

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT ACCOUNTANT'S  
LIMITED REVIEW REPORT,  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES  
FOR THE PERIOD ENDED  
JUNE 30, 2010**

*Translated into English from the  
Original Turkish Report*

## FİNANSBANK ANONİM ŞİRKETİ

### INDEPENDENT ACCOUNTANT'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – JUNE 30, 2010

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

We have reviewed the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as of June 30, 2010 and the related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

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

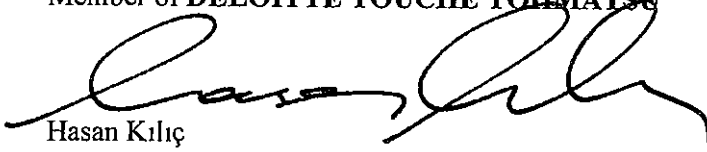
Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended June 30, 2010 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç  
Partner

Istanbul, August 13, 2010

Member of Deloitte Touche Tohmatsu Limited

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**

The Bank's;

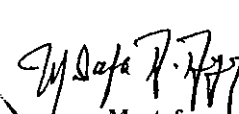
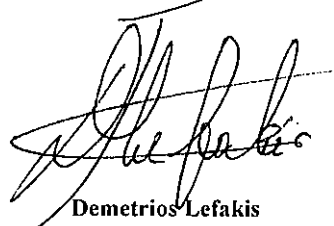
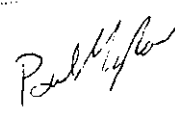
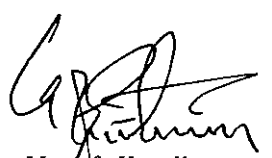


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The consolidated financial report for the six month period, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- LIMITED REVIEW REPORT

The consolidated financial statements and related disclosures and footnotes that were subject to limited review, 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 consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

				
<b>Ömer A. Aras</b>	<b>Mustafa A. Aysan</b>	<b>Demetrios Lefakis</b>	<b>Paul Mylonas</b>	<b>Mustafa Hamdi Gürtin</b>
Chairman of the Board of Directors	Member of the Board of Directors and Chairman of the Audit Committee	Member of the Board of Directors and of the Audit Committee	Member of the Board of Directors and of the Audit Committee	Member of the Board of Directors and of the Audit Committee
				
<b>Turgut Güzeloglu</b>	<b>Adnan Menderes Yayla</b>	<b>Gökhan Yücel</b>		
Managing Director and Member of the Board of Directors	Executive Vice President Responsible of Financial Control and Planning	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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**Finansbank Anonim Şirketi**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 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 controlling group of the Bank**

As of June 30, 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. By offering services such as retail banking, assets management, intermediary services and investment banking.

**III. Information about the chairman and members of board of directors, members of auditor committee, managing director 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	Board Member and 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 Audit Committee Member	March 11, 2010	Phd
Yener Dinçmen	Board Member	August 20, 2001	Masters
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member and Audit Committee Member	April 16, 2010	Masters
Agis Leopoulou	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
Vedat Mungan	Assistant Managing Director	January 1, 2008	Masters
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
Lale Maro	Assistant Managing Director	October 13, 1999	Masters
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Kerim Rota	Assistant Managing Director	August 6, 2004	Graduate
Olçayto Onur(*)	Assistant Managing Director	October 2, 1997	Masters
Murat Bayburtluoğlu(**)	Assistant Managing Director	August 19, 2004	Graduate
Hakan Alp(***)	Assistant Managing Director	July 7, 2010	Graduate
Kaan Arslan(***)	Assistant Managing Director	May 31, 2005	Masters
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	Assistant Managing Director	February 1, 2010	Masters
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

(\*) Olçayto Onur resigned from his Assistant Managing Director of Legal Consultancy duty as of June 30, 2010.

(\*\*) Murat Bayburtluoğlu resigned his Assistant Managing Director of Human Resources duty as of June 30, 2010. Hakan Alp is appointed as Assistant Managing Director of Human Resources.

(\*\*\*) Kaan Arslan resigned from his Assistant Managing Director of Private Banking duty as of July 31, 2010.

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 )

**Finansbank Anonim Şirketi**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2010**

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

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

Name Surname/Trade Name	Amount of Shares	Shareholding	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,276,952	%77.22	1,276,952	-
NBG Finance (Dollar) PLC	160,073	%9.68	160,073	-
NBGI Holdings B.V.	130,646	%7.90	130,646	-

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. As of June 30, 2010, the Bank operates through 61 corporate and commercial banking (December 31, 2009 - 61), 402 retail and consumer banking (December 31, 2009 - 398), 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
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flows Statement

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

**Finansbank Anonim Şirketi**

**BALANCE SHEET AS OF JUNE 30, 2010**

**(STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – ASSETS**

		Reviewed 30.06.2010			Audited 31.12.2009			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	820,751	763,986	1,584,737	1,012,861	779,520	1,792,381
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,668,165	107,564	1,775,729	2,030,662	53,237	2,083,899
2.1	Financial assets held for trading		331,508	107,564	439,072	380,081	53,237	433,318
2.1.1	Public sector debt securities		131,472	18,900	150,372	9,839	925	10,764
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		200,036	88,664	288,700	370,242	52,312	422,554
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		1,336,657	-	1,336,657	1,650,581	-	1,650,581
2.2.1	Public sector debt securities		76,576	-	76,576	78,452	-	78,452
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		1,260,081	-	1,260,081	1,572,129	-	1,572,129
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS AND OTHER FINANCIAL INSTITUTIONS	(3)	6,542	148,691	155,233	10,005	1,147,028	1,157,033
IV.	INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	5,183,762	870,583	6,054,345	4,953,215	592,540	5,545,755
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,071,363	591,520	5,662,883	4,873,092	338,804	5,211,896
5.3	Other securities		112,399	279,063	391,462	80,123	253,736	333,859
VI.	LOANS	(5)	18,357,387	2,589,221	20,946,608	15,504,071	2,042,351	17,546,422
6.1	Loans		18,260,159	2,589,221	20,849,380	15,398,109	2,042,351	17,440,460
6.1.1	Loans to risk group of the Bank		57,186	27,244	84,430	5,874	30,632	36,506
6.1.2.	Public sector debt securities		-	-	-	-	-	-
6.1.3.	Other		18,202,973	2,561,977	20,764,950	15,392,235	2,011,719	17,403,954
6.2	Non-performing loans		1,605,382	-	1,605,382	1,454,726	-	1,454,726
6.3	Specific provisions (-)		1,508,154	-	1,508,154	1,348,764	-	1,348,764
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(7)	6,016	-	6,016	6,016	-	6,016
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		6,016	-	6,016	6,016	-	6,016
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		6,016	-	6,016	6,016	-	6,016
X.	INVESTMENT IN SUBSIDIARIES (Net)	(8)	284,971	-	284,971	237,574	-	237,574
10.1	Unconsolidated financial investments		269,985	-	269,985	222,588	-	222,588
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(9)	800	-	800	800	-	800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		800	-	800	800	-	800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		800	-	800	800	-	800
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(11)	40,557	-	40,557	-	2,417	2,417
13.1	Fair value hedge		40,557	-	40,557	-	2,417	2,417
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		358,776	20	358,796	373,488	19	373,507
XV.	INTANGIBLE ASSETS (Net)		82,270	-	82,270	62,404	-	62,404
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		82,270	-	82,270	62,404	-	62,404
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(12)	-	-	-	50,499	-	50,499
17.1	Current tax assets		-	-	-	50,499	-	50,499
17.2	Deferred tax assets		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(13)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(14)	510,873	203,314	714,187	369,666	89,257	458,923
TOTAL ASSETS			27,320,870	4,683,379	32,004,249	24,611,261	4,706,369	29,317,630

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



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

**Finansbank Anonim Şirketi**

**BALANCE SHEET AS OF JUNE 30, 2010**

**(STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – LIABILITIES**

		Reviewed 30.06.2010			Audited 31.12.2009			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	14,288,563	6,094,050	20,382,613	13,008,433	7,259,129	20,267,562
1.1	Deposits from risk group of the Bank		134,158	1,237,952	1,372,110	282,756	1,241,032	1,523,788
1.2	Other		14,154,405	4,856,098	19,010,503	12,725,677	6,018,097	18,743,774
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	226,758	76,461	303,219	229,234	37,321	266,555
III.	FUNDS BORROWED	(3)	371,364	1,673,359	2,044,723	349,207	1,700,158	2,049,365
IV.	INTERBANK MONEY MARKETS		1,581,230	250,399	1,831,629	19,126	-	19,126
4.1	Interbank money markets takings		-	171,518	171,518	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	1,581,230	78,881	1,660,111	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		661,825	69,415	731,240	565,228	160,385	725,613
VIII.	OTHER LIABILITIES	(5)	512,273	6,549	518,822	313,380	3,226	316,606
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(6)	-	843	843	-	4,738	4,738
10.1	Financial lease payables		-	1,137	1,137	-	5,251	5,251
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses ( - )		-	294	294	-	513	513
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	93,817	24,007	117,824	-	2,693	2,693
11.1	Fair value hedge		93,817	24,007	117,824	-	2,693	2,693
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(8)	465,269	28,979	494,248	449,162	32,704	481,866
12.1	General provisions		197,860	28,979	226,839	166,747	32,704	199,451
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		53,631	-	53,631	63,701	-	63,701
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		213,778	-	213,778	218,714	-	218,714
XIII.	TAX LIABILITY	(9)	78,709	-	78,709	83,168	-	83,168
13.1	Current tax liability		55,858	-	55,858	-	-	-
13.2	Deferred tax liability		22,851	-	22,851	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)	-	1,540,646	1,540,646	-	1,473,260	1,473,260
XVI.	SHAREHOLDERS' EQUITY		3,960,556	(823)	3,959,733	3,586,123	40,955	3,627,078
16.1	Paid-in capital	(12)	1,653,750	-	1,653,750	1,575,000	-	1,575,000
16.2	Capital reserves		114,611	(823)	113,788	83,927	40,955	124,882
16.2.1	Share premium	(13)	-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(14)	111,922	(823)	111,099	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		2,689	-	2,689	-	-	-
16.2.8	Hedging funds (effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		1,848,446	-	1,848,446	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		1,666,022	-	1,666,022	1,127,164	-	1,127,164
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		343,749	-	343,749	650,114	-	650,114
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		343,749	-	343,749	650,114	-	650,114
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			22,240,364	9,763,885	32,004,249	18,603,061	10,714,569	29,317,630

