
4.1	Fees and commissions received		662,442	619,273
4.1.1	Non-cash loans		41,827	48,963
4.1.2	Other		620,615	570,310
4.2	Fees and commissions paid		68,826	66,062
4.2.1	Non-cash loans		580	205
4.2.2	Other		68,246	65,857
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b>	<b>40,368</b>	<b>6,436</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	<b>(4)</b>	<b>(264,304)</b>	<b>(376,271)</b>
6.1	Securities trading gains/ (losses)		378,535	326,237
6.2	Gains / (losses) from financial derivative transactions		(677,328)	(760,708)
6.2	Foreign exchange gains/ (losses)		34,489	58,200
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>145,949</b>	<b>106,468</b>
<b>VIII.</b>	<b>NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2,770,053</b>	<b>2,550,463</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(6)</b>	<b>260,469</b>	<b>797,269</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>1,375,855</b>	<b>1,162,458</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>1,133,729</b>	<b>590,736</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>GAIN / (LOSS) ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(8)</b>	<b>1,133,729</b>	<b>590,736</b>
<b>XVI.</b>	<b>TAX CHARGE FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(219,055)</b>	<b>(127,857)</b>
16.1	Current income tax charge		(237,352)	(103,778)
16.2	Deferred tax charge / benefit		18,297	(24,079)
<b>XVII.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>(10)</b>	<b>914,674</b>	<b>462,879</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>197,090</b>
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	197,090
18.3	Income on other discontinued operations		-	-
<b>XIX.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
19.1	Loss on assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
<b>XX.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>(8)</b>	<b>-</b>	<b>197,090</b>
<b>XXI.</b>	<b>TAX CHARGE FOR DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>-</b>	<b>(9,855)</b>
21.1	Current income tax charge		-	(9,855)
21.2	Deferred tax charge / benefit		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>(10)</b>	<b>-</b>	<b>187,235</b>
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	<b>(11)</b>	<b>914,674</b>	<b>650,114</b>
23.1	Group's profit/loss		914,674	650,114
23.2	Minority shares		-	-
	Earnings per share		0.05429	0.03921

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH )

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**

	Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
I. Additions to marketable securities revaluation differences for available for sale financial assets	271,757	197,891
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)	(26,129)	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity as per Turkish Accounting Standards	-	-
IX. Deferred tax of valuation differences	(10,802)	(31,755)
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	234,826	166,136
XI. Profit/Loss	(118,584)	(2,039)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(118,243)	(2,039)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(341)	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. Total Profit/Loss accounted for in the period (X±XI)	116,242	164,097

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



FINANSBANK ANONİM ŞİRKETİ  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section V Note 5	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Income (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase Fair	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Op.	Total Equity Attributable to the Parent Shareholder	Minority Shares	Total Equity
I	Current Period - 01.01-31.12.2010	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,982	-	-	-	-	3,627,078	-	3,627,078
II.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	137,418	-	-	-	-	137,418	-	137,418
V.	Hedging funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)	-	(21,176)	-	(21,176)
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	2,689	-	-	2,689	-	2,689
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	620,000	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	547,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Intangible sources	82,857	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share cancellation	-	-	665	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period not income/(loss)	-	-	-	-	-	-	-	-	914,674	(650,114)	-	-	-	-	-	914,674	-	914,674
XVIII.	Profit distribution	-	-	-	-	32,506	-	617,608	-	-	-	-	-	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves	-	-	-	-	32,506	-	617,608	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance		2,205,000	-	665	-	182,424	-	1,661,915	-	914,674	-	262,300	-	2,689	(21,176)	-	5,208,491	-	5,208,491
(I+II+III+....+XVIII+XIX)		2,205,000	-	665	-	182,424	-	1,661,915	-	914,674	-	262,300	-	2,689	(21,176)	-	5,208,491	-	5,208,491

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**

**CASH FLOWS STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**VI. CASH FLOWS STATEMENT**

	Section VI Note 5	Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>2,085,485</b>	<b>1,612,428</b>
1.1.1 Interest received (+)		3,900,394	4,048,131
1.1.2 Interest paid (-)		(1,502,996)	(1,654,090)
1.1.3 Dividend received (+)		156	1,330
1.1.4 Fees and commissions received (+)		662,442	619,273
1.1.5 Other income (+)		114,541	105,101
1.1.6 Collections from previously written off loans (+)		504,310	307,921
1.1.7 Payments to personnel and service suppliers (-)		(1,091,607)	(945,745)
1.1.8 Taxes paid (-)		(248,043)	(189,659)
1.1.9 Others (+/-)		(253,712)	(679,834)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(516,479)</b>	<b>228,874</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(3,175)	6,632
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		571,802	824,064
1.2.3 Net (increase) decrease in due from banks (+/-)		(4,322)	2,183
1.2.4 Net (increase) decrease in loans (+/-)		(7,357,075)	(2,723,682)
1.2.5 Net (increase) decrease in other assets (+/-)		(443,743)	117,672
1.2.6 Net increase (decrease) in bank deposits (+/-)		(640,052)	535,197
1.2.7 Net increase (decrease) in other deposits (+/-)		4,445,196	3,749,610
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1,492,816	(1,997,872)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		1,422,074	(284,930)
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>1,569,006</b>	<b>1,841,302</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(1,990,903)</b>	<b>(810,494)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,063)	(30,800)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		2,101	399,018
2.3 Fixed assets purchases (-)		(69,836)	(77,042)
2.4 Fixed assets sales (+)		8,560	1,895
2.5 Cash paid for purchase of financial assets available for sale (-)		(22,515,765)	(11,719,156)
2.6 Cash obtained from disposal of financial assets available for sale (+)		20,652,070	10,653,362
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Others (+/-)		(64,970)	(37,771)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>23,764</b>	<b>(19,181)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(495,755)	-
3.3 Capital increase (+)		547,143	-
3.4 Dividends paid (-)		(22,909)	-
3.5 Payments for finance leases (-)		(4,715)	(19,181)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>36,930</b>	<b>(5,616)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(361,203)</b>	<b>1,006,011</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>2,940,939</b>	<b>1,934,928</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>2,579,736</b>	<b>2,940,939</b>

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



(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT DISTRIBUTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**VII. STATEMENT OF PROFIT DISTRIBUTION**

	Audited 31.12.2010(*)	Audited 31.12.2009
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	1,133,729	787,826
1.2 TAXES AND DUTIES PAYABLE (-)	219,055	137,712
1.2.1 Corporate tax (Income tax)	237,352	113,633
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(18,297)	24,079
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>914,674</b>	<b>650,114</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	32,506
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b>	<b>914,674</b>	<b>617,608</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	78,750
1.6.1 To owners of ordinary shares	-	78,750(**)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	538,858
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.05429	0.03921
3.2 TO OWNERS OF ORDINARY SHARES ( % )	5.42%	3.92%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	0.005
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	5%
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-

(\*) The Bank did not resolve a decision regarding profit distribution of 2010 as of the issue date of this report.

(\*\*) Distributed to the shareholders as bonus shares.

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

**1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents**

The Turkish Banking Law No 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of December 31, 2010 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified.

**2. Classifications**

The Bank has classified fees and commissions received from cash loans under "Net Fees and Commission Income" amounting to TL 24,206 in the prior year income statement to "Interest Income" in accordance with the current period classification.

**3. Accounting policies and valuation principles used in the preparation of the financial statements**

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

**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 to be used and IFRS have not been quantified in the financial statements.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**II. Strategy for the use of financial instruments and the foreign currency transactions**

**1. Strategy for the use of financial instruments**

The major funding sources of the Bank are customer deposits and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

**2. Foreign currency transactions**

**2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements**

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2010 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates are as follows:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
US Dollar	TL 1.5460	TL 1.5057
Euro	TL 2.0491	TL 2.1603

**2.2. Foreign exchange gains and losses included in the income statement**

The net foreign exchange gain included in the income statement as of December 31, 2010 is TL 34,489 (December 31, 2009 –TL 58,200).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**III. Information on associates and subsidiaries**

Associates and subsidiaries are accounted for in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement" in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision.

**IV. Explanations on forward, option contracts and derivative instruments**

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, swaption, and credit default swap and futures agreements.

Besides customer deposits, The Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives" and "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted for under "Securities Trading Gains/Losses", except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account. Information on Eurobond portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

To avoid from the changes of deposits' interest rates that have an average prompt of 1 month, the Bank implements cash flow risk prevention accounting policies by means of interest swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective parts are entered in the accounts, as defined in TAS 39, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with income statement.

Fair values of forward foreign currency purchase and sales contracts, currency and interest swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

Credit default and swaption transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**V. Interest income and expenses**

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected. According to the article 4 of "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside" dated March 6, 2010, the Bank classifies loans which are not overdue into non-performing loans, where the same borrower has overdue loans. The Bank does not provide any specific provision for these loans which are not overdue, in line with the above mentioned regulation.

Unrealized interest accruals of these loans classified as non-performing, are not reversed but 100% specific provision is provided for them.

**VI. Fees and commission income and expenses**

Fees and commission income and expenses are accounted for on an accrual basis, except for certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved.

**VII. Financial assets**

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

**1. Financial assets at fair value through profit or loss**

**1.1. Trading securities**

The Bank accounts for its trading securities at fair value. The interest income that has been gained by holding the trading securities and difference between acquisition cost and fair value of the trading securities, is presented as interest income at income statement. If any of these financial assets are sold before their maturity, the gain or loss is realized as security trading gains / losses.

**1.2. Financial assets at fair value through profit or loss**

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value Through Profit or Loss" as loan, in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses).

The Bank also has public sector debt securities classified as financial assets at fair value through profit or loss portfolio.

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**2. Investment securities available for sale**

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately realized in the income statement.

**3. Investment securities held to maturity**

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

As of October 1, 2008, due to the change of the intention, the Bank classified securities from trading portfolio and available for sale portfolio to held to maturity portfolio with the nominal values of TL 94,198 and TL 2,549,613, respectively. The intention of the Bank for holding the held to maturity portfolio has changed in 2009. As it is stated in TAS 39, paragraph 51, "while the intention or the possibility of holding the securities until the maturity changes, or when the investments become inappropriate to be classified as held to maturity; the related investments should be classified as investment securities available for sale and should be re-measured at their fair values"; the Bank classified TL 2,643,811 nominal amount of held to maturity portfolio to available for sale portfolio effective from March 31, 2009 based on the Board of Directors' decision dated April 16, 2009. Because of this classification, the Bank will not be able to classify any financial asset as held to maturity investment in 2009 and the following two years.

**4. Loans and specific provisions**

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Bank enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

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In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific and general provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 2633 and revised with the Communiqué dated March 6, 2010, published on the Official Gazette No 27513 and the Communiqué dated January 23, 2009, published on the Official Gazette No 2719 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". However, according to the fourth article of the same communiqué, the Bank does not provide any specific provision for not overdue loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non performing loans into non performing loans. The Bank provided 100% specific provision for non-performing loans, other than those loans stated above, without taking into consideration the collaterals obtained for these loans. However, in the current year the Bank provided 50% specific provision for the credit cards in the 3rd and 4th Group and retail loans in the 3rd Group in accordance with the aforementioned regulation. The related provisions are accounted for in the current year income statement. The effects of this change are explained in detail in Section 5, Part I, Footnote 5.

The Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as "Free Reserves for Possible Loan Losses".

Except for specific provisions and free reserves for possible loan losses within the framework of the regulation referred to above, the Bank provides general loan loss provision and presents it in the liabilities as "General Provisions".

The provisions provided for loans are accounted for under "Provision for Loan Losses and Other Receivables" in the statement of income.

The collections made in relation to amounts that provision provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

**VIII. Impairment of financial assets**

If the amount computed by discounting expected future cash flows of a financial asset using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is provided for impairment of the financial assets and recorded to related expense accounts.

**IX. Netting of financial instruments**

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

The Bank provides specific allowances for loans and other receivables in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and offset against overdue loans in the assets.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

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**X. Sales and repurchase agreements and lending of securities**

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 1,196,542 (December 31, 2009 - TL 19,168).

The Bank does not have any securities that are subject to lending transactions as of December 31, 2010 (December 31, 2009 – 14,218).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

**XI. Assets held for sale and discontinued operations**

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset 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 assets held for sale.

A discontinued operation is a part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank transferred its shares of Finans Malta Holdings LTD, which the Bank used to own 100% of the shares, by selling to NBG International Holdings B.V. on February 24, 2009. The gain on sale of TL 197,090 resulting from this sale is accounted for as "Income on sale of associates, subsidiaries and entities under common control" under "Income on Discontinued Operations" in the prior period's income statement. The tax charge amounting to TL 9,855 regarding the sale is accounted under "Tax Charge for Discontinued Operations".

**XII. Goodwill and other intangible assets**

The Bank's intangible assets consist of softwares and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 5 years for periods before 2004, while the useful life for additions after 2004 are determined as 3 years.

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

There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.



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**XIII. Tangible Assets**

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	2 %
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease period is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There is no purchase commitments related to the fixed assets.

**XIV. Leasing transactions**

Fixed assets acquired under finance lease contracts are presented under "Tangible Fixed Assets" on the asset side and under "Financial Lease Payables" on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

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**XV. Provisions and contingent liabilities**

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is recognized.

Provisions made during the period are recorded under "Other Operating Expenses"; provisions that were booked in the prior periods and released in the current year are recorded under "Other Operating Income".

**XVI. Obligations of the Bank for employee benefits**

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

**XVII. Taxation**

**1. Corporate tax**

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

The provision for corporate and income taxes for the period is reflected as the "Current Tax Charge" in the income statement.

Effective from April 24, 2003, statutory income, including retained earnings from 2002 and before, is not subject to withholding tax if retained, or transferred to share capital or distributed as dividend to the full fledged taxpayer corporations. However, it is subject to withholding tax at 10% if distributed as dividend to fully fledged individual taxpayers, who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers. That withholding tax was increased to 15% by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006 and effective from July 23, 2006.

**2. Deferred taxes**

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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**XVIII. Additional explanations on borrowings**

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the internal rate of return method.

The Bank has not issued convertible bonds. There are no debt instruments directly issued by the Bank. The funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

**XIX. Share issues**

In the current year, the share capital of the Bank has been increased by TL 630,000 of which TL 82,857 portion of the increase incorporated from extraordinary reserves and the remaining TL 547,143 is to be met with cash (2009 – TL 75,000 bonus shares).

**XX. Confirmed bills of exchange and acceptances**

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

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

**XXI. Government incentives**

As of December 31, 2010, the Bank does not have any government incentives or grants.

