

**FINANSBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2008**

*Translated into English from the
Original Turkish Report*

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

**FİNANSBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR JANUARY 1, 2008 – DECEMBER 31, 2008**

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
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No: 24
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İstanbul, Türkiye

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We have audited the accompanying consolidated balance sheet of Finansbank A.Ş. ("the Bank") and its financial subsidiaries ("the Group") as at December 31, 2008, and the related consolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Independent Auditors' Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting and pronouncements made by 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.

İstanbul, March 17, 2009

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

Member of DELOITTE TOUCHE TOHMATSU

Hasan Kılıç
Partner

**THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2008**

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129 34394 Mecidiyeköy / İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 55 78
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The consolidated financial report for the year ended December 31, 2008 designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REPORT

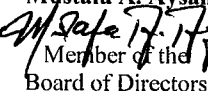
Within the context of this financial report, the consolidated subsidiaries are as follows. There are no associates or entities under common control included in the consolidation.

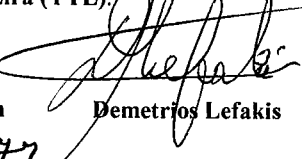
Subsidiaries

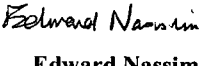
1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Malta Holdings Limited
6. Finansbank Malta Limited
7. Finans Emeklilik ve Hayat Anonim Şirketi
8. Finans Tüketici Finansmanı Anonim Şirketi


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

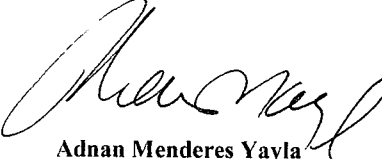
Hüsnü M. Özyeğin
Chairman of the Board of Directors


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


Demetrios Lefakis
Member of the Board of Directors and of the Audit Committee


Edward Nassim
Member of the Board of Directors and of the Audit Committee


Sinan Şahindas
General Manager and Member of the Board of Directors


Adnan Menderes Yayla


Executive Vice President
Responsible of Financial Control and Planning

Gökhan Yücel


Senior Vice President
Responsible of Financial-Legal Reporting and Treasury Control

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

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

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(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

SECTION ONE

GENERAL INFORMATION

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

Finansbank Anonim Şirketi (the Bank and/or the Parent Bank) was incorporated in Istanbul on September 23, 1987. The Parent 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 Parent 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 Parent Bank's Group

As of December 31, 2008 77.21% of the Parent Bank's shares are owned by National Bank of Greece, 7.90% by NBGI Holdings, and 9.68% by NBG Finance (Dollar) PLC.

As of September 26, 2008, 9.68% of Parent Bank's shares which were owned by Fiba Holding Group, was sold to NBG Finance (Dollar) PLC for USD 697.15 million.

National Bank of Greece S.A (NBG) was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on New York Stock Exchange since 1999. By offering services such as retail and commercial banking, asset management, intermediary services and investment banking, NBG broadens its banking network since its date of foundation.

At the meeting held on September 22, 2008, the Board of Directors decided to increase the paid in capital of the Parent Bank from YTL 1,400,000 to YTL 1,500,000 within the registered capital ceiling. YTL 70,000 of this increase is provided by the first dividend of 2007 profit and YTL 30,000 is transferred from extraordinary reserves.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

Name	Title	Date of Appointment	Education
Hüsnü M. Özyeğin	Chairman	February 1, 1988	Masters
Dr. Ömer A. Aras	Vice Chairman	November 9, 2006	PhD
Mehmet Güleşçi	Executive Board Member	November 9, 2006	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
Edward Nassim	Board Member and Audit Committee Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Ioannis Pechlivanidis	Board Member	November 9, 2006	Masters
Yener Dinçmen	Board Member	August 20, 2001	Masters
Sinan Şahinbaş	Board Member and General Manager	October 20, 2003	Masters
Adnan Menderes Yayla	Assistant General Manager	May 20, 2008	Masters
Bekir Dildar	Assistant General Manager	September 10, 2003	Graduate
Nergiz Ayvaz	Assistant General Manager	January 1, 2008	Graduate
Vedat Mungan	Assistant General Manager	January 1, 2008	Masters
Dimitrios Anagnostopoulos	Assistant General Manager	August 18, 2008	Graduate
Hakan Şenüal	Assistant General Manager	August 18, 2008	Graduate
Fatma Deniz Ergen	Assistant General Manager	August 18, 2008	Graduate
Murat Şakar	Assistant General Manager	August 18, 2008	Graduate
Köksal Çoban	Assistant General Manager	August 18, 2008	Masters
Lale Maro	Assistant General Manager	October 13, 1999	Masters
Özlem Cinemre	Assistant General Manager	July 9, 1997	Graduate
Kerim Rota	Assistant General Manager	August 6, 2004	Graduate
Olcayto Onur	Assistant General Manager	October 2, 1997	Masters
Murat Bayburtluoğlu	Assistant General Manager	August 19, 2004	Graduate
Kaan Arslan	Assistant General Manager	May 31, 2005	Masters
Temel Güzeleğlu	Assistant General Manager	September 19, 2007	Masters
Kubilay Güler	Assistant General Manager	January 16, 2004	Graduate
Filiz Şafak	Assistant General Manager	September 19, 2007	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

Adnan Menderes Yayla was appointed as Assistant General Manager responsible for Financial Control and Planning on May 20, 2008.

Nergiz Ayvaz was appointed as Assistant General Manager responsible for Commercial Banking on January 1, 2008.

Vedat Mungan was appointed as Assistant General Manager responsible for Corporate Banking and Investment Banking on January 1, 2008.

Dimitrios Anagnostopoulos was appointed as Assistant General Manager responsible for Loans on August 18, 2008.

Hakan Şenüal was appointed as Assistant General Manager responsible for Retail Banking Branch Sale 1 on August 18, 2008.

Fatma Deniz Ergen was appointed as Assistant General Manager responsible for Retail Banking Branch Sale 2 on August 18, 2008.

Murat Şakar was appointed as Assistant General Manager responsible for Purchasing and Technical Service on August 18, 2008.

The top management listed above possesses immaterial number of shares of the Parent Bank.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

IV. Information about the persons and institutions that have qualified shares in the Parent Bank

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,158,160	77.21%	1,158,160	-
NBGI Holdings B.V.	118,500	7.90%	118,500	-
NBG Finance (Dollar) PLC	145,191	9.68%	145,191	-

The Parent Bank has 100 founder shares stated in the Articles of Association. According to the Articles of Association, after providing legal reserves of 5%, paying out first dividend of 5% and appropriating extraordinary reserves from remaining part at 5%; 10 % of the remaining distributable amount is distributed to founder shares. Also, an additional reserve is appropriated based on the dividend of founder shares.

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

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. As of December 31, 2008, the Parent Bank operates through 61 corporate and commercial banking (December 31, 2007 - 55), 395 retail banking (December 31, 2007 - 354), 1 off shore banking (December 31, 2007 -1) and 1 Atatürk Airport Free Trade Zone (December 31, 2007 - 1) branches.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2008

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

I- CONSOLIDATED BALANCE SHEET – ASSETS

	Note Ref.	Audited 31.12.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	712,698	862,275	1,574,973	274,892	938,067	1,212,959
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	772,198	119,504	891,702	300,033	850	300,883
2.1 Financial assets held for trading		14,839	15,687	30,526	43,303	-	43,303
2.1.1 Public sector debt securities		7,315	15,687	23,002	556	-	556
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Other securities		7,524	-	7,524	42,747	-	42,747
2.2 Financial assets at fair value through profit and loss		228,488	-	228,488	233,748	-	233,748
2.2.1 Public sector debt securities		228,488	-	228,488	233,748	-	233,748
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Other securities		-	-	-	-	-	-
2.3 Trading derivatives		528,871	103,817	632,688	22,982	850	23,832
III. BANKS AND OTHER FINANCIAL INSTITUTIONS	(3)	11,090	417,174	428,264	149,314	583,683	732,997
IV. INTERBANK MONEY MARKETS		18,761	-	18,761	17,728	-	17,728
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		18,761	-	18,761	17,728	-	17,728
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	1,693,133	401,364	2,094,497	2,991,096	281,164	3,272,260
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		1,559,884	399,154	1,959,038	2,899,191	281,164	3,180,355
5.3 Other securities		133,249	2,210	135,459	91,905	-	91,905
VI. LOANS	(5)	14,824,478	5,110,324	19,934,802	12,193,883	3,973,329	16,167,212
6.1 Loans		14,824,478	5,110,324	19,934,802	12,193,883	3,973,329	16,167,212
6.1.1 Loans to risk group of the bank		10,005	-	10,005	10,575	23,703	34,278
6.1.2 Other		14,814,473	5,110,324	19,924,797	12,183,308	3,949,626	16,132,934
6.2 Non-performing loans		660,288	9,950	670,238	399,412	4,362	403,774
6.3 Specific provisions (-)		660,288	9,950	670,238	399,412	4,362	403,774
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	2,669,056	22,149	2,691,205	-	-	-
8.1 Public sector debt securities		2,669,056	22,149	2,691,205	-	-	-
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(7)	4,016	-	4,016	4,016	-	4,016
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		4,016	-	4,016	4,016	-	4,016
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		4,016	-	4,016	4,016	-	4,016
X. INVESTMENT IN SUBSIDIARIES (Net)	(8)	6,986	-	6,986	1,980	-	1,980
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		6,986	-	6,986	1,980	-	1,980
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1 Equity method entities under common control		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	236,069	987,440	1,223,509	308,602	669,883	978,485
12.1 Financial lease receivables		292,113	1,125,595	1,417,708	398,518	780,250	1,178,768
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		56,044	138,155	194,199	89,916	110,367	200,283
XIII. HEDGING PURPOSE DERIVATIVES	(11)	11,707	-	11,707	-	-	-
13.1 Fair value hedge		11,707	-	11,707	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	380,754	246	381,000	340,551	156	340,707
XV. INTANGIBLE ASSETS (Net)	(13)	55,433	-	55,433	36,545	-	36,545
15.1 Goodwill		8,969	-	8,969	8,969	-	8,969
15.2 Others		46,464	-	46,464	27,576	-	27,576
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSETS	(15)	29,316	1,011	30,327	24,287	516	24,803
17.1 Current tax assets		27,160	-	27,160	-	-	-
17.2 Deferred tax assets		2,156	1,011	3,167	24,287	516	24,803
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	387,106	356,356	743,462	367,757	663,439	1,031,196
TOTAL ASSETS		21,812,801	8,277,843	30,090,644	17,010,684	7,111,087	24,121,771

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2008

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

I- CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

	Note Ref.	Audited 31.12.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(1)	11,057,236	7,968,025	19,025,261	7,210,053	7,853,269	15,063,322
1.1 Deposits from the Risk Group of the Bank		223,399	321,216	544,615	5,684	735,940	741,624
1.2 Other		10,833,837	7,646,809	18,480,646	7,204,369	7,117,329	14,321,698
II. TRADING DERIVATIVES	(2)	188,541	66,928	255,469	822,032	2,671	824,703
III. FUNDS BORROWED	(3)	473,346	3,674,052	4,147,398	465,968	3,204,703	3,670,671
IV. INTERBANK MONEY MARKETS		116,589	235,818	352,407	32,031	19,977	52,008
4.1 Interbank Money Markets Takings		-	149,920	149,920	2,500	-	2,500
4.2 Istanbul Stock Exchange Money Markets Takings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements	(4)	116,589	85,898	202,487	29,531	19,977	49,508
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		379,873	395,301	775,174	438,873	92,201	531,074
VIII. OTHER LIABILITIES	(5)	344,218	11,033	355,251	489,246	22,078	511,324
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(7)	128,802	-	128,802	-	-	-
11.1 Fair Value Hedge		128,802	-	128,802	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(8)	443,197	-	443,197	375,444	-	375,444
12.1 General Provisions		160,852	-	160,852	122,759	-	122,759
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Termination Benefits		67,767	-	67,767	65,424	-	65,424
12.4 Insurance Technical Provisions(Net)		25,844	-	25,844	624	-	624
12.5 Other Provisions		188,734	-	188,734	186,637	-	186,637
XIII. TAX LIABILITIES	(9)	30,850	9,870	40,720	26,062	7,198	33,260
13.1 Current Tax Liability		321	9,870	10,191	22,669	7,198	29,867
13.2 Deferred Tax Liability		30,529	-	30,529	3,393	-	3,393
XIV. PAYABLES RELATED TO ASSET HELD FOR SALE	(10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(11)	-	1,302,387	1,302,387	-	237,739	237,739
XVI. SHAREHOLDERS' EQUITY		3,279,311	(14,733)	3,264,578	2,822,791	(565)	2,822,226
16.1 Paid-In Capital	(12)	1,500,000	-	1,500,000	1,400,000	-	1,400,000
16.2 Capital Reserves		7,932	(14,733)	(6,801)	(3,113)	(565)	(3,678)
16.2.1 Share Premium	(13)	-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund	(14)	7,932	(14,733)	(6,801)	(3,113)	(565)	(3,678)
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 Jointly Controlled Entities (Joint Vent.)		-	-	-	-	-	-
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		1,079,119	-	1,079,119	664,108	-	664,108
16.3.1 Legal Reserves		143,864	-	143,864	107,179	-	107,179
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		935,255	-	935,255	556,929	-	556,929
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		563,952	-	563,952	648,760	-	648,760
16.4.1 Prior Years' Profits or Losses		90,252	-	90,252	40,026	-	40,026
16.4.2 Current Year Profit or Loss		473,700	-	473,700	608,734	-	608,734
16.5 Minority Shares		128,308	-	128,308	113,036	-	113,036
TOTAL LIABILITIES AND EQUITY		16,441,963	13,648,681	30,090,644	12,682,500	11,439,271	24,121,771

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CONTINGENCIES AND COMMITMENTS