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

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

**Finansbank Anonim Şirketi**

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

AS OF JUNE 30, 2010

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

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

		Reviewed 30.06.2010			Audited 31.12.2009		
	Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
<b>OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS</b>							
<b>A. (I+II+III)</b>		<b>37,634,091</b>	<b>31,857,538</b>	<b>69,491,629</b>	<b>26,773,041</b>	<b>19,977,056</b>	<b>46,750,097</b>
<b>I. GUARANTEES</b>	(1), (2), (3), (4)	<b>2,787,559</b>	<b>3,185,988</b>	<b>5,973,547</b>	<b>2,239,078</b>	<b>2,951,914</b>	<b>5,190,992</b>
1.1. Letters of guarantee		2,784,710	1,675,932	4,460,642	2,239,000	1,706,226	3,945,226
1.1.1. Guarantees subject to State Tender Law		126,582	-	126,582	94,304	-	94,304
1.1.2. Guarantees given for foreign trade operations		2,102,389	1,675,932	3,778,321	1,756,064	1,706,226	3,462,290
1.1.3. Other letters of guarantee		555,739	-	555,739	388,632	-	388,632
1.2. Bank loans		2,373	720,422	722,795	-	664,139	664,139
1.2.1. Import letter of acceptance		2,373	720,422	722,795	-	664,139	664,139
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		476	748,472	748,948	78	539,845	539,923
1.3.1. Documentary letters of credit		476	677,088	677,564	78	496,789	496,867
1.3.2. Other letters of credit		-	71,384	71,384	-	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		-	41,162	41,162	-	41,704	41,704
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>12,460,917</b>	<b>1,692,195</b>	<b>14,153,112</b>	<b>10,712,786</b>	<b>1,100,436</b>	<b>11,813,222</b>
2.1. Irrevocable commitments		12,458,816	1,692,195	14,151,011	10,630,439	1,100,436	11,730,875
2.1.1. Forward asset purchase commitments		256,145	831,528	1,087,673	208,908	550,394	759,302
2.1.2. Forward deposit purchase and sales commitments		236,965	850,397	1,087,362	226,732	532,132	758,864
2.1.3. Share capital commitment to associates and subsidiaries		6,500	-	6,500	2,250	-	2,250
2.1.4. Loan granting commitments		1,482,745	-	1,482,745	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		618,048	-	618,048	556,793	-	556,793
2.1.8. Tax and fund liabilities from export commitments		5,044	-	5,044	5,297	-	5,297
2.1.9. Commitments for credit card expenditure limits		9,767,943	-	9,767,943	7,764,698	-	7,764,698
2.1.10. Commitments for promotions related with credit cards and banking activities		24,055	-	24,055	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		61,371	10,270	71,641	117,831	17,910	135,741
2.2. Revocable commitments		2,101	-	2,101	82,347	-	82,347
2.2.1. Revocable loan granting commitments		2,101	-	2,101	82,347	-	82,347
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	<b>22,385,615</b>	<b>26,979,355</b>	<b>49,364,970</b>	<b>13,821,177</b>	<b>15,924,706</b>	<b>29,745,883</b>
3.1. Derivative financial instruments for hedging purposes		3,664,517	3,423,873	7,088,390	-	144,480	144,480
3.1.1. Fair value hedge		3,664,517	3,423,873	7,088,390	-	144,480	144,480
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		18,721,098	23,555,482	42,276,580	13,821,177	15,780,226	29,601,403
3.2.1. Forward foreign currency buy/sell transactions		852,530	1,437,980	2,290,510	331,042	500,375	831,417
3.2.1.1. Forward foreign currency transactions-buy		239,010	890,627	1,129,637	126,393	287,420	413,813
3.2.1.2. Forward foreign currency transactions-sell		613,520	547,353	1,160,873	204,649	212,955	417,604
3.2.2. Swap transactions related to foreign currency and interest rates		10,392,599	11,863,629	22,256,228	10,755,114	11,144,917	21,900,031
3.2.2.1. Foreign currency swap-buy		4,629,845	5,860,169	10,490,014	2,281,147	7,281,113	9,562,260
3.2.2.2. Foreign currency swap-sell		4,814,500	5,590,908	10,405,408	7,648,449	2,607,602	10,256,051
3.2.2.3. Interest rate swaps-buy		474,127	111,794	585,921	412,759	628,101	1,040,860
3.2.2.4. Interest rate swaps-sell		474,127	300,758	774,885	412,759	628,101	1,040,860
3.2.3. Foreign currency, interest rate and securities options		7,475,969	8,449,289	15,925,258	2,735,021	3,825,276	6,560,297
3.2.3.1. Foreign currency options-buy		3,474,873	3,723,852	7,198,725	1,307,931	1,811,640	3,119,571
3.2.3.2. Foreign currency options-sell		3,341,592	3,821,363	7,162,955	1,413,806	1,712,496	3,126,302
3.2.3.3. Interest rate options-buy		285,000	452,037	737,037	-	150,570	150,570
3.2.3.4. Interest rate options-sell		285,000	452,037	737,037	-	150,570	150,570
3.2.3.5. Securities options-buy		44,752	-	44,752	6,642	-	6,642
3.2.3.6. Securities options-sell		44,752	-	44,752	6,642	-	6,642
3.2.4. Foreign currency futures		-	329,824	329,824	-	274,612	274,612
3.2.4.1. Foreign currency futures-buy		-	164,912	164,912	-	137,306	137,306
3.2.4.2. Foreign currency futures-sell		-	164,912	164,912	-	137,306	137,306
3.2.5. Interest rate futures		-	1,474,760	1,474,760	-	35,046	35,046
3.2.5.1. Interest rate futures-buy		-	737,380	737,380	-	17,523	17,523
3.2.5.2. Interest rate futures-sell		-	737,380	737,380	-	17,523	17,523
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>61,742,432</b>	<b>20,139,584</b>	<b>81,882,016</b>	<b>55,581,802</b>	<b>20,132,808</b>	<b>75,714,610</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>1,521,302</b>	<b>1,111,300</b>	<b>2,632,602</b>	<b>2,889,919</b>	<b>1,084,443</b>	<b>3,974,362</b>
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		446,862	843,588	1,290,450	1,980,007	853,205	2,833,212
4.3. Checks received for collection		832,044	127,096	959,140	691,184	105,815	796,999
4.4. Commercial notes received for collection		242,383	134,129	376,512	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	6,487	6,497	1,520	6,203	7,723
4.8. Custodians		3	-	3	3	-	3
<b>V. PLEDGED ITEMS</b>		<b>60,221,130</b>	<b>19,028,284</b>	<b>79,249,414</b>	<b>52,691,883</b>	<b>19,048,365</b>	<b>71,740,248</b>
5.1. Marketable securities		179,701	393,681	573,382	246,832	212,766	459,598
5.2. Guarantee notes		90,384	57,370	147,754	94,036	59,206	153,242
5.3. Commodities		26,616	-	26,616	19,864	-	19,864
5.4. Warranties		-	-	-	-	-	-
5.5. Properties		26,619,782	8,259,045	34,878,827	23,328,456	8,493,260	31,821,716
5.6. Other pledged items		33,304,647	10,318,188	43,622,835	29,002,695	10,283,133	39,285,828
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>99,376,523</b>	<b>51,997,122</b>	<b>151,373,645</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 unconsolidated financial statements.

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

**Finansbank Anonim Şirketi**

**INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2010  
(STATEMENT OF INCOME/LOSS)**

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

**III. INCOME STATEMENT**

			Reviewed 01.01 - 30.06.2010	Reviewed 01.04 - 30.06.2010	Reviewed 01.01 - 30.06.2009	Reviewed 01.04 - 30.06.2009
		Section 5 Part V				
I.	INTEREST INCOME	(1)	1,808,384	921,082	2,043,294	968,465
1.1	Interest on loans		1,581,487	815,110	1,684,866	811,120
1.2	Interest received from reserve deposits		-	-	-	-
1.3	Interest received from banks		23,301	11,735	33,652	14,265
1.4	Interest received from money market placements		8,914	2,327	3,413	478
1.5	Interest received from marketable securities portfolio		191,494	89,000	320,175	141,995
1.5.1	Held-for-trading financial assets		1,832	1,149	3,817	1,119
1.5.2	Financial assets at fair value through profit and loss		5,807	2,958	12,280	2,978
1.5.3	Available-for-sale financial assets		183,855	84,893	201,374	137,898
1.5.4	Investments held-to-maturity		-	-	102,704	-
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		3,188	2,910	1,188	607
II.	INTEREST EXPENSE	(2)	705,088	366,714	942,161	412,925
2.1	Interest on deposits		630,545	325,671	779,468	346,963
2.2	Interest on funds borrowed		66,703	33,759	128,213	50,265
2.3	Interest on money market borrowings		4,993	4,537	33,618	15,316
2.4	Interest on securities issued		-	-	-	-
2.5	Other interest expense		2,847	2,747	862	381
III.	NET INTEREST INCOME (I - II)		1,103,296	554,368	1,101,133	555,540
IV.	NET FEES AND COMMISSIONS INCOME		290,562	151,657	285,093	138,643
4.1	Fees and commissions received		321,890	168,131	317,176	155,402
4.1.1	Non-cash loans		21,600	11,012	26,309	12,731
4.1.2	Other		300,290	157,119	290,867	142,671
4.2	Fees and commissions paid		31,328	16,474	32,083	16,759
4.2.1	Non-cash loans		231	115	36	21
4.2.2	Other		31,097	16,359	32,047	16,738
V.	DIVIDEND INCOME	(3)	40,212	40,212	1,330	1,330
VI.	NET TRADING INCOME	(4)	(233,535)	(106,034)	(80,018)	11,877
6.1	Securities trading gains/ (losses)		98,817	38,878	186,219	128,033
6.2	Financial derivatives transactions gains / (losses)		(387,640)	(178,275)	(295,361)	(155,966)
6.3	Foreign exchange gains/ (losses)		55,288	33,363	29,124	39,810
VII.	OTHER OPERATING INCOME	(5)	60,555	24,660	58,963	17,278
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,261,090	664,863	1,366,501	724,668
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	200,197	86,237	386,787	141,147
X.	OTHER OPERATING EXPENSES (-)	(7)	643,270	336,596	553,676	286,238
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		417,623	242,030	426,038	297,283
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	417,623	242,030	426,038	297,283
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(73,874)	(43,467)	(85,745)	(66,845)
16.1	Current income tax charge		(122,588)	(56,478)	(103,392)	(66,078)
16.2	Deferred tax benefit		48,714	13,011	17,647	(767)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	343,749	198,563	340,293	230,438
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	197,090	-
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		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	197,090	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	(9,855)	-
21.1	Current income tax charge		-	-	(9,855)	-
21.2	Deferred tax charge		-	-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	187,235	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	343,749	198,563	527,528	230,438
23.1	Group's profit/loss		343,749	198,563	527,528	230,438
23.2	Minority shares		-	-	-	-
	Earnings per share		0.02079	0.01201	0.03190	0.01393

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

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

**Finansbank Anonim Şirketi**

**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY  
FOR THE PERIOD ENDED JUNE 30, 2010**

**(STATEMENT OF OTHER COMPREHENSIVE INCOME AND LOSS)**

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

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

	Reviewed 01.01 - 30.06.2010	Reviewed 01.01 - 30.06.2009
I. Additions to marketable securities revaluation differences for available for sale financial assets	5,344	159,278
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)	-	-
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	11,603	(26,913)
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	16,947	132,365
XI. Profit/Loss	(30,730)	(962)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(30,730)	(962)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	-
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)	(13,783)	131,403

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

**Finansbank Anonim Şirketi**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2010**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	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 Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Prior period – 01.01.-30.06.2009																		
II. Beginning balance	1,500,000	-	-	-	129,090	-	887,296	-	-	362,648	(39,215)	-	-	-	-	2,839,819	-	2,839,819
2.1 Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	1,500,000	-	-	-	129,090	-	887,296	-	-	362,648	(39,215)	-	-	-	-	2,839,819	-	2,839,819
IV. Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	131,403	-	-	-	-	131,403	-	131,403
6.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)	-	-	-	-	-	-	-	-	527,528	-	-	-	-	-	-	527,528	-	527,528
XX. Profit distribution	-	-	-	-	20,828	-	314,868	-	-	(362,648)	-	-	-	-	-	(26,952)	-	(26,952)
20.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(26,952)	-	-	-	-	-	-	-	-
20.2 Transfers to reserves	-	-	-	-	20,828	-	314,868	-	-	(335,696)	-	-	-	-	-	(26,952)	-	(26,952)
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+...+ XVIII+XIX+XX)	1,500,000	-	-	-	149,918	-	1,202,164	-	527,528	-	92,188	-	-	-	-	3,471,798	-	3,471,798