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**XXII. Segment reporting**

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenue of TL 100,000 and higher, and multi-national firms operating in Turkey. The firms that have annual revenues between TL 10,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenues between TL 2,000 and TL 10,000. The Bank offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

<b>Current Period (December 31, 2010)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
Net Interest Income	1,154,889	324,727	774,808	2,254,424
Net Fees and Commissions				
Income	837,937	103,003	(347,324)	593,616
Other Operating Income and Net				
Trading Income	38,850	61,950	(219,155)	(118,355)
Dividend Income	-	-	40,368	40,368
<b>Operating Income</b>	<b>2,031,676</b>	<b>489,680</b>	<b>248,697</b>	<b>2,770,053</b>
Other Operating Expenses	930,304	279,413	166,138	1,375,855
Provision for Loan Losses and Other Receivables	179,255	23,378	57,836	260,469
<b>Profit Before Taxes</b>	<b>922,117</b>	<b>186,889</b>	<b>24,723</b>	<b>1,133,729</b>
Tax Charge	-	-	-	(219,055)
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>914,674</b>
<b>Total Assets</b>	<b>19,203,086</b>	<b>5,823,119</b>	<b>10,114,383</b>	<b>38,087,203</b>
Segment Assets	19,203,086	5,823,119	10,114,383	35,140,588
Associates, Subsidiaries and Entities Under				
Common Control	-	-	-	385,613
Undistributed Assets	-	-	-	2,561,002
<b>Total Liabilities</b>	<b>14,862,829</b>	<b>8,582,974</b>	<b>7,305,193</b>	<b>38,087,203</b>
Segment Liabilities	14,862,829	8,582,974	7,305,193	30,750,996
Undistributed Liabilities	-	-	-	2,127,716
Equity	-	-	-	5,208,491
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,695</b>
Capital Expenditures	-	-	-	177,734
Depreciation and Amortization	-	-	-	104,746
Value Decrease/Increase	-	-	-	1,215

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Prior Period (December 31, 2009)	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
Net Interest Income	946,764	394,241	919,614	2,260,619
Net Fees and Commissions Income	693,652	134,120	(274,561)	553,211
Other Operating Income and Net Trading Income	24,005	46,427	(340,235)	(269,803)
Dividend Income	-	-	6,436	6,436
<b>Operating Income</b>	<b>1,664,421</b>	<b>574,788</b>	<b>311,254</b>	<b>2,550,463</b>
Other Operating Expenses	664,531	234,009	263,918	1,162,458
Provision for Loan Losses and Other Receivables	307,124	135,450	354,695	797,269
<b>Profit Before Taxes</b>	<b>692,766</b>	<b>205,329</b>	<b>(307,359)</b>	<b>590,736</b>
<b>Tax Charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127,857)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,879</b>
<b>Total Assets</b>	<b>14,295,556</b>	<b>4,209,998</b>	<b>8,741,575</b>	<b>29,317,630</b>
Segment Assets	14,295,556	4,209,998	8,741,575	27,247,129
Associates, Subsidiaries and Entities Under Common Control	-	-	-	244,390
Undistributed Assets	-	-	-	1,826,111
<b>Total Liabilities</b>	<b>11,912,627</b>	<b>6,780,331</b>	<b>5,310,667</b>	<b>29,317,630</b>
Segment Liabilities	11,912,627	6,780,331	5,310,667	24,003,625
Undistributed Liabilities	-	-	-	1,686,927
Equity	-	-	-	3,627,078
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,135</b>
Capital Expenditures	-	-	-	154,190
Depreciation and Amortization	-	-	-	89,294
Value Decrease/Increase	-	-	-	3,651

**XXIII. Explanations on other matters**

None.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations related to capital adequacy ratio**

As of December 31, 2010, the Bank's unconsolidated capital adequacy ratio is 16.68% (December 31, 2009 - 17.99%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26669, 26824 and 27320 dated October 10, 2007, March 22, 2008 and August 15, 2009, respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

In the calculation of their risk-based values, non-cash loans and commitments are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

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**Unconsolidated capital adequacy ratio**

	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>2,903,005</b>	<b>-</b>	<b>153,667</b>	<b>8,981,697</b>	<b>16,849,314</b>	<b>717,866</b>	<b>208,676</b>
Cash on Hand	425,352	-	184	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the T.R Central Bank	1,207,054	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head offices and Branches	-	-	141,581	-	49,600	-	-
Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	760,287	-	-	-	-	-	-
Loans and Receivables	503,225	-	11,428	8,555,132	14,815,910	717,866	208,676
Non-performing Loans (Net)	-	-	-	-	232,323	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,440	-	-
Sundry Debtors	-	-	-	-	499,480	-	-
Accrued Interest and Income	6,430	-	474	426,565	331,208	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	385,613	-	-
Tangible Assets	-	-	-	-	272,200	-	-
Other Assets	657	-	-	-	257,540	-	-
<b>Off-Balance Sheet Items</b>	<b>403,353</b>	<b>-</b>	<b>1,218,011</b>	<b>243,488</b>	<b>6,276,187</b>	<b>-</b>	<b>-</b>
Non-Cash Loans and Commitments	403,353	-	51,885	243,488	6,165,237	-	-
Derivative Financial Instruments	-	-	1,166,126	-	110,950	-	-
<b>Non-Risk-Weighted Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Value at Risk</b>	<b>3,306,358</b>	<b>-</b>	<b>1,371,678</b>	<b>9,225,185</b>	<b>23,125,501</b>	<b>717,866</b>	<b>208,676</b>
<b>Total Risk-Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>274,336</b>	<b>4,612,593</b>	<b>23,125,501</b>	<b>1,076,799</b>	<b>417,352</b>

**Summary information related to unconsolidated capital adequacy ratio**

	<b>Current Period</b>	<b>Prior Period</b>
Value at Credit Risk	29,506,581	22,543,392
Value at Market Risk	1,917,300	1,358,263
Value at Operational Risk	3,805,616	3,294,672
Shareholders' Equity	5,877,201	4,893,519
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.68 %	17.99 %

VACR : Value at Credit Risk

VAMR : Value at Market Risk

VAOR : Value at Operational Risk

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**Components of shareholders' equity items**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	2,205,000	1,575,000
Nominal Capital	2,205,000	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	-
Share Cancellation Profits	-	-
Legal Reserves	182,424	149,918
I. Legal Reserve (Turkish Commercial Code 466/1)	161,810	129,304
II. Legal Reserve (Turkish Commercial Code 466/2)	20,614	20,614
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,144,285	757,358
Reserve Allocated as per the Decision Held by the General Assembly	1,144,285	757,358
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	914,674	650,114
Current Period Profit	914,674	650,114
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	78,265	100,835
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	90,040	88,121
Prepaid Expenses (-)	118,130	97,757
Intangible Assets (-)	98,571	62,404
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
<b>Total Core Capital</b>	<b>4,736,202</b>	<b>3,354,749</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	265,808	199,451
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	2,689	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	795,361	1,326,664
Securities Value Increase Fund	118,035	56,196
Associates and Subsidiaries	59,740	18,116
Investment Securities Available for Sale	58,295	38,080
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>1,181,893</b>	<b>1,582,311</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>5,918,095</b>	<b>4,937,060</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>40,894</b>	<b>43,541</b>
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	28,687	30,244
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,207	13,297
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,877,201</b>	<b>4,893,519</b>



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**II. Information on Credit Risk**

Credit risk represents the risk generating from the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Total credit limit given to a risk group is determined considering the credit amount by different credit granting departments regarding legal limitations. Besides the total limit, product based limits are determined as well.

The credibility of the debtors is assessed periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Bank's procedures.

The Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans and receivables.

The Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations. The Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the non-performing loans.

The restructured and rescheduled loans are monitored by the Bank in line with Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Bank's current internal rating system besides the follow up method determined in the related regulation.

The Bank created a Basel II program and realized infrastructure development and modeling for measuring default probability, amount and loss in case of default, which are also called as credit risk parameters. In this context, infrastructure and modeling works for default probability are completed and started to be used in decision processes. Infrastructure work for default amounts and losses in case of default parameters are completed and modeling will start after collection of sufficient data. On the other hand, the Bank has established necessary infrastructure to calculate capital adequacy ratio in respect of Basel II Standard Method.

As of December 31, 2010, the receivables of the Bank from its top 100 cash loan customers are 15% in the total cash loans (December 31, 2009 – 11%).

As of December 31, 2010, the receivables of the Bank from its top 100 non-cash loan customers are 45% in the total non-cash loans (December 31, 2009 – 52%).

The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans is 18% as of December 31, 2010 (December 31, 2009 – 16%).

As of December 31, 2010, the general loan loss provision related with the credit risk taken by the Bank is TL 265,808 (December 31, 2009 – TL 199,451).

Provision for probable risks in the Bank's loan portfolio amounted to TL 78,265 as of December 31, 2010 (December 31, 2009 – TL 100, 835).

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The table below shows the maximum credit risk sensitivity of the financial statements:

	Current Period	Prior Period
T.R Central Bank	1,968,847	1,494,358
Financial assets held for trading	13,939	10,764
Financial assets at fair value through profit and loss	74,654	78,452
Assets on trading derivatives	392,280	422,554
Banks	191,503	1,157,033
Derivative financial assets hedging purposes	28,648	2,417
Investment securities available for sale	7,415,822	5,545,755
Loans and receivables (*)	25,603,773	19,012,589
Investments in associates, subsidiaries and entities under common control (Net)	385,613	244,390
Other assets	634,617	263,405
<b>Total</b>	<b>36,,709,696</b>	<b>28,231,717</b>
Guarantees	6,035,682	5,190,992
Commitments	15,048,995	11,813,222
<b>Total</b>	<b>21,084,677</b>	<b>17,004,214</b>
<b>Total credit risk exposure</b>	<b>57,794,373</b>	<b>45,235,931</b>

(\*) The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are presented as “Loans at Fair Value Through Profit and Loss” in the financial statements.

**Credit Rating System**

The Bank aims to manage its loan portfolio based on international best practices. In this respect, the Bank has formed internal scoring and rating systems, based on statistical methods to monitor the credibility of its clients. These systems classify the customers according to their default risk from highest to lowest score or rating. Internal scoring systems are used to improve the efficiency of the loan granting process, to monitor loan portfolio quality effectively and to assist in the determination of the actions required. As of December 31, 2010 the Bank uses rating and scoring systems for corporate customers, application scoring systems for consumer loans in order to assess the creditworthiness of a customer applying for a loan, and behavioral scoring systems for existing customers in order to calculate the default probability in a certain period of time. These systems are revised periodically based on international best practices and methodologies and calibrated if necessary.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	7	3
Debtor has a good financial structure	59	53
Debtor has a medium financial structure	21	32
Debtor has a financial structure which needs attention in medium term	9	6
Not graded	4	6
<b>Total</b>	<b>100</b>	<b>100</b>

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Credit quality per class of financial assets are shown below;

Current Period	Neither past due nor impaired	Past due but not impaired (*)	Total
T.R. Central Bank	1,968,847	-	1,968,847
Financial assets held for trading	13,939	-	13,939
Financial assets at fair value through profit and loss	74,654	-	74,654
Banks	191,503	-	191,503
Assets on trading derivatives	392,280	-	392,280
Derivative financial assets hedging purposes	28,648	-	28,648
Investment securities available for sale	7,415,822	-	7,415,822
<b>Loans and receivables(**)</b>	<b>24,718,340</b>	<b>885,433</b>	<b>25,603,773</b>
Corporate / commercial loans	9,570,401	62,648	9,633,049
Consumer loans	9,439,674	138,993	9,578,667
Credit cards	5,708,265	683,792	6,392,057
Investments in associates, subsidiaries and entities under common control (net)	385,613	-	385,613
Other assets	634,617	-	634,617
<b>Total</b>	<b>35,824,263</b>	<b>885,433</b>	<b>36,709,696</b>

(\*) Balances represent the overdue installments. The principle amount of "Corporate / Commercial Loans" and "Consumer Loans" are TL 260,388 and TL 919,108; respectively.

(\*\*) The loans amounting to TL 976,951 are presented as "Loans at Fair Value Through Profit and Loss" in the financial statements.

As of December 31, 2010, for the loans and receivables past due but not impaired, the Bank has collaterals amounting TL 799,218 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2009 – TL 809,914).

Prior Period	Neither past due nor impaired	Past due but not impaired (*)	Total
T.R. Central Bank	1,494,358	-	1,494,358
Financial assets held for trading	10,764	-	10,764
Financial assets at fair value through profit and loss	78,452	-	78,452
Banks	1,157,033	-	1,157,033
Assets on trading derivatives	422,554	-	422,554
Derivative financial assets hedging purposes	2,417	-	2,417
Investment securities available for sale	5,545,755	-	5,545,755
<b>Loans and receivables(**)</b>	<b>18,226,381</b>	<b>786,208</b>	<b>19,012,589</b>
Corporate / commercial loans	7,197,773	67,998	7,265,771
Consumer loans	7,232,265	138,321	7,370,586
Credit cards	3,796,343	579,889	4,376,232
Investments in associates, subsidiaries and entities under common control (net)	244,390	-	244,390
Other assets	263,405	-	263,405
<b>Total</b>	<b>27,445,509</b>	<b>786,208</b>	<b>28,231,717</b>

(\*) Balances represent the overdue installments. The principle amount of "Corporate / Commercial Loans" and "Consumer Loans" are TL 274,860 and TL 856,841; respectively.

(\*\*) The loans amounting to TL 1,572,129 are presented as "Loans at Fair Value Through Profit / Loss" in the financial statements.

Information related to financial assets whose maturity or terms of agreement are revised are given in Section 5, Part I, footnote 5.

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**Credit risk by types of borrowers and geographical concentration:**

	Loans to Real People and Entities <sup>(*)</sup>		Loans to Banks and Other Financial Institutions		Marketable Securities		Other Loans <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Loans according to borrowers</b>	<b>25,032,488</b>	<b>18,753,266</b>	<b>2,540,132</b>	<b>1,753,681</b>	<b>7,504,415</b>	<b>5,634,971</b>	<b>1,459,895</b>	<b>1,918,204</b>
Private Sector	9,072,590	7,048,729	538,791	211,622	149,128	209,139	403,085	355,065
Public Sector	88,515	-	1,968,847	1,494,358	7,118,498	5,301,115	-	-
Banks	-	-	32,494	47,701	236,789	124,717	979,057	1,557,818
Retail	15,871,383	11,704,537	-	-	-	-	77,753	5,321
Share Certificates	-	-	-	-	-	-	-	-
<b>Information according to geographical concentration</b>	<b>25,032,488</b>	<b>18,753,266</b>	<b>2,540,132</b>	<b>1,753,681</b>	<b>7,504,415</b>	<b>5,634,971</b>	<b>1,459,895</b>	<b>1,918,204</b>
Domestic	24,427,467	18,285,280	2,504,465	1,753,681	6,027,138	4,313,218	719,064	1,490,433
European Union Countries	-	-	34,549	-	-	-	-	-
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	605,021	467,986	-	-	1,477,277	1,321,753	740,831	427,771
USA, Canada	-	-	793	-	-	-	-	-
Other Countries	-	-	325	-	-	-	-	-

<sup>(\*)</sup>The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

<sup>(\*\*)</sup> This column represents TL 191,503 (December 31, 2009 – TL 1,157,033) bank placements, TL 392,280 (December 31, 2009 - TL 422,554) derivative financial assets held for trading, TL 28,648 (December 31, 2009 - TL 2,417) derivative financial assets hedging purposes, TL 385,613 investment in associates and subsidiaries (December 31, 2009 - TL 244,390), and TL 461,851 (December 31, 2009 - TL 91,810) cash guarantees given to financial institutions.