AS OF DECEMBER 31, 2008

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

II. CONSOLIDATED STATEMENT OF CONTINGENCIES AND COMMITMENTS

	Note Ref.	Audited 31.12.2008			Audited 31.12.2007		
		YTL	FC	TOTAL	YTL	FC	TOTAL
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		19,630,669	15,801,129	35,431,798	18,450,148	17,627,530	36,077,678
I. GUARANTEES	(1), (2), (3), (4)	2,183,989	3,291,564	5,475,553	2,050,568	3,087,286	5,137,854
1.1 Letters of Guarantee		2,182,907	1,855,262	4,038,169	2,050,555	1,565,936	3,616,491
1.1.1 Guarantees Subject to State Tender Law		119,143	-	119,143	163,816	-	163,816
1.1.2 Guarantees Given for Foreign Trade Operations		1,712,968	1,855,262	3,568,230	1,549,359	1,565,936	3,115,295
1.1.3 Other Letters of Guarantee		350,796	-	350,796	337,380	-	337,380
1.2 Bank Acceptances		800	1,025,712	1,026,512	-	778,607	778,607
1.2.1 Import Letter of Acceptances		800	1,025,712	1,026,512	-	778,607	778,607
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credits		282	345,789	346,071	13	615,812	615,825
1.3.1 Documentary Letters of Credit		282	273,121	273,403	13	554,158	554,171
1.3.2 Other Letters of Credit		-	72,668	72,668	-	61,654	61,654
1.4 Guaranteed Prefinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsement		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Collaterals		-	64,801	64,801	-	126,931	126,931
1.9 Other Sureties		-	-	-	-	-	-
II. COMMITMENTS		7,283,857	17,240	7,301,097	6,794,152	24,440	6,818,592
2.1 Irrevocable Commitments		7,197,613	17,240	7,214,853	6,780,849	24,440	6,805,289
2.1.1 Asset Purchase Commitments		-	-	-	-	-	-
2.1.2 Deposit Purchase And Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitment to Associates and Subsidiaries		250	-	250	14,950	-	14,950
2.1.4 Loan Granting Commitments		776,080	-	776,080	1,683,595	-	1,683,595
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Check Payments		503,621	-	503,621	473,777	-	473,777
2.1.8 Tax and Fund Obligations from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Expenditure Limits		5,781,982	-	5,781,982	4,394,068	-	4,394,068
2.1.10 Commitments for Promotions Related with Credit Cards and Banking Activities		15,389	-	15,389	16,213	-	16,213
2.1.11 Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		120,291	17,240	137,531	198,246	24,440	222,686
2.2 Revocable Commitments		86,244	-	86,244	13,303	-	13,303
2.2.1 Revocable Loan Granting Commitments		86,244	-	86,244	13,303	-	13,303
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	10,162,823	12,492,325	22,655,148	9,605,428	14,515,804	24,121,232
3.1 Hedging Purpose Derivatives		3,788,113	3,274,130	7,062,243	-	-	-
3.1.1 Fair Value Hedge		3,788,113	3,274,130	7,062,243	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedging of Net Investments in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		6,374,710	9,218,195	15,592,905	9,605,428	14,515,804	24,121,232
3.2.1 Forward Foreign Currency Purchases / Sales		281,909	783,120	1,065,029	420,088	2,696,521	3,116,609
3.2.1.1 Forward Foreign Currency Purchases		97,378	433,122	530,500	265,370	1,295,169	1,560,539
3.2.1.2 Forward Foreign Currency Sales		184,531	349,998	534,529	154,718	1,401,352	1,556,070
3.2.2 Currency and Interest Rate Swaps		5,055,965	7,045,588	12,101,553	6,837,981	6,097,485	12,935,466
3.2.2.1 Currency Swap-Purchases		1,717,306	3,291,134	5,008,440	761,775	4,466,433	5,228,208
3.2.2.2 Currency Swap-Sales		2,853,221	2,384,900	5,238,121	6,033,502	852,912	6,886,414
3.2.2.3 Interest Rate Swap-Purchases		242,719	684,777	927,496	21,352	389,070	410,422
3.2.2.4 Interest Rate Swap-Sales		242,719	684,777	927,496	21,352	389,070	410,422
3.2.3 Currency, Interest Rates and Securities Options		1,033,790	1,185,535	2,219,325	2,324,047	5,548,038	7,872,085
3.2.3.1 Currency Options-Purchase		467,609	667,055	1,134,664	1,161,138	2,764,781	3,925,919
3.2.3.2 Currency Options-Sales		566,181	518,480	1,084,661	1,162,909	2,783,257	3,946,166
3.2.3.3 Interest Rate Options-Purchase		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5 Securities Options-Purchase		-	-	-	-	-	-
3.2.3.6 Securities Options-Sales		-	-	-	-	-	-
3.2.4 Currency Futures		3,046	203,952	206,998	23,312	173,760	197,072
3.2.4.1 Currency Futures-Purchase		1,523	101,976	103,499	11,656	86,880	98,536
3.2.4.2 Currency Futures-Sales		1,523	101,976	103,499	11,656	86,880	98,536
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchase		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		7,533,886	1,589,761	9,123,647	7,078,210	1,248,566	8,326,776
IV. ITEMS HELD IN CUSTODY	(6)	3,044,940	759,303	3,804,243	2,558,710	683,391	3,242,101
4.1 Customers' Securities Held		99,509	14,746	114,255	14,640	-	14,640
4.2 Investment Securities Held in Custody		1,902,161	460,940	2,363,101	1,469,541	406,067	1,875,608
4.3 Checks Received For Collection		682,177	152,432	834,609	633,939	169,268	803,207
4.4 Commercial Notes Received for Collection		253,132	124,955	378,087	215,015	102,298	317,313
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Asset Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		107,958	6,230	114,188	195,569	5,613	201,182
4.8 Custodians		3	-	3	30,006	145	30,151
V. PLEDGED ITEMS		4,488,946	830,458	5,319,404	4,519,500	565,175	5,084,675
5.1 Securities		558,024	321,824	879,848	983,472	76,653	1,060,125
5.2 Guarantee Notes		91,708	71,180	162,888	94,435	55,378	149,813
5.3 Commodities		25,399	-	25,399	28,397	-	28,397
5.4 Warranties		-	-	-	-	-	-
5.5 Real Estates		-	-	-	-	-	-
5.6 Other Pledged Items		3,813,815	437,454	4,251,269	3,413,196	433,144	3,846,340
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		27,164,555	17,390,890	44,555,445	25,528,358	18,876,096	44,404,454

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

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

FİNANSBANK ANONİM ŞİRKETİ

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

III. CONSOLIDATED INCOME STATEMENT

			Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
	Note Ref	Total	Total	Total
I. INTEREST INCOME	(1)	4,091,400	3,183,898	
1.1 Interest on loans		3,157,816	2,421,853	
1.2 Interest received from reserve deposits		9,969	5,488	
1.3 Interest received from banks		109,862	156,829	
1.4 Interest received from money market placements		8,408	7,063	
1.5 Interest received from marketable securities portfolio		662,501	482,182	
1.5.1 Held-for-trading financial assets		16,160	751	
1.5.2 Financial assets at fair value through profit and loss		52,293	16,403	
1.5.3 Available-for-sale financial assets		484,691	465,028	
1.5.4 Investments held-to-maturity		109,357	-	
1.6 Finance lease income		140,796	108,590	
1.7 Other interest income		2,048	1,893	
II. INTEREST EXPENSE	(2)	2,235,509	1,575,045	
2.1 Interest on deposits		1,788,067	1,238,049	
2.2 Interest on funds borrowed		284,204	260,181	
2.3 Interest on money market borrowings		162,793	76,791	
2.4 Interest on securities issued		-	-	
2.5 Other interest expense		445	24	
III. NET INTEREST INCOME (I - II)		1,855,891	1,608,853	
IV. NET FEES AND COMMISSIONS INCOME		618,907	468,166	
4.1 Fees and commissions received		728,301	524,347	
4.1.1 Non-cash loans		53,566	65,804	
4.1.2 Other		674,735	458,543	
4.2 Fees and commissions paid		109,394	56,181	
4.2.1 Non-cash loans		260	330	
4.2.2 Other		109,134	55,851	
V. DIVIDEND INCOME	(3)	6,090	506	
VI. NET TRADING INCOME	(4)	(238,719)	(304,860)	
6.1 Securities trading gains/ (losses)		(285,623)	(328,578)	
6.2 Foreign exchange gains/ (losses)		46,904	23,718	
VII. OTHER OPERATING INCOME	(5)	118,586	115,325	
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2,360,755	1,887,990	
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	540,702	278,346	
X. OTHER OPERATING EXPENSES (-)	(7)	1,187,489	964,548	
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		632,564	645,096	
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)	632,564	645,096	
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(142,918)	(15,011)	
16.1 Provision for current income taxes		(87,099)	(60,725)	
16.2 Provision for deferred taxes		(55,819)	45,714	
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	489,646	630,085	
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	
18.1 Income on assets held for sale		-	-	
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	
18.3 Income on other discontinued operations		-	-	
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	
19.1 Loss from assets held for sale		-	-	
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	
19.3 Loss from other discontinued operations		-	-	
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	
21.1 Provision for current income taxes		-	-	
21.2 Provision for deferred taxes		-	-	
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	489,646	630,085	
23.1 Group's profit/loss		473,700	608,734	
23.2 Minority shares		15,946	21,351	
Earnings per share		0.03158	0.04058	

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

	Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
I.		
Additions to marketable securities revaluation differences for available for sale financial assets	(30,752)	15,912
II.		
Tangible assets revaluation differences	-	-
III.		
Intangible assets revaluation differences	-	-
IV.		
Foreign exchange differences for foreign currency transactions	23,435	(3,571)
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 under equity due to TAS	-	-
IX.		
Deferred tax of valuation differences	7,057	(3,323)
X.		
Total Net Profit/Loss accounted under equity (I+II+...+IX)	(260)	9,018
XI.		
Profit/Loss	(2,863)	702
11.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	(2,863)	702
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)	(3,123)	9,720

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

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

**FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Note Ref	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. valuation diff. from assets held for sale and disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I																			
Prior Period - 01.01.-31.12.2007																			
Beginning Balance		1,250,000	-	-	-	61,797	-	179,007	-	-	677,473	(13,398)	-	-	-	-	2,154,879	91,685	2,246,564
II.																			
2.1																			
Corrections according to TAS 8																			
The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2																			
The effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.																			
New Balance (I+II)		1,250,000	-	-	-	61,797	-	179,007	-	-	677,473	(13,398)	-	-	-	-	2,154,879	91,685	2,246,564
IV.																			
Changes in period																			
Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.																			
Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.																			
Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.																			
Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1																			
Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2																			
Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.																			
Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.																			
Bonus shares obtained from associates, subsidiaries and jointly controlled entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.																			
Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XL																			
The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.																			
The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.																			
The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.																			
Capital increase	(5)	150,000	-	-	-	-	-	(150,000)	-	-	-	-	-	-	-	-	-	-	-
14.1																			
Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2																			
Internal sources		150,000	-	-	-	-	-	(150,000)	-	-	-	-	-	-	-	-	-	-	-
XV.																			
Share issue	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.																			
Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.																			
Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.																			
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.																			
Period net income/(loss)		-	-	-	-	-	-	-	-	608,734	(637,447)	-	-	-	-	-	608,734	21,351	630,085
XXI.																			
Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1																			
Dividends distributed	(3)	-	-	-	-	45,382	-	527,972	-	-	(64,143)	-	-	-	-	-	(64,143)	-	(64,143)
20.2																			
Transfers to reserves		-	-	-	-	45,382	-	527,972	-	-	(573,304)	-	-	-	-	-	-	-	-
20.3																			
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																			
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)		1,400,000	-	-	-	107,179	-	556,929	-	608,734	40,026	(3,678)	-	-	-	-	2,709,199	113,036	2,822,236

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Note Ref	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 valuation diff. from assets held for sale and assets from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I		1,400,000	-	-	-	107,179	-	556,929	-	-	648,760	(3,678)	-	-	-	-	2,709,190	113,036	2,822,226
II.																			
III.																			
IV.	(1)																		
4.1																			
4.2																			
V.																			
VI.																			
VII.																			
VIII.																			
IX.																			
X.																			
XI.																			
XII.	(5)	100,000						(30,000)			(70,000)								
12.1																			
12.2	(4)	100,000						(30,000)			(70,000)								
XIII.																			
XIV.																			
XV.																			
XVI.																			
XVII.																			
XXVII.										473,700								(674)	(674)
XXVIII.											(488,508)						473,700	15,946	489,646
18.1	(3)							408,326			(488,508)						(43,497)	(43,497)	(43,497)
18.2											(43,497)						(43,497)		(43,497)
18.3								408,326			(445,011)								
Other																			
Closing Balance																			
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII)		1,500,000				143,864		935,255		473,700	90,252	(6,801)					3,136,270	128,308	3,264,578

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

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

FİNANSBANK ANONİM ŞİRKETİ

**CONSOLIDATED CASH FLOWS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Note Ref	Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		885,379	1,161,383
1.1.1 Interest received		4,085,278	2,916,692
1.1.2 Interest paid		(2,200,232)	(1,516,813)
1.1.3 Dividend received		6,090	506
1.1.4 Fees and commissions received		728,301	623,727
1.1.5 Other income		83,782	173,047
1.1.6 Collections from previously written off loans		154,656	117,554
1.1.7 Payments to personnel and service suppliers		(969,085)	(805,095)
1.1.8 Taxes paid		(151,445)	(174,584)
1.1.9 Others	(1)	(851,966)	(173,651)
1.2 Changes in operating assets and liabilities		585,763	(2,132,435)
1.2.1 Net (increase) decrease in financial assets held for trading		(88,020)	(21,090)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		10,363	(242,814)
1.2.3 Net (increase) decrease in due from banks and other financial institutions		6,779	38,257
1.2.4 Net (increase) decrease in loans		(2,773,659)	(4,690,911)
1.2.5 Net (increase) decrease in other assets	(1)	(78,296)	(923,992)
1.2.6 Net increase (decrease) in bank deposits		471,337	(737,569)
1.2.7 Net increase (decrease) in other deposits		1,820,921	3,075,517
1.2.8 Net increase (decrease) in funds borrowed		633,520	909,640
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	582,818	460,527
I. Net cash provided from / (used in) banking operations		1,471,142	(971,052)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities		(1,563,883)	(818,826)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		(5,006)	(1,480)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.3 Fixed assets purchases		(107,290)	(90,383)
2.4 Fixed assets sales		10,466	999
2.5 Cash paid for purchase of financial assets available for sale		(2,709,750)	(749,501)
2.6 Cash obtained from sale of financial assets available for sale		1,247,697	21,539
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities		(107,640)	-
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		(107,640)	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		260,637	(108,511)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		60,256	(1,898,389)
VI. Cash and cash equivalents at beginning of the period	(2)	1,934,302	3,832,691
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	1,994,558	1,934,302