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

**Finansbank Anonim Şirketi**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2010**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Current period – 01.01.-30.06.2010	1,575,000	-	-	-	149,918	-	1,327,164	-	-	650,114	124,882	-	-	-	-	3,627,078	-	3,627,078
II. Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(13,783)	-	-	-	-	(13,783)	-	(13,783)
V. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	2,689	-	-	2,689	-	2,689
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	78,750	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	78,750	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	343,749	-	-	-	-	-	-	343,749	-	343,749
XVIII. Profit distribution	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	32,506	-	617,608	-	-	(650,114)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance																		
(I+II+III+....+XVI+XVII+XVIII)	1,653,750	-	-	-	182,424	-	1,666,022	-	343,749	-	111,099	-	2,689	-	-	3,959,733	-	3,959,733

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

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

**Finansbank Anonim Şirketi**

**CASH FLOWS STATEMENT**

**FOR THE PERIOD ENDED JUNE 30, 2010**

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

**VI. CASH FLOWS STATEMENT**

	Section VI Note 5	Reviewed 01.01- 30.06.2010	Reviewed 01.01 – 30.06.2009
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>1,022,249</b>	<b>315,603</b>
1.1.1 Interest received (+)		1,871,686	2,118,235
1.1.2 Interest paid (-)		(687,335)	(979,880)
1.1.3 Dividend received (+)		-	1,330
1.1.4 Fees and commissions received (+)		321,890	317,176
1.1.5 Other income (+)		54,365	58,574
1.1.6 Collections from previously written off loans (+)		316,992	125,558
1.1.7 Payments to personnel and service suppliers (-)		(520,754)	(449,254)
1.1.8 Taxes paid (-)		(104,828)	(74,023)
1.1.9 Others (+/-)		(229,767)	(802,113)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(1,591,268)</b>	<b>(721,868)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(139,610)	(7,895)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		311,114	456,112
1.2.3 Net (increase) decrease in due from banks and other financial institutions (+/-)		(4,062)	10,235
1.2.4 Net (increase) decrease in loans (+/-)		(3,616,896)	48,378
1.2.5 Net (increase) decrease in other assets (+/-)		(319,316)	38,610
1.2.6 Net increase (decrease) in bank deposits (+/-)		102,639	(229,855)
1.2.7 Net increase (decrease) in other deposits (+/-)		(8,726)	87,804
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(45,993)	(1,207,934)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		2,129,582	82,677
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>(569,019)</b>	<b>(406,265)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(653,767)</b>	<b>721,859</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(22,800)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		1,858	399,018
2.3 Fixed assets purchases (-)		(24,168)	(35,823)
2.4 Fixed assets sales (+)		3,012	550
2.5 Cash paid for purchase of financial assets available for sale (-)		(7,976,123)	(1,185,406)
2.6 Cash obtained from sale of financial assets available for sale (+)		7,374,726	1,566,320
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(33,072)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>(3,895)</b>	<b>(9,964)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(3,895)	(9,964)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>12,424</b>	<b>18,193</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(1,214,257)</b>	<b>323,823</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>1,726,682</b>	<b>2,258,751</b>

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 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 June 30, 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 classified TL 16,112 fees and commissions income from cash loans which was accounted for under "Net Fees And Commissions Income" as of June 30, 2009 to "Interest Income" to be consistent with the classification of current period's Income Statement.

**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.



**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 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 are with fixed rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally with floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return, 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 with 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 generated 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 generated 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 June 30, 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 amounts are translated into TL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
US Dolar	TL 1.5747	TL 1.5057
Euro	TL 1.9217	TL 2.1603

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

The net foreign exchange gains included in the income statement as of June 30, 2010 is TL 55,288 (June 30, 2009 – TL 29,124).

**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 forwards, option contracts and derivative instruments**

The Bank enters into forward currency 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.

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 against interest rate risk.

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, forward foreign currency purchase/sale contracts, swaps, options and futures 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 and loan portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

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 and swaption 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 swap 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 Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 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.

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

Fee 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 Held-To-Maturity", "Investment Securities Available-For-Sale", 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 difference between interest income that has been gained by holding the trading securities and acquisition cost and fair value of the trading securities, is reflected as interest income in the income statement. If any of these financial assets are sold before their maturity, the gain or loss is realized as securities 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 (Net)" in the financial statements. The Bank has not classified its mortgage loans that were initiated after January 1, 2008, as financial assets at fair value through profit or loss. Interests on related loans are presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

The Bank also has government bonds in its 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.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 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 is transferred to the income statement.

Some portion of the Eurobond portfolio which has been recognised 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.

Some portion of the government bond portfolio which was recognized as available for sale securities are designated as fair value hedged items as at April 3, 2009. The fair value differences of hedged items that are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation are accounted for under "Securities Trading Gains/Losses" in the income statement. However, since the fair value hedge accounting could not be effectively continued as stated in TAS 39, the fair value hedge accounting was ceased as of May 1, 2009. 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 amortized through 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 regarding the 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.

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As it is 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 IAS 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 can not 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.

If there is evidence for the uncollectibility of loans, the Bank classifies related loans and advances in nonperforming 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 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”. According to the fourth article of the revised Communiqué dated March 6, 2010, the Bank does not provide any specific provision for the loans which are not at default whereas the other loans of the same loan customer are classified as non-performing loans. The Bank provides 100% specific provision for non-performing loans, other than those loans stated above, without taking into consideration the collaterals obtained for these loans. The related provisions are charged in the current year income statement.

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 provided in the current period 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 or for which a provision was provided in the previous years 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 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 on 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 non-performing loans.

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 agreement as at the balance sheet date amounted to TL 1,711,838 (December 31, 2009 – TL 19,168).

The Bank does not have securities that are subject to lending transactions as of June 30, 2010 (December 31, 2009 – TL 14,218).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Interbank Money Market" takings 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 current period income statement. The tax charge amounting to TL 9,855 regarding the sale is accounted for under "Tax Provision for Discontinued Operations".

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**XII. Goodwill and other intangible assets**

The Bank's intangible assets consist of software 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.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 5 years for periods before 2004 while the useful life for additions in subsequent years is determined as 3 years.

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

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

**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%

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 are no purchase commitments related to the fixed assets.

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**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.

**XV. Provisions and contingent liabilities**

Provisions and contingent liabilities, other than specific and general provisions for loans and other receivables, 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, pensions or similar associations of which the employees are members.



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**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, effective from January 1, 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 1<sup>st</sup> and the 25<sup>th</sup> 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 Provision" 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. The withholding tax was increased to 15% by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006.

**2. Deferred taxes**

In accordance with TAS 12 "Income Taxes", 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.

Deferred tax assets and liabilities of the Bank have been offset and presented as net in the unconsolidated interim financial statements. Deferred tax liability amounting to TL 22,851 has been disclosed in the accompanying financial statements (December 31, 2009 - TL 83,168).

As of June 30, 2010, deferred tax benefit resulting from temporary differences is TL 48,714 (June 30, 2009 – TL 17,647). The deferred tax benefit is reflected in "Deferred Tax Charge" in the income statement.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts. The deferred tax asset amounting to TL 11,674 (December 31, 2009 – TL 23,277) has been offset with "Securities Value Increase Fund" account under equity.

**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 period, the share capital of the Bank has been increased to TL 78,750 as bonus issue from extraordinary reserves.

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**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 June 30, 2010, the Bank does not have any government incentives or grants.

**XXII. Segment reporting**

In addition to corporate banking, consumer 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 consumer banking clients with demand, time deposits, also installment-based cash advance services, direct debit 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 revenue 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 revenue 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, consumer, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

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<b>Current Period</b>	<b>Consumer Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
Net Interest Income	509,818	148,829	444,649	1,103,296
Net Fees and Commissions Income	387,968	56,399	(153,805)	290,562
Other operating Income and Net Trading Income	12,322	23,045	(208,347)	(172,980)
Dividend Income	-	-	40,212	40,212
<b>Operating Income</b>	<b>910,108</b>	<b>228,273</b>	<b>122,709</b>	<b>1,261,090</b>
Other Operating Expenses	424,574	135,586	83,110	643,270
Provision for Loan Losses and Other Receivables	144,252	15,174	40,771	200,197
<b>Profit Before Taxes</b>	<b>341,282</b>	<b>77,513</b>	<b>(1,172)</b>	<b>417,623</b>
Tax Provision	-	-	-	(73,874)
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343,749</b>
<b>Total Assets</b>	<b>15,995,272</b>	<b>5,595,717</b>	<b>8,058,533</b>	<b>32,004,249</b>
Segment Assets	15,995,272	5,595,717	8,058,533	29,649,522
Investments in Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	291,787
Undistributed Assets	-	-	-	2,062,940
<b>Total Liabilities</b>	<b>12,567,397</b>	<b>6,091,382</b>	<b>7,483,675</b>	<b>32,004,249</b>
Segment Liabilities	12,567,397	6,091,382	7,483,675	26,142,454
Undistributed Liabilities	-	-	-	1,902,062
Equity	-	-	-	3,959,733
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,460</b>
Capital Expenditures	-	-	-	91,967
Depreciation and Amortization	-	-	-	50,493
Value Decrease/Increase	-	-	-	-

<b>Prior Period (June 30, 2009)</b>	<b>Consumer Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank(*)</b>
Net Interest Income	449,017	196,515	455,601	1,101,133
Net Fees and Commissions Income	332,519	70,993	(118,419)	285,093
Other operating Income and Net Trading Income	11,519	22,617	(55,191)	(21,055)
Dividend Income	-	-	1,330	1,330
<b>Operating Income</b>	<b>793,055</b>	<b>290,125</b>	<b>283,321</b>	<b>1,366,501</b>
Other Operating Expenses	319,574	114,313	119,789	553,676
Provision for Loan Losses and Other Receivables	152,464	50,804	183,519	386,787
<b>Profit Before Taxes</b>	<b>321,017</b>	<b>125,008</b>	<b>(19,987)</b>	<b>426,038</b>
Tax Provision	-	-	-	(85,745)
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,293</b>
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,370</b>
Capital Expenditures	-	-	-	59,687
Depreciation and Amortization	-	-	-	42,683
Value Decrease/Increase	-	-	-	-

(\*)The total operations include only the Bank's continued operations.