**Information according to geographical concentration**

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	34,878,377	28,147,539	6,017,122	-	914,674
European Union Countries	-	-	-	-	-
OECD Countries <sup>(*)</sup>	-	-	-	-	-
Off-shore Banking Regions	2,823,213	4,731,173	18,560	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	385,613	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>37,701,590</b>	<b>32,878,712</b>	<b>6,035,682</b>	<b>385,613</b>	<b>914,674</b>

Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	26,864,249	21,003,876	5,190,942	-	650,114
European Union Countries	-	-	-	-	-
OECD Countries <sup>(*)</sup>	-	-	-	-	-
Off-shore Banking Regions	2,208,991	4,686,676	50	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	244,390	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>29,073,240</b>	<b>25,690,552</b>	<b>5,190,992</b>	<b>244,390</b>	<b>650,114</b>

<sup>(\*)</sup> Includes OECD countries other than EU countries, USA and Canada.

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**Sectoral Distribution of Cash Loans**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>99,941</b>	<b>0.43</b>	<b>110,086</b>	<b>4.51</b>	<b>98,878</b>	<b>0.58</b>	<b>115,575</b>	<b>5.66</b>
Farming and Raising Livestock	51,811	0.22	17,042	0.70	36,371	0.21	18,577	0.91
Forestry	43,604	0.19	88,323	3.62	55,498	0.33	90,802	4.45
Fishing	4,526	0.02	4,721	0.19	7,009	0.04	6,196	0.30
<b>Manufacturing</b>	<b>993,997</b>	<b>4.29</b>	<b>1,070,838</b>	<b>43.85</b>	<b>775,627</b>	<b>4.58</b>	<b>834,581</b>	<b>40.87</b>
Mining	43,538	0.19	43,142	1.77	33,512	0.20	25,684	1.26
Production	925,295	3.99	1,027,696	42.08	715,628	4.22	801,198	39.23
Electric, Gas and Water	25,164	0.11	-	-	26,487	0.16	7,699	0.38
<b>Construction</b>	<b>317,569</b>	<b>1.37</b>	<b>54,878</b>	<b>2.25</b>	<b>271,766</b>	<b>1.60</b>	<b>122,637</b>	<b>6.00</b>
<b>Services</b>	<b>1,988,166</b>	<b>8.58</b>	<b>1,107,452</b>	<b>45.35</b>	<b>1,260,294</b>	<b>7.44</b>	<b>919,396</b>	<b>45.00</b>
Wholesale and Retail Trade	1,216,027	5.25	412,611	16.89	839,324	4.95	377,506	18.48
Hotel, Food and Beverage Services	34,937	0.15	240,521	9.85	26,847	0.16	202,641	9.92
Transportation and Telecommunication	79,983	0.35	199,244	8.16	78,965	0.47	267,713	13.11
Financial Institutions	532,608	2.30	91,018	3.73	188,074	1.11	47,452	2.32
Real Estate and Renting Services	2,967	0.01	1,005	0.04	38,924	0.23	278	0.01
Self-employment Services	68,934	0.30	35,952	1.47	45,531	0.27	14,971	0.73
Education Services	14,630	0.06	9,198	0.38	14,741	0.09	-	-
Health and Social Services	38,080	0.16	117,903	4.83	27,888	0.16	8,835	0.43
<b>Other</b>	<b>19,761,710<sup>(*)</sup></b>	<b>85.33</b>	<b>99,136</b>	<b>4.04</b>	<b>14,563,673<sup>(*)</sup></b>	<b>85.82</b>	<b>50,162</b>	<b>2.47</b>
<b>Total</b>	<b>23,161,383</b>	<b>100.00</b>	<b>2,442,390</b>	<b>100.00</b>	<b>16,970,238</b>	<b>100.00</b>	<b>2,042,351</b>	<b>100.00</b>

<sup>(\*)</sup> Includes consumer loans, installment loans and credit cards amounting to TL 19,339,365 (December 31, 2009 - TL 14,487,876).

### III. Information on Market Risk

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with 'Historical Simulation' method. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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**1. Information on market risk**

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	105,286
(II) Capital Obligation against Specific Risks – Standard Method	17,005
(III) Capital Obligation against Currency Risk – Standard Method	15,423
(IV) Capital Obligation against Commodity Risks - Standard Method	14,367
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,303
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	153,384
(IX) Value-At-Market Risk (12.5 x VIII) or (12.5 x VII)	1,917,300

**2. Average market risk table calculated at the end of the months during the period**

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	1,179,608	1,302,025	993,725	1,291,198	1,525,000	977,700
Common Share Risk	203,004	247,438	163,738	196,946	434,625	116,375
Currency Risk	148,345	306,450	14,638	127,676	196,875	59,250
Commodity Risk	14,966	179,588	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	35,943	70,738	15,175	44,093	82,838	5,350
Total Value at Risk	1,581,866	2,106,239	1,187,276	1,659,913	2,239,338	1,158,675

**IV. Explanations related to Operational Risk**

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years (2009, 2008 and 2007) as per the "Calculation of Value at Operational Risk" of the article (4) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2010, the value at operational risk is amounting to TL 3,805,616 (December 31, 2009 - TL 3,294,672).

**V. Explanations related to Foreign Currency Exchange Rate Risk**

**1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily**

As of December 31, 2010, the net foreign currency exposure of the Bank is TL 422,094 short position (December 31, 2009 -TL 13,342 long) resulting from on balance sheet short position amounting to TL 4,152,684 (December 31, 2009 -TL 4,852,040 short) and off balance sheet long position amounting to TL 3,730,590 (December 31, 2009 -TL 4,865,382 long). The long off balance sheet position amounting to TL 3,747,117 (December 31, 2009 - TL 4,673,511) is related with the FC/TL swap transactions entered into with banks and customers. The Bank makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

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**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS**  
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*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

**2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

**3. Bank's spot foreign Exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate at the date of the balance sheet TL 1.5460

Euro purchase rate at the date of the balance sheet TL 2.0491

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2010	TL 1.5460	TL 2.0491
December 30, 2010	TL 1.5567	TL 2.0437
December 29, 2010	TL 1.5416	TL 2.0406
December 28, 2010	TL 1.5403	TL 2.0260
December 27, 2010	TL 1.5392	TL 2.0204
December 24, 2010	TL 1.5446	TL 2.0225

**4. The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days**

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2010 are TL 1.5131 and TL 1.9993; respectively.

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**5. Information on the foreign currency exchange rate risk (thousand TLs)**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	78,747	1,136,691	196	32,318	1,247,952
Due From Banks	45,196	134,250	777	4,025	184,248
Financial Assets at Fair Value through Profit/Loss <sup>(4)</sup>	6,166	138,206	-	-	144,372
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	85,055	782,600	-	-	867,655
Loans and Receivables <sup>(2)</sup>	1,453,135	2,060,445	101,496	93,329	3,708,405
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	39	39
Intangible Assets	-	-	-	-	-
Other Assets <sup>(3)</sup>	74,578	389,234	-	1	463,813
<b>Total Assets</b>	<b>1,742,877</b>	<b>4,641,426</b>	<b>102,469</b>	<b>129,712</b>	<b>6,616,484</b>
<b>Liabilities</b>					
Bank Deposits	143,299	222,855	112	18,734	385,000
Foreign Currency Deposits	2,244,430	3,430,973	608	82,706	5,758,717
Money Market Borrowings	48,609	261,273	-	-	309,882
Funds Borrowed	1,010,391	3,120,040	-	-	4,130,431
Securities Issued	-	-	-	-	-
Sundry Creditors	16,129	19,845	1	381	36,356
Derivative Fin. Liabilities for Hedging Purposes	779	6,221	-	-	7,000
Other Liabilities <sup>(5)</sup>	5,951	135,786	-	45	141,782
<b>Total Liabilities</b>	<b>3,469,588</b>	<b>7,196,993</b>	<b>721</b>	<b>101,866</b>	<b>10,769,168</b>
<b>Net Balance Sheet Position</b>	<b>(1,726,711)</b>	<b>(2,555,567)</b>	<b>101,748</b>	<b>27,846</b>	<b>(4,152,684)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,524,949</b>	<b>2,329,951</b>	<b>(105,196)</b>	<b>(19,114)</b>	<b>3,730,590</b>
Financial Derivative Assets	3,619,417	12,267,859	31,888	796,631	16,715,795
Financial Derivative Liabilities	2,094,468	9,937,908	137,084	815,745	12,985,205
Non-Cash Loans <sup>(1)</sup>	768,047	2,055,034	1,520	241,021	3,065,622
<b>Prior Period</b>					
Total Assets	2,008,792	3,478,102	120,502	173,044	5,780,440
Total Liabilities	2,211,437	8,348,385	2,655	70,003	10,632,480
<b>Net Balance Sheet Position</b>	<b>(202,645)</b>	<b>(4,870,283)</b>	<b>117,847</b>	<b>103,041</b>	<b>(4,852,040)</b>
<b>Net Off-Balance Sheet Position</b>	<b>262,557</b>	<b>4,826,302</b>	<b>(118,870)</b>	<b>(104,607)</b>	<b>4,865,382</b>
Financial Derivative Assets	776,998	9,947,743	142,718	68,848	10,936,307
Financial Derivative Liabilities	514,441	5,121,441	261,588	173,455	6,070,925
Non-Cash Loans <sup>(1)</sup>	886,871	1,796,917	4,092	264,034	2,951,914

<sup>(1)</sup> Does not affect net off balance sheet position.

<sup>(2)</sup> Includes foreign currency-indexed loans amounting to TL 1,266,015 (December 31, 2009 – TL 1,080,361) that are classified as TL on the balance sheet.

<sup>(3)</sup> Does not include the prepaid expenses amounting to TL 835 (December 31, 2009 – TL 44) that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

<sup>(4)</sup> Does not include foreign exchange income accruals amounting to TL 9,576 (December 31, 2009 – TL 6,246).

<sup>(5)</sup> Foreign exchange expense accruals amounting to TL 10,037 (December 31, 2009 – TL 8,430) on derivative transactions and the general loan loss provisions amounting to TL 31,215 (December 31, 2009 – TL 32,704) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

**6. Foreign Currency Sensitivity**

The Bank is mainly exposed to EUR and USD currencies.



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The following table details the Bank's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Net Effect on Profit or Loss	Net Effect on Equity <sup>(*)</sup>	Net Effect on Profit or Loss	Net Effect on Equity <sup>(*)</sup>
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(5,794)	(6,471)	(4,250)	(1,261)
	10% decrease	5,794	6,471	4,250	1,261
EUR	10% increase	(41,876)	(41,737)	(8,222)	(7,934)
	10% decrease	41,876	41,737	8,222	7,934

<sup>(\*)</sup> Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

**VI. Explanations related to Interest Rate Risk**

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

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

The assets and liabilities of the Bank carry positive interest yield and assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

The Bank's sensitivity of interest income and expenses are analyzed against the changes in interest rates. In this analysis, it was assumed that the year-end balances remained same during the year.

During the interest rate sensitivity calculation, the difference between interest gains/losses calculated by using current market interest rates and interest gains/losses calculated by using shock applied interest rates, is considered as the effect of the interest shock on the income accounts.

In interest rate sensitivity calculation, maturity of the fixed rate assets and liabilities and repricing terms of the variable interest rate assets and liabilities are considered.

As of the reporting date; 1% increase in interest rates would decrease the Bank's net profit by TL 84,789 (December 31, 2009- TL 59,828), 1% decrease in interest rates would increase the Bank's net profit by TL 93,047 (December 31, 2009 - TL 59,132), when all the other variables are assumed to be constant.

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**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**  
*(Based on reprising dates)*

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	2,394,383	2,394,383
Due from Banks	-	-	4,322	-	-	187,181	191,503
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	127,893	163,654	127,804	269,756	622,135	175,230	1,486,472
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,091,722	522,390	2,128,227	2,522,191	1,030,969	120,323	7,415,822
Loans and Receivables	6,912,599	2,797,910	6,870,101	6,800,339	1,341,823	136,373	24,859,145
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	447,538	-	-	-	-	1,292,340	1,739,878
<b>Total Assets</b>	<b>8,579,752</b>	<b>3,483,954</b>	<b>9,130,454</b>	<b>9,592,286</b>	<b>2,994,927</b>	<b>4,305,830</b>	<b>38,087,203</b>
<b>Liabilities</b>							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	15,025,151	5,937,152	371,419	27,177	-	2,190,944	23,551,843
Funds Borrowed	131,408	2,276,102	1,849,645	182,760	61,393	-	4,501,308
Money Market Borrowings	1,123,958	42	-	-	-	-	1,124,000
Securities Issued	-	-	-	-	-	-	-
Sundry Creditors	15,076	-	-	-	-	870,383	885,459
Other Liabilities <sup>(*)</sup>	18,483	49,925	173,280	348,923	49,385	6,505,763	7,145,759
<b>Total Liabilities</b>	<b>17,079,947</b>	<b>8,352,242</b>	<b>2,396,591</b>	<b>558,860</b>	<b>110,778</b>	<b>9,588,785</b>	<b>38,087,203</b>
On Balance Sheet Long Position	-	-	6,733,863	9,033,426	2,884,149	-	18,651,438
On Balance Sheet Short Position	(8,500,195)	(4,868,288)	-	-	-	(5,282,955)	(18,651,438)
Off-Balance Sheet Long Position	34,550	79,703	-	-	-	-	114,253
Off-Balance Sheet Short Position	-	-	(147,163)	(315,453)	(45,913)	-	(508,529)
<b>Total Position</b>	<b>(8,465,645)</b>	<b>(4,788,585)</b>	<b>6,586,700</b>	<b>8,717,973</b>	<b>2,838,236</b>	<b>(5,282,955)</b>	<b>(394,276)</b>

<sup>(\*)</sup> "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 445,916, tangible assets amounting to TL 362,240, intangible assets amounting to TL 98,571, associates, subsidiaries and entities under common control amounting to TL 385,613 TL. "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,208,491, other liabilities amounting to TL 477,821, provisions amounting to TL 517,119, tax liability amounting to TL 141,256, and trading derivative financial liabilities amounting to TL 161,076.

<sup>(\*\*)</sup> This line also includes hedging purpose derivatives amounting to TL 28,648.