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

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

FİNANSBANK ANONİM ŞİRKETİ

**STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2008 ^(**)	Audited Prior Period 31.12.2007
I. DISTRIBUTION OF CURRENT YEAR INCOME ^(*)		
1.1 CURRENT YEAR INCOME	502,059	561,346
1.2 TAXES AND DUTIES PAYABLE (-)	139,411	8,620
1.2.1 Corporate Tax (Income Tax)	80,746	53,386
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes And Duties	58,665	(44,766)
A. NET INCOME FOR THE YEAR (1.1-1.2)	362,648	552,726
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	27,636
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	362,648	525,090
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	113,497
1.6.1 To Owners of Ordinary Shares (-)	-	70,000 ^(***)
1.6.2 To Owners of Preferred Shares (-)	-	-
1.6.3 To Owners of Preferred Shares (Preemptive Rights) (-)	-	43,497
1.6.4 To Profit Sharing Bonds (-)	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates (-)	-	-
1.7 DIVIDENDS TO PERSONEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORIES (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares (-)	-	-
1.9.2 To Owners of Preferred Shares (-)	-	-
1.9.3 To Owners of Preferred Shares (Preemptive Rights) (-)	-	-
1.9.4 To Profit Sharing Bonds (-)	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates (-)	-	-
1.10 SECOND LEGAL RESERVES (-)	-	4,350
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	407,243
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares (-)	-	-
2.3.2 To Owners of Preferred Shares (-)	-	-
2.3.3 To Owners of Preferred Shares (Preemptive Rights) (-)	-	-
2.3.4 To Profit Sharing Bonds (-)	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates (-)	-	-
2.4 DIVIDENDS TO PERSONEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORIES (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES (per YTL Face Value Each)	0,02418	0,03685
3.2 TO OWNERS OF ORDINARY SHARES (%)	%2.418	%3.685
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES (per YTL Face Value Each)	-	0,005
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	%5
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) The above represents the profit distribution of the Parent Bank.

(**) The Parent Bank did not resolve a decision regarding distribution of 2008 profit, as of the issue date of this report.

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

SECTION THREE

ACCOUNTING POLICIES

1. Basis of presentation

1. Preparation of the consolidated 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 Parent Bank and its subsidiaries (the Group) prepared the accompanying consolidated financial statements 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, "Communique 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, comminiques and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Consolidated financial statements and the related disclosures and footnotes have been presented in thousands of YTL unless otherwise specified.

2. Other classifications

The Group has classified leasehold improvements of YTL 76,723 of in "Intangible Assets (Net)" to "Tangible Assets (Net)" in the financial statements as of December 31, 2007.

As per the BRSA correspondence numbered 16647 dated December 3, 2008, the Parent Bank has classified equity shares of YTL 3,766 of "Bankalararası Kart Merkezi" in "Investment Securities Available for Sales (Net)" to "Investment in Associates (Net)" as non financial associates in the consolidated financial statements as of December 31, 2007.

The Parent Bank has classified fees and commissions received for cash loans of YTL 86,337 in "net fee and commission income" to "interest income" in the income statement for the period ended December 31, 2007.

The Parent Bank has classified YTL interest income of 60,252 "Interest Receivable from Reserve Deposits" to "Interest Received from Banks" in the income statement for the period ended December 31, 2007.

The Parent Bank has classified YTL 76,350 from "Other Operating Expenses" to "Current Tax Provision" in the income statement for the period ended December 31, 2007. The explanation is disclosed in section five disclosure IV.9.1.

3. Accounting policies and valuation principles used in the preparation of the consolidated 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 and "Communique 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 the other regulations, announcements and circulars about the accounting and financial reporting which have been published by Banking Regulation and Supervision Agency ("BRSA").

FINANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

4. Presentation of the consolidated financial statements according to the current purchasing power of the money

The Group's consolidated financial statements have been prepared in accordance with TAS 29 "Reporting in Hyperinflationary Economies" until December 31, 2004. By a Circular declared by the BRSA on April 28, 2005, it was stated that the indicators of a need for inflation accounting have been ceased and inflation accounting would not be applied starting from January 1, 2005.

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.

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 Parent 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 repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return, and sufficient collaterals. The Parent 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 Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

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

The Parent 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 position based on the product with a certain ratio of capital. 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 product groups, which comprise the securities portfolio. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk generated from the Parent 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 at Interest Rate Risk section in detail.

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

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

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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 Parent Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2008 are translated to YTL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into YTL by using foreign currency exchange rates of the Parent Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates are as follows:

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
US Dollars	YTL 1.5123	YTL 1.1647
Euro	YTL 2.1408	YTL 1.7102

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

The net foreign exchange gains included in the consolidated income statement is YTL 46,904 (December 31, 2007 - net foreign exchange gain of YTL 23,718).

2.3. Foreign subsidiaries

The assets and liabilities of consolidated foreign subsidiaries are translated to New Turkish Lira using the Parent Bank's period end closing foreign exchange rates at the balance sheet date and income statements are translated using the Parent Bank's yearly average exchange rates. Translation differences resulting from the appreciation/depreciation of foreign currencies against the New Turkish Lira on net investment and equity accounts of the consolidated subsidiaries is presented in "Securities Value Increase Fund" under equity in the accompanying consolidated financial statements.

The effective portion of foreign currency differences stems from foreign investment and corresponding designated funding is recorded in "hedging reserves" under shareholders' equity in compliance with the "net investment hedging".

The net translation gain arising from foreign subsidiaries is YTL 19,924 as of December 31, 2008 (December 31, 2007- YTL 3,512 loss).

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

FINANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

III. Presentation of information regarding the Parent Bank and the consolidated subsidiaries

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements".

The subsidiaries and associates included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				31 December 2008	31 December 2007
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Turkey	Brokerage	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Turkey	Asset Management	100.00	100.00
3.	Finansbank Malta Limited	Malta	Banking	100.00	100.00
4.	Finans Malta Holdings Limited	Malta	Holding	100.00	100.00
5.	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Turkey	Investment Trust	82.11	75.98
6.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Leasing	59.24	59.24
7.	Finans Emeklilik ve Hayat A.Ş.	Turkey	Private Pension and Insurance	99.99	99.99
8.	Finans Tüketici Finansmanı A.Ş.	Turkey	Consumer Finance	99.99	99.99

Subsidiaries which are incorporated in Turkey, maintain their books of account and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Capital Markets Board regulations, Turkish Commercial Code and Financial Leasing Law and the foreign subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and associates and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2008 and December 31, 2007.

1. Subsidiaries

As of December 31, 2008 and December 31, 2007 financial subsidiaries are fully consolidated and intercompany transactions and balances, including intercompany profits and losses are eliminated.

2. Associates

The Parent Bank does not have any associates or entities under common control that are consolidated in the accompanying financial statements.

IV. Explanations on forward, option contracts and derivative instruments

The Group 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 Group also carries out currency and eurobond, option, swaption, credit default swap and futures agreements.

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 and reflected at their fair values. 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 fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives" and "Liabilities on Trading 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.

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FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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. The unrealized gains and losses are reflected in the income statement in the current period.

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

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted 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. In accordance with the hedge accounting policies, hedge loan portfolio is also accounted for at fair value and all valuation differences are also accounted for under trading "Securities Trading Gains/Losses".

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.

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 expense

Fees and commission income and expenses are accounted on an accrual basis, except for certain transactions that income is recognized immediately. Other fee and commission expenses are considered as transaction cost and included in the amortized cost by using internal rate of return method. Income related to sale and purchases of assets on behalf of third parties are recorded when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved. Dividend income from subsidiaries are eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

VII. Financial assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as financial assets at fair value through profit or loss, investment securities available-for-sale, investment securities held-to-maturity, and loans and other receivables. The classification of the financial assets is determined at the initial inception of the related financial assets.

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1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group 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 at income statement. If any of these financial assets are sold before their maturity the gain or loss is realized as security trading gains / losses.

1.2. Financial assets classified as fair value through profit or loss

The Parent 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. They are presented under loans, in order to be in compliance with the balance sheet presentation. The Parent Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit and loss.

The Group has government bonds in its financial assets at fair value through profit or loss.

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

Fair value of financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets in the market.

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

When the fair value of an available for sale security cannot be computed, it is accounted for at amortized cost.

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.

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

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

As of October 1, 2008, due to the change of the intention about holding the securities, the Group classified its securities from trading portfolio and available for sale portfolio to held to maturity portfolio with nominal values of YTL 94,198 and YTL 2,571,462; respectively. The details of this classification have been presented in section 5. I.6.

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

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4. Loans and specific provisions

The Group 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 subsequent periods, these loans are carried at amortized cost by using the effective interest rate method. Taxes, transaction costs and other expenses paid for the guarantees taken are not considered as part of the cost of the transactions and expensed in the related period.

As it is mentioned in note “IV. explanations on forward, option contracts and derivative instruments”, the Group entered into swap transactions against YTL 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. The Parent 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 in accordance with TAS 39. The Parent Bank initially applied fair value hedge accounting for mortgage loans and automotive loans as of January 1, 2005 and ceased it as of December 31, 2005. The fair value effect of the hedge accounting which had been applied during January 1 – December 31, 2005 is amortized through income statement until the maturity of the related hedged loan portfolio.

In accordance with TAS 39, the Parent Bank classified the mortgage loans granted during January 1, 2006 – December 31, 2007 as financial assets through profit and loss. In order to be in compliance with the balance sheet presentation, these financial assets classified under loans. These loans are accounted for at their fair values in the accompanying financial statements. The Parent Bank has not classified the mortgage loans granted after January 1, 2008 as fair value through profit and loss.

After November 1, 2008 the Parent Bank started to apply fair value hedge again. As of the balance sheet date, all consumer loans, the automotive loans granted after January 1, 2006 and mortgage loans granted after January 1, 2008 are classified as financial assets hedged from fair value risk. In accordance with this, these loans are measured in fair value. The valuation differences are accounted for under loans in order to be in compliance with the balance sheet presentation. The related income / expense are accounted under “Securities Trading Gains / Losses”.

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

If there is evidence for the uncollectibility of loans, the Parent Bank classifies related loans and advances in non performing loans and provides specific and general provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 2633 and revised with the Communiqué dated 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”. The Parent Bank provides 100% specific provision for non-performing loans without taking into consideration the collaterals obtained for these loans. The related provisions are charged to current year income statement.

The Group 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 Parent Bank provides general loan loss provision and presents it in the liabilities as “General Provisions”.

The provisions provided for loans 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 under Follow-up” account.

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

Financial assets and liabilities other than those explained above are offset when the Group 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.

The unearned interest income related to leasing agreements are presented by netting off with the "Leasing Receivables". Also the specific provision is provided for non performing leasing receivables and netted off with leasing receivables.

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 Group management's future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements amounted to YTL 256,276 as of December 31, 2008 (December 31, 2007 - YTL 37,041).

Securities that are subject to lending transactions is YTL 1,604 as of December 31, 2008 (December 31, 2007 - YTL 12,005).

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. Asset 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 Group does not have any assets held for sale.

A discontinued operation is a part of the Group's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group has no discontinued operations.

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XII. Goodwill and other intangible assets

Group's intangible assets consist of softwares, intangible rights and goodwill.

The cost of intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The intangible assets purchased after December 31, 2004 are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 5 years for periods before 2004 while the useful life for additions in 2004 and 2005 are determined as 3 years

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 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.

The difference between the acquisition cost of the subsidiaries and the net assets of the subsidiaries less impairment, if any, is represented as goodwill. An assessment for impairment is conducted for each balance sheet date, if there are any instances and changes indicating that the carrying amount of the goodwill would not be realized.

XIII. Tangible assets

The cost of tangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The tangible assets purchased after December 31, 2004 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:

Properties	%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 recorded under “Tangible Fixed Assets” on the assets 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 that 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 gross lease receivables including interest and principal amounts regarding the Group’s financial leasing activities as “Lessor” are stated under the finance lease receivables. The difference between the total of rent payments and the cost of the related fixed assets is reflected to the “unearned income” account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

XV. Provisions and contingent liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent 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. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

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

XVI. Obligations of the Group concerning 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 Group 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 Group 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 in the Group.

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

The Group 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 assets account and are deducted from the corporate taxes of the current year.

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

The provision for corporate and income taxes for the period is reflected as the "Current Tax Liability" in the liabilities and "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 full fledged individual taxpayers, who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers. That withholding tax was increased to 15% by the Resolution of the Council of Ministers No 2006/10731, dated July 22, 2006.

2. Deferred taxes

In accordance with TAS 12 "Income Taxes", the Group 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.

Consolidated subsidiaries' deferred tax assets and liabilities at their financial statements have been offset and the balance of net deferred tax asset is disclosed as YTL 3,167 (December 31, 2007- YTL 24,803), and the net deferred tax liability as YTL 30,529 (December 3, 2007 – YTL 3,393).

As of December 31, 2008, deferred tax expense resulting from temporary differences is YTL 55,819 (December 31, 2007- YTL 45,714 deferred tax benefit). The deferred tax is reflected in "Provision for Deferred Taxes" in the accompanying income statement.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts. The deferred tax liability amounting to YTL 8,206 (December 31, 2007 – YTL 1,149 – deferred tax liability) has been offset with "Securities Value Increase Fund" account under equity.