<b>Prior Period (December 31, 2009)</b>	<b>Consumer Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</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
Investments in Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	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

**XIII. Explanations on other matters**

None.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

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

As of June 30, 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 Gazettes No. 26669, No. 26824 and No. 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 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>Risk Weighted Assets, Liabilities and Non-Cash Loans</b>							
<b>Balance Sheet Items (Net)</b>	<b>2,020,706</b>	<b>-</b>	<b>104,678</b>	<b>7,520,995</b>	<b>14,860,189</b>	<b>440,760</b>	<b>121,967</b>
Cash on Hand	318,288	-	601	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	828,360	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head offices and Branches	-	-	104,000	-	51,156	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	428,339	-	-	-	-	-	-
Loans	432,936	-	-	7,186,344	13,204,756	440,760	121,967
Non-performing Loans (Net)	-	-	-	-	97,228	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	6,213	-	-
Sundry Debtors	-	-	-	-	252,994	-	-
Accrued Interest and Income	12,239	-	77	334,651	358,053	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	291,787	-	-
Tangible Assets (Net)	-	-	-	-	272,316	-	-
Other Assets	544	-	-	-	325,686	-	-
<b>Off-Balance Sheet Items</b>	<b>71,085</b>	<b>-</b>	<b>930,207</b>	<b>116,254</b>	<b>5,860,527</b>	<b>-</b>	<b>-</b>
Non-Cash Loans and Commitments	71,085	-	-	116,254	5,807,798	-	-
Derivative Financial Instruments	-	-	930,207	-	52,729	-	-
<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>2,091,791</b>	<b>-</b>	<b>1,034,885</b>	<b>7,637,249</b>	<b>20,720,716</b>	<b>440,760</b>	<b>121,967</b>
<b>Total Risk-Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>206,977</b>	<b>3,818,625</b>	<b>20,720,716</b>	<b>661,140</b>	<b>243,934</b>

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

	Current Period	Prior Period
Value at Credit Risk (VACR)	25,651,392	22,543,392
Value at Market Risk (VAMR)	1,733,438	1,358,263
Value at Operational Risk (VAOR)	3,805,616	3,294,672
Shareholders' Equity	5,203,618	4,893,519
Shareholders' Equity/(VACR+VAMR+VAOR)*100	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	1,653,750	1,575,000
Nominal Capital	1,653,750	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
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	1,148,392	757,358
Reserve Allocated as per the Decision Held by the General Assembly	1,148,392	757,358
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	343,749	650,114
Current Period Profit	343,749	650,114
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	102,600	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 (-)	86,480	88,121
Prepaid Expenses (-)	116,006	97,757
Intangible Assets (-)	82,270	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>3,663,789</b>	<b>3,354,749</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	226,839	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	1,300,407	1,326,664
Securities Value Increase Fund	49,542	56,196
Associates and Subsidiaries	36,715	18,116
Investment Securities Available for Sale	12,827	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>1,579,477</b>	<b>1,582,311</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>5,243,266</b>	<b>4,937,060</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>39,648</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	26,904	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	12,744	13,297
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,203,618</b>	<b>4,893,519</b>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**II. 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”.

**Information on market risk**

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	95,655
(II) Capital Obligation against Specific Risks – Standard Method	17,745
(III) Capital Obligation against Currency Risk – Standard Method	23,527
(IV) Capital Obligation against Commodity Risks - Standard Method	-
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,748
(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)	138,675
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,733,438

**III. Explanations Related to the 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 June 30, 2010, the value at operational risk is amounting to TL 3,805,616 (December 31, 2009-TL 3,294,672).

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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**IV. 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 June 30, 2010, the net foreign currency exposure of the Bank is TL 297,043 short position (December 31, 2009 –TL 13,342 long) resulting from on balance sheet short position amounting to TL 3,759,475 (December 31, 2009 –TL 4,852,040 short) and off balance sheet long position amounting to TL 3,462,432 (December 31, 2009 –TL 4,865,382 long). The long off balance sheet position amounting to TL 3,235,538 (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.

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 1.5747

Euro purchase rate at the date of the balance sheet TL 1.9217

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
June 30, 2010	TL 1.5747	TL 1.9217
June 29, 2010	TL 1.5643	TL 1.9327
June 28, 2010	TL 1.5750	TL 1.9373
June 25, 2010	TL 1.5708	TL 1.9307
June 24, 2010	TL 1.5580	TL 1.9134
June 23, 2010	TL 1.5539	TL 1.9099

- 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 June 2010 are TL 1.5703 and TL 1.9181; respectively.



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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**5. Information on the foreign currency exchange rate risk of the bank**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>YEN</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	59,782	686,244	208	17,752	763,986
Due From Banks	41,646	101,182	582	5,281	148,691
Financial Assets at Fair Value through Profit/Loss (****)	5,605	82,825	-	-	88,430
Interbank Money Market Placements	-	-	-	-	-
Investment securities Available-for-Sale	53,511	817,072	-	-	870,583
Loans(**)	1,302,795	2,392,869	110,980	88,743	3,895,387
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Held for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	20	20
Intangible Assets	-	-	-	-	-
Other Assets(****)	20,259	182,896	17	47	203,219
<b>Total Assets</b>	<b>1,483,598</b>	<b>4,263,088</b>	<b>111,787</b>	<b>111,843</b>	<b>5,970,316</b>
<b>Liabilities</b>					
Bank Deposits	69,412	1,306,338	110	9,744	1,385,604
Foreign Currency Deposits	1,883,826	2,737,148	5,359	82,113	4,708,446
Money Market Borrowings	104,594	145,805	-	-	250,399
Funds Provided from Other Financial Institutions	200,094	3,013,911	-	-	3,214,005
Securities Issued	-	-	-	-	-
Sundry Creditors	33,843	35,052	52	468	69,415
Derivative Fin. Liabilities Held for Hedging Purposes	1,518	22,489	-	-	24,007
Other Liabilities (****)	7,493	70,222	-	200	77,915
<b>Total Liabilities</b>	<b>2,300,780</b>	<b>7,330,965</b>	<b>5,521</b>	<b>92,525</b>	<b>9,729,791</b>
<b>Net Balance Sheet Position</b>	<b>(817,182)</b>	<b>(3,067,877)</b>	<b>106,266</b>	<b>19,318</b>	<b>(3,759,475)</b>
<b>Net Off-Balance Sheet Position</b>	<b>734,008</b>	<b>2,873,195</b>	<b>(124,309)</b>	<b>(20,462)</b>	<b>3,462,432</b>
Financial Derivative Assets	3,340,320	12,185,709	36,237	405,108	15,967,374
Financial Derivative Liabilities	2,606,312	9,312,514	160,546	425,570	12,504,942
Non-Cash Loans (*)	800,418	2,130,864	3,520	251,186	3,185,988
<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 (*)	886,871	1,796,917	4,092	264,034	2,951,914

(\*) Does not affect net off balance sheet position.

(\*\*) Includes foreign currency-indexed loans amounting to TL 1,306,166 (December 31, 2009 – TL 1,080,361) that are classified as TL on the balance sheet.

(\*\*\*) Does not include the prepaid expenses amounting to TL 95 (December 31, 2009 – TL 44) that are classified as FC on the balance sheet in accordance with the legislation issued by the BRSA and published in the Official Gazette No 26085 dated February 19, 2006.

(\*\*\*\*) Foreign exchange income accruals on derivative transactions amounting to TL 19,134 (December 31, 2009 – TL 6,246) are excluded.

(\*\*\*\*\*) Foreign exchange expense accruals amounting to TL 5,938 (December 31, 2009 – TL 8,430) on derivative transactions and the general loan loss provisions amounting to TL 28,979 (December 31, 2009 – TL 32,704) computed for foreign currency loans and accounted for as foreign currency amount in order to be in compliance with the Uniform Chart of Accounts are excluded.

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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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**V. 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 a positive interest yield, 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.

**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing (*)	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	1,265,729	-	-	-	-	319,008	1,584,737
Due from Banks	27,133	-	4,062	-	-	124,038	155,233
Financial Assets at Fair Value Through Profit/Loss(**)	33,787	113,619	288,259	515,646	771,638	93,337	1,816,286
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,040,502	1,079,626	2,167,501	1,112,465	549,727	104,524	6,054,345
Loans	5,987,386	2,248,062	6,357,946	5,606,497	746,717	-	20,946,608
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	1,447,040	1,447,040
<b>Total Assets</b>	<b>8,354,537</b>	<b>3,441,307</b>	<b>8,817,768</b>	<b>7,234,608</b>	<b>2,068,082</b>	<b>2,087,947</b>	<b>32,004,249</b>
<b>Liabilities</b>							
Bank Deposits	1,513,340	65,190	2,354	-	-	64,749	1,645,633
Other Deposits	12,805,446	3,675,246	223,422	28,142	4,283	2,000,441	18,736,980
Money Market Borrowings	1,736,919	94,710	-	-	-	-	1,831,629
Sundry Creditors	-	-	-	-	-	731,240	731,240
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	210,190	776,478	1,908,403	178,520	-	511,778	3,585,369
Other Liabilities(*)	41,565	59,793	103,482	99,329	25,520	5,143,709	5,473,398
<b>Total Liabilities</b>	<b>16,307,460</b>	<b>4,671,417</b>	<b>2,237,661</b>	<b>305,991</b>	<b>29,803</b>	<b>8,451,917</b>	<b>32,004,249</b>
On Balance Sheet Long Position	-	-	6,580,107	6,928,617	2,038,279	-	15,547,003
On Balance Sheet Short Position	(7,952,923)	(1,230,110)	-	-	-	(6,363,970)	(15,547,003)
Off-Balance Sheet Long Position	-	5,622	-	-	-	-	5,622
Off-Balance Sheet Short Position	(7,892)	-	(29,005)	(36,250)	(25,402)	-	(98,549)
<b>Total Position</b>	<b>(7,960,815)</b>	<b>(1,224,488)</b>	<b>6,551,102</b>	<b>6,892,367</b>	<b>2,012,877</b>	<b>(6,363,970)</b>	<b>(92,927)</b>

(\*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 714,187, tangible assets amounting to TL 358,796, intangible assets amounting to TL 82,270, associates, subsidiaries and entities under common control amounting to TL 291,787; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 3,959,733, other liabilities amounting to TL 518,822, provisions amounting to TL 494,248, tax liability amounting to TL 78,709 and trading derivative financial liabilities amounting to TL 92,197.

(\*\*) This account also includes hedging purpose derivatives.

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

Current Period	EUR %	USD %	YEN %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.20
Due from Banks	0.45	0.40	-	8.58
Financial Assets at Fair Value Through Profit/Loss	5.54	11.84	-	12.89
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	4.97	8.08	-	7.37
Loans	5.16	4.36	5.20	18.99(*)
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.64	1.38	-	9.75
Other Deposits	3.12	3.34	0.90	9.49
Money Market Borrowings	2.44	2.17	-	6.96
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	1.85	2.86	-	11.65

(\*) The yield of loans is 14.37% excluding credit cards.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	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(**)	35,217	220,326	238,613	605,885	896,761	89,514	2,086,316
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	919,560	1,197,036	1,666,420	1,381,677	306,790	74,272	5,545,755
Loans	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 Provided from Other Financial Institutions	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>

(\*) "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, current tax asset amounting to 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.

(\*\*) This account also includes hedging purpose derivatives.

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

Prior Period	EUR %	USD %	YEN %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.20
Due from Banks	0.25	0.48	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans	6.24	5.97	5.16	20.60 (*)
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 Provided from Other Financial Institutions	2.88	2.93	-	11.87

(\*) The yield of loans is 16.65% excluding credit cards.

**VI. Explanations related to liquidity risk**

- The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors 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.

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

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

- 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 5% (December 31, 2009 – 6%) of the balance sheet is allocated as cash balances.

- 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.