**Average interest rates applied to monetary financial instruments**

Current Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R Central Bank	-	-	-	-
Due from Banks	-	-	-	8.58
Financial Assets at Fair Value Through Profit/Loss	5.87	7.51	-	13.41
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Other Receivables	4.96	4.20	5.23	17.19 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.54
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	1.81	2.96	-	11.18

(\*) The yield of loans is 12.81 % excluding credit cards.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,494,097	-	-	-	-	298,284	1,792,381
Due from Banks	1,077,924	-	-	-	-	79,109	1,157,033
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	35,217	220,326	238,613	605,885	896,761	89,514	2,086,316
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	919,560	1,197,036	1,666,420	1,381,677	306,790	74,272	5,545,755
Loans and Receivables	5,022,919	2,336,308	5,143,934	4,690,170	353,091	-	17,546,422
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	1,189,723	1,189,723
<b>Total Assets</b>	<b>8,549,717</b>	<b>3,753,670</b>	<b>7,048,967</b>	<b>6,677,732</b>	<b>1,556,642</b>	<b>1,730,902</b>	<b>29,317,630</b>
<b>Liabilities</b>							
Bank Deposits	1,432,499	16,369	204	-	-	50,589	1,499,661
Other Deposits	12,644,046	4,002,280	192,638	33,657	-	1,895,280	18,767,901
Money Market Borrowings	19,042	84	-	-	-	-	19,126
Sundry Creditors	-	-	-	-	-	725,613	725,613
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	44,786	861,393	1,494,999	632,094	-	489,353	3,522,625
Other Liabilities(*)	21,569	39,972	53,653	90,711	27,972	4,548,827	4,782,704
<b>Total Liabilities</b>	<b>14,161,942</b>	<b>4,920,098</b>	<b>1,741,494</b>	<b>756,462</b>	<b>27,972</b>	<b>7,709,662</b>	<b>29,317,630</b>
On Balance Sheet Long Position	-	-	5,307,473	5,921,270	1,528,670	-	12,757,413
On Balance Sheet Short Position	(5,612,225)	(1,166,428)	-	-	-	(5,978,760)	(12,757,413)
Off-Balance Sheet Long Position	13,831	122,836	7,935	-	-	-	144,602
Off-Balance Sheet Short Position	-	-	-	(18,264)	(20,019)	-	(38,283)
<b>Total Position</b>	<b>(5,598,394)</b>	<b>(1,043,592)</b>	<b>5,315,408</b>	<b>5,903,006</b>	<b>1,508,651</b>	<b>(5,978,760)</b>	<b>106,319</b>

<sup>(\*)</sup>“Other Assets” in “Non Interest Bearing” column include other assets amounting to TL 458,923, tangible assets amounting to TL 373,507, intangible assets amounting to TL 62,404, associates and subsidiaries amounting to TL 244,390 and current tax asset amounting TL 50,499 and “Other Liabilities” in the “Non Interest Bearing” column include shareholders’ equity amounting to TL 3,627,078, other liabilities amounting to TL 316,606, provisions amounting to TL 481,866, tax liability amounting to TL 83,168 and trading derivative financial liabilities amounting to TL 40,109.

<sup>(\*\*)</sup> This account also includes derivative financial assets hedging purposes.

**Average interest rates applied to monetary financial instrument**

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	5.20
Due from Banks	0.25	0.48	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans and Receivables	6.24	5.97	5.16	20.60 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.23	1.31	-	9.57
Other Deposits	2.67	2.70	0.90	9.54
Money Market Borrowings	-	-	-	6.24
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	2.88	2.93	-	11.87

<sup>(\*)</sup> The yield of loans is 16.65 % excluding credit cards.

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**VI. Explanations related to Liquidity Risk**

- 1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors of the Bank sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Bank. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

- 2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any**

The Bank's payments, assets and liabilities match with the interest rates.

- 3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

In order to meet urgent liquidity needs 6% (December 31, 2009 – 6%) of the balance sheet is allocated as cash balances.

- 4. Evaluation of the Bank's cash flows and their resources**

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

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**5. 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	5 Years and Over	Unallocated <sup>(*)</sup>	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	2,394,383	-	-	-	-	-	-	2,394,383
Due from Banks	187,181	-	-	4,322	-	-	-	191,503
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	-	129,293	78,294	223,260	433,474	622,151	-	1,486,472
Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	120,323	3,431	85,538	121,656	4,253,637	2,831,237	-	7,415,822
Loans and Receivables	-	6,828,109	2,715,395	6,751,929	7,019,973	1,407,366	136,373	24,859,145
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	-	648,410	-	-	126,914	-	964,554	1,739,878
<b>Total Assets</b>	<b>2,701,887</b>	<b>7,609,243</b>	<b>2,879,227</b>	<b>7,101,167</b>	<b>11,833,998</b>	<b>4,860,754</b>	<b>1,100,927</b>	<b>38,087,203</b>
<b>Liabilities</b>								
Bank Deposits	21,695	765,871	89,021	2,247	-	-	-	878,834
Other Deposits	2,190,944	15,025,151	5,937,152	371,419	27,177	-	-	23,551,843
Funds Borrowed	-	94,810	761,157	2,158,157	1,211,188	275,996	-	4,501,308
Money Market Borrowings	-	1,123,958	42	-	-	-	-	1,124,000
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	885,459	-	-	-	-	-	885,459
Other Liabilities <sup>(*)</sup>	-	498,770	57,505	229,580	537,742	54,027	5,768,135	7,145,759
<b>Total Liability</b>	<b>2,212,639</b>	<b>18,394,019</b>	<b>6,844,877</b>	<b>2,761,403</b>	<b>1,776,107</b>	<b>330,023</b>	<b>5,768,135</b>	<b>38,087,203</b>
<b>Liquidity Gap</b>	<b>489,248</b>	<b>(10,784,776)</b>	<b>(3,965,650)</b>	<b>4,339,794</b>	<b>10,057,891</b>	<b>4,530,731</b>	<b>(4,667,208)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	451,665	7,856,175	2,387,469	7,405,634	8,847,786	1,590,843	778,058	29,317,630
Total Liabilities	1,945,869	14,094,809	4,316,742	2,058,609	2,460,610	282,365	4,158,626	29,317,630
<b>Net Liquidity Gap</b>	<b>(1,494,204)</b>	<b>(6,238,634)</b>	<b>(1,929,273)</b>	<b>5,347,025</b>	<b>6,387,176</b>	<b>1,308,478</b>	<b>(3,380,568)</b>	<b>-</b>

<sup>(\*)</sup>The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to TL 5,208,491, unallocated provisions amounting to TL 483,971 and deferred tax liability amounting to TL 75,673.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

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**6. Analysis of financial liabilities by remaining contractual maturities**

The table below shows the Bank's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,695	767,111	89,379	2,352	-	-	880,537	878,834
Other deposits	2,190,944	15,061,437	5,986,898	382,488	26,619	-	23,648,386	23,551,843
Money market borrowings	-	1,124,364	43	-	-	-	1,124,407	1,124,000
Funds borrowed	-	94,964	774,298	2,237,298	1,331,935	312,301	4,750,796	4,501,308

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	50,589	317,814	16,616	1,128,191	-	-	1,513,210	1,499,661
Other deposits	1,895,280	12,675,945	4,040,727	195,554	33,668	-	18,841,174	18,767,901
Money market borrowings	-	19,053	85	-	-	-	19,138	19,126
Funds borrowed	-	45,599	293,050	747,092	2,518,669	301,064	3,905,474	3,522,625

The table below shows the remaining maturities of derivative financial assets and liabilities:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy <sup>(*)</sup>	969,502	172,198	296,332	171,211	-	1,609,243
Forward Contracts Sell <sup>(**)</sup>	275,349	172,052	302,402	171,257	-	921,060
Swap Contracts Buy <sup>(*)</sup>	3,467,472	1,747,996	3,115,234	8,076,872	1,361,739	17,769,313
Swap Contracts Sell <sup>(*)</sup>	3,432,322	1,756,441	3,191,887	8,894,245	1,703,361	18,978,256
Futures Buy	-	178,297	21,931	-	-	200,228
Futures Sell	-	178,297	21,931	-	-	200,228
Options Buy	2,194,466	1,160,999	3,281,938	113,129	-	6,750,532
Options Sell	2,197,480	1,144,743	3,271,865	113,561	-	6,727,649
<b>Total</b>	<b>12,536,591</b>	<b>6,511,023</b>	<b>13,503,520</b>	<b>17,540,275</b>	<b>3,065,100</b>	<b>53,156,509</b>

<sup>(\*)</sup> This line also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy <sup>(*)</sup>	1,006,987	75,926	84,410	5,792	-	1,173,115
Forward Contracts Sell <sup>(**)</sup>	1,007,493	79,027	84,742	5,206	-	1,176,468
Swap Contracts Buy <sup>(*)</sup>	2,496,171	1,204,726	2,312,939	4,107,772	553,752	10,675,360
Swap Contracts Sell <sup>(*)</sup>	2,473,814	1,120,860	2,215,493	4,715,771	843,213	11,369,151
Futures Buy	38,743	107,165	8,921	-	-	154,829
Futures Sell	38,743	107,165	8,921	-	-	154,829
Options Buy	2,291,919	300,682	684,182	-	-	3,276,783
Options Sell	2,295,260	302,904	685,350	-	-	3,283,514
<b>Total</b>	<b>11,649,130</b>	<b>3,298,455</b>	<b>6,084,958</b>	<b>8,834,541</b>	<b>1,396,965</b>	<b>31,264,049</b>

<sup>(\*)</sup> This line also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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**VIII. Explanations related to presentation of financial assets and liabilities at their fair value**

The fair value of the loans is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds borrowed, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>33,952,942</b>	<b>26,335,526</b>	<b>34,011,694</b>	<b>26,280,947</b>
Due From Banks	191,503	1,157,033	191,503	1,157,033
Financial Assets at Fair Value Through Profit/Loss	88,593	89,216	88,593	89,216
Assets on Trading Derivatives	392,280	422,554	392,280	422,554
Investment Securities Available for Sale	7,415,822	5,545,755	7,415,822	5,545,755
Loans and Receivables	25,836,096	19,118,551	25,894,848	19,063,972
Derivative Financial Assets Hedging Purposes	28,648	2,417	28,648	2,417
<b>Financial Liabilities</b>	<b>31,742,489</b>	<b>24,804,174</b>	<b>31,737,006</b>	<b>24,786,217</b>
Bank Deposits	878,834	1,499,661	878,420	1,499,342
Other Deposits	23,551,843	18,767,901	23,549,910	18,772,829
Derivative Financial Liabilities Held for Trading	474,264	266,555	474,264	266,555
Funds Borrowed	4,501,308	3,522,625	4,498,172	3,500,059
Money Market Borrowings	1,124,000	19,126	1,124,000	19,126
Sundry Creditors	885,455	725,613	885,455	725,613
Derivative Financial Liabilities for Hedging Purposes	326,785	2,693	326,785	2,693

IFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

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In the table below, the fair value classification of the financial instruments that are recorded at fair value at the financial statements are presented:

Current Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>7,280,429</b>	<b>1,621,865</b>	-	<b>8,902,294</b>
Financial Assets at Fair Value through Profit/Loss	88,593	-	-	88,593
Assets on Trading Derivatives	1,488	390,792	-	392,280
Investment Securities Available for Sale	7,190,348	225,474	-	7,415,822
Loans and Receivables	-	976,951	-	976,951
Derivative Financial Assets Hedging Purposes	-	28,648	-	28,648
<b>Financial Liabilities</b>	<b>2,753</b>	<b>798,296</b>	-	<b>801,049</b>
Liabilities on Trading Derivatives	2,753	471,511	-	474,264
Derivative Financial Liabilities for Hedging Purposes	-	326,785	-	326,785

Prior Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>5,378,686</b>	<b>2,253,385</b>	-	<b>7,632,071</b>
Financial Assets at Fair Value through Profit/Loss	89,216	-	-	89,216
Assets on Trading Derivatives	3,298	419,256	-	422,554
Investment Securities Available for Sale	5,286,172	259,583	-	5,545,755
Loans and Receivables	-	1,572,129	-	1,572,129
Derivative Financial Assets Hedging Purposes	-	2,417	-	2,417
<b>Financial Liabilities</b>	<b>1,402</b>	<b>267,846</b>	-	<b>269,248</b>
Liabilities on Trading Derivatives	1,402	265,153	-	266,555
Derivative Financial Liabilities for Hedging Purposes	-	2,693	-	2,693

**IX. Explanations Related To Transactions Carried on Behalf of Others and Fiduciary Transactions**

The Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Bank does not involve in fiduciary activities.



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**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS**

**1.a) Cash and balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	222,979	177,028	168,903	126,837
T.R. Central Bank	923,452	1,045,395	842,286	652,072
Others	-	25,529	1,672	611
<b>Total</b>	<b>1,146,431</b>	<b>1,247,952</b>	<b>1,012,861</b>	<b>779,520</b>

**b) Balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	923,452	285,108	842,286	210,818
Restricted Time Deposits	-	760,287	-	441,254
<b>Total</b>	<b>923,452</b>	<b>1,045,395</b>	<b>842,286</b>	<b>652,072</b>

The compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira and foreign currency liabilities are 5.5% (December 31, 2009 – 5%) and 11% (December 31, 2009 – 9%) respectively.

As effective from October 1, 2010, interest payment for reserve deposits has been annulled by the Central Bank of Turkey in accordance with the “Legislation on Amendment to the Notification on Reserve Deposits” No.2010/9, dated September 23, 2010.

**2. Further information on financial assets at fair value through profit/loss**

**a) Trading securities given as collateral or blocked**

None (December 31, 2009 – None).

**b) Trading securities subject to repurchase agreements**

None (December 31, 2009 – None).

**c) Assets on trading derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	13,823	-	2,712	-
Swap Transactions	228,564	39,662	363,496	36,512
Futures Transactions	-	1,488	-	3,298
Options	108	105,945	165	12,502
Other	-	2,690	3,869	-
<b>Total</b>	<b>242,495</b>	<b>149,785</b>	<b>370,242</b>	<b>52,312</b>

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**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	7,242	27	9,992	8,411
Foreign	13	184,221	13	1,138,617
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>7,255</b>	<b>184,248</b>	<b>10,005</b>	<b>1,147,028</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	46,091	817,157	-	-
USA and Canada	84,998	230,419	49,600	49,296
OECD Countries <sup>(*)</sup>	2,945	2,536	-	-
Off-shore Banking Regions	-	38,886	-	-
Other	600	336	-	-
<b>Total</b>	<b>134,634</b>	<b>1,089,334</b>	<b>49,600</b>	<b>49,296</b>

<sup>(\*)</sup> Includes OECD countries other than the EU countries, USA and Canada.

<sup>(\*\*)</sup> Includes blocked placements at foreign banks amounting to TL 49,600 (December 31, 2009 - TL 49,296) for the syndication and securitization loans received.