XVIII. Additional explanations on borrowings

The Group generates funds from domestic and foreign sources when it 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 Group has not issued convertible bonds. There are no debt instruments directly issued by the Group. The funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XIX. Share issues

In the current year the Parent Bank issued bonus shares due to the capital increase of YTL 70,000 provided by the dividend of 2007 and YTL 30,000 transferred from the extraordinary reserves.

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.

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XXI. Government incentives

As of December 31, 2008, the Group does not have any government incentives or grants.

XXII. Segment reporting

In addition to corporate banking, consumer banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its consumer banking clients with demand, time deposits, also installment-based cash advance services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Group 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 Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenue of USD 15 million and higher, and multi-national firms operating in Turkey. The firms that have annual revenue between USD 6 millions and 15 millions are considered as "Commercial Enterprise". The Parent 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 YTL 750 and YTL 6,000. The Parent 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 Parent 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 Parent Bank.

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Current Period	Retail Banking	Corporate and Commercial Banking	Other	Total Operations of the Group
Operating Income	1,841,048	437,783	81,925	2,360,756
Other (*)	(401,425)	271	401,154	-
Operating Income	1,439,623	438,054	483,079	2,360,756
Operating Profit	505,399	259,479	(138,404)	626,474
Income from Associates	-	-	-	6,090
Profit Before Tax	505,399	259,479	(138,404)	632,564
Corporate Tax	-	-	-	(142,918)
Profit After Tax	-	-	-	473,700
Minority Shares	-	-	-	15,946
Net Profit	-	-	-	489,646
Total Assets	12,095,749	9,062,559	7,485,960	30,090,644
Segment Assets	12,095,749	9,062,559	7,485,960	28,644,268
Associates and Subsidiaries	-	-	-	11,002
Undistributed Assets	-	-	-	1,435,374
Total Liabilities	10,928,197	4,952,836	9,330,694	30,090,644
Segment Liabilities	10,928,197	4,952,836	9,330,694	25,211,727
Undistributed Liabilities	-	-	-	1,614,339
Equity	-	-	-	3,264,578
Other Segment Accounts	-	-	-	239,803
Capital Investment	-	-	-	166,360
Depreciation and Amortization	-	-	-	75,477
Value Decrease/Increase	-	-	-	(2,034)

(*) The net operating income generated from transactions with other segments.

Prior Period	Retail Banking	Corporate and Commercial Banking	Other	Total Operations of the Group
Operating Income	1,356,171	428,413	103,406	1,887,990
Other (*)	(279,462)	(43,212)	322,674	-
Operating Income	1,076,709	385,201	426,080	1,887,990
Operating Profit	355,774	262,794	26,022	644,590
Income from Associates	-	-	-	506
Profit Before Tax	-	-	-	645,096
Corporate Tax	-	-	-	(15,011)
Profit After Tax	-	-	-	608,734
Minority Rights	-	-	-	21,351
Net Profit	-	-	-	630,085
Total Assets	9,936,566	6,125,412	6,459,009	24,121,771
Segment Assets	9,936,566	6,125,412	6,459,009	22,520,987
Associates and Subsidiaries	-	-	-	5,996
Undistributed Assets	-	-	-	1,594,788
Total Liabilities	7,881,054	4,975,479	7,004,184	24,121,771
Segment Liabilities	7,881,054	4,975,479	7,004,184	19,860,717
Undistributed Liabilities	-	-	-	1,438,828
Equity	-	-	-	2,822,226
Other Segment Accounts	-	-	-	218,121
Capital Investment	-	-	-	164,011
Depreciation and Amortization	-	-	-	59,116
Impairment	-	-	-	(5,006)

XXIII. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Consolidated capital adequacy ratio

The Group's consolidated capital adequacy ratio is 16.22 % as of December 31, 2008. (31 December 2007 – 12.75 %)

1. Risk measurement methods in the calculation of consolidated capital adequacy ratio

Capital adequacy ratio is calculated in accordance with the “The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette No. 26333, dated November 1, 2006 and “The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette No. 26669, dated October 10, 2007. 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 Principals for the Determination of Loans and Other Receivables to be Reserved for the 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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Consolidated and Unconsolidated capital adequacy ratio

	Parent Bank							Consolidated						
	%0	%10	%20	%50	%100	%150	%200	%0	%10	%20	%50	%100	%150	%200
Value at Credit Risk														
Balance Sheet Items (Net)	4,607,27	-	302,323	6,252,493	12,397,413	230,105	12,729	4,665,36	-	372,370	7,171,281	14,486,038	230,105	12,729
Cash on Hand	224,173	-	593	-	-	-	-	222,270	-	2,882	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	837,279	-	-	-	-	-	-	837,279	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Branches and Offices	-	-	301,152	-	83,784	-	-	-	-	341,635	-	83,784	-	-
Bank Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase	-	-	-	-	-	-	-	-	-	18,761	-	-	-	-
Reserve Deposits	490,130	-	-	-	-	-	-	490,130	-	-	-	-	-	-
Loans	334,939	-	-	5,985,710	10,515,464	230,105	12,729	367,663	-	8,413	6,649,526	11,872,433	230,105	12,729
Loans under Follow-Up (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-	-	1,645	-	-	241,348	962,020	-	-
Investment Securities Available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	2,551,20	-	-	-	-	-	-	2,572,98	-	-	-	-	-	-
Receivables from Forward Sale of Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from Debtors	-	-	-	-	373,892	-	-	-	-	-	-	381,928	-	-
Accrued Interest and Income	142,005	-	578	266,783	500,607	-	-	143,057	-	679	280,407	532,281	-	-
Investments in Associates, Subsidiaries and Entities Under Control	-	-	-	-	361,158	-	-	-	-	-	-	11,002	-	-
Intangible Assets (Net)	-	-	-	-	366,642	-	-	-	-	-	-	381,000	-	-
Other Assets	27,544	-	-	-	195,866	-	-	30,336	-	-	-	261,590	-	-
Balance Sheet Items	60,892	-	681,399	379,763	4,621,548	-	-	60,892	-	681,399	379,763	4,621,928	-	-
On-Cash Loans and Commitments	60,892	-	-	379,763	4,602,842	-	-	60,892	-	-	379,763	4,602,842	-	-
Derivative Financial Instruments	-	-	681,399	-	18,706	-	-	-	-	681,399	-	19,086	-	-
Risk-Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value at Risk	4,668,16	-	983,722	6,632,256	17,018,961	230,105	12,729	4,726,25	-	1,053,769	7,551,044	19,107,966	230,105	12,729
Risk Weighted Assets	-	-	196,744	3,316,128	17,018,961	345,158	25,458	-	-	210,754	3,775,522	19,107,966	345,158	25,458

Summary information related to consolidated and unconsolidated capital adequacy ratio

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	20,902,449	18,272,288	23,464,858	20,598,082
Value at Market Risk	1,923,963	1,405,338	1,834,550	1,484,463
Value at Operational Risk	2,698,723	2,084,276	2,626,528	2,088,439
Shareholders' Equity	4,095,670	2,827,904	4,529,225	3,081,000
Shareholders' Equity/(VaCR+VaMR+VaOR)x100	%16.05	%12.99	%16.22	%12.75

VaCR : Value at Credit Risk

VaMR : Value at Market Risk

VaOR : Value at Operational Risk

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Components of consolidated shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	1,500,000	1,400,000
Nominal Capital	1,500,000	1,400,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	143,864	107,179
I. Legal Reserve (Turkish Commercial Code 466/1)	122,597	93,038
II. Legal Reserve (Turkish Commercial Code 466/2)	21,267	14,141
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	565,449	187,123
Reserve Allocated as per the Decision Held by the General Assembly	565,449	187,123
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	563,952	648,760
Current Period Profit	473,700	608,734
Prior Periods Profit	90,252	40,026
Free Reserves for Possible Losses (up to 25% of Core Capital)	61,940	85,688
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	369,806	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	113,036
Minority Interest	128,308	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Consolidation Goodwill (Net) (-)	8,969	8,969
Total Core Capital	3,324,350	2,902,623
SUPPLEMENTARY CAPITAL		
General Provisions	160,852	122,759
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,207,663	232,940
Securities Value Increase Fund	(17,755)	(3,678)
Associates and Subsidiaries	8,969	(3,512)
Investment Securities Available for Sale	(26,724)	(166)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Total Supplementary Capital	1,350,760	352,021
TIER III CAPITAL		
CAPITAL	4,675,110	3,254,644
DEDUCTIONS FROM CAPITAL	147,957	173,644
Leasehold Improvements (-) (*)	-	76,723
Prepaid Expenses (-)	85,392	67,892
Intangible Assets (-)	46,464	27,576
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
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	-	-
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	14,029	1,453
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	4,529,225	3,081,000

(*) As of December 31, 2008 leasehold improvements are not considered as deduction from capital but, it is added to the credit risk calculation at the rate of 100 %.

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II. Information on credit risk

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

Risk limits are imposed on total exposure to a risk group. According to the decision taken by the Board of Directors, the maximum amount of loan (cash and non-cash) to be granted to an individual risk group is limited with the calculation of certain percentages of the shareholders' equity based on the rating of the group. Concentration of risks of the top 20 groups and the top 50 companies in terms of industry and rating are monitored at the end of every month.

The credibility of the debtors of the Group is assessed periodically in accordance with the related regulations. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulations. Loan limits of the loan customers are revised periodically in line with the Group's procedures.

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

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

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

The restructured and rescheduled loans are monitored by the Group according to Group's Credit Risk Management. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Group's current internal rating system besides the follow-up methods determined in the related regulations.

In addition to the credit risk management process, a double rating system is projected which would also be a basis for lending and provisioning, and determining the rate of uncollectibility and pricing of the loans. To determine the credibility of the customers, rating and scoring methods are used in accordance with the portfolios. The Group continues to develop the infrastructure of "Credit Products Risk Rating System" to determine the risk level for each type of loan and collateral.

The Group continues to develop infrastructure for Basel II readiness on credit risk. The credit risk parameters as per Basel II documents have been tried to be measured within the Parent Bank and the capital adequacy requirements for credit risk with various methods of Basel II are tried to be calculated. In addition, the Parent Bank has started working on identification of data needs, collection of data and implementation for measuring economic capital and statutory capital for credit risk in accordance with the Basel II Internal Rating Methods.

As of December 31, 2008, the receivables of the Group from its top 100 cash loan customers is 17 % in the total cash loans (December 31, 2007 - 18%).

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As of December 31, 2008, the receivables of the Group from its top 100 non-cash loan customers is 52% in the total non-cash loans (December 31, 2007 - 42%).

The share of cash and non-cash receivables of the Group from its top 100 customers in total balance sheet and off-balance sheet assets is 20% as of December 31, 2008 (December 31, 2007 – 18%).

As of December 31, 2008, the general loan loss provision related with the credit risk taken by the Group is YTL 160,852 (December 31, 2007 – YTL 122,759).

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

	Current Period	Prior Period
T.R Central Bank	1,349,821	1,019,872
Financial assets held for trading	30,526	43,303
Financial assets at fair value through profit/loss	228,488	233,748
Positive value of trading derivatives	632,688	23,832
Banks	428,264	732,997
Derivative financial assets held for hedging	11,707	-
Investment securities available for sale	2,094,497	3,272,260
Investment securities held to maturity	2,691,205	-
Loans	19,934,802	16,167,212
Investments in associates and subsidiaries (Net)	11,002	5,996
Leasing receivables (Net)	1,223,509	978,485
Other assets	320,080	570,863
Total	28,956,589	23,048,568
Guarantees	5,475,553	5,137,854
Commitments	7,301,097	6,818,592
Total	12,776,650	11,956,446
Total credit risk exposure	41,733,239	35,005,014

Credit Rating System

The Group adopted in principle that its loan portfolio should be managed parallel to the worldwide-accepted applications. The Group formed internal scoring and rating systems by using statistical methods to monitor the credibility of the clients. These systems classify the customers according to their default risk from highest to lowest degree. Internal scoring systems are used effectively to allocate loans, to monitor loan portfolio quality, and to determine the actions required. As of 2008, for the corporate customers the scoring and rating system is developed in accordance with the size of the companies, for the consumer loans the scoring and ratings systems are developed for the homogenous groups which are formed with the similar type of products.

The Group's rating system does not incorporate collaterals received for the loans, grading is performed without considering the collaterals, therefore the rating system can capture the default ratio and the actual realized losses on default loans ends up with considerably lower levels.

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

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	3	5
Debtor has a good financial structure	55	58
Debtor has a medium financial structure	34	21
Debtor has a financial structure which needs attention in medium term	6	14
Not graded	2	2
Total	100	100

Credit quality per class of the financial assets are shown below;

Current Period	Neither past due nor impaired	Past due but not impaired	Total
T.R Central Bank	1,349,821	-	1,349,821
Financial assets held for trading	30,526	-	30,526
Financial assets at fair value through profit/loss	228,488	-	228,488
Banks	428,264	-	428,264
Positive value of trading derivatives	632,688	-	632,688
Derivative financial assets held for hedging	11,707	-	11,707
Investment securities available for sale	2,094,497	-	2,094,497
Investment securities held to maturity	2,691,205	-	2,691,205
Loans	19,323,230	611,572 (*)	19,934,802
Corporate / commercial loans	10,286,870	55,127	10,341,997
Consumer loans	6,073,728	36,754	6,110,482
Credit cards	2,962,632	519,691	3,482,323
Investments in associates and subsidiaries (Net)	11,002	-	11,002
Leasing Receivables (Net)	1,189,271	34,238(**)	1,223,509
Other assets	320,080	-	320,080
Total	28,310,779	645,810	28,956,589

(*) Balances represent the overdue installments. The principle amount of "Corporate/ Commercial Loans" and "Consumer Loans" are YTL 589,634 and YTL 605,223, respectively.

(**) Balances represent the overdue installments. The principal amount of "Leasing Receivables" is YTL 248,279.