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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	Un- distributed (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	319,008	1,265,729	-	-	-	-	-	1,584,737
Due from Banks	124,038	27,133	-	4,062	-	-	-	155,233
Financial Assets at Fair Value Through Profit/Loss (**)	-	36,983	96,890	324,581	584,026	773,806	-	1,816,286
Interbank Money Markets	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	104,524	10,042	390,488	718,836	3,602,519	1,227,936	-	6,054,345
Loans	-	5,919,694	2,242,263	6,233,514	5,768,970	782,167	-	20,946,608
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	485,839	-	-	112,342	-	848,859	1,447,040
<b>Total Assets</b>	<b>547,570</b>	<b>7,745,420</b>	<b>2,729,641</b>	<b>7,280,993</b>	<b>10,067,857</b>	<b>2,783,909</b>	<b>848,859</b>	<b>32,004,249</b>
<b>Liabilities</b>								
Bank Deposits	64,749	347,143	65,190	1,168,551	-	-	-	1,645,633
Other Deposits	2,000,441	12,805,446	3,675,246	223,422	28,142	4,283	-	18,736,980
Funds Provided from Other Credit Institutions	-	164,358	339,410	1,039,873	1,728,442	313,286	-	3,585,369
Interbank Money Markets	-	1,736,919	94,710	-	-	-	-	1,831,629
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	731,240	-	-	-	-	-	731,240
Other Liabilities(*)	-	541,034	29,414	120,780	294,318	29,625	4,458,227	5,473,398
<b>Total Liabilities</b>	<b>2,065,190</b>	<b>16,326,140</b>	<b>4,203,970</b>	<b>2,552,626</b>	<b>2,050,902</b>	<b>347,194</b>	<b>4,458,227</b>	<b>32,004,249</b>
<b>Liquidity Gap</b>	<b>(1,517,620)</b>	<b>(8,580,720)</b>	<b>(1,474,329)</b>	<b>4,728,367</b>	<b>8,016,955</b>	<b>2,436,715</b>	<b>(3,609,368)</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>

(\*) 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 include shareholders' equity amounting to TL 3,959,733, unallocated provisions amounting to TL 475,643 and TL 22,851 of deferred tax amount.

(\*\*) This account includes hedging purpose derivatives as well.

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

**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	180,391	130,051	168,903	126,837
Central Bank of Turkey	639,812	626,036	842,286	652,072
Others	548	7,899	1,672	611
<b>Total</b>	<b>820,751</b>	<b>763,986</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	639,812	197,697	842,286	210,818
Restricted Time Deposits	-	428,339	-	441,254
<b>Total</b>	<b>639,812</b>	<b>626,036</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% (December 31, 2009 – 5%) and 9.5% (December 31, 2009 – 9%) respectively.

The Central Bank of Turkey pays interest for Turkish Lira reserves at the rate of 5.2% (December 31, 2009 – 5.2%) whereas no interest is paid for foreign currency reserves (December 31, 2009 – None).

**2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)**

**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) Positive differences on trading derivative instruments**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	6,094	-	2,712	-
Swap Transactions	192,056	57,127	363,496	36,512
Futures	-	1,988	-	3,298
Options	1,886	29,251	165	12,502
Other	-	298	3,869	-
<b>Total</b>	<b>200,036</b>	<b>88,664</b>	<b>370,242</b>	<b>52,312</b>

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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**3. a) Banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	6,467	27,150	9,992	8,411
Foreign	75	121,541	13	1,138,617
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>6,542</b>	<b>148,691</b>	<b>10,005</b>	<b>1,147,028</b>

**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	241,988	292,120	273,797	7,339
Other	-	-	-	-
<b>Total</b>	<b>241,988</b>	<b>292,120</b>	<b>273,797</b>	<b>7,339</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,603,670	108,168	19,168	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,603,670</b>	<b>108,168</b>	<b>19,168</b>	<b>-</b>

**c) Investment securities available for sale**

	Current Period	Prior Period
<b>Debt securities</b>	<b>5,951,023</b>	<b>5,471,484</b>
Quoted on a stock exchange(*)	5,888,847	5,389,188
Unquoted on a stock exchange(**)	62,176	82,296
<b>Share certificates</b>	<b>105,087</b>	<b>75,017</b>
Quoted on a stock exchange(***)	105,087	75,017
Unquoted on a stock exchange	-	-
<b>Impairment provision(-)</b>	<b>(1,765)</b>	<b>(746)</b>
<b>Total</b>	<b>6,054,345</b>	<b>5,545,755</b>

(\*)The Eurobond Portfolio amounting to TL 303,618 (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.

(\*\*) Debt securities that are not quoted include "Credit Linked Notes" amounting to TL 61,472 (December 31, 2009 – TL 82,296).

(\*\*\*) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 96,559 (December 31, 2008 – TL 71,239).

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**5. Information related to loans**

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	38,543	-	38,638	-
<b>Total</b>	<b>38,543</b>	<b>-</b>	<b>38,638</b>	<b>-</b>

(\*) 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**

Cash Loans(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled(**)
<b>Non-specialized Loans</b>	<b>20,057,761</b>	<b>-</b>	<b>1,174,933</b>	<b>876,767</b>
Discount Notes	146,603	-	677	-
Export Loans	951,475	-	173,816	14,236
Import Loans	4,724	-	-	-
Loans Given to Financial Sector	370,522	-	-	-
Foreign Loans	28,457	-	-	-
Consumer Loans	7,572,612	-	312,145	299,841
Credit Cards	4,512,429	-	72,824	266,751
Precious Metals Loans	-	-	-	-
Other	6,470,939	-	615,471	295,939
<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>20,057,761</b>	<b>-</b>	<b>1,174,933</b>	<b>876,767</b>

(\*) The loans amounting to TL 1,260,081 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

(\*\*) Presented balances are comprised of total carrying amounts of restructured and rescheduled loans within the frame of article 11 and provisional article 3 of “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside”.

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

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled(**)
<b>Short-term Loans</b>	<b>10,613,646</b>	<b>-</b>	<b>72,824</b>	<b>266,751</b>
Non-specialized Loans	10,613,646	-	72,824	266,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>9,444,115</b>	<b>-</b>	<b>1,102,109</b>	<b>610,016</b>
Non-specialized Loans	9,444,115	-	1,102,109	610,016
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>20,057,761</b>	<b>-</b>	<b>1,174,933</b>	<b>876,767</b>

(\*) The loans amounting to TL 1,260,081 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value Through Profit / Loss” in the financial statements.

(\*\*) Presented balances are comprised of total carrying amounts of restructured and rescheduled loans within the frame of article 11 and provisional article 3 of “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside”.



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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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>144,030</b>	<b>7,034,004</b>	<b>7,178,034</b>	<b>362,428</b>
Real Estate Loans	7,208	4,792,401	4,799,609	307,469
Automobile Loans	2,572	246,826	249,398	9,176
General Purpose Loans	134,250	1,994,777	2,129,027	45,783
Other	-	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>244,666</b>	<b>244,666</b>	<b>73,175</b>
Real Estate Loans	-	222,514	222,514	68,876
Automobile Loans	-	3,740	3,740	467
General Purpose Loans	-	18,412	18,412	3,832
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>4,637,853</b>	<b>9,606</b>	<b>4,647,459</b>	<b>115,206</b>
Installment	1,900,225	9,606	1,909,831	47,362
Non- Installment	2,737,628	-	2,737,628	67,844
<b>Individual Credit Cards-FC</b>	<b>2,013</b>	<b>-</b>	<b>2,013</b>	<b>11</b>
Installment	-	-	-	-
Non- Installment	2,013	-	2,013	11
<b>Personnel Loans-TL</b>	<b>2,970</b>	<b>14,781</b>	<b>17,751</b>	<b>106</b>
Real Estate Loans	-	1,197	1,197	5
Automobile Loans	18	289	307	1
General Purpose Loans	2,952	13,295	16,247	100
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	4	4	-
General Purpose Loans	-	29	29	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>19,881</b>	<b>-</b>	<b>19,881</b>	<b>-</b>
Installment	8,933	-	8,933	-
Non-Installment	10,948	-	10,948	-
<b>Personnel Credit Cards-FC</b>	<b>53</b>	<b>-</b>	<b>53</b>	<b>-</b>
Installment	-	-	-	-
Non-Installment	53	-	53	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>299,465</b>	<b>-</b>	<b>299,465</b>	<b>8,940</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,106,265</b>	<b>7,303,090</b>	<b>12,409,355</b>	<b>559,866</b>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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 – TL</b>	<b>265,185</b>	<b>2,084,687</b>	<b>2,349,872</b>	<b>66,352</b>
Real Estate Loans	103	133,548	133,651	6,846
Automobile Loans	7,676	295,592	303,268	13,834
General Purpose Loans	257,406	1,655,547	1,912,953	45,672
Other	-	-	-	-
<b>Commercial Loans with Installment Facility – FC Indexed</b>	<b>26,005</b>	<b>450,821</b>	<b>476,826</b>	<b>25,841</b>
Real Estate Loans	-	14,192	14,192	1,909
Automobile Loans	208	45,295	45,503	1,626
General Purpose Loans	25,797	391,334	417,131	22,306
Other	-	-	-	-
<b>Commercial Loans with Installment Facility – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards – TL</b>	<b>65,278</b>	<b>57</b>	<b>65,335</b>	<b>1,612</b>
Installment	16,729	57	16,786	414
Non-Installment	48,549	-	48,549	1,198
<b>Corporate Credit Cards – FC</b>	<b>432</b>	<b>-</b>	<b>432</b>	<b>2</b>
With Installment	-	-	-	-
Without Installment	432	-	432	2
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>145,348</b>	<b>-</b>	<b>145,348</b>	<b>6</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>502,248</b>	<b>2,535,565</b>	<b>3,037,813</b>	<b>93,813</b>

**f) Loans according to borrowers (\*)**

	Current Period	Prior Period
Public	31,530	-
Private	22,077,931	19,012,589
<b>Total</b>	<b>22,109,461</b>	<b>19,012,589</b>

(\*) The loans amounting to TL 1,260,081 (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 (\*)**

	Current Period	Prior Period
Domestic Loans	22,081,004	18,980,968
Foreign Loans	28,457	31,621
<b>Total</b>	<b>22,109,461</b>	<b>19,012,589</b>

(\*) The loans amounting to TL 1,260,081 (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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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	57,186	5,874
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>57,186</b>	<b>5,874</b>

**i) Specific provisions for loans**

	Current Period	Prior Period
<b>Specific Provisions</b>		
Loans and Receivables with Limited Collectability	178,213	251,500
Loans and Receivables with Doubtful Collectability	384,640	436,193
Uncollectible Loans and Receivables	945,301	661,071
<b>Total</b>	<b>1,508,154</b>	<b>1,348,764</b>

**j) Non-performing loans (NPLs) and other receivables (Net)**

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	698	3,438	51,528
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	698	3,438	51,528
<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**

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Prior Period End Balance</b>	<b>301,379</b>	<b>481,107</b>	<b>672,240</b>
Additions (+)	465,814	3,213	-
Transfers from Other Categories of Non-Performing Loans (+)	-	372,940	380,938
Transfers to Other Categories of Non-Performing Loans (-)	372,940	380,938	-
Collections (-)	177,423	51,922	87,647
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>1,379</b>
Corporate and Commercial Loans	-	-	174
Consumer Loans	-	-	185
Credit Cards	-	-	1,020
Others	-	-	-
<b>Current Period End Balance</b>	<b>216,830</b>	<b>424,400</b>	<b>964,152</b>
Specific Provision (-)	178,213	384,640	945,301
<b>Net Balances on Balance Sheet</b>	<b>38,617</b>	<b>39,760</b>	<b>18,851</b>

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**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**j.3) Information on foreign currency of 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>38,617</b>	<b>39,760</b>	<b>18,851</b>
Loans to Real Persons and Legal Entities (Gross)	216,830	413,838	964,152
Specific provision (-)	178,213	376,504	945,301
Loans to Real Persons and Legal Entities (Net)	38,617	37,334	18,851
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	10,562	-
Specific provision (-)	-	8,136	-
Other Loans and Receivables (Net)	-	2,426	-
<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 in 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.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

None (December 31, 2009 – None).