**4. Information on investment securities available for sale**

**a) Investment securities available-for-sale given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	329,900	-	273,797	7,339
Other	-	-	-	-
<b>Total</b>	<b>329,900</b>	<b>-</b>	<b>273,797</b>	<b>7,339</b>

**b) Investment securities available for sale subject to repurchase agreements**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	824,370	372,172	19,168	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>824,370</b>	<b>372,172</b>	<b>19,168</b>	<b>-</b>

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**c) Investment securities available for sale**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt securities</b>	<b>7,295,504</b>	<b>5,471,484</b>
Quoted on a stock exchange <sup>(*)</sup>	7,032,244	5,221,417
Unquoted on a stock exchange	263,260	250,067
<b>Share certificates</b>	<b>120,971</b>	<b>75,017</b>
Quoted on a stock exchange <sup>(**)</sup>	120,971	75,017
Unquoted on a stock exchange	-	-
<b>Impairment provision(-)</b>	<b>(653)</b>	<b>(746)</b>
<b>Total</b>	<b>7,415,822</b>	<b>5,545,755</b>

<sup>(\*)</sup>The Eurobond Portfolio amounting to TL 192,007 (December 31, 2009 – TL 250,655) which has been accounted for as investment securities available for sale has been designated to the fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

<sup>(\*\*)</sup> Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 113,339 (December 31, 2009 – TL 71,239).

**5. Information related to loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(*)</sup>	42,042	-	38,638	-
<b>Total</b>	<b>42,042</b>	<b>-</b>	<b>38,638</b>	<b>-</b>

<sup>(\*)</sup> Includes the advances given to the bank personnel.

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

<b>Cash Loans<sup>(*)</sup></b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Non-specialized Loans</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>
Discount Notes	171,528	-	423	-
Export Loans	767,555	55,684	106,422	2,496
Import Loans	-	-	-	-
Loans Given to Financial Sector	542,224	-	-	-
International Loans	35,667	-	-	-
Retail Loans	9,153,182	-	294,815	130,670
Credit Cards	6,211,031	-	134,658	46,368
Precious Metals Loans	-	-	-	-
Other	7,383,381	135,108	341,976	90,585
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

<sup>(\*)</sup>The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

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**c) Loans according to their maturity structure**

Cash Loans <sup>(*)</sup>	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
<b>Short-term Loans</b>	<b>12,300,407</b>	<b>-</b>	<b>134,658</b>	<b>46,368</b>
Non-specialized Loans	12,300,407	-	134,658	46,368
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>11,964,161</b>	<b>190,792</b>	<b>743,636</b>	<b>223,751</b>
Non-specialized Loans	11,964,161	190,792	743,636	223,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

<sup>(\*)</sup>The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss in the financial statements.

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**d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Consumer Loans-TL</b>	<b>132,477</b>	<b>8,408,351</b>	<b>8,540,828</b>	<b>404,779</b>
Housing Loans	1,968	5,794,997	5,796,965	364,850
Automobile Loans	1,573	216,043	217,616	5,241
Personal Need Loans	124,864	2,397,311	2,522,175	34,688
Other	4,072	-	4,072	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>205,768</b>	<b>205,768</b>	<b>78,601</b>
Housing Loans	-	188,129	188,129	74,351
Automobile Loans	-	1,876	1,876	367
Personal Need Loans	-	15,763	15,763	3,883
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>6,104,855</b>	<b>9,559</b>	<b>6,114,414</b>	<b>152,088</b>
Installment	2,963,375	9,559	2,972,934	73,955
Non- Installment	3,141,480	-	3,141,480	78,133
<b>Individual Credit Cards-FC</b>	<b>2,398</b>	<b>-</b>	<b>2,398</b>	<b>30</b>
Installment	-	-	-	-
Non- Installment	2,398	-	2,398	30
<b>Personnel Loans-TL</b>	<b>3,063</b>	<b>14,733</b>	<b>17,796</b>	<b>115</b>
Housing Loans	30	1,131	1,161	3
Automobile Loans	-	229	229	1
Personal Need Loans	3,033	13,373	16,406	111
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	17	17	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>23,741</b>	<b>-</b>	<b>23,741</b>	<b>-</b>
Installment	11,828	-	11,828	-
Non-Installment	11,913	-	11,913	-
<b>Personnel Credit Cards-FC</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>-</b>
With Installment	-	-	-	-
Without Installment	45	-	45	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>321,092</b>	<b>-</b>	<b>321,092</b>	<b>9,671</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,587,671</b>	<b>8,638,428</b>	<b>15,226,099</b>	<b>645,284</b>

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Commercial Loans with Installment Facility</b>				
- TL	247,191	2,345,785	2,592,976	50,620
Real Estate Loans	48	161,653	161,701	7,600
Automobile Loans	6,429	299,470	305,899	8,121
Personal Need Loans	240,714	1,884,662	2,125,376	34,899
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	27,010	523,088	550,098	27,625
Real Estate Loans	-	16,218	16,218	1,804
Automobile Loans	172	49,755	49,927	2,246
Personal Need Loans	26,838	457,115	483,953	23,575
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC</b>	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards -TL</b>	96,459	106	96,565	2,393
Installment	29,381	106	29,487	731
Non-Installment	67,078	-	67,078	1,662
<b>Corporate Credit Cards -FC</b>	378	-	378	5
With Installment	-	-	-	-
Without Installment	378	-	378	5
<b>Overdraft Accounts-TL (Legal Entities)</b>	150,123	-	150,123	55
<b>Overdraft Accounts-FC (Legal Entities)</b>	-	-	-	-
<b>Total</b>	<b>521,161</b>	<b>2,868,979</b>	<b>3,390,140</b>	<b>80,698</b>

**f) Loans according to borrowers<sup>(\*)</sup>**

	Current Period	Prior Period
Public	88,515	-
Private	25,515,258	19,012,589
<b>Total</b>	<b>25,603,773</b>	<b>19,012,589</b>

(\*) The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit/Loss” in the financial statements.

**g) Domestic and foreign loans<sup>(\*)</sup>**

	Current Period	Prior Period
Domestic Loans	25,568,106	18,980,968
Foreign Loans	35,667	31,621
<b>Total</b>	<b>25,603,773</b>	<b>19,012,589</b>

(\*) The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

**h) Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	44,247	5,874
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>44,247</b>	<b>5,874</b>

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**i) Specific provisions for loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions</b>		
Loans and Receivables with Limited Collectability	121,658	251,500
Loans and Receivables with Doubtful Collectability	235,475	436,193
Uncollectible Loans and Receivables	1,168,306	661,071
<b>Total</b>	<b>1,525,439</b>	<b>1,348,764</b>

**j) Non-performing loans (NPLs) (Net)**

**j.1) Non-performing loans and other receivables restructured or rescheduled**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	1,202	17,909	70,904
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,202	17,909	70,904

**j.2) Movement of non-performing loans**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Prior Period End Balance</b>	<b>301,379</b>	<b>481,107</b>	<b>672,240</b>
Additions (+)	812,208	-	-
Transfers from Other Categories of Non- Performing Loans (+)	-	704,749	715,891
Transfers to Other Categories of Non- Performing Loans (-)	704,749	715,891	-
Collections (-)	190,601	121,578	192,131
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>4,862</b>
Corporate and Commercial Loans	-	-	2,660
Consumer Loans	-	-	284
Credit Cards	-	-	1,918
Others	-	-	-
<b>Current Period End Balance</b>	<b>218,237</b>	<b>348,387</b>	<b>1,191,138</b>
Specific Provision (-) <sup>(*)</sup>	(121,658)	(235,475)	(1,168,306)
<b>Net Balances on Balance Sheet</b>	<b>96,579</b>	<b>112,912</b>	<b>22,832</b>

<sup>(\*)</sup> The Bank provided 100% specific provision for non-performing loans in the 3<sup>rd</sup> Group, other than the not overdue loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non performing loans into non performing loans. Loans stated above, without taking into consideration the collaterals obtained for these loans. However, in the current year the Bank provided 50% specific provision for the credit cards in the 3<sup>rd</sup> and 4<sup>th</sup> Group and retail loans in the 3<sup>rd</sup> Group in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves".

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**j.3) Information on foreign currency non-performing loans and other receivables**

None. (December 31, 2009 - None)

**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
<b>Current Period (Net)</b>	<b>96,579</b>	<b>112,912</b>	<b>22,832</b>
Loans to Real Persons and Legal Entities (Gross)	218,237	347,516	1,183,789
Specific provision (-)	(121,658)	(234,604)	(1,160,957)
Loans to Real Persons and Legal Entities (Net)	96,579	112,912	22,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	871	7,349
Specific provision (-)	-	(871)	(7,349)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>49,879</b>	<b>44,914</b>	<b>11,169</b>
Loans to Real Persons and Legal Entities (Gross)	301,379	473,758	672,240
Specific provision (-)	(251,500)	(428,844)	(661,071)
Loans to Real Persons and Legal Entities (Net)	49,879	44,914	11,169
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	7,349	-
Specific provision (-)	-	(7,349)	-
Other Loans and Receivables (Net)	-	-	-

**k) Liquidation policies for uncollectible loans and other receivables:**

For the unrecoverable non performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible than the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures does not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

**l) Explanations on write-off policy:**

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

**6. Information on investment securities held-to-maturity**

None (December 31, 2009 – None).



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**7. Investments in associates (Net) :**

**7.1. Investments in associates:**

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Gelişen Bilgi Teknolojileri A.Ş. <sup>(*)</sup>	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM) <sup>(*)</sup>	Istanbul/Turkey	9.23%	9.23%
Garanti Fonu İşletme ve Araştırma A.Ş. <sup>(*)</sup>	Istanbul/Turkey	2.00%	2.00%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
433	431	-	490	-	356	747	-
21,011	15,865	6,792	912	-	1,465	1,067	-
138,216	132,761	2,953	5,908	-	4,321	3,713	-

<sup>(\*)</sup> Current period information is obtained from financial statements as of December 31, 2010, prior period profit and loss information is obtained from financial statements as of December 31, 2009.

**7.2. Movements of investments in associates**

	Current Period	Prior Period
Balance at the Beginning of Period	6,016	4,016
Movements During the Period	(247)	2,000
Acquisitions	-	2,000 <sup>(*)</sup>
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	(247) <sup>(**)</sup>	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	5,769	6,016
Capital Commitments	2,000	2,250
Share Percentage at the End of the Period (%)	-	-

<sup>(\*)</sup> The Bank participated to the capital of Garanti Fonu İşletme ve Araştırma A.Ş. with an amount TL 2,000 in the prior period.

<sup>(\*\*)</sup> The amount represents the Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

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**7.3. Sectoral distribution of associates**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	5,769	6,016
<b>Total</b>	<b>5,769</b>	<b>6,016</b>

**7.4. Quoted Associates**

None. (December 31, 2009 - None)

**7.5. Valuation methods of investments in associates**

	Current Period	Prior Period
Valued at Cost	5,769	6,016
Valued at Fair Value	-	-
Valued at Equity Method	-	-
<b>Total</b>	<b>5,769</b>	<b>6,016</b>

**7.6. Investments in associates sold during the current period**

As explained in detail in Section 5, footnote 7.2, decrease in associates amounting to TL 247 occurred due to capital decrease of Gelişen Bilgi Teknolojileri A.Ş. (December 31, 2009 – None).

**7.7. Investments in associates acquired during the current period**

The Bank does not have investments in associates acquired as of December 31, 2010. The Bank has participated in to the capital of Garanti Fonu İşletme ve Araştırma A.Ş. in 2009 with TL 2,000 as explained in section 5, footnote 7.2.

**8. Investments in subsidiaries (Net)**

**a) Information on the unconsolidated subsidiaries**

Title					Address (City/Country)		Bank's Share – If Different, Voting Rights (%)		Bank's Risk Group Share (%)								
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş					İstanbul/Turkey		99.91%		99.91%								
Total Assets		Shareholders' Equity		Total Fixed Asset		Interest Income		Securities Income		Current Period Profit/Loss		Prior Period Profit/Loss		Company's Fair Value			
(*)		21,458		20,379		17,454		-		-		1,752		1,452		-	

(\*) Current period information is obtained from financial statements as of December 31, 2010.

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**b) Information on the consolidated subsidiaries:**

**b.1) Information on the consolidated subsidiaries**

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	70.28 <sup>(*)</sup>	70.28 <sup>(*)</sup>
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

<sup>(\*)</sup> The share of the Bank is 10.01%, the remaining 60.27% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value <sup>(***)</sup>
1. <sup>(*)</sup>	208,276	109,305	12,132	11,025	452	15,430	13,069	-
2. <sup>(**)</sup>	1,310,476	377,184	885	21,695	-	27,809	41,229	342,700
3. <sup>(**)</sup>	19,978	19,715	65	-	-	223	3,002	18,720
4. <sup>(*)</sup>	19,484	17,738	428	1,426	11	7,403	6,444	-
5. <sup>(*)</sup>	108,364	46,695	2,092	7,751	4,261	9,493	4,600	-
6. <sup>(*)</sup>	3,072	2,956	228	284	-	(1,302)	(955)	-
7. <sup>(*)</sup>	266,144	11,952	786	17,323	-	3,252	(1,333)	-

<sup>(\*)</sup>Current period information represents December 31, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures as per the financial statements prepared in accordance with BRSA regulations.

<sup>(\*\*)</sup>Current period information represents September 30, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures prepared in accordance with CMB's Communiqué No: XI/29 accounting principles.

<sup>(\*\*\*)</sup>Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

**b.2) Movement of investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>222,588</b>	<b>350,156</b>
<b>Movements during the period</b>	<b>139,470</b>	<b>(127,568)</b>
Purchases	1,063 <sup>(6)</sup>	20,000 <sup>(2)</sup>
Bonus Shares Received	42,901 <sup>(4)</sup>	5,106 <sup>(3)</sup>
Dividends from Current Year Profit	-	-
Sales	(1,858) <sup>(5)</sup>	(201,928) <sup>(1)</sup>
Revaluation Increase	97,364	49,254
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>362,058</b>	<b>222,588</b>
<b>Capital Commitments</b>	<b>3,188</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> In the prior period, the Bank disposed its subsidiary Finans Malta Holdings Ltd., of which the Bank used to own 100% of the shares, for EUR 185 million in cash on February 24, 2009 to NBG International Holdings B.V. The gain of TL 197,090 resulting from the disposal is accounted for as "Income on sale of associates, subsidiaries and entities under common control" under the "Income on Discontinued Operations" in the income statement.

<sup>(2)</sup>Purchases in the prior period include the participation in Finans Faktoring Hizmetleri A.Ş. amounting to TL 10,000 and the participation into the capital of Finans Emeklilik ve Hayat A.Ş. amounting to TL 10,000.

<sup>(3)</sup>The prior period's amount includes bonus shares received from the Bank's subsidiaries Finans Finansal Kiralama A.Ş. amounting to TL 5,106.