As of December 31, 2008, for the loans and other receivables past due but not impaired, the Parent Bank has collaterals amounting YTL 949,238 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2007 – YTL 609,973).

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Prior Period	Neither past due nor impaired	Past due but not impaired	Total
T.R Central Bank	1,019,872	-	1,019,872
Financial assets held for trading	43,303	-	43,303
Financial assets at fair value through profit/loss	233,748	-	233,748
Banks	732,997	-	732,997
Positive value of trading derivatives	23,832	-	23,832
Derivative financial assets held for hedging	-	-	-
Investment securities available for sale	3,272,260	-	3,272,260
Investment securities held to maturity	-	-	-
Loans	15,779,251	387,961 (*)	16,167,212
Corporate / commercial loans	9,065,718	112,477	9,178,195
Consumer loans	4,430,593	24,798	4,455,391
Credit cards	2,282,940	250,686	2,533,626
Investments in associates and subsidiaries (Net)	5,996	-	5,996
Leasing Receivables (Net)	947,306	31,179(**)	978,485
Other assets	570,863	-	570,863
Total	22,629,428	419,140	23,048,568

(*) Balances represent the overdue installments. The principle amount of "Corporate/ Commercial Loans" and "Consumer Loans" are YTL 224,210 and YTL 400,641, respectively.

(**) Balances represent the overdue installments. The principal amount of "Leasing Receivables" is YTL 339,919.

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Banks	-	-
Financial assets at fair value through profit/loss	-	-
Loans	23,472	30,319
Corporate / commercial loans	23,472	30,319
Consumer loans	-	-
Credit cards	-	-
Investment securities held to maturity	-	-
Total	23,472	30,319

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Credit risk by types of borrowers and geographical concentration:

	Loans to Real Person and Entities		Loans to Banks and Other Financial Institutions		Marketable Securities		Other Loans(*)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	19,934,802	16,167,212	428,264	732,997	5,044,716	3,549,311	975,477	600,691
Private Sector	10,363,240	9,197,649	-	-	135,459	91,905	11,002	5,996
Public Sector	-	-	-	-	4,776,104	3,300,382	-	-
Banks	-	-	428,264	732,997	133,153	157,024	964,475	594,695
Retail	9,571,562	6,969,563	-	-	-	-	-	-
Share Certificates	-	-	-	-	-	-	-	-
Information according to geographical concentration	19,934,802	16,167,212	428,264	732,997	5,044,716	3,553,077	975,477	600,691
Domestic	16,483,022	13,344,896	417,568	536,150	3,720,985	2,868,586	191,053	57,756
European Union Countries	2,070,612	1,997,528	7,030	111,695	133,153	395,490	-	420
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	1,381,168	824,788	3,666	85,152	1,190,579	289,001	784,424	542,515
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-

(*) This column represents YTL 632,688 (December 31, 2007- YTL 23,832) Derivative Financial Assets Held for Trading, YTL 11,707 (December 31, 2007- None) Derivative Financial Assets Held for Hedging, YTL 11,002 investment in associates and subsidiaries (December 31, 2007- YTL 5,996), and YTL 320,080 (December 31, 2007- YTL 570,863) cash guarantees given to financial institutions.

Information according to geographical concentration

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	24,213,773	20,124,069	5,408,258	-	473,700
European Union Countries	2,505,976	3,280,192	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	3,359,893	3,421,805	67,295	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	11,002	15,946
Unallocated Assets/Liabilities	-	-	-	-	-
Total	30,079,642	26,826,066	5,475,553	11,002	489,646

Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	19,871,229	15,864,728	5,004,530	-	608,734
European Union Countries	2,506,279	2,425,352	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	1,742,033	3,009,465	133,324	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	2,230	21,351
Unallocated Assets/Liabilities	-	-	-	-	-
Total	24,119,541	21,299,545	5,137,854	2,230	630,085

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

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Sectoral distribution of cash loans

	Current Period				Prior Period			
	YTL	%	FC	%	YTL	%	FC	%
Agricultural	99,362	0.68	138,988	2.72	62,710	0.51	116,173	2.93
Farming and Raising Livestock	50,197	0.34	11,091	0.22	29,232	0.24	5,939	0.15
Forestry	43,975	0.30	119,025	2.33	24,681	0.20	105,938	2.67
Fishing	5,190	0.04	8,872	0.17	8,797	0.07	4,296	0.11
Manufacturing	861,093	5.81	1,987,941	38.90	852,723	6.99	1,531,493	38.55
Mining	37,393	0.25	51,085	1.00	53,717	0.44	47,887	1.21
Production	779,420	5.26	1,795,332	35.13	762,285	6.25	1,443,161	36.32
Electric, Gas and Water	44,280	0.30	141,524	2.77	36,721	0.30	40,445	1.02
Construction	270,161	1.82	589,681	11.54	257,558	2.11	420,759	10.59
Services	1,466,006	9.89	2,044,829	40.01	1,543,694	12.66	1,795,691	45.19
Wholesale and Retail Trade	913,769	6.16	613,399	12.00	908,953	7.45	501,558	12.62
Hotel, Food and Beverage								
Services	77,876	0.53	323,692	6.33	27,171	0.22	291,620	7.34
Transportation and								
Telecommunication	73,481	0.50	605,626	11.85	71,512	0.59	573,909	14.44
Financial Institutions	276,358	1.86	215,076	4.21	397,033	3.26	168,998	4.25
Real Estate and Renting Services	51,006	0.34	7,599	0.15	59,937	0.49	56,955	1.43
Self-employment Services	49,768	0.34	31,584	0.62	57,303	0.47	39,138	0.99
Education Services	4,981	0.03	23,221	0.45	3,990	0.03	17,325	0.44
Health and Social Services	18,767	0.13	224,632	4.40	17,795	0.15	146,188	3.68
Other	12,127,856(*)	81.80	348,885(**)	6.83	9,477,198(*)	77.72	109,213(**)	2.73
Total	14,824,478	100.00	5,110,324	100.00	12,193,883	100.00	3,973,329	100.00

(*) The amount of consumer loans, instalment loans and credit card are included YTL 12,001,193 (December 31, 2007 – YTL 9,333,190)

(**) The amount of personal loans and credit cards YTL 2,633 are included (December 31, 2007– YTL 3,190).

III. Information on consolidated market risk

The Group 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 Parent Bank determines risk management strategies and policies for managing market risk and ensure periodic monitoring of the application of strategies. The Board of Directors of the Parent 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 Parent Bank requires risk management group and the top management of the Parent Bank to take necessary actions in order to identify, measure, control and manage the risks that the Parent Bank is exposed to.

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

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

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

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1. Information on consolidated market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	111,922
(II) Capital Obligation against Specific Risks - Standard Method	23,246
(III) Capital Obligation against Currency Risk - Standard Method	9,339
(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	2,257
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	146,764
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,834,550

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	1,214,384	1,403,788	1,042,950	877,478	1,085,638	653,738
Common Share Risk	264,647	291,288	235,750	50,284	72,888	37,938
Currency Risk	157,522	218,300	86,538	115,500	286,100	49,188
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	37,200	57,538	9,450	13,200	39,838	63
Total Value at Risk	1,673,753	1,970,914	1,374,688	1,056,462	1,484,464	740,927

IV. Information on operational risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2007, 2006 and 2005) as per the "Calculation of Value at Operational Risk" of the article (4) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2008, the value at operational risk is amounting to YTL 2,626,528 (December 31, 2007-YTL 2,088,439).

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V. Information on consolidated foreign currency exchange rate risk

1. Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Parent Bank sets limits for positions that are monitored daily

As of December 31, 2008, net foreign currency exposure of the Group is YTL 239,602 long (December 31, 2007 - YTL 189,832 short) resulting from on balance sheet short position amounting to YTL 4,172,461 (December 31, 2007 - YTL 3,678,694 short) and long off balance sheet position amounting to YTL 4,412,063 (December 31, 2006 - YTL 3,488,862 long). The long off balance sheet position amounting to YTL 4,180,364 (December 31, 2007 - YTL 3,613,521) is related with the FC/YTL swap transactions with banks and customers. The Group entered into these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward and swap transactions to decrease foreign currency position risk. The Group 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 Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

The Group designated a hedging relationship amounting to EUR 100 million to hedge its investment in Finans Malta Holdings Ltd. Accordingly the Group has taken a position on deposits equal to its net investment in foreign operations. The valuation differences of the net investment for the current year amounting to YTL 33,119 gain and the valuation differences in the hedging instrument amounting to YTL 33,119 loss have been accounted for under "Securities Value Increase Fund".

3. The Parent 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 Dollars purchase rate at the balance sheet date YTL 1.5123
Euro purchase rate at the balance sheet date YTL 2.1408

Date	US Dollars	Euro
December 31, 2008	YTL 1.5123	YTL 2.1408
December 30, 2008	YTL 1.5065	YTL 2.1518
December 29, 2008	YTL 1.4971	YTL 2.1070
December 26, 2008	YTL 1.5074	YTL 2.1119
December 25, 2008	YTL 1.5112	YTL 2.1151
December 24, 2008	YTL 1.5152	YTL 2.1193

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

The arithmetical average of the Parent Bank's US Dollars and Euro purchase rates for December 2008 are YTL 1.5388 and YTL 2.0865; respectively.

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5. Foreign currency sensitivity

The Group is mainly exposed to EUR and USD currencies.

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

Change in currency rate in %		Effect on profit or loss	Effect on equity (*)	Effect on profit or loss	Effect on equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD	%10 increase	12,015	12,855	(316)	(373)
	%10 decrease	(12,015)	(12,855)	316	373
EURO	%10 increase	3,427	4,061	(9,098)	(9,098)
	%10 decrease	(3,427)	(4,061)	9,098	9,098

(*)Effect on equity, also includes the effect of the change in foreign currency rates on income statement.

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6. Information on the consolidated foreign currency exchange rate risk

Current Period	EUR	USD	YEN	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	795,541	61,173	175	5,386	862,275
Due from Banks	103,599	223,530	4,909	85,136	417,174
Financial Assets at Fair Value through Profit/Loss (****)	858	108,196	-	102	109,156
Interbank Money Market Placements	-	-	-	-	-
Securities Available-for-Sale	57,240	344,124	-	-	401,364
Loans (**)	2,361,524	3,660,334	150,047	154,949	6,326,854
Investments in Assoc., Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Securities Held-to-Maturity	-	22,149	-	-	22,149
Derivative Financial Assets Held for Hedging	-	-	-	-	-
Tangible Assets	228	-	-	18	246
Intangible Assets	-	-	-	-	-
Other Assets (****)	912,871	418,203	277	12,171	1,343,522
Total Assets	4,231,861	4,837,709	155,408	257,762	9,482,740
Liabilities					
Bank Deposits	1,375,801	1,219,755	26	4,599	2,600,181
Foreign Currency Deposits	2,014,516	3,263,062	1,638	88,628	5,367,844
Money Market Deposits	-	235,818	-	-	235,818
Funds Provided from Other Financial Institutions	1,480,558	3,495,755	126	-	4,976,439
Securities Issued	-	-	-	-	-
Sundry Creditors	50,549	331,603	4,394	8,755	395,301
Derivative Financial Liabilities Held for Hedging (****)	-	-	-	-	-
Other Liabilities	15,550	63,814	-	254	79,618
Total Liabilities	4,936,974	8,609,807	6,184	102,236	13,655,201
Net Balance Sheet Position	(705,113)	(3,772,098)	149,224	155,526	(4,172,461)
Net Off-Balance Sheet Position	690,448	4,048,454	(164,312)	(162,527)	4,412,063
Financial Derivative Assets	839,136	7,571,675	21,253	20,130	8,452,194
Financial Derivative Liabilities	148,688	3,523,221	185,565	182,657	4,040,131
Non-Cash Loans (*)	1,041,692	1,974,736	8,787	266,349	3,291,564
Prior Period					
Total Assets	2,669,910	5,008,495	7,224	74,429	7,760,058
Total Liabilities	2,578,272	8,746,176	4,936	109,368	11,438,752
Net Balance Sheet Position	91,638	(3,737,681)	2,288	(34,939)	(3,678,694)
Net Off-Balance Sheet Position	(22,760)	3,458,690	2,685	50,247	3,488,862
Financial Derivative Assets	1,294,006	7,258,347	39,001	410,979	9,002,333
Financial Derivative Liabilities	1,316,766	3,799,657	36,316	360,732	5,513,471
Non-Cash Loans (*)	858,482	1,958,275	4,349	266,180	3,087,286

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

(**) Includes foreign currency indexed loans amounting to YTL 1,216,530 (December 31, 2007 - YTL 650,146) that are classified as YTL on the balance sheet.

(***) Does not include the prepaid expenses amounting to YTL 1,285 that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006.

(****) Accrued foreign exchange income and expenses on derivative transactions amounting to YTL 10,348 and YTL 8,213, respectively are excluded.

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VI. Information on consolidated interest rate risk

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent 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 Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

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

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

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

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

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

As of the reporting date, 1 % increase in interest rates, would decrease the Group's net profit by YTL 73,747 (December 31,2007 – YTL 22,855), 1 % decrease in interest rates would increase the Group's net profit by YTL 67,038 (December 31,2007 – YTL 22,521), when all the other variables are assumed to be constant.