**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 İşletmeler Piyasaları A.Ş. (GİP)	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM)	Istanbul/Turkey	9.23%	9.23%
Garanti Fonu İşletme ve Araştırma A.Ş.	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
	8,412	8,338	1	389	-	290	747	-
	18,840	15,414	5,971	428	-	1,014	1,067	-
	135,541	131,237	2,169	2,728	-	3,270	3,713	-

(\*) Current period information is obtained from financial statements as of June 30, 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
<b>Balance at the Beginning of Period</b>	<b>6,016</b>	<b>4,016</b>
<b>Movements During the Period</b>		<b>2,000</b>
Acquisitions	-	2,000(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at the End of the Period</b>	<b>6,016</b>	<b>6,016</b>
<b>Capital Commitments</b>	<b>2,250</b>	<b>2,250</b>
<b>Share Percentage at the End of the Period (%)</b>	<b>-</b>	<b>-</b>

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**7.3. Sectoral distribution of associates**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	6,016	6,016
<b>Total</b>	<b>6,016</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	6,016	6,016
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
<b>Total</b>	<b>6,016</b>	<b>6,016</b>

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

None (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 June 30, 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 detail in section 5 footnote 7.2.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

**a) Information on the unconsolidated non-financial subsidiaries:**

Subsidiary	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.	Istanbul/Turkey	%99.80	%99.80

(*)	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
	21,128	19,253	17,211	-	-	626	1,452	-

(\*) Current period information is obtained from financial statements as of June 30, 2010, prior period profit and loss information is obtained from financial statements as of December 31, 2009.

**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	59.24
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	70.28 (*)	70.28 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.001	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

(\*)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 as presented in the table above:

	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(***)
1. (*)	185,998	96,702	11,275	6,188	408	11,206	13,069	-
2. (**)	1,297,981	369,368	877	40,104	-	19,993	41,229	315,100
3. (**)	22,885	20,878	68	-	-	1,385	3,102	18,180
4. (*)	15,231	13,849	503	721	6	3,514	6,444	-
5. (*)	90,398	40,194	2,198	3,260	1,544	4,055	4,600	-
6. (*)	3,803	3,693	328	156	-	(565)	(955)	-
7. (*)	178,144	9,748	782	7,759	-	1,048	(1,333)	-

(\*) Current period information represents June 30, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures prepared in accordance with the BRSA regulations.

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

(\*\*\*) Fair values of publicly traded subsidiaries reflect their quoted prices on the Istanbul Stock Exchange (ISE) as of the balance sheet date.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period	Prior Period
Balance at the Beginning of the Period	222,588	350,156
Movements during the Period	47,397	(127,568)
Purchases	-	20,000 <sup>(**)</sup>
Bonus Shares Received	5,750 <sup>(****)</sup>	5,106 <sup>(***)</sup>
Dividends from Current Year Profit	-	-
Sales	(1,858) <sup>(*****)</sup>	(201,928) <sup>(*)</sup>
Revaluation Difference	43,505	49,254
Impairment Losses (-)	-	-
Balance at the End of the Period	269,985	222,588
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(\*) In the prior period 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. 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 current period income statement.

(\*\*) 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.

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

(\*\*\*\*) Purchases in the current period includes bonus shares received from the Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 5,750.

(\*\*\*\*\* ) Sales in the current period includes share sale of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş.

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

	Current Period	Prior Period
Banks	-	-
Insurance Companies	35,750	30,000
Factoring Companies	10,000	10,000
Leasing Companies	160,890	117,438
Finance Companies	5,000	5,000
Other Subsidiaries	58,345	60,150
Total	269,985	222,588

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

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	173,665	132,018
Quoted on International Stock Exchanges	-	-
Total	173,665	132,018

**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 Year Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	%33	%33	1,098	6,052	3,326	25	(1,171)

(\*) Current period information represents June 30, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures.



**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**10. Information on financial lease receivables (Net):**

None (December 31, 2009 – None).

**11. Information on hedging purpose derivatives:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	40,557	-	-	2,417
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>40,557</b>	<b>-</b>	<b>-</b>	<b>2,417</b>

(\*)Derivative financial instruments held for the fair value hedge purposes include swaps. TL 40,557 (December 31, 2009 – None) represents fair value changes regarding the derivative financial instruments held for the fair value hedged loans. 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.

**12. Information on tax asset:**

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

As of June 30, 2010, the Bank has TL 122,588 current tax liabilities (December 31, 2009- TL 113,633) and TL 66,730 prepaid taxes (December 31, 2009- TL 164,132) which were netted-off in the accompanying financial statements.

**13. Information on assets held for sale and discontinued operations:**

None (December 31, 2009 – None).

**14. Information on other assets:**

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

	Current Period	Prior Period
Collateral Given for Derivative Financial Transactions	200,461	91,810
Cheques Receivables from Other Banks	162,362	86,907
Assets Held for Resale (net)	112,342	89,660
Other Prepaid Expenses	99,228	83,029
Sundry Debtors	52,533	62,457
Prepaid Rent Expenses	16,076	13,756
Advances Given	6,825	3,440
Prepaid Agency Commissions	702	972
Other	63,658	26,892
<b>Total</b>	<b>714,187</b>	<b>458,923</b>

**14.2. If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:**

Details of the other assets are described in note 14.1 above.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**15. Accrued interest and income**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	9,149	-	7,910	-
Trading Securities	183	14	153	46
Fin. Assets at Fair Value through Profit or Loss	7,717	-	10,527	-
Assets on Trading Derivatives	200,036	88,664	370,242	52,312
Banks	62	15	309	256
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	118,566	32,010	200,896	51,073
Loans	336,929	20,976	339,191	20,711
Derivative Financial Assets Held for Hedging Purposes	40,557	-	-	2,417
Other Accruals	-	-	1,917	-
<b>Total</b>	<b>713,199</b>	<b>141,679</b>	<b>931,145</b>	<b>126,815</b>

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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	Accumulated Deposit Accounts	Total
Saving Deposits	431,519	-	2,755,543	5,996,599	117,391	53,182	515	17,398	9,372,147
Foreign Currency Deposits	713,787	-	1,688,766	1,927,430	211,767	138,892	14,379	7,854	4,702,875
Residents in Turkey	688,184	-	1,614,353	1,827,448	203,889	135,589	14,379	7,822	4,491,664
Residents Abroad	25,603	-	74,413	99,982	7,878	3,303	-	32	211,211
Public Sector Deposits	246,557	-	4,570	27,300	195	5,682	-	-	284,304
Commercial Deposits	593,908	-	1,249,773	1,599,102	154,633	10,308	-	-	3,607,724
Other Ins. Deposits	12,616	-	89,690	489,952	172,091	10	-	-	764,359
Precious Metal Deposits	2,054	-	3,517	-	-	-	-	-	5,571
Bank Deposits	64,749	-	111,431	230,547	51,770	20,727	1,166,409	-	1,645,633
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	4,163	-	-	11,465	25,487	-	-	-	41,115
Foreign Banks	58,446	-	111,431	219,082	26,283	20,727	1,166,409	-	1,602,378
Participation Banks	2,140	-	-	-	-	-	-	-	2,140
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,065,190</b>	<b>-</b>	<b>5,903,290</b>	<b>10,270,930</b>	<b>707,847</b>	<b>228,801</b>	<b>1,181,303</b>	<b>25,252</b>	<b>20,382,613</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
Saving Deposits	392,954	-	2,146,539	5,553,446	64,748	39,117	110	17,516	8,214,430
Foreign Currency Deposits	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
Public Sector Deposits	75,052	-	3,804	281,138	88	-	-	-	360,082
Commercial Deposits	647,370	-	740,336	2,443,110	222,857	7,928	-	-	4,061,601
Other Ins. Deposits	14,767	-	25,748	127,091	93,321	27	-	-	260,954
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	50,589	-	183,861	142,819	-	-	1,122,392	-	1,499,661
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
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>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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	3,181,558	3,029,125	6,187,372	5,151,321
Foreign Currency Savings Deposits	616,660	689,194	2,411,245	2,981,232
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>3,798,218</b>	<b>3,718,319</b>	<b>8,598,617</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	3,217	33,984
<b>Total</b>	<b>3,217</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	33,334	-	7,245	-
Swaps	188,454	34,858	220,449	23,124
Futures	-	2,889	-	1,402
Options	4,970	38,442	60	12,795
Other	-	272	1,480	-
<b>Total</b>	<b>226,758</b>	<b>76,461</b>	<b>229,234</b>	<b>37,321</b>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	71,351	81,018	49,194	104,310
Foreign Banks, Institutions and Funds	300,013	1,592,341	300,013	1,595,848
<b>Total</b>	<b>371,364</b>	<b>1,673,359</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	71,351	744,988	49,194	675,556
Medium and Long-Term	300,013	928,371	300,013	1,024,602
<b>Total</b>	<b>371,364</b>	<b>1,673,359</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 loan of TL 300,000 with fixed interest rate and 5 years maturity.

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

As of June 30, 2010, the Bank's liabilities comprise; 64% deposits (December 31, 2009 – 69%), 11% funds borrowed (December 31, 2009 – 12%) and 5% funds provided under repurchase agreements (December 31, 2009 – 0.07%).

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>1,577,973</b>	<b>-</b>	<b>12,984</b>	<b>-</b>
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	1,568,395	-	3,705	-
Real persons	9,578	-	9,279	-
<b>From foreign transactions</b>	<b>3,257</b>	<b>78,881</b>	<b>6,142</b>	<b>-</b>
Financial institutions and organizations	-	78,881	-	-
Other institutions and organizations	3,222	-	6,139	-
Real persons	35	-	3	-
<b>Total</b>	<b>1,581,230</b>	<b>78,881</b>	<b>19,126</b>	<b>-</b>

**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 – None).

**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 flows of the Bank are the main criteria which are taken into consideration for the 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	957	710	4,983	4,497
Between 1-4 years	180	133	268	241
More than 4 years	-	-	-	-
<b>Total</b>	<b>1,137</b>	<b>843</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).

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	93,817	24,007	-	2,693
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>93,817</b>	<b>24,007</b>	<b>-</b>	<b>2,693</b>

(\*)Derivative financial instruments held for the fair value hedge purposes include swaps. TL 93,817 (December 31, 2009 – None) represents fair value changes regarding the cross currency swaps. TL 24,007 (December 31, 2009 – TL 2,693) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities.

**8. Information on provisions**

**8.1. Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	144,553	116,889
Provisions for Loans and Receivables in Group II	35,352	37,585
Provisions for Non - Cash Loans	26,865	22,312
Other	20,069	22,665
<b>Total</b>	<b>226,839</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 (*)	26,393	12,502

(\*) Netted against loans in assets.

**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 or the loans which were written off from balance sheet is TL 65,539 (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 this accompanying financial statements.