<sup>(4)</sup>Purchases in the current period include bonus shares received from the Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 5,750 and Finans Yatırım Menkul Değerler A.Ş. amounting to TL 37,151.

<sup>(5)</sup> Disposal in the current period amount include disposal of the shares of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. The Bank had sales profit amounting to TL 806.

<sup>(6)</sup> Purchases in the current period include the participation into the capital of Bank's subsidiary Finans Emeklilik ve Hayat A.Ş. amounting to TL 1,063.

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**b.3) Sectoral distribution of subsidiaries**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	36,812	30,000
Factoring Companies	10,000	10,000
Leasing Companies	213,737	117,438
Finance Companies	5,000	5,000
Other Subsidiaries	96,509	60,150
<b>Total</b>	<b>362,058</b>	<b>222,588</b>

**b.4) Quoted subsidiaries within the context of consolidation:**

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	227,524	132,018
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>227,524</b>	<b>132,018</b>

**9. Investments in entities under common control:**

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	33%	33%	8,473	7,012	3,390	2,371	(1,171)

(\*) Current period information represents December 31, 2010 figures prepared in compliance with IFRS.

**10. Information on leasing receivables (Net)**

None (December 31, 2009 - None).

**11. Information on hedging purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	28,648	-	-	2,417
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>28,648</b>	<b>-</b>	<b>-</b>	<b>2,417</b>

(\*) Derivative financial instruments held for the fair value hedge purposes include swaps. TL 28,648 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2010 whereas TL 2,417 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities as of December 31, 2009.

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**12. Information on tangible assets:**

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
<b>Prior Period End</b>					
Cost	71,360	306,885	1,241	457,197	836,683
Accumulated Depreciation (-)	4,564	178,917	1,146	278,549	463,176
<b>Net Book Value</b>	<b>66,796</b>	<b>127,968</b>	<b>95</b>	<b>178,648</b>	<b>373,507</b>
<b>Current Period End</b>					
Cost at the Beginning of the Period	71,360	306,885	1,241	457,197	836,683
Additions	2,419	-	431	66,986	69,836
Disposals (-)	5,319	4,055	458	1,870	11,702
Impairment (-)/(increase)	(566)	-	-	-	(566)
<b>Current Period Cost</b>	<b>69,026</b>	<b>302,830</b>	<b>1,214</b>	<b>522,313</b>	<b>895,383</b>
Accumulated Depreciation at the Beginning of the Period	4,564	178,917	1,146	278,549	463,176
Disposals (-)	653	1,987	303	1,116	4,059
Depreciation (-)	1,281	26,140	60	46,545	74,026
<b>Current Period Accumulated depreciation (-)</b>	<b>5,192</b>	<b>203,070</b>	<b>903</b>	<b>323,978</b>	<b>533,143</b>
<b>Net Book Value-End of the Period</b>	<b>63,834</b>	<b>99,760</b>	<b>311</b>	<b>198,335</b>	<b>362,240</b>

- a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements:

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are computed by the licensed valuation companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 566 has been reversed. (December 31, 2009 - TL 1,048 impairment loss has been recorded).

- b) 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 condition for this:

None (December 31, 2009- None)

- c) 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 (December 31, 2009- None)

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**13. Information on intangible assets**

	<b>Rights</b>	<b>Goodwill</b>	<b>Total</b>
<b>Prior Period End</b>			
Cost	143,018	-	143,018
Accumulated Amortization (-)	80,614	-	80,614
<b>Net Book Value</b>	<b>62,404</b>	<b>-</b>	<b>62,404</b>
<b>Current Period End</b>			
Cost at the Beginning of the Period	143,018	-	143,018
Additions	64,970	-	64,970
Disposals (-)	-	-	-
Impairment (-)	-	-	-
<b>Current Period Cost</b>	<b>207,988</b>	<b>-</b>	<b>207,988</b>
Acc. Amort. at the Beginning of the Period	80,614	-	80,614
Disposals (-)	-	-	-
Amortization charge (-)	28,803	-	28,803
<b>Current Period Accumulated Amortization (-)</b>	<b>109,417</b>	<b>-</b>	<b>109,417</b>
<b>Net Book Value-End of the Period</b>	<b>98,571</b>	<b>-</b>	<b>98,571</b>

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:**

None (December 31, 2009- None).

- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:**

None (December 31, 2009- None).

- c) **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 (December 31, 2009- None).

- d) **The book value of intangible fixed assets that are pledged or restricted for use:**

None (December 31, 2009- None).

- e) **Amount of purchase commitments for intangible fixed assets:**

None (December 31, 2009- None).

- f) **Information on revalued intangible assets according to their types:**

None (December 31, 2009- None).

- g) **Amount of total research and development expenses recorded in income statement within the period if any:**

Amount of total research expenses recorded in income statement within the period is TL 4,151 (December 31, 2009 – TL 15,313).

- h) **Positive or negative consolidation goodwill on entity basis:**

None (December 31, 2009-None).

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**i) Information on goodwill:**

None (December 31, 2009-None).

**Movements on goodwill in the current period:** None (December 31, 2009- None).

**14. Information on investment property:**

None (December 31, 2009- None).

**15. Information on tax asset**

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 9.1.4.

As of December 31, 2010, the Bank has TL 237,352 current tax liabilities (December 31, 2009- TL 113,633) and TL 171,769 prepaid taxes (December 31, 2009- TL 164,132) which are netted-off in the accompanying financial statements.

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

None (December 31, 2009- None).

**17. Information on other assets**

**17.1. Information on prepaid expense, tax and similar items**

	<b>Current Period</b>	<b>Prior Period</b>
Collateral Given for Derivative Transactions	461,851	91,810
Assets Held for Resale (net)	126,914	89,660
Cheques Receivables from Other Banks	107,964	86,907
Other Prepaid Expenses	94,988	83,029
Sundry Debtors	37,636	62,457
Prepaid Rent Expenses	16,317	13,756
Advances Given	7,004	3,440
Prepaid Agency Commissions	6,825	972
Other	33,955	26,892
<b>Total</b>	<b>893,454</b>	<b>458,923</b>

**17.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:**

Details of the other assets are described in the 17.1 section of disclosure.

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**18. Accrued interest and income**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	1,506	-	7,910	-
Trading Securities	179	21	153	46
Fin. Assets at Fair Value through Profit or Loss	4,763	-	10,527	-
Assets on Trading Derivatives	242,495	149,785	370,242	52,312
Banks	234	88	309	256
Investments Securities Available for Sale	212,090	37,666	200,896	51,073
Loans and Receivables	383,989	11,683	339,191	20,711
Derivative Financial Instruments Held for Hedging Purposes	28,648	-	-	2,417
Other Accruals	-	-	1,917	-
<b>Total</b>	<b>873,904</b>	<b>199,243</b>	<b>931,145</b>	<b>126,815</b>



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**SECTION FIVE**

**II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES**

**1. Information on maturity structure of deposits**

**Current Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulat ed Deposit Accounts	Total
<b>Saving Deposits</b>	536,016	-	2,364,956	7,187,597	391,409	76,414	578	17,464	10,574,434
<b>Foreign Currency Deposits</b>	742,863	-	1,655,260	2,881,865	323,061	97,259	27,704	6,274	5,734,286
Residents in Turkey	719,772	-	1,613,733	2,751,876	312,103	61,016	27,704	6,241	5,492,445
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
<b>Public Sector Deposits</b>	95,468	-	4,119	156,406	76	-	-	-	256,069
<b>Commercial Deposits</b>	791,666	-	1,448,001	3,462,470	464,583	89,611	-	-	6,256,331
<b>Other Ins. Deposits</b>	12,807	-	32,172	558,049	101,454	1,810	-	-	706,292
<b>Precious Metal Deposits</b>	12,124	-	12,307	-	-	-	-	-	24,431
<b>Bank Deposits</b>	21,695	-	245,036	436,324	171,673	4,106	-	-	878,834
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,212,639</b>	<b>-</b>	<b>5,761,851</b>	<b>14,682,711</b>	<b>1,452,256</b>	<b>269,200</b>	<b>28,282</b>	<b>23,738</b>	<b>24,430,677</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
<b>Saving Deposits</b>	392,954	-	2,146,539	5,553,446	64,748	39,117	110	17,516	8,214,430
<b>Foreign Currency Deposits</b>	765,137	-	1,837,552	2,965,308	140,842	145,498	7,561	8,936	5,870,834
Residents in Turkey	727,045	-	1,801,627	2,746,545	136,158	138,009	7,561	8,907	5,565,852
Residents Abroad	38,092	-	35,925	218,763	4,684	7,489	-	29	304,982
<b>Public Sector Deposits</b>	75,052	-	3,804	281,138	88	-	-	-	360,082
<b>Commercial Deposits</b>	647,370	-	740,336	2,443,110	222,857	7,928	-	-	4,061,601
<b>Other Ins. Deposits</b>	14,767	-	25,748	127,091	93,321	27	-	-	260,954
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	50,589	-	183,861	142,819	-	-	1,122,392	-	1,499,661
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,690	-	96,791	-	-	-	-	-	99,481
Foreign Banks	17,785	-	87,070	142,819	-	-	1,122,392	-	1,370,066
Participation Banks	30,114	-	-	-	-	-	-	-	30,114
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,945,869</b>	<b>-</b>	<b>4,937,840</b>	<b>11,512,912</b>	<b>521,856</b>	<b>192,570</b>	<b>1,130,063</b>	<b>26,452</b>	<b>20,267,562</b>

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**1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit**

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,428,021	3,029,125	7,143,571	5,151,321
Foreign Currency Savings Deposits	629,713	689,194	2,815,867	2,981,232
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>4,057,734</b>	<b>3,718,319</b>	<b>9,959,438</b>	<b>8,132,553</b>

**1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.**

**1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> 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	11,423	33,984
<b>Total</b>	<b>11,423</b>	<b>33,984</b>

**2. Information on trading purpose derivatives**

**a) Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	22,897	-	7,245	-
Swaps	310,760	36,332	220,449	23,124
Futures	-	2,753	-	1,402
Options	108	98,978	60	12,795
Other	-	2,436	1,480	-
<b>Total</b>	<b>333,765</b>	<b>140,499</b>	<b>229,234</b>	<b>37,321</b>

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**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	70,861	87,789	49,194	104,310
Foreign Bank, Institutions and Funds	300,016	3,032,259	300,013	1,595,848
<b>Total</b>	<b>370,877</b>	<b>3,120,048</b>	<b>349,207</b>	<b>1,700,158</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	70,861	1,035,335	49,194	675,556
Medium and Long-Term	300,016	2,084,713	300,013	1,024,602
<b>Total</b>	<b>370,877</b>	<b>3,120,048</b>	<b>349,207</b>	<b>1,700,158</b>

In accordance with the Board of Directors' decision dated February 23, 2005 numbered 41, the Bank obtained a securitization loan amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years from abroad on March 15, 2005 via special purpose entities (SPE's).

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's.

As of March 31, 2006, with the Board of Directors' decision dated March 27, 2006 numbered 68, the Bank received a credit card securitization loan of TL 300,000 with fixed interest rate and 5 years maturity.

As of December 2, 2010, in accordance with the Board of Directors' decision dated November 25, 2010 numbered 240, the Parent Bank received a syndication loan amounting to USD 333 million and EUR 352 million with floating interest rate and 1 year maturity.

**c) Additional information on concentrations of the Bank's liabilities**

As of December 31, 2010, the Bank's liabilities comprise; 64% deposits (December 31, 2009 – 69%), 12% funds borrowed (December 31, 2009 – 12%) and 3% funds provided under repurchase agreements (December 31, 2009 – 0.07%).

**4. Information on funds provided under repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>807,415</b>	-	<b>12,984</b>	-
Financial institutions and organizations	790,285	-	-	-
Other institutions and organizations	5,736	-	3,705	-
Real persons	11,394	-	9,279	-
<b>From foreign transactions</b>	<b>6,703</b>	<b>309,882</b>	<b>6,142</b>	-
Financial institutions and organizations	-	309,882	-	-
Other institutions and organizations	6,703	-	6,139	-
Real persons	-	-	3	-
<b>Total</b>	<b>814,118</b>	<b>309,882</b>	<b>19,126</b>	-

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5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2009 - does not exceed).

6. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

**6.1. Changes in agreements and further commitments arising**

No changes have been made to the leasing agreements in the current period. (December 31, 2009- None)

**6.2. Financial Lease Payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	207	19	4,983	4,497
Between 1-4 years	46	4	268	241
More than 4 years	-	-	-	-
<b>Total</b>	<b>253</b>	<b>23</b>	<b>5,251</b>	<b>4,738</b>

**6.3. Information on operational lease**

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

**6.4. Information on "Sale -and- lease back" agreements**

The Bank does not have any sale and lease back transactions in the current period (December 31, 2009- None).

**7. Information on liabilities arising from hedging purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	250,240	7,000	-	2,693
Cash Flow Hedge (**)	69,545	-	-	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>319,785</b>	<b>7,000</b>	<b>-</b>	<b>2,693</b>

(\*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2010, TL 250,240 (December 31, 2009 - None) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio. As of December 31, 2010, TL 7,000 (December 31, 2009 - TL 2,693) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(\*\*) TL 69,545 represents the mark to market effects of derivatives which are the hedging instruments of deposits' cash flow risk.

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**8. Information on provisions**

**8.1. Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	187,721	116,889
Provisions for Loans and Receivables in Group II	20,179	37,585
Provisions for Non - Cash Loans	31,959	22,312
Other	25,949	22,665
<b>Total</b>	<b>265,808</b>	<b>199,451</b>

**8.2. Provision for currency exchange gain/loss on foreign currency indexed loans**

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	8,859	12,502

(\*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

**8.3. Specific provisions for non cash loans that are not indemnified and converted into cash**

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is 67,931 TL (December 31, 2009 - TL 55,294).

**8.4 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 TAS 19 and reflected these accompanying financial statements.

As of December 31, 2010, TL 25,086 (December 31, 2009 - TL 19,686) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2010, the Bank accrued TL 13,990 (December 31, 2009 - TL 10,529), for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2010, TL 33,148 (December 31, 2009- TL 33,486) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

**8.4.1. Movement of employee termination benefits**

	Current Period 01.01-31.12.2010	Previous Period 01.01-31.12.2009
As of January 1	19,686	16,645
Service Cost	4,638	2,774
Interest Cost	2,764	2,087
Amortization of Unrecognized Gains/Losses	4,567	1,126
Paid during the period	(6,569)	(2,946)
<b>Total</b>	<b>25,086</b>	<b>19,686</b>

**8.5. Information on other provisions**

**8.5.1. Information on free reserves for possible loan losses**

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	78,265	100,835

As of December 31, 2010 the Bank has provided TL 78,265 provision (December 31, 2009 - TL 100,835) for possible losses that could arise for loans in the watch list, considering their recovery rates.