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing (*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,350,151	-	-	-	-	224,822	1,574,973
Due from Banks	255,271	4,084	2,183	-	-	166,726	428,264
Financial Assets at FVTPL (**)	17,719	15,399	64,352	613,904	48,806	143,229	903,409
Interbank Money Markets	18,761	-	-	-	-	-	18,761
Inv. Securities Available for Sale	249,710	503,268	307,511	604,874	293,675	135,459	2,094,497
Loans	6,148,346	3,524,045	5,017,980	5,185,311	59,120	-	19,934,802
Inv. Securities Held to Maturity	304,881	1,156,441	488,964	740,919	-	-	2,691,205
Other Assets(*)	88,775	73,330	274,044	771,388	15,972	1,221,224	2,444,733
Total Assets	8,433,614	5,276,567	6,155,034	7,916,396	417,573	1,891,460	30,090,644
Liabilities							
Interbank Deposits	2,297,233	762,849	1,070	-	-	83,080	3,144,232
Other Deposits	9,794,279	3,885,505	491,051	21,902	-	1,688,292	15,881,029
Money Market Borrowings	325,845	26,562	-	-	-	-	352,407
Sundry Creditors	-	232	-	-	-	774,942	775,174
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1,615,690	1,015,743	2,021,060	494,667	302,625	-	5,449,785
Other Liabilities	5,934	51,603	40,210	155,096	42,512	4,192,662	4,488,017
Total Liabilities	14,038,981	5,742,494	2,553,391	671,665	345,137	6,738,976	30,090,644
On Balance Sheet Long Position	-	-	3,601,643	7,244,731	72,436	-	10,918,810
On Balance Sheet Short Position	(5,605,367)	(465,927)	-	-	-	(4,847,516)	(10,918,810)
Off-Balance Sheet Long Position	14,270	-	23,350	227,870	-	-	265,490
Off-Balance Sheet Short Position	-	(41,298)	-	-	(7,919)	-	(49,217)
Total Position	(5,591,097)	(507,225)	3,624,993	7,472,601	64,517	(4,847,516)	216,273

(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 743,453, tangible assets amounting to YTL 381,000, intangible assets amounting to YTL 55,433, associates and subsidiaries amounting to YTL 11,002, and tax asset amounting to YTL 30,336. "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to YTL 3,264,578, other liabilities amounting to YTL 355,251, provisions amounting to YTL 443,197, tax liability amounting to YTL 40,720, and derivative financial liabilities held for trading amounting to YTL 88,916.

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

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	Yen %	YTL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	12.00
Due from Banks	1.46	0.14	-	20.10
Financial Assets at Fair Value Through Profit/Loss	5.50	9.18	-	15.38
Interbank Money Markets	-	-	-	-
Inv. Securities Available for Sale	5.88	9.33	-	18.71
Loans	8.63	7.93	5.15	26.04 (*)
Leasing Receivables	9.10	8.52	-	26.26
Securities Held to Maturity	-	7.50	-	17.92
Liabilities				
Bank Deposits	6.4	4.3	-	17.9
Other Deposits	6.32	5.36	0.42	20.69
Money Market Borrowings	-	2.2	-	15.30
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.20	5.00	2.40	13.90

(*) The interest rate of loans is 21.50% excluding credit cards.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing (*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	607,873	-	-	-	-	605,086	1,212,959
Due form Banks	601,136	5,218	8,962	-	-	117,681	732,997
Financial Assets at Fair Value Through Profit/Loss	8,837	1,399	74,761	158,985	-	56,901	300,883
Interbank Money Markets	17,728	-	-	-	-	-	17,728
Inv. Securities Available for Sale	1,007,075	1,318,507	199,389	657,314	-	89,975	3,272,260
Loans	2,380,620	6,293,371	3,407,292	2,558,787	1,527,142	-	16,167,212
Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	80,628	61,441	275,120	552,156	9,140	1,439,247	2,417,732
Total Assets	4,703,897	7,679,936	3,965,524	3,927,242	1,536,282	2,308,890	24,121,771
Liabilities							
Interbank Deposits	987,314	1,029,235	104,121	-	-	41,528	2,162,198
Other Deposits	7,849,886	2,823,637	337,041	4,062	11,537	1,874,961	12,901,124
Money Market Borrowings	51,914	94	-	-	-	-	52,008
Sundry Creditors	-	-	-	-	-	531,074	531,074
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	82,940	252,353	1,717,716	1,487,295	368,106	-	3,908,410
Other Liabilities	157,592	589,240	4,966	-	-	3,815,159	4,566,957
Total Liabilities	9,129,646	4,694,559	2,163,844	1,491,357	379,643	6,262,722	24,121,771
On Balance Sheet Long Position	-	2,985,377	1,801,680	2,435,885	1,156,639	-	8,379,581
On Balance Sheet Short Position	(4,425,749)	-	-	-	-	(3,953,832)	(8,379,581)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(156,759)	(587,841)	(4,966)	-	-	-	(749,566)
Total Position	(4,582,508)	2,397,536	1,796,714	2,435,885	1,156,639	(3,953,832)	(749,566)

(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 1,031,196, tangible assets amounting to YTL 340,707, intangible assets amounting to YTL 36,545, associates and subsidiaries amounting to YTL 5,996 and tax asset amounting to YTL 24,803. "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to YTL 2,822,226, other liabilities amounting to YTL 511,324, provisions amounting to YTL 375,444, derivative financial liabilities held for trading amounting to YTL 72,905, and tax liability amounting to YTL 33,260.

Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	Yen %	YTL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	-	11.81
Due form Banks and Other Financial Institutions	3.07	4.33	-	16.43
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Securities Available for Sale	-	-	-	-
Loans	5.95	10.28	-	18.60
Receivables from Renting Transactions	7.17	7.35	2.84	23.30(*)
Securities Held to Maturity	9.45	10.63	-	25.66
	-	-	-	-
Liabilities				
Bank Deposits	4.11	5.26	-	16.00
Other Deposits	4.32	5.18	-	17.38
Money Market Borrowings	-	4.59	-	15.78
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.75	6.73	-	12.82

(*) The interest rate of loans is 18.84 % excluding credit cards.

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VII. Information related to consolidated liquidity risk

1. **The sources of the current liquidity risk of the Parent 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 Group diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed in 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 Parent Bank. List of available limits, instruments and securities that can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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

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

In order to meet any urgent liquidity needs approximately 5 % (December 31, 2007- 5%) of the balance sheet size is allocated to cash balance.

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

Cash flows mainly consist of New Turkish Lira, US Dollars and Euro.

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5. Presentation of consolidated assets and liabilities according to their remaining maturities

Year End	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	224,822	1,350,151	-	-	-	-	-	1,574,973
Due from Banks	166,726	255,271	4,084	2,183	-	-	-	428,264
Financial Assets at Fair Value Through Profit/Loss (**)	-	67,479	51,352	103,415	632,344	48,819	-	903,409
Interbank Money Markets	-	18,761	-	-	-	-	-	18,761
Inv. Securities Available for Sale	135,459	42,477	36,569	120,395	1,423,561	336,036	-	2,094,497
Loans	-	5,275,276	2,175,984	5,009,785	7,313,995	159,762	-	19,934,802
Inv. Securities Held to Maturity	-	-	-	488,964	1,981,641	220,600	-	2,691,205
Other Assets	2,343	509,636	98,628	304,424	980,899	15,976	532,827	2,444,733
Total Assets	529,350	7,519,051	2,366,617	6,029,166	12,332,440	781,193	532,827	30,090,644
Liabilities								
Bank Deposits	83,080	2,297,233	762,849	1,070	-	-	-	3,144,232
Other Deposits	1,688,292	9,794,279	3,885,505	491,051	21,902	-	-	15,881,029
Funds Provided from Other Financial Institutions	-	217,181	308,644	2,336,065	2,274,566	313,329	-	5,449,785
Interbank Money Markets	-	325,845	26,562	-	-	-	-	352,407
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	738,625	2,981	7,314	-	26,254	-	775,174
Other Liabilities	21,452	363,450	55,658	109,539	184,052	43,955	3,709,911	4,488,017
Total Liabilities	1,792,824	13,736,613	5,042,199	2,945,039	2,480,520	383,538	3,709,911	30,090,644
Liquidity Gap	(1,263,474)	(6,217,562)	(2,675,582)	3,084,127	9,851,920	397,655	(3,177,084)	-
Prior Period								
Total Assets	857,000	4,483,406	3,931,690	4,603,856	7,531,952	2,259,937	453,930	24,121,771
Total Liabilities	1,917,398	9,957,074	3,997,613	2,106,008	2,522,113	478,727	3,142,838	24,121,771
Liquidity Gap	(1,060,398)	(5,473,668)	(65,923)	2,497,848	5,009,839	1,781,210	(2,688,908)	-

(*) 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 at stock exchange, office supply inventory, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to YTL 3,264,578, tax liabilities amounting YTL 40,720 unallocated provisions amounting to YTL 404,613.

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

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6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Group's maturity distribution of certain financial assets and liabilities, other than derivatives. The tables below are prepared by considering the future cash flows expected on the nearest cash flow dates. The interest which will be earned and paid at the maturity date is included in these tables.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Adjustments	Balance Sheet Value
Bank deposits	83,080	2,385,925	774,021	1,124	-	-	3,244,150	(99,918)	3,144,232
Other deposits	1,688,292	9,813,612	3,995,935	509,039	22,445	-	16,029,362	(148,333)	15,881,029
Funds provided from other financial institutions	-	31,940	389,244	2,701,801	2,963,949	36,028	6,122,962	(673,177)	5,449,785
Debt to Money Market	-	327,856	26,646	-	-	-	354,502	(2,095)	352,407
Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Adjustments	Balance Sheet Value
Bank deposits	44,938	1,019,994	1,043,537	109,222	-	-	2,217,691	(55,493)	2,162,198
Other deposits	1,877,224	8,272,639	2,522,664	337,051	226	10,990	13,020,794	(119,670)	12,901,124
Funds provided from other financial institutions	-	42,583	166,396	1,600,004	2,565,454	141,118	4,515,555	(607,145)	3,908,410
Debt to Money Market	-	53,084	95	-	-	-	53,179	(1,171)	52,008

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy	417,088	51,420	61,292	700	-	530,500
Forward Contracts Sell	416,580	52,633	64,674	642	-	534,529
Swap Contracts Buy (*)	2,194,218	533,584	1,455,736	4,673,735	352,793	9,210,066
Swap Contracts Sell (*)	2,147,795	533,321	1,473,010	5,315,387	484,217	9,953,730
Futures Buy	-	103,088	411	-	-	103,499
Futures Sell	-	103,088	411	-	-	103,499
Options Buy	433,914	341,068	359,682	-	-	1,134,664
Options Sell	434,962	289,994	359,705	-	-	1,084,661
Total	6,044,557	2,008,196	3,774,921	9,990,464	837,010	22,655,148

(*) This account also includes hedging purpose derivatives.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy	1,430,007	53,914	75,606	1,012	-	1,560,539
Forward Contracts Sell	1,427,487	52,277	75,244	1,062	-	1,556,070
Swap Contracts Buy	930,896	446,800	835,538	3,147,336	278,060	5,638,630
Swap Contracts Sell	924,367	462,192	1,051,063	4,493,403	365,811	7,296,836
Futures Buy	-	66,909	31,627	-	-	98,536
Futures Sell	-	66,909	31,627	-	-	98,536
Options Buy	1,528,786	1,099,929	1,243,548	53,656	-	3,925,919
Options Sell	1,548,024	1,100,881	1,243,788	53,473	-	3,946,166
Total	7,789,567	3,349,811	4,588,041	7,749,942	643,871	24,121,232

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

The fair value of the held to maturity investment securities; whose market price or fair value can not be determined; is calculated over the quoted market prices of other investment securities with similar interest, maturity and other characteristics.

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

Total fair value of debt securities issued, is determined based on quoted market prices, and in the absence of this information, discounted cash flows model based on current return is used for the remaining maturity.

Fair values of fixed rate loans are calculated by using discounted cash flows with current market rates. The fair value of loans with floating interest rate represents its carrying value due to their short term maturity.

In the table below; the fair values and the book values of some of the financial assets and liabilities are presented. The book value of the related asset and liability is the total of the first acquisition cost and accumulated interest accruals.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	26,391,038	21,168,682	26,411,562	21,256,347
Interbank Money Market Placements	18,761	17,728	18,761	17,728
Due From Banks	428,264	732,997	428,264	732,997
Investment Securities Available for Sale (Net)	2,094,497	3,272,260	2,094,497	3,276,026
Investment Securities Held to Maturity (Net)	2,691,205	-	2,718,719	-
Loans	19,934,802	16,167,212	19,976,058	16,211,497
Financial Leasing Receivables	1,223,509	978,485	1,175,263	1,018,099
Financial Liabilities	25,602,627	19,554,814	25,537,291	19,528,172
Bank Deposits	3,144,232	2,162,198	3,144,232	2,162,198
Other Deposits	15,881,029	12,901,124	15,875,583	12,903,138
Funds Borrowed	5,449,785	3,908,410	5,389,895	3,879,754
Interbank Money Market Placements	352,407	52,008	352,407	52,008
Marketable Securities Issued	-	-	-	-
Sundry Creditors	775,174	531,074	775,174	531,074

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

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

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Consolidated Assets

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	100,592	121,349	95,045	97,397
Central Bank of Turkey	611,779	738,042	179,796	840,076
Others	327	2,884	51	594
Total	712,698	862,275	274,892	938,067

b) Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted demand deposit	611,779	247,912	179,796	232,203
Restricted time deposit	-	490,130	-	607,873
Total	611,779	738,042	179,796	840,076

According to the 2008/12 numbered announcement of the Central Bank of Turkey, "Announcement on the Change of Reserve Deposits", all banks operating in Turkey should provide a reserve at 6% of the liabilities in Turkish Lira and 9% for liabilities in foreign currencies. The Central Bank of Turkey makes interest payments for YTL reserves on a quarterly basis. After the announcement on the change of reserve deposits, declared on November 5, 2008, The Central Bank of Turkey stopped paying interest for foreign currency reserves.

2. Further information on financial assets at fair value through profit/loss (net):

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	538	-	205,711	-
Other	-	-	-	-
Total	538	-	205,711	-

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds (*)	31,006	-	-	-
Treasury Bills	357	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	31,363	-	-	-

(*) Government bonds subject to repurchase agreements amounting to YTL 20,200 are classified under financial assets at fair value through profit or loss and government bond subject to repurchase agreement in the amount of YTL 11,163 is classified under financial assets held for trading in the financial statements.