As of June 30, 2010, TL 20,877 (December 31, 2009 - TL 19,686) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2010, the Bank accrued TL 14,149 (December 31, 2009 - TL 10,529) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2010, TL 18,605 (December 31, 2009 – TL 33,486) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

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

**8.4.1 Movement of employee termination benefits**

	Current Period 01.01-30.06.2010	Prior Period 01.01-30.06.2009
As of January 1	19,686	16,645
Service cost	2,772	1,756
Interest Cost	1,044	1,044
Arising during the year	(2,625)	(674)
<b>Total</b>	<b>20,877</b>	<b>18,771</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	102,600	100,835

As of June 30, 2010 the Bank has provided TL 102,600 provision (December 31, 2009 - TL 100,835) for possible losses that could arise for loans in the watch list, considering their recovery rates.

**8.5.2. Information on other provisions**

Other provisions other than stated above at disclosures 8.3 and 8.5.1 are as follows;

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	10,566	11,805
Other Provisions	35,073	50,780
<b>Total</b>	<b>45,639</b>	<b>62,585</b>

**9. Taxation**

**9.1. Current taxes**

**9.1.1. Current tax liability**

As of June 30, 2010, the Bank has current tax liability of TL 122,588 (December 31, 2009 - TL 113,633) and advance taxes of TL 66,730 (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	55,858	-
Banking and Insurance Transaction Tax (BITT)	17,631	16,565
Taxation on Securities Income	2,579	3,093
Taxation on Real Estates Income	990	745
Other	32,015	24,072
<b>Total</b>	<b>109,073</b>	<b>44,475</b>

The "Corporate Taxes Payable" balance is presented in the "Current Tax Assets" account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated interim financial statements.



**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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**9.1.3 Information on premiums**

	Current Period	Prior Period
Social Security Premiums - Employee Share	4,140	3,457
Social Security Premiums - Employer Share	4,431	3,726
Unemployment Insurance - Employee Share	291	243
Unemployment Insurance - Employer Share	582	485
<b>Total</b>	<b>9,444</b>	<b>7,911</b>

**9.1.4 Information on deferred tax liabilities**

Deferred tax liability amounting to TL 22,851 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 June 30, 2010 the Bank has presented the net amount of deferred tax asset TL 70,862 (December 31, 2009 - TL 26,815) and deferred tax liability of TL 93,713 (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 asset amounting to TL 11,674 (December 31, 2009 - TL 23,277) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Reserve for Employee Benefits	53,631	63,701	10,726	12,740
The differences between carrying and taxable amounts of financial assets	100,770	58,571	20,154	11,714
Other	199,908	11,805	39,982	2,361
<b>Deferred Tax Asset</b>			<b>70,862</b>	<b>26,815</b>
The differences between carrying and taxable amounts of tangible assets	(70,178)	(68,251)	(14,036)	(13,650)
The differences between carrying and taxable amounts of financial assets	(348,705)	(443,298)	(69,741)	(88,660)
Other	(49,678)	(38,365)	(9,936)	(7,673)
<b>Deferred Tax Liability</b>			<b>(93,713)</b>	<b>(109,983)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(22,851)</b>	<b>(83,168)</b>

	Current Period 01.01-30.06.2010	Prior Period 01.01-30.06.2009
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(83,168)	(27,334)
Deferred Tax (Charge) / Benefit	48,714	17,647
Deferred Tax Items Accounted for Under the Equity	11,603	(26,913)
<b>Deferred Tax Asset/ (Liability) as of June 30 (Net)</b>	<b>(22,851)</b>	<b>(36,600)</b>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

None (December 31, 2009 – None).

**11. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,540,646	-	1,473,260
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,540,646</b>	<b>-</b>	<b>1,473,260</b>

The Bank received USD 650 million of subordinated loan during 2008 and USD 325 million of subordinated loan 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.

**12. Information on shareholders' equity**

**12.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	1,653,750	1,575,000
Preferred Stock	-	-

**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	1,653,750	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**

Capital Increase Date	Capital Increase Amount	Cash	Profit Reserves	Capital Reserves
			Subject to Capital Increase	Subject to Capital Increase
June 14, 2010	78,750	-	78,750	-

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

None (December 31, 2009- None).

**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, 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).

**Finansbank Anonim Şirketi**

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

**12.7. Information on the preferences 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 these regulations, after deducting the statutory and fiscal obligations of the Bank, of 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**

	Current Period		Prior Period	
	TL	FC	TL	FC
Number of Shares (in Thousands)	16,537,500		15,750,000	
Preferred Stocks	-		-	
Common Stock Issue Premium	-		-	
Common Stock Cancelling Profit	-		-	
Other Equity Instruments	-		-	
<b>Total Common Stock Issued</b>	<b>16,537,500</b>		<b>15,750,000</b>	

**14. Marketable securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	81,588	-	40,258	-
Valuation Differences	81,588	-	40,258	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	30,334	(823)	43,669	40,955
Valuation Differences	30,334	(823)	43,669	40,955
Foreign Exchange Rate Differences	-	-	-	-
<b>Total</b>	<b>111,922</b>	<b>(823)</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 liabilities side of the balance sheet are as follows.

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	70,782	10,268	67,381	9,626
Derivative Financial Liabilities Held for Trading	226,758	76,461	229,234	37,321
Funds Borrowed	1,141	20,581	1,350	18,841
Interbank Money Markets	305	144	10	-
Derivative Financial Liabilities Held for Hedging Purposes	93,817	24,007	-	2,693
Other Accruals	28,547	7	16,811	3
<b>Total</b>	<b>421,350</b>	<b>131,468</b>	<b>314,786</b>	<b>68,484</b>

**Finansbank Anonim Şirketi**

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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	1,675,932	1,706,226
Letters of Guarantee in TL	2,784,710	2,239,000
Letters of Credit	748,948	539,923
Bank Loans	722,795	664,139
Other Guarantees	41,162	41,704
<b>Total</b>	<b>5,973,547</b>	<b>5,190,992</b>

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

Specific provision is provided for the non-cash loans amounting to TL 65,539 (December 31, 2009 – TL 55,294) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

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

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	317,170	168,784
Final Letters of Guarantee	3,199,899	2,872,818
Advance Letters of Guarantee	201,701	206,120
Letters of Guarantee Given to Customs Offices	140,965	110,434
Other Letters of Guarantee	600,907	587,070
<b>Total</b>	<b>4,460,642</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</b>		
<b>Loans</b>	<b>371,253</b>	<b>409,874</b>
With Original Maturity of 1 Year or Less than 1 Year	34,660	31,711
With Original Maturity of More Than 1 Year	336,593	378,163
<b>Other Non-Cash Loans</b>	<b>5,602,294</b>	<b>4,781,118</b>
<b>Total</b>	<b>5,973,547</b>	<b>5,190,992</b>

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
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**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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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>39,534</b>	<b>1.42</b>	<b>74,779</b>	<b>2.38</b>	<b>52,066</b>	<b>2.33</b>	<b>73,805</b>	<b>2.54</b>
Farming and Raising Livestock	7,888	0.28	18,648	0.59	11,595	0.52	21,952	0.75
Forestry	31,231	1.12	55,745	1.77	40,064	1.79	51,775	1.79
Fishing	415	0.01	386	0.01	407	0.02	78	0.00
<b>Manufacturing</b>	<b>508,720</b>	<b>18.25</b>	<b>1,634,528</b>	<b>51.98</b>	<b>381,022</b>	<b>17.02</b>	<b>1,427,235</b>	<b>49.04</b>
Mining and Quarrying	30,647	1.10	41,187	1.31	17,479	0.78	31,608	1.09
Production	467,204	16.76	1,539,430	48.95	356,534	15.93	1,364,315	46.87
Electricity, gas and water	10,869	0.39	53,911	1.71	7,009	0.31	31,312	1.08
<b>Construction</b>	<b>633,576</b>	<b>22.73</b>	<b>413,458</b>	<b>13.15</b>	<b>495,233</b>	<b>22.12</b>	<b>391,914</b>	<b>13.47</b>
<b>Services</b>	<b>1,331,472</b>	<b>47.76</b>	<b>857,130</b>	<b>27.26</b>	<b>1,043,170</b>	<b>46.59</b>	<b>770,881</b>	<b>26.49</b>
Wholesale and Retail Trade	835,194	29.96	528,319	16.80	673,698	30.09	505,724	17.38
Hotel, Food and Beverage								
Services	18,362	0.66	11,704	0.37	8,993	0.40	6,287	0.22
Transportation&Communication	84,634	3.04	68,589	2.18	56,221	2.52	43,896	1.50
Financial Institutions	273,395	9.81	203,051	6.46	203,678	9.10	146,672	5.04
Real Estate and Renting Services	5,465	0.20	574	0.02	1,428	0.06	396	0.01
Self Employment Services	106,368	3.82	42,429	1.35	89,625	4.00	65,917	2.27
Educational Services	1,127	0.04	90	0.00	1,366	0.06	88	0.00
Health and Social Services	6,927	0.25	2,374	0.08	8,161	0.36	1,901	0.07
<b>Other (*)</b>	<b>274,257</b>	<b>9.84</b>	<b>164,931</b>	<b>5.24</b>	<b>267,587</b>	<b>11.94</b>	<b>246,375</b>	<b>8.46</b>
<b>Total</b>	<b>2,787,559</b>	<b>100.00</b>	<b>3,144,826</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 41,162 (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	2,618,488	1,503,455	139,439	133,721
Bill of Exchange and Acceptances	2,373	709,055	-	11,367
Letters of Credit	476	735,269	-	13,203
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	41,162	-	-
<b>Non-cash Loans</b>	<b>2,621,337</b>	<b>2,988,941</b>	<b>139,439</b>	<b>158,291</b>

(\*) Does not include non-cash loans amounting to TL 65,539, for which provision is provided, but which are not indemnified and not liquidated yet.

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**5. Information related to 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>40,141,975</b>	<b>28,701,663</b>
Forward transactions	4,465,545	2,349,583
Swap transactions	20,895,422	19,818,311
Futures transactions	329,824	274,612
Option transactions	14,451,184	6,259,157
<b>Interest Related Derivative Transactions (II)</b>	<b>4,309,640</b>	<b>2,417,906</b>
Forward rate transactions	-	-
Interest rate swap transactions	1,360,806	2,081,720
Interest option transactions	1,474,074	301,140
Futures interest transactions	1,474,760	35,046
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>44,451,615</b>	<b>31,119,569</b>
<b>Types of hedging transactions</b>		
Fair value hedges	7,088,390	144,480
Cash flow hedges	-	-
Net investment hedges	-	-
<b>B. Total Hedging Related Derivatives</b>	<b>7,088,390</b>	<b>144,480</b>
<b>Total Derivative Transactions (A+B)</b>	<b>51,540,005</b>	<b>31,264,049</b>

(\*)This account also includes Forward Asset Purchase Commitments and Forward Deposit Purchase and Sales Commitments accounted for under Commitments.

As of June 30, 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(**)</b>	<b>Forward Sell(**)</b>	<b>Swap Buy (*)</b>	<b>Swap Sell (*)</b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
TL	495,155	850,485	5,103,972	8,953,144	3,804,625	3,671,344	-	-
USD	959,158	823,534	8,253,099	5,660,477	2,747,870	2,791,885	225,582	225,582
EURO	574,093	395,054	796,323	197,367	1,293,194	1,337,181	676,710	676,710
Other	188,904	179,162	117,617	262,620	134,825	144,334	-	-
<b>Total</b>	<b>2,217,310</b>	<b>2,248,235</b>	<b>14,271,011</b>	<b>15,073,608</b>	<b>7,980,514</b>	<b>7,944,744</b>	<b>902,292</b>	<b>902,292</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>

(\*) Includes hedging purpose derivatives.