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**8.5.2 Information on other provisions**

Apart from the information provided in 8.3 and 8.5.1, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	15,147	11,805
Other Provisions	17,744	50,780
<b>Total</b>	<b>32,891</b>	<b>62,585</b>

**9. Taxation**

**9.1. Current taxes**

**9.1.1. Current tax liability**

As of December 31, 2010, the Bank has current tax liability of TL 237,352 (December 31, 2009 - TL 113,633) and advance taxes of TL 171,769 (December 31, 2009 - TL 164,132). The current tax liability and advance taxes are presented in net in the accompanying financial statements.

**9.1.2. Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	65,583	-
Banking and Insurance Transaction Tax (BITT)	21,061	16,565
Taxation on Securities Income	17,026	14,331
Taxation on Real Estates Income	1,028	745
Other	11,935	12,834
<b>Total</b>	<b>116,633</b>	<b>44,475</b>

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability" (December 31, 2009 - "Current Tax Asset") account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

**9.1.3. Information on premiums**

	Current Period	Prior Period
Social Security Premiums - Employee Share	4,405	3,457
Social Security Premiums - Employer Share	4,735	3,726
Unemployment Insurance - Employee Share	309	243
Unemployment Insurance - Employer Share	619	485
<b>Total</b>	<b>10,068</b>	<b>7,911</b>

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**9.1.4. Information on deferred tax liabilities**

Deferred tax liability amounting to TL 75,673 has been disclosed in the accompanying financial statements (December 31, 2009 - TL 83,168).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other. As of December 31, 2010 the Bank has presented the net amount of deferred tax asset TL 46,994 (December 31, 2009 –TL 26,815) and deferred tax liability of TL 122,667 (December 31, 2009 –TL 109,983) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 34,079 (December 31, 2009 –TL 23,277 deferred tax liability ) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec. 31, 2010	Dec. 31, 2009	Dec.31, 2010	Dec.31, 2009
Reserve for Employee Benefits	72,224	63,701	14,445	12,740
The differences between carrying and taxable amounts of financial assets	147,597	58,571	29,519	11,714
Other	15,150	11,805	3,030	2,361
<b>Deferred Tax Asset</b>			<b>46,994</b>	<b>26,815</b>
The differences between carrying and taxable amounts of tangible assets	(85,998)	(68,251)	(17,200)	(13,650)
The differences between carrying and taxable amounts of financial assets	(456,987)	(443,298)	(91,397)	(88,660)
Other	(70,350)	(38,365)	(14,070)	(7,673)
<b>Deferred Tax Liability</b>			<b>(122,667)</b>	<b>(109,983)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(75,673)</b>	<b>(83,168)</b>

	Current Period 01.01-31.12.2010	Prior Period 01.01-31.12.2009
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(83,168)	(27,334)
Deferred Tax (Charge) / Benefit	18,297	(24,079)
Deferred Tax Items accounted for under the equity	(10,802)	(31,755)
<b>Deferred Tax Asset/ (Liability) as of Dec. 31, 2010 (Net)</b>	<b>(75,673)</b>	<b>(83,168)</b>

**10. Information on payables related to assets held for sale**

None. (December 31, 2009 – None)

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**11. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,010,383	-	1,473,260
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,010,383</b>	<b>-</b>	<b>1,473,260</b>

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5<sup>th</sup> year. In addition, interest is paid every six months and capital payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in the current period to be used in capital.increase.

**12. Information on shareholder's equity**

**12.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,205,000	1,575,000
Preferred Stock	-	-

Based on the Board of Directors' decision dated December 15, 2010, it was decided to increase the paid-in capital from TL 2,205,000 up to TL 2,460,000 by up to TL 255,000 in cash within the registered capital ceiling of TL 6,000,000. As of the reporting date, paid-in capital increase process has not been completed.

**12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital**

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,205,000	6,000,000

**12.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period**

Date of Increase	Amount of Increase	Cash	Reserves	Revaluation Fund
June 14, 2010	78,750	-	78,750	-
December 13, 2010	551,250	547,143	4,107	-

**12.4. Information on share capital increases from revaluation funds**

None (December 31, 2009 – None).



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**12.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments**

The Bank does not have any capital commitment, all of the capital is fully paid-in.

**12.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity**

None (December 31, 2009- None).

**12.7. Information on the privileges given to stocks representing the capital**

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these regulations, after deducting the statutory and fiscal obligations of the Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital is distributed to shareholders as first dividend and 10 % of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

**13. Common stock issue premiums, shares and equity instruments**

Due to the Bank's capital increase as of December 13, 2010, common stock issue premiums amounted to TL 665 (December 31, 2009 – None).

**14. Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under				
Common Control	132,756	-	40,258	-
Valuation Difference	132,756	-	40,258	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	119,339	10,205	43,669	40,955
Valuation Difference	119,339	10,205	43,669	40,955
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>252,095</b>	<b>10,205</b>	<b>83,927</b>	<b>40,955</b>

**15. Accrued interest and expenses**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	98,355	11,470	67,381	9,626
Derivative Financial Liabilities Held for Trading	333,765	140,499	229,234	37,321
Funds Borrowed	1,344	21,169	1,350	18,841
Money Market Borrowings	505	182	10	-
Derivative Financial Liabilities Held for Hedging				
Purposes	319,785	7,000	-	2,693
Other Accruals	31,951	16	16,811	3
<b>Total</b>	<b>785,705</b>	<b>180,336</b>	<b>314,786</b>	<b>68,484</b>

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**SECTION FIVE**

**III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS**

**1. Information related to off-balance sheet contingencies**

**1.1. Type and amount of irrevocable commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee in FC	1,587,549	1,706,226
Letters of Guarantee in TL	2,967,436	2,239,000
Letters of Credit	722,850	539,923
Bank Loans	721,538	664,139
Other Guarantees	36,309	41,704
<b>Total</b>	<b>6,035,682</b>	<b>5,190,992</b>

**1.2. Type and amount of possible losses from off-balance sheet items**

Specific provision is provided for the non-cash loans amounting to TL 67,931 (December 31, 2009 - TL 55,294) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

**1.3. Final guarantees, provisional guarantees, sureties and similar transactions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	288,152	168,784
Final Letters of Guarantee	3,282,473	2,872,818
Advance Letters of Guarantee	168,008	206,120
Letters of Guarantee Given to Customs Offices	196,275	110,434
Other Letters of Guarantee	620,077	587,070
<b>Total</b>	<b>4,554,985</b>	<b>3,945,226</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash Loans</b>	<b>360,270</b>	<b>409,874</b>
Less Than or Equal to One Year with Original Maturity	33,954	31,711
More Than One Year with Original Maturity	326,316	378,163
<b>Other Non-Cash Loans</b>	<b>5,675,412</b>	<b>4,781,118</b>
<b>Total</b>	<b>6,035,682</b>	<b>5,190,992</b>

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**3. Information on risk concentration in sector terms in non-cash loans**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>40,653</b>	<b>1.37</b>	<b>40,086</b>	<b>1.32</b>	<b>52,066</b>	<b>2.33</b>	<b>73,805</b>	<b>2.54</b>
Farming and Raising Livestock	8,038	0.27	17,072	0.56	11,595	0.52	21,952	0.75
Forestry	32,136	1.08	21,906	0.72	40,064	1.79	51,775	1.78
Fishing	479	0.02	1,108	0.04	407	0.02	78	0.00
<b>Manufacturing</b>	<b>532,675</b>	<b>17.94</b>	<b>1,510,731</b>	<b>49.87</b>	<b>381,022</b>	<b>17.01</b>	<b>1,427,235</b>	<b>49.04</b>
Mining and Quarrying	29,259	0.99	29,691	0.98	17,479	0.78	31,608	1.09
Production	493,786	16.63	1,440,143	47.54	356,534	15.92	1,364,315	46.88
Electricity, gas and water	9,630	0.32	40,897	1.35	7,009	0.31	31,312	1.08
<b>Construction</b>	<b>609,769</b>	<b>20.53</b>	<b>428,401</b>	<b>14.14</b>	<b>495,233</b>	<b>22.12</b>	<b>391,914</b>	<b>13.47</b>
<b>Services</b>	<b>1,504,363</b>	<b>50.65</b>	<b>952,094</b>	<b>31.43</b>	<b>1,043,170</b>	<b>46.58</b>	<b>770,881</b>	<b>26.49</b>
Wholesale and Retail Trade	947,724	31.91	517,521	17.08	673,698	30.09	505,724	17.38
Hotel, Food and Beverage Services	19,334	0.65	7,703	0.25	8,993	0.40	6,287	0.22
Transportation&Communication	59,724	2.01	65,323	2.16	56,221	2.51	43,896	1.51
Financial Institutions	310,366	10.45	315,626	10.42	203,678	9.10	146,672	5.04
Real Estate and Renting Services	8,492	0.29	603	0.02	1,428	0.06	396	0.01
Self Employment Services	148,569	5.00	43,239	1.43	89,625	4.00	65,917	2.27
Educational Services	2,667	0.09	92	0.00	1,366	0.06	88	0.00
Health and Social Services	7,487	0.25	1,987	0.07	8,161	0.36	1,901	0.07
<b>Other (*)</b>	<b>282,600</b>	<b>9.51</b>	<b>98,001</b>	<b>3.24</b>	<b>267,587</b>	<b>11.96</b>	<b>246,375</b>	<b>8.47</b>
<b>Total</b>	<b>2,970,060</b>	<b>100.00</b>	<b>3,029,313</b>	<b>100.00</b>	<b>2,239,078</b>	<b>100.00</b>	<b>2,910,210</b>	<b>100.00</b>

(\*) Does not include "Other Guarantees" amounting to TL 36,309 (December 31, 2009- TL 41,704).

**4. Information on non-cash loans classified in first and second groups (\*)**

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	2,838,853	1,458,624	98,233	91,462
Bills of Exchange and Acceptances	2,483	717,642	-	1,295
Letters of Credit	141	722,469	-	240
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	36,309	-	-
<b>Non-cash Loans</b>	<b>2,841,477</b>	<b>2,935,044</b>	<b>98,233</b>	<b>92,997</b>

(\*) Does not include non-cash loans amounting to TL 67,931, for which provision is provided, but which are not indemnified and not liquidated yet.

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**5. Information on derivative financial instruments**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>36,431,011</b>	<b>28,701,663</b>
Forward transactions <sup>(*)</sup>	2,530,303	2,349,583
Swap transactions	20,047,453	19,818,311
Futures transactions	375,074	274,612
Option transactions	13,478,181	6,259,157
<b>Interest Related Derivative Transactions (II)</b>	<b>6,460,378</b>	<b>2,417,906</b>
Forward rate transactions	-	-
Interest rate swap transactions	6,434,996	2,081,720
Interest option transactions	-	301,140
Futures interest transactions	25,382	35,046
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>42,891,389</b>	<b>31,119,569</b>
<b>Types of hedging transactions</b>		
Fair value hedges	8,955,244	144,480
Cash flow hedges	1,309,876	-
Net investment hedges	-	-
<b>B.Total Hedging Related Derivatives</b>	<b>10,265,120</b>	<b>144,480</b>
<b>Total Derivative Transactions (A+B)</b>	<b>53,156,509</b>	<b>31,264,049</b>

<sup>(\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31 2010, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
TL	388,533	498,515	5,888,531	10,705,451	2,985,137	2,843,408	3,397	3,397
USD	368,915	482,100	9,633,611	7,328,889	2,069,610	2,070,336	195,723	195,723
EURO	350,882	150,472	2,158,073	710,303	1,109,354	1,232,585	1,108	1,108
Other	152,990	137,896	89,098	233,613	586,431	581,320	-	-
<b>Total</b>	<b>1,261,320</b>	<b>1,268,983</b>	<b>17,769,313</b>	<b>18,978,256</b>	<b>6,750,532</b>	<b>6,727,649</b>	<b>200,228</b>	<b>200,228</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments accounted for under Commitments

	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Prior Period</b>								
TL	335,301	431,381	2,693,906	8,061,208	1,314,573	1,420,448	-	-
USD	514,570	591,657	7,669,657	2,812,092	1,608,687	1,562,863	154,829	154,829
EURO	166,937	119,586	283,560	124,259	326,501	270,596	-	-
Other	156,307	33,844	28,237	371,592	27,022	29,607	-	-
<b>Total</b>	<b>1,173,115</b>	<b>1,176,468</b>	<b>10,675,360</b>	<b>11,369,151</b>	<b>3,276,783</b>	<b>3,283,514</b>	<b>154,829</b>	<b>154,829</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of December 31, 2010, the Bank has no derivative transactions for hedge of net investment.

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**6. Information on contingent liabilities and assets**

None. (December 31, 2009 – None)

**7. Information on the services in the name and account of third parties**

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

**8. Information on the Bank's rating by international rating institutions**

<b>MOODY's October 2010</b>		<b>FITCH December 2010</b>		<b>CI November 2010</b>	
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-term TL	BBB-	Financial strength at local	BBB+
Financial Strength	C-	Short-term TL	F3	market	
		Long-term National	AAA	Support	3
		Individual	C		
		Support	3T		

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**SECTION FIVE**

**IV. EXPLANATIONS ON DISCLOSURES RELATED TO THE INCOME STATEMENT**

**1. a) Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	1,754,800	49,551	1,795,146	83,098
Medium and Long-Term Loans	1,389,885	59,840	1,271,407	82,433
Non-Performing Loans	82,087	-	33,231	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3,226,772</b>	<b>109,391</b>	<b>3,099,784</b>	<b>165,533</b>

**b) Information on interest income from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	29,059	-	45,792	95
Domestic Banks	4,167	36	1,509	60
Foreign Banks	1,417	1,416	2,257	4,516
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>34,643</b>	<b>1,452</b>	<b>49,558</b>	<b>4,671</b>

**c) Information on interest income from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	3,832	236	6,952	305
Financial Assets at FVTPL	11,794	-	18,110	-
Investment Securities Available for Sale	349,692	44,965	405,494	37,367
Investment Securities Held to Maturity	-	-	102,704	-
<b>Total</b>	<b>365,318</b>	<b>45,201</b>	<b>533,260</b>	<b>37,672</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,642	15

**2. a) Information on interest expense related to funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	5,481	1,248	9,248	2,488
Foreign Banks	35,852	93,736	38,650	162,683
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>41,333</b>	<b>94,984</b>	<b>47,898</b>	<b>165,171</b>

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**b) Information on interest expense paid to associates and subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Interest Paid to Associates and Subsidiaries	20,745	15,649

**c) Information on interest expense paid to securities issued:**

None. (December 31, 2009 – None)

**d) Information on maturity structure of interest expenses on deposits**

<b>Current Period</b>		<b>Time Deposits</b>					<b>Accumulated Deposit Account</b>	
<b>Account</b>	<b>Demand Deposits</b>	<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 1 Year</b>	<b>Over 1 Year</b>		<b>Total</b>
<b>New Turkish Lira</b>								
Bank Deposits	-	22,265	2,807	1,412	68	-	-	26,552
Saving Deposits	4	206,040	550,590	15,407	4,461	1,115	-	777,617
Public Sector Deposits	-	319	3,858	9	-	-	-	4,186
Commercial Deposits	20	85,823	226,954	16,581	2,499	-	-	331,877
Other Deposits	-	4,897	39,899	11,472	282	-	-	56,550
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24</b>	<b>319,344</b>	<b>824,108</b>	<b>44,881</b>	<b>7,310</b>	<b>1,115</b>	<b>-</b>	<b>1,196,782</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	29	45,727	76,065	6,987	4,131	826	187	133,952
Bank Deposits	137	729	16,176	2,440	-	-	-	19,482
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	70	-	-	-	-	-	70
<b>Total</b>	<b>166</b>	<b>46,526</b>	<b>92,241</b>	<b>9,427</b>	<b>4,131</b>	<b>826</b>	<b>187</b>	<b>153,504</b>
<b>Grand Total</b>	<b>190</b>	<b>365,870</b>	<b>916,349</b>	<b>54,308</b>	<b>11,441</b>	<b>1,941</b>	<b>187</b>	<b>1,350,286</b>

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**Information on maturity structure of interest expense on deposits**

Prior Period	Time Deposits						Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	51	18,353	3,184	-	-	1,514	-	23,102
Saving Deposits	103	278,936	575,222	16,215	3,249	1,644	-	875,369
Public Sector Deposits	34	373	2,347	39	-	-	-	2,793
Commercial Deposits	24	85,130	121,004	13,246	255	44	-	219,703
Other Deposits	2	6,460	31,340	4,629	1,622	-	-	44,053
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	214	389,252	733,097	34,129	5,126	3,202	-	1,165,020
Foreign Currency								
Foreign Currency Deposits	31	65,823	85,873	10,910	5,675	353	417	169,082
Bank Deposits	378	372	460	-	-	3,984	-	5,194
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	409	66,195	86,333	10,910	5,675	4,337	417	174,276
Grand Total	623	455,447	819,430	45,039	10,801	7,539	417	1,339,296

**e) Information on interest expense on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements <sup>(*)</sup>	50,539	378	81,627	10

<sup>(\*)</sup> Disclosed in "Interest on Money Market Transactions".