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	8,037	137	7,031	420
Swap Transactions	520,482	52,214	15,225	5
Futures Transactions	-	2,477	-	158
Options	-	48,989	-	267
Other	352	-	726	-
Total	528,871	103,817	22,982	850

3. a) Banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Domestic	11,049	74,536	12,045	77,148
Foreign	41	342,638	137,269	506,535
Foreign Head Offices and Branches	-	-	-	-
Total	11,090	417,174	149,314	583,683

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	210,819	514,449	-	8,955
USA and Canada	33,320	41,967	83,784	34,210
OECD Countries (*)	14,034	17,017	-	-
Off-shore Banking Regions	-	9,318	-	-
Other	722	17,888	-	-
Total	258,895	600,639	83,784	43,165

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

(**) Includes blocked placements at foreign banks amounting to YTL 83,784 (December 31, 2007-YTL 43,165) for the syndication and securitization loans received.

c) Information on receivable from reverse repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From domestic agreements	18,761	-	17,728	-
T.R Central Bank	-	-	-	-
Banks	954	-	570	-
Brokerage Houses	-	-	-	-
Other Financial Ins. and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	17,807	-	17,158	-
From foreign agreements	-	-	-	-
T.R Central Bank	-	-	-	-
Banks	-	-	-	-
Brokerage Houses	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	18,761	-	17,728	-

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4. Information on investment securities available for sale

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	5,928	126,553	604,307	25,004
Other	-	-	-	-
Total	5,928	126,553	604,307	25,004

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	90	-	13,927	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	141,450	-	23,114
Bonds Issued by banks or guaranteed by banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	90	141,450	13,927	23,114

c) Investment securities available-for-sale

	Current Period	Prior Period
Debt Securities	1,975,182	3,181,675
Quoted on a Stock Exchange	1,842,029	3,024,651
Unquoted on a Stock Exchange (*)	133,153	157,024
Share Certificates	134,738	91,905
Quoted on a Stock Exchange(**)	134,376	91,905
Unquoted on a Stock Exchange	362	-
Impairment provision (-)	(15,423)	(1,320)
Total	2,094,497	3,272,260

(*) Debt securities that are not quoted include "credit linked notes" amounting to YTL 133,153 (December 31, 2007 - YTL 133,893) and government bonds of foreign countries amounting to YTL 23,131.

(**) Share certificates which are publicly traded include investment funds amounting YTL 123,769 (December 31, 2007- 72,202 YTL).

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5. Information related to loans

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

	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(*)	31,401	-	26,490	-
Total	31,401	-	26,490	-

(*) Includes the advances given to the employees of the Group.

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
Non-Specialized Loans	18,273,104	-	1,638,226	23,472
Discount Notes	59,889	-	882	-
Export Loans	902,644	-	184,997	-
Import Loans	2,696	-	-	-
Loans Given to Financial Sector	347,263	-	-	-
International Loans	88,306	-	-	-
Consumer Loans	5,774,136	-	336,346	-
Credit Cards	3,156,152	-	326,171	-
Precious Metals Loans (Gold etc.)	-	-	-	-
Other	7,942,018	-	789,830	23,472
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	18,273,104	-	1,638,226	23,472

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
Short Term Loans	8,686,148	-	326,171	-
Non-Specialized Loans	8,686,148	-	326,171	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long Term Loans	9,586,956	-	1,312,055	23,472
Non-Specialized Loans	9,586,956	-	1,312,055	23,472
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	18,273,104	-	1,638,226	23,472

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-YTL	139,363	4,943,068	5,082,431	361,007
Real Estate Loans	2,423	3,520,808	3,523,231	238,092
Automobile Loans	6,840	429,286	436,126	43,563
General Purpose Loans	130,100	992,974	1,123,074	79,352
Other	-	-	-	-
Consumer Loans-FC Indexed	1,506	345,140	346,646	98,240
Real Estate Loans	186	304,350	304,536	89,097
Automobile Loans	766	11,519	12,285	2,649
General Purpose Loans	554	29,271	29,825	6,494
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Real estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-YTL	3,332,223	12,729	3,344,952	96,875
Installment	1,178,435	12,729	1,191,164	34,498
Non- Installment	2,153,788	-	2,153,788	62,377
Individual Credit Cards-FC	2,559	-	2,559	74
Installment	-	-	-	-
Non- Installment	2,559	-	2,559	74
Personnel Loans-YTL	2,544	11,418	13,962	124
Real Estate Loans	-	1,715	1,715	13
Automobile Loans	38	162	200	1
General Purpose Loans	2,506	9,541	12,047	110
Other	-	-	-	-
Personnel Loans-FC Indexed	50	-	50	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	50	-	50	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-YTL	16,092	-	16,092	466
Installment	6,340	-	6,340	184
Non-Installment	9,752	-	9,752	282
Personnel Credit Cards-FC	60	-	60	2
Installment	-	-	-	-
Non-Installment	60	-	60	2
Overdraft Accounts-YTL (Real Persons)	200,631	-	200,631	7,391
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	3,695,028	5,312,355	9,007,383	564,179

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

	Short Term	Medium and Long Term	Total	Interest and Income Accrual
Commercial Loans with Installment Facility-YTL	286,096	1,535,667	1,821,763	41,137
Real Estate Loans	40	132,069	132,109	1,689
Automobile Loans	8,654	549,826	558,480	13,411
General Purpose Loans	277,402	853,772	1,131,174	26,037
Other	-	-	-	-
Commercial Loans with Installment Facility-FC Indexed	37,923	307,643	345,566	62,794
Real Estate Loans	-	19,859	19,859	4,066
Automobile Loans	581	56,801	57,382	10,219
General Purpose Loans	37,342	230,983	268,325	48,509
Other	-	-	-	-
Commercial Loans with Installment Facility-FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards - YTL	20,349	-	20,349	589
Installment	4,017	-	4,017	116
Non-Installment	16,332	-	16,332	473
Corporate Credit Cards - FC	296	-	296	9
Installment	-	-	-	-
Non-Installment	296	-	296	9
Overdraft Accounts - YTL (Legal Entities)	139,744	-	139,744	11
Overdraft Accounts - FC (Legal Entities)	-	-	-	-
Total	484,408	1,843,310	2,327,718	104,540

f) Loans according to borrowers

	Current Period	Prior Period
Public	-	-
Private	19,934,802	16,167,212
Total	19,934,802	16,167,212

g) Domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	19,846,496	16,158,809
Foreign Loans	88,306	8,403
Total	19,934,802	16,167,212

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	-	-

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	229,890	90,034
Loans and Receivables with Doubtful Collectability	208,937	130,985
Uncollectible Loans and Receivables	231,411	182,755
Total	670,238	403,774

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	931	11,176	14,427
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	931	11,176	14,427
Prior Period			
(Gross Amounts Before the Specific Provisions)	505	7,456	15,530
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	505	7,456	15,530

j.2) Movement of loans under follow-up

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	90,034	130,985	182,755
Additions (+)	584,180	4,487	28,683
Transfers from Other Categories of Loans under Follow-up (+)	-	350,142	245,123
Transfers to Other Categories of Loans under Follow-up (-)	350,142	245,123	-
Collections (-)	94,182	31,554	28,920
Write-offs (-)	-	-	196,230
Corporate and Commercial Loans	-	-	103,797
Consumer Loans	-	-	18,616
Credit Cards	-	-	73,817
Others	-	-	-
Current Period End Balance	229,890	208,937	231,411
Specific Provision (-)	229,890	208,937	231,411
Net Balances on Balance Sheet	-	-	-

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j.3) Information on foreign currency loans and other receivables under follow-up

None (December 31, 2007- 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 collectibility	Loans and receivables with doubtful	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	229,890	208,937	231,411
Specific provision (-)	229,890	208,937	231,411
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	90,034	130,985	182,755
Specific provision (-)	90,034	130,985	182,755
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
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 for the emergency of legal follow up are considered to apply the adequate practice. Mainly the Group prefers to liquidate the risk by negotiations with the debtors, if this cannot be possible than the Group 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 in order to liquidate the risk.

l) Explanation 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 Board of Directors' decision, in accordance with the legal policies.

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6. Information on investment securities held-to-maturity

6.1. Information on securities subject to repurchase agreement and given as collateral or blocked

6.1.1. Information on securities subject to repurchase agreement

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	83,373	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by the Group	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	83,373	-	-	-

6.1.2. Information on subject to given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Bills	-	-	-	-
Bonds and Similar Marketable Securities	536,752	-	-	-
Other	-	-	-	-
Total	536,752	-	-	-

6.2. Information on government securities held-to-maturity

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	2,691,205	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Total	2,691,205	-	-	-

6.3. Information on investment securities held-to-maturity

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Debt Securities	2,691,205			
Quoted on Stock Exchange	2,691,205	-	-	-
Non-quoted on Stock Exchange	-	-	-	-
Impairment (-)	-	-	-	-
Total	2,691,205	-	-	-

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6.4. Information on the movement of the investment securities held-to-maturity during the period

	Current Period	Prior Period
Balance in the Beginning of the Period	-	-
Foreign Exchange Differences	-	-
Purchases	-	-
Transfers	2,691,205	-
Redemptions	-	-
Impairment (-)	-	-
Balance at the End of the Period	2,691,205	-

The Parent Bank classified securities from trading portfolio to held to maturity portfolio with the fair value of YTL 79,826 because of the volatility in the financial markets, in accordance with the amendment of Turkish Accounting Standards Board about Turkish Accounting Standards No: 39 Financial Instruments: Recognition and Measurement (TAS 39) published in Official Gazette numbered 27040 dated October 31, 2008. The fair value of classified government bonds are YTL 85,544 as of the balance sheet date. If the Parent Bank did not classify these securities to held to maturity portfolio, YTL 879 valuation gain would be recorded under statement of income.

The Group classified securities from available for sale portfolio to held to maturity portfolio with the fair value of YTL 2,497,235 because of the volatility in the financial markets. As of the transfer date, YTL 51,289 negative valuation difference has been recorded to securities value increase fund under shareholders' equity. This fund will be amortized until the maturity date of these securities. As of the balance sheet date, the valuation difference loss under shareholders' equity is YTL 46,646. If the Group did not classify these securities to held to maturity portfolio, YTL 19,941 valuation loss would be recorded in securities value increase fund.

7. Investments in associates (Net)

7.1. Investment in associates

Description	Address (City/ Country)	The Parent Bank's Share-If Different, Voting Rights (%)	Group's Risk Group Share (%)
Gelişen İşletmeler Piyasaları A.Ş. (GİP) (*)	İstanbul/Turkey	%5	%5
Bankalararası Kart Merkezi (BKM) (*)	İstanbul/Turkey	%9.23	%9.23

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
7,338	7,325	2	1,320	2	1,030	879	-
16,962	13,333	5,734	-	-	1,533	1,157	-

(*) Current period information is obtained from financial statements as of December 31, 2008, prior period profit and loss information is obtained from financial statements as of December 31, 2007.

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7.2. Movements of investments in associates that are subject to consolidation scope

	Current Period	Prior Period
Balance at the Beginning of Period	-	-
Movements During the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	-	-
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

7.3. Sector information and the related carrying amounts on associates that are not included in consolidation

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	4,016	4,016
Total	4,016	4,016

7.4. Quoted associates that are not included in consolidation

None (December 31, 2007-None).

7.5. Valuation methods of investments in associates that are not included in consolidation

	Current Period	Prior Period
Valued at Cost	4,016	4,016
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
Total	4,016	4,016

7.6. Investments in associates, that are not included in consolidation, sold during the current period

None (December 31, 2007- None).

7.7. Investments in associates, that are not included in consolidation, acquired during the current period

None (December 31, 2007- None).

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8. Investments in subsidiaries

8.1. Information on the Parent Bank's unconsolidated subsidiaries

a.1) Information on the unconsolidated subsidiaries

Title	Address (City/ Country)	The Parent Bank's Share-If Different, Voting Rights (%)	Group's Risk Group Share (%)
Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	İstanbul/Turkey	99.80	99.80

a.2) Information on unconsolidated subsidiaries in the order presented in the above table

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
10,409	8.739	7,696	-	-	180	960	-

Current period information is obtained from financial statements as of December 31, 2008, prior period profit and loss information is obtained from financial statements as of December 31, 2007.

8.2. Information on the Parent Bank's consolidated subsidiaries

Subsidiary	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Parent Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51.06	59.24
3. Finans Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	82.13 (*)	82.13 (*)
4. Finans Malta Holdings Ltd.	Sliema/Malta	100.00	100.00
5. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0.001	100.00
6. Finansbank Malta Limited	Sliema/Malta	100.00	100.00
7. Finans Emeklilik ve Hayat A.Ş.	İstanbul/Turkey	99.99	99.99
8. Finans Tüketici Finansmanı A.Ş.	İstanbul/Turkey	99.96	99.99

(*) The direct shares held by the the Parent Bank is 10%, the remaining 72.13% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1. (*)	73,948	52,798	10,816	5,110	481	6,848	7,254	-
2. (*)	1,564,355	308,146	1,072	15,124	-	47,840	50,415	131,250
3. (*)	16,617	16,391	19	738	497	(11,806)	3,466	12,960
4. (*)	235,491	235,471	-	-	-	1	(14)	-
5. (*)	15,391	13,891	582	445	40	6,028	3,527	-
6. (*)	3,928,367	375,603	228	269,526	75,712	48,292	38,237	-
7. (*)	51,505	21,538	2,638	3,215	852	2,729	(1,179)	-
8. (*)	5,484	5,231	-	293	-	231	-	-

(*) Current period information represents December 31, 2008 balances, and prior period profit/loss amounts represent December 31, 2007 figures as per the financial statements prepared in accordance with BRSA regulations.

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8.3. Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	398,518	318,810
Movements during the period	(48,362)	79,708
Purchases	16,241 (***)	100,795(*)
Bonus Shares Received	15,650 (****)	1,026 (**)
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	(80,504)	(28,871)
Impairment Provision	251	6,758
Balance at the End of the Period	350,156	398,518
Capital Commitments	-	-
Share Percentage at the end of the Period	-	-

(*) The Parent Bank has increased "paid in capital" of Finans Malta Holdings Ltd., in which the Parent Bank owns 100 % of shares, by 50,000,000 Euro and this amount was fully paid in cash by the Parent Bank. The Parent Bank invested YTL10,000 in Finans Emeklilik and Hayat A.Ş.