(\*\*)This figure also includes Forward Asset Purchase Commitments and Forward Deposit Purchase and Sales Commitments accounted for under Commitments.

As of June 30, 2010, the Bank has no derivative transactions for cash flow hedges.

As of June 30, 2010, the Bank has no derivative transactions for hedge of net investment in foreign operations.

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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**

MOODY'S May 2010		FITCH July 2010		CI January 2010	
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	BBB+
Financial Strength	C-	Short-term TL	F3	Support	2
		Long-term National	AAA		
		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	808,855	27,039	950,523	50,492
Medium and Long-term Loans	677,854	26,197	619,260	49,856
Non-Performing Loans	41,542	-	14,733	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,528,251</b>	<b>53,236</b>	<b>1,584,516</b>	<b>100,350</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	17,663	-	27,419	22
Domestic Banks	4,111	19	1,168	47
Foreign Banks	783	725	1,752	3,244
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>22,557</b>	<b>744</b>	<b>30,339</b>	<b>3,313</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	1,767	65	3,548	269
Financial Assets at FVTPL	5,807	-	12,280	-
Investment Securities Available for Sale	164,726	19,129	184,053	17,321
Investments Securities Held to Maturity	-	-	102,704	-
<b>Total</b>	<b>172,300</b>	<b>19,194</b>	<b>302,585</b>	<b>17,590</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,882	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	2,292	583	5,714	1,306
Foreign Banks	17,838	45,990	20,637	100,556
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>20,130</b>	<b>46,573</b>	<b>26,351</b>	<b>101,862</b>



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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	6,250	585

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

None (June 30, 2009 – None).

**d) Information on maturity structure of interest expenses on deposits (Current Period)**

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	6,496	1,664	297	190	2	-	8,649
Saving Deposits	81	102,855	261,791	5,606	2,069	602	-	373,004
Public Sector Deposits	1	168	472	3	-	-	-	644
Commercial Deposits	20	39,887	108,090	6,935	500	-	-	155,432
Other Deposits	-	3,435	12,836	6,378	173	-	-	22,822
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>102</b>	<b>152,841</b>	<b>384,853</b>	<b>19,219</b>	<b>2,932</b>	<b>604</b>	<b>-</b>	<b>560,551</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	10	19,971	35,818	2,618	2,463	270	147	61,297
Bank Deposits	50	711	716	562	-	6,649	-	8,688
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	9	-	-	-	-	-	9
<b>Total</b>	<b>60</b>	<b>20,691</b>	<b>36,534</b>	<b>3,180</b>	<b>2,463</b>	<b>6,919</b>	<b>147</b>	<b>69,994</b>
<b>Grand Total</b>	<b>162</b>	<b>173,532</b>	<b>421,387</b>	<b>22,399</b>	<b>5,395</b>	<b>7,523</b>	<b>147</b>	<b>630,545</b>

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**Information on maturity structure of interest expense on deposits (Prior Period)**

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	13,798	637	217	86	276	-	15,014
Saving Deposits	101	165,623	327,918	11,406	1,308	817	-	507,173
Public Sector Deposits	11	246	355	4	-	-	-	616
Commercial Deposits	-	51,917	57,585	9,448	68	36	-	119,054
Other Deposits	5	4,875	20,634	2,987	1,359	-	-	29,860
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>117</b>	<b>236,459</b>	<b>407,129</b>	<b>24,062</b>	<b>2,821</b>	<b>1,129</b>	<b>-</b>	<b>671,717</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	31	40,473	52,984	8,149	2,461	5	546	104,649
Bank Deposits	169	2,341	354	169	69	-	-	3,102
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>200</b>	<b>42,814</b>	<b>53,338</b>	<b>8,318</b>	<b>2,530</b>	<b>5</b>	<b>546</b>	<b>107,751</b>
<b>Grand Total</b>	<b>317</b>	<b>279,273</b>	<b>460,467</b>	<b>32,380</b>	<b>5,351</b>	<b>1,134</b>	<b>546</b>	<b>779,468</b>

**e) Information on Interest expenses on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements(*)	4,535	289	33,609	9

(\*) Disclosed in "Interest on Money Market Transactions".

**f) Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	156	862

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

None (June 30, 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 (*)	40,212	-
<b>Total</b>	<b>40,212</b>	<b>1,330</b>

(\*) Includes dividend income amounting to TL 5,750 received from Finans Emeklilik A.Ş. and dividend income amounting to TL 34,462 received from Finans Yatırım Menkul Değerler A.Ş. as bonus shares.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

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

	Current Period	Prior Period
<b>Trading Income</b>	<b>3,060,025</b>	<b>4,367,273</b>
Gains on Capital Market Operations	110,216	206,508
Derivative Financial Instruments	645,781	980,849
Foreign Exchange Gains	2,304,028	3,179,916
<b>Trading Loss (-)</b>	<b>3,293,560</b>	<b>4,447,291</b>
Losses on Capital Market Operations	11,399	20,289
Derivative Financial Instruments	1,033,421	1,276,210
Foreign Exchange Losses	2,248,740	3,150,792
<b>Net Trading Income/Loss</b>	<b>(233,535)</b>	<b>(80,018)</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>160,769</b>	<b>353,468</b>
Loans and Receivables in Group III	114,999	39,216
Loans and Receivables in Group IV	11,202	140,852
Loans and Receivables in Group V	34,568	173,400
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>27,388</b>	<b>9,044</b>
<b>Provision for Free Reserves on Possible Losses</b>	<b>1,765</b>	<b>15,625</b>
<b>Impairment Losses on Securities</b>	<b>30</b>	<b>-</b>
Financial assets at fair value through profit or loss	-	-
Financial assets - available for sale	30	-
<b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Held-to-maturity investment securities	-	-
<b>Other</b>	<b>10,245</b>	<b>8,650</b>
<b>Total</b>	<b>200,197</b>	<b>386,787</b>

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**7. Information on other operating expenses**

	Current Period	Prior Period
Personnel costs	285,927	243,735
Reserve for employee termination benefits	1,191	2,126
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge for tangible assets	36,508	33,795
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge for intangible assets	13,206	8,143
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	-	-
Depreciation on assets to be disposed	779	745
Impairment charge for assets held for sale and discontinued operations	-	-
Other operating expenses	224,757	205,520
Operational lease related expenses	46,078	42,849
Repair and maintenance expenses	20,171	13,398
Advertisement expenses	34,901	25,008
Other expenses	123,607	124,265
Losses on sales of assets	212	76
Other	80,690	59,536
<b>Total</b>	<b>643,270</b>	<b>553,676</b>

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

For the period ended June 30, 2010, net interest income of TL 1,103,296 (June 30, 2009 – TL 1,101,133), net fees and commission income of TL 290,562 (June 30, 2009 – TL 285,093) and other operating income of TL 60,555 (June 30, 2009 – TL 58,963) constitute an important part of the period 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 income statement.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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 June 30, 2010, the Bank recorded current tax charge of TL 122,588 (June 30, 2009 TL 103,392) and deferred tax benefit of TL 48,714 (June 30, 2009 – TL 17,647).

The Bank sold 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 sale amounting to TL 9,855 is accounted for under “Tax Provision for Discontinued Operations” in the accompanying financial statements for 2009.

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

None (June 30, 2009 – None).

**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. (June 30, 2009 –187,235). The net profit of the Bank from continued operations is TL 343,749 (June 30, 2009 – TL 340,293).

**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 (June 30, 2009 – None).

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

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

**11.4. There is no change in the 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 “Fees and Commissions received” account and fees and commissions given to credit cards are recorded to the “Fees and Commissions given” account by the Bank.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**SECTION FIVE**

**V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOW STATEMENT**

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

	Current Period	Prior Period
	January 1, 2010	January 1, 2009
<b>Cash</b>	<b>298,023</b>	<b>224,766</b>
Cash in TL	168,903	100,557
Cash in Foreign Currency	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 Central Bank of Turkey	1,494,358	1,349,821
Banks and Other Financial Institutions	1,157,033	385,514
Interbank 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>

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

	Current Period	Prior Period
	June 30, 2010	June 30, 2009
<b>Cash</b>	<b>318,889</b>	<b>236,601</b>
Cash in TL	180,391	124,687
Cash in Foreign Currency	130,051	110,462
Other	8,447	1,452
<b>Cash Equivalents</b>	<b>1,407,793</b>	<b>2,022,150</b>
Balances with the Central Bank of Turkey	1,265,848	1,176,305
Banks and Other Financial Institutions	155,233	860,783
Interbank Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,062)	(2,146)
Less: Accruals	(9,226)	(12,792)
<b>Cash and Cash Equivalents</b>	<b>1,726,682</b>	<b>2,258,751</b>

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

Foreign bank balances include TL 51,156 (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.

**4. Additional information**

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

None.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**SECTION FIVE**

**VI. 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 June 30, 2010, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 1,372,110 (December 31, 2009 – TL 1,523,788 ), TL 84,430 (December 31, 2009 – TL 36,506) and TL 29,153 (December 31, 2009 – TL 49,112); respectively.

**Current Period**

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>	
	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	57,186	19,702	-	9,449	27,244	2
Interest and Commission Income	1,882	30	-	10	954	-

**Prior Period**

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>	
	Cash	Non-Cash	Cash	Non-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	1	19	-	-	1,058	19

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

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

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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	139,956	349,531	1,167,752	1,116,699	64,402	57,558
Interest on deposits	6,250	585	919	1,028	1,106	10,573

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

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

**1.3. Information on forward and option agreements and similar agreements made with 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>Transactions for Trading Purposes</b>						
Beginning of the Period	-	1,151	105,265	70,407	273,419	748,943
End of the Period	-	-	97,463	105,265	680,288	273,419
Total Income/Loss (***)	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss (***)	-	-	-	-	-	-

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

(\*\*) Includes the derivative transactions between the Bank's indirect subsidiaries.

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

The Bank received USD 650 million of subordinated loan during 2008 and USD 325 million of subordinated loan 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.

**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**



**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**transaction volume, amount of significant items, and share in all items, pricing policy and other matters**

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of June 30, 2010, cash loans of the risk group represented 0.4% (December 31, 2009 – 0.2%) of the Bank's total cash loans; the deposits represented 6.7% (December 31, 2009 – 7.5%) of the Bank's total deposits and the derivative transactions represented 3% (December 31, 2009 – 2.5%) of the total derivative transactions.

**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., and as of June 30, 2010, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 843 (December 31, 2009 – TL 4,738) relating with finance lease agreements.

The Bank places certain amount of its funds from time through 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% shareholding, provides cash transfer services to the Bank.

**Finansbank Anonim Şirketi**

**NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010**

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

**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**

In accordance with the Board of Directors' decision dated August 2, 2010, the Bank increased its paid-in capital from TL 1,653,750 to TL 2,205,000 by TL 551,250 within the capital ceiling of TL 6,000,000. According to the Board of Directors' decision, TL 4,107 portion of the increase is to be incorporated from extraordinary reserves through bonus shares; the remaining TL 547,143 is to be met in cash.

**2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users**

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**

**LIMITED REVIEW REPORT**

**I. Explanations on the Limited Review Report**

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent accountant's limited review report dated August 13, 2010 is presented preceding the financial statements.

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

None (December 31, 2009 – None).