**f) Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	245	1,344

**g) Information on interest expense on factoring payables**

None. (December 31, 2009 – None)

**3. Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	1,330
Other <sup>(*)</sup>	40,368	5,106
<b>Total</b>	<b>40,368</b>	<b>6,436</b>

<sup>(\*)</sup> Includes dividend income amounting to TL 5,750 received from Finans Emeklilik ve Hayat A.Ş., dividend income amounting to TL 34,462 received from Finans Yatırım Menkul Değerler A.Ş. and dividend income amounting to TL 155 received from Gelişen Bilgi Teknolojileri A.Ş. as bonus shares. Dividend income in prior period amounting to TL 5,106 represents the bonus shares received from Finans Finansal Kiralama A.Ş.



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**4. Information on trading income/loss**

	Current Period	Prior Period
<b>Trading Income</b>	<b>5,578,500</b>	<b>6,736,787</b>
Gains on Capital Market Operations	407,708	364,577
Derivative Financial Instruments	1,376,196	1,600,047
Foreign Exchange Gains	3,794,596	4,772,163
<b>Trading Loss (-)</b>	<b>5,842,804</b>	<b>7,113,058</b>
Losses on Capital Market Operations	29,173	38,340
Derivative Financial Instruments	2,053,524	2,360,755
Foreign Exchange Losses	3,760,107	4,713,963
<b>Net Trading Income/Loss</b>	<b>(264,304)</b>	<b>(376,271)</b>

**5. Information on other operating income**

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

**6. Provision for losses on loans and other receivables**

	Current Period	Prior Period
<b>Specific Provisions For Loans and Other Receivables</b>	<b>181,537</b>	<b>700,776</b>
Loans and Receivables in Group III	14,478	37,318
Loans and Receivables in Group IV	28,023	233,466
Loans and Receivables in Group V	139,036	429,992
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>66,357</b>	<b>38,599</b>
<b>Provision Expenses for Possible Losses</b>	<b>-</b>	<b>49,029</b>
<b>Impairment Losses on Securities</b>	<b>73</b>	<b>-</b>
Financial assets at fair value through profit or loss	73	-
Investment securities available for sale	-	-
<b>Impairment Losses on Associates, Subsidiaries and</b>		
<b>Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>12,502</b>	<b>8,865</b>
<b>Total</b>	<b>260,469</b>	<b>797,269</b>

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**7. Information on other operating expenses**

	Current Period	Prior Period
Personnel costs	590,558	507,265
Reserve for employee termination benefits	5,400	3,041
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	1,048
Depreciation charge of tangible assets	74,026	68,984
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	28,803	18,705
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,215	2,603
Depreciation on assets to be disposed	1,917	1,605
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	509,573	438,480
Operational lease related expenses	97,278	87,422
Repair and maintenance expenses	44,562	31,019
Advertisement expenses	72,512	60,432
Other expenses	295,221	259,607
Losses on sales of assets	1,110	131
Other	163,253	120,596
<b>Total</b>	<b>1,375,855</b>	<b>1,162,458</b>

**8. Information on profit/loss from continued and discontinued operations before taxes**

For the period ended at December 31, 2010, net interest income of TL 2,254,424 (December 31, 2009 – TL 2,260,619), net fees and commission income of TL 593,616 (December 31, 2009 – TL 553,211) and other operating income of TL 145,949 (December 31, 2009 – TL 106,468) constitute an important part of the income.

The Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Bank used to own 100% of the shares, for EUR 185 million in cash on February 24, 2009 to NBG International Holdings B.V. in prior period. The gain of TL 197,090 resulting from the sale is accounted for as “Income on sale of associates, subsidiaries and entities under common control” under the “Income on Discontinued Operations” in the prior period income statement.

**9. Explanations on tax provision for continued and discontinued operations**

**9.1. Current period taxation benefit or charge and deferred tax benefit or charge**

As of December 31, 2010, the Bank recorded tax charge of TL 237,352 (December 31, 2009 – TL 103,778) and a deferred tax benefit of TL 18,297 (December 31, 2009 – TL 24,079 deferred tax charge).

The Bank disposed its 100% shares owned subsidiary Finans Malta Holdings Ltd. for EUR 185 million in cash to NBG International Holdings B.V. on February 24, 2009. The tax effect of this disposal amounting to TL 9,855 is accounted for under “Tax Charge for Discontinued Operations” in the accompanying financial statements for 2009.

**9.2. Explanations on operating profit/loss after taxes**

None. (December 31, 2009 – None)

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**10. Explanations on net profit/(loss) from continued and discontinued operations**

In the current period, there is no profit of the Bank from discontinued operations (December 31, 2009 – TL 187,235), whereas the net profit of the Bank from continued operations is TL 914,674 (December 31, 2009 – 462,879).

**11. Explanations on net income/loss for the period**

**11.1. 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 a complete understanding of the Bank's performance for the period**

None. (December 31, 2009 – None)

**11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.**

**11.3. There are no profit or loss attributable to minority shares.**

**11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.**

**12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement**

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded to the "Others" line under "Fees and Commissions received" account and fees and commissions given to credit cards are recorded to the "Others" line under "Fees and Commissions Paid" account by the Bank.

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**SECTION FIVE**

**V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**1. Changes resulting from valuation of available for sale securities**

Net increase of TL 137,418 (December 31, 2009 – TL 164,097 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

**2. Explanations on foreign exchange differences**

Foreign currency denominated investments in subsidiaries and borrowings used for acquiring of those subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date. There is no foreign exchange differences recorded under equity, since the Group disposed the foreign subsidiary during the year 2009.

**3. Explanations on dividend**

**3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements**

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated April 9, 2010, it was decided to distribute the 2009 profit as below.

**2009 profit distribution table:**

<b>Current year profit</b>	<b>650,114</b>
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	32,506
B - The First Dividend for Shareholders <sup>(*)</sup>	78,750
C – Profit from Disposal of Associates	147,824
D- Extraordinary Reserves	391,034

<sup>(\*)</sup>Distributed as bonus shares.

**3.2. Dividends per share proposed subsequent to the balance sheet date**

No decisions are taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2009 - Profit distribution for 2009 is detailed in footnote 3.1).

**3.3. Transfers to legal reserves**

	<b>Current Period</b>	<b>Prior Period</b>
Amount Transferred to Reserves from Retained Earnings	32,506	20,828

**4. Issuance of share certificates**

**4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital**

None (December 31, 2009- None).

**5. Information on the other capital increase items in the statement of changes in shareholders' equity**

Capital increase amounting to TL 630,000 that is stated in Statement of Changes in Shareholder's Equity for 2010 is provided by TL 547,143 from cash and TL 82,857 from extraordinary reserves. Capital increase that is stated in Statement of Changes in Shareholder's Equity for 2009 amounting to TL 75,000 is provided from first dividend to shareholders.

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**SECTION FIVE**

**VI. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT**

**1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents**

“Other items” amounting to TL 253,712 (December 31, 2009 – TL 679,834) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 68,826 (December 31, 2009 – TL 66,062), net trading income/loss by TL 436,254 (December 31, 2009 – TL 201,103 net trading income/loss) and other operating expenses amounting to TL 621,140 (December 31, 2009 – TL 412,669).

“Other items” in changes in operating assets amounting to TL 443,743 (December 31, 2009- TL 117,672) consist of the increase in collaterals given by TL 370,041 (December 31, 2009- TL 228,270 decrease) and the increase in other assets by TL 73,702 (December 31, 2009- TL 110,598 increase).

“Other items” in changes in operating liabilities amounting to TL 1,422,074 (December 31, 2009 - TL 284,930) consist of the increase in money market borrowings by TL 1,104,874 (December 31, 2009 - TL 322,667 decrease) and the increase in sundry debtors and other liabilities by TL 317,200 (December 31, 2009- TL 37,737 increase).

**2. Information regarding the balances of cash and cash equivalents at the beginning of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>January 1, 2010</b>	<b>January 1, 2009</b>
<b>Cash</b>	<b>298,023</b>	<b>224,766</b>
Cash in TL	168,903	100,557
Cash in Foreign Currencies	126,837	121,325
Other	2,283	2,884
<b>Cash Equivalents</b>	<b>2,642,916</b>	<b>1,710,162</b>
Balances with the T.R. Central Bank	1,494,358	1,349,821
Banks	1,157,033	385,514
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	-	(2,183)
Less: Accruals	(8,475)	(22,990)
<b>Cash and Cash Equivalents</b>	<b>2,940,939</b>	<b>1,934,928</b>

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**3. Information regarding the balances of cash and cash equivalents at the end of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>December 31, 2010</b>	<b>December 31, 2009</b>
<b>Cash</b>	<b>425,536</b>	<b>298,023</b>
Cash in TL	222,979	168,903
Cash in Foreign Currencies	177,028	126,837
Other	25,529	2,283
<b>Cash Equivalents</b>	<b>2,154,200</b>	<b>2,642,916</b>
Balances with the T.R. Central Bank	1,968,847	1,494,358
Banks	191,503	1,157,033
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(1,828)	(8,475)
<b>Cash and Cash Equivalents</b>	<b>2,579,736</b>	<b>2,940,939</b>

**4. Restricted cash and cash equivalents due to legal requirements or other reasons**

Foreign bank balances include TL 49,600 (December 31, 2009- TL 49,296) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

**5. Additional information**

**5.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment**

None.

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**SECTION FIVE**

**VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP**

**1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

- 1.1.** As of December 31, 2010, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 548,017 (December 31, 2009- TL 1,523,788), TL 73,308 (December 31, 2009- TL 36,506) and TL 94,712 (December 31, 2009- TL 49,112), respectively.

**Current Period**

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	5,874	14,627	-	11,745	30,632	22,740
Balance at the End of the Period	44,247	45,916	-	48,794	29,061	2
Interest and Commission Income	2,642	51	30	55	1,962	-

**Prior Period**

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash		Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	5,308	-	-	40,355	3,256
Balance at the End of the Period	5,874	14,627	-	11,745	30,632	22,740
Interest and Commission Income	15	44	-	79	2,941	229

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Includes the loans given to the Bank's indirect subsidiaries.

**1.2. Information on deposits held by the Bank's risk group**

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	349,531	76,320	1,116,699	529,562	57,558	136,456
Balance at the End of the Period	447,922	349,531	1,707	1,116,699	98,388	57,558
Interest on deposits	20,745	15,649	14,327	2,893	3,045	17,899

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Includes the deposits taken to the Bank's indirect subsidiaries.

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**1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	1,151	105,265	70,407	273,419	748,943
End of the Period	-	-	817,073	105,265	246,559	273,419
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-

<sup>(\*)</sup> As described in the Article 49 of Banking Law No 5411.

<sup>(\*\*)</sup> Includes the derivative transactions between the Bank's indirect subsidiaries.

<sup>(\*\*\*)</sup> Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

**2. Disclosures of transactions with the Bank's risk group**

**2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

**2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other**

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2010, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2009- 0.2%), the deposits represented 2.2% of the Bank's total deposits (December 31, 2009- 7.5%) and derivative transactions represented 3.9% of the Bank's total derivative transactions (December 31, 2009- 2.5%).



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**2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts**

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2010, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 23 (December 31, 2009 - TL 4,738) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.3% share holding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from NBG is explained under Section 5, Part II., Footnote 11.

**VIII. Explanations on the Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives**

**1. Information relating to the bank's domestic and foreign branch and representatives**

	Number	Employees			
Domestic Branch	501	11,727			
				Country	
Foreign Representation	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	7	1- Bahrain	4,303,887	

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**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

**I. Other explanations related to the Bank's operations**

**1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements**

The Parent Bank has received the approvals from the authorities, to issue banking bonds up to TL 1,000,000 and up to 1 year maturity, on January 20, 2011.

Required reserve ratios on TL liabilities set out as per "Communiqué on Amendment to the Communiqué on Reserve Requirements" No. 2011/2 published in the repeated Official Gazette No: 27825 dated January 24, 2011 are as follows, whereas no change is made for required reserve ratios on foreign currency liabilities of 11%.

	TL Required Reserve Ratios
Demand deposits, notice deposits and private current accounts	12
Deposits/participation accounts up to 1-month maturity (including 1 month)	10
Deposits/participation accounts up to 3-month maturity (including 3 months)	9
Deposits/participation accounts up to 6-month maturity (including 6 months)	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Liabilities other than deposits/participation funds	9
Special fund pools	Ratios for corresponding maturities

**2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would effect decision making process of users and foreign operations of the bank**

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

**3. Other matters**

None.

**SECTION SEVEN**

**INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on the Independent Auditor's Report**

The unconsolidated financial statements of the Bank have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated February 10, 2011 is presented preceding the financial statements.

**II. Explanations on the notes prepared by Independent Auditor**

None (December 31, 2009 – None).