(**) Includes the bonus shares from Finans Yatırım Ortaklığı A.Ş.

(***) Purchases include the acquisition of the Parent Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to YTL 1,241, and the participation into the capital of Finans Tüketici Finansmanı A.Ş. amounting to YTL 5,000 and the capital of Finans Emeklilik ve Hayat A.Ş. amounting to YTL 10,000.

(****) Includes the free shares received from Parent Bank's subsidiaries Finans Yatırım Ortaklığı A.Ş. amounting to YTL 2,434 and Finans Finansal Kiralama A.Ş. amounting to YTL 13,216.

8.3.1. Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	20,000	10,000
Factoring Companies	-	-
Leasing Companies	67,016	127,139
Finance Companies	5,000	-
Other Subsidiaries	258,140	261,379
Total	350,156	398,518

8.3.2. Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	77,658	141,272
Quoted at International Stock Exchanges	-	-
Total	77,658	141,272

9. Investments in Entities under Common Control (Net)

None (December 31, 2007- None).

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10. Information on leasing receivables (Net)

10.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	594,258	506,972	498,302	395,994
Between 1-4 years	770,008	668,489	638,813	544,158
Over 4 years	53,442	48,048	41,653	38,333
Total	1,417,708	1,223,509	1,178,768	978,485

10.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investment	1,417,708	1,178,768
Unearned Finance Income (-)	194,199	200,283
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1,223,509	978,485

10.3. Information of financial lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

11. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair Value Hedge (*)	11,707	-	-	-
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	11,707	-	-	-

(*)The account represents the swap transactions subject to fair value hedge. The amount of YTL 11,707 is the mark to market effect (interest and foreign exchange rate effects are excluded).

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12. Information on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End (*)					
Cost	62,884	303,253	2,113	328,695	696,945
Accumulated Depreciation (-)	4,091	125,836	1,806	224,505	356,238
Net Book Value	58,793	177,417	307	104,190	340,707
Current Period End					
Cost at the Beginning of the Period	62,884	303,253	2,113	328,695	696,945
Additions	13,010	24,592	61	69,627	107,290
Transfers	-	-	-	3,393	3,393
Disposals (-)	8,561	1	240	2,544	11,346
Impairment (-)	(1,337)	-	-	-	(1,337)
Current Period Cost	68,670	327,844	1,934	399,171	797,619
Accumulated Depreciation at the Beginning of the Period	4,091	125,836	1,806	224,505	356,238
Disposals (-)	1,054	-	188	2,207	3,449
Transfer	-	-	-	2,433	2,433
Depreciation (-)	445	29,828	226	30,898	61,397
Accumulated Depreciation at the End of the Period	3,482	155,664	1,844	255,629	416,619
Net Book Value at the End of the Period	65,188	172,180	90	143,542	381,000

(*) The Leasehold Improvements amounting YTL 76,723, which was stated in Intangible Fixed Assets in prior period, is classified into Tangible Fixed Assets.

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

a.1) Events and conditions for recording or reversing impairment:

The fair values of the buildings are computed by the licenced valuation companies and as a result of the changes in the fair value of these buildings, the impairment loss of YTL 1,337 which has been recorded in the prior year has been reversed in the current year. (December 31, 2007- YTL 330 impairment loss has been reversed).

a.2) Amount of recorded or reversed impairment in the financial statements:

In the current year, the impairment loss of YTL 1,337 (December 31, 2007- YTL 330) has been reversed in the accompanying financial statements.

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:

None (December 31, 2007- None).

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:

None (December 31, 2007- None).

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13. Information on intangible assets

	Other	Goodwill	Total
Prior Period End (*)			
Cost	81,434	19,209	100,643
Accumulated Amortisation (-)	53,858	10,240	64,098
Net Book Value	27,576	8,969	36,545
Current Period End			
Cost at the Beginning of the Period	81,434	19,209	100,643
Additions	33,198	-	33,198
Transfers (-)	3,393	-	3,393
Disposals (-)	-	-	-
Impairment (-)	-	-	-
Currency Translation Differences Resulting from Foreign Investment (-)	-	-	-
Current period cost	111,239	19,209	130,448
Acc. Amortization at the Beginning of the Period	53,858	10,240	64,098
Disposals (-)	-	-	-
Transfers (-)	2,433	-	2,433
Amortisation charge (-)	13,350	-	13,350
Current Period Accumulated Amortisation(-)	64,775	10,240	75,015
Net Book Value at the End of the Period	46,464	8,969	55,433

(*) The leasehold improvements of YTL 76,195 which was presented in intangible assets in the previous year, is classified to tangible assets, also the opening balances are classified accordingly.

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

None (December 31, 2007- None).

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

None (December 31, 2007- None).

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition :

None (December 31, 2007- None).

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

None (December 31, 2007- None).

e) Amount of purchase commitments for intangible fixed assets:

None (December 31, 2007- None).

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

None (December 31, 2007- None).

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

Amount of total research expenses recorded in income statement within the period is YTL 12,164 (December 31, 2007 -YTL 8,372).

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h) Positive or negative consolidation goodwill on entity basis:

The goodwill amounting to YTL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Leasing. (December 31, 2007 – YTL 8,969)

i) The amount of goodwill at the beginning and the ending period and the movement in the current period

The details have been disclosed at explanations and disclosures related to asset section, at disclosure numbered 13.

14. Information on investment property:

None (December 31, 2007- None).

15. Information on deferred tax asset

According to TAS 12, consolidated subsidiaries' deferred tax assets and liabilities are offset against each other in their separate financial statements.

Consolidated subsidiaries' deferred tax assets and liabilities have been offset in their separate financial statements and the balance of net deferred tax asset is disclosed as YTL 3,167 (December 31, 2007- YTL 24,803), and the net deferred tax liability as YTL 30,529 (December 3, 2007 – YTL 3,393).

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts. The deferred tax liability amounting to YTL 8,206 (December 31, 2007 – YTL 1,149 – deferred tax liability) is accounted for in "Securities Value Increase Fund" account under equity.

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

None (December 31, 2007- None).

17. Information on other assets:

17.1. Information on prepaid expenses, tax and similar items:

	Current Period	Prior Period
Collateral Given for Derivative Financial Assets	320,300	570,863
Sundry Debtors	61,724	51,978
Advances Given for Financial Leases	39,984	91,287
Cheques Receivables from Other Banks	87,988	171,018
Other Prepaid Expenses	60,779	47,361
Assets Held for Resale (net)	57,991	34,122
Prepaid Rent Expenses	12,461	11,056
Prepaid Agency Commission	12,152	9,866
Advances Given	1,331	2,113
Other	88,752	41,532
Total	743,462	1,031,196

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

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

18. Accrued interest and income

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	19,567	2,845	13,251	4,248
Trading Securities	721	585	-	-
Fin. Assets at Fair Value through Profit or Loss	18,250	-	13,147	-
Derivative Financial Instruments	528,871	103,817	22,982	850
Banks	267	2,578	486	2,435
Interbank Money Markets	-	-	-	-
Financial Assets- Available for Sale	79,895	6,678	217,574	6,818
Loans	441,531	49,872	127,644	42,236
Investments Held to Maturity	117,856	368	-	-
Derivative Financial Instruments Held for Hedging	11,707	-	-	-
Leasing Receivables	6,340	12,156	7,409	6,968
Other Accruals	514	-	465	-
Total	1,225,519	178,899	402,958	63,555

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II. Explanations and Disclosures Related to Consolidated Liabilities

1. Information on maturity structure of deposit

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	407,467	-	3,001,957	3,690,257	132,148	15,723	2,045	10,325	7,259,922
Foreign Currency Deposits	683,328	-	2,185,886	2,032,318	382,483	69,481	946	13,402	5,367,844
Residents in Turkey	659,802	-	2,134,926	1,875,238	362,796	56,455	946	12,387	5,102,550
Residents Abroad	23,526	-	50,960	157,080	19,687	13,026	-	1,015	265,294
Public Sector Deposits	75,072	-	6,756	111,141	117	13,311	-	-	206,397
Commercial Deposits	498,756	-	977,321	1,258,288	27,751	901	7,850	-	2,770,867
Other Ins. Deposits	23,669	-	49,159	151,651	51,118	52	350	-	275,999
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	83,080	-	543,809	1,027,469	433,065	705,967	350,842	-	3,144,232
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,710	-	75,918	7,121	-	-	-	-	112,749
Foreign Banks	53,370	-	467,891	1,020,348	433,065	705,967	350,842	-	3,031,483
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1,771,372	-	6,764,888	8,271,124	1,026,682	805,435	362,033	23,727	19,025,261

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	287,559	-	2,052,883	1,887,869	325,198	22,136	5,519	64	4,581,228
Foreign Currency Deposits	978,302	-	2,844,293	2,038,975	444,321	263,592	4,035	11,535	6,585,053
Residents in Turkey	941,218	-	2,775,140	1,991,380	430,994	261,841	3,121	10,889	6,414,583
Residents Abroad	37,084	-	69,153	47,595	13,327	1,751	914	646	170,470
Public Sector Deposits	10,890	-	7,551	2,698	47	-	-	-	21,186
Commercial Deposits	577,775	-	435,070	379,932	108,911	156,850	503	-	1,659,041
Other Ins. Deposits	20,435	-	15,208	7,746	11,074	153	-	-	54,616
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	41,528	-	576,837	771,915	348,989	345,620	72,304	5,005	2,162,198
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,135	-	128,142	-	-	4,200	-	-	161,477
Foreign Banks	12,393	-	448,695	771,915	348,989	341,420	72,304	5,005	2,000,721
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1,916,489	-	5,931,842	5,089,135	1,238,540	788,351	82,361	16,604	15,063,322

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2,841,008	2,072,013	4,404,331	2,509,215
Foreign Currency Savings Deposits	645,703	744,647	2,660,900	2,559,632
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	3,486,711	2,816,660	7,065,231	5,068,847

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

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

Information on trading purpose derivatives	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 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	14,583	7,617
Total	14,583	7,617

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

Trading purpose derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	15,631	7	3,801	85
Swaps	158,614	14,000	818,213	1,320
Futures	-	4,061	-	1,266
Options	-	48,860	-	-
Other	14,296	-	18	-
Total	188,541	66,928	822,032	2,671

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	80,115	160,764	56,731	101,623
Foreign Bank, Institutions and Funds	393,231	3,513,288	409,237	3,103,080
Total	473,346	3,674,052	465,968	3,204,703

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	80,115	1,042,666	54,804	128,839
Medium and Long-Term	393,231	2,631,386	411,164	3,075,864
Total	473,346	3,674,052	465,968	3,204,703

In accordance with the Board of Directors' decision dated November 12, 2004 numbered 189, via special purpose entities (SPE's), the Parent Bank obtained a securitization loan from abroad on November 23, 2004 with five years maturity, quarterly fixed rate interest payment and no principal payment for two years amounting to USD 125 million. And similarly on March 15, 2005 with the Board of Directors' decision dated February 23, 2005 numbered 41, the Parent Bank obtained another securitization loan from abroad amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years.

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Parent 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 Parent Bank received a loan of YTL 300,000 with fixed interest rate and 5 years maturity.

As of December 14, 2006, with the Board of Directors' decision dated November 30, 2006 numbered 279, the Parent Bank obtained a syndication loan amounting to USD 700 million with 3 years maturity and quarterly floating interest rate.

As of November 19, 2007, with the Board of Directors' decision dated November 9, 2007 numbered 315, the Parent Bank obtained a syndication loan for export financing amounting to USD 425 million from Landesbank Baden-Württemberg London Branch consortium and the consortium of banks under the intermediation of The Bank of New York.

As of December 12, 2008, the Parent Bank obtained a syndication loan amounting to USD 182.5 million and Euro 226 million with 1 year maturity (includes 1 year extension option, based on the conditions of the agreement) and monthly floating interest rate.

c) Additional information on concentrations of the Group's liabilities

As of December 31, 2008, the Group's liabilities comprise; 63% deposits (62% as of December 31, 2007), 18% funds borrowed (16 % as of December 31, 2007) and 1% funds provided under repurchase agreements (0.2 % as of December 31, 2007).

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4. Information on funds provided under repurchase agreements:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From domestic transactions	116,534	-	29,342	-
Financial institutions and organizations	94,647	-	-	-
Other institutions and organizations	1,554	-	2,717	-
Real persons	20,333	-	26,625	-
From foreign transactions	55	85,898	189	19,977
Financial institutions and organizations	-	85,898	-	19,977
Other institutions and organizations	33	-	189	-
Real persons	22	-	-	-
Total	116,589	85,898	29,531	19,977

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 consolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2007- 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 group on such contracts

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

6.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period. (December 31, 2007-None)

6.2. Financial Lease Payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated part of the consolidation principles.

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 Group does not have any sale and lease back transactions in the current period. (December 31, 2007-None)

7. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TP	YP	TP	YP
Fair Value Hedge (*)	128,802	-	-	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	128,802	-	-	-

(*) Derivative financial instruments held for fair value hedge purposes consist of swaps. Above mentioned YTL 128,802 is the fair value differences (excluding interest and foreign currency differences) of these swaps.

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8. Information on provisions

8.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	106,268	84,892
Provisions for Loans and Receivables in Group II	21,466	2,600
Provisions for Non-Cash Loans	16,038	15,120
Other	17,080	20,147
Total	160,852	122,759

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 (*)	5,730	48,927

(*) 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 cash loans in arrears and the loans which were written off from balance sheet is 49,591 YTL (December 31, 2007- YTL 33,015).

8.4. Information on employee termination benefits and unused vacation accrual:

The Group has calculated reserve for employee termination benefits by using actuarial valuations as set out in the TAS 19 and reflected this in the financial statements.

As of December 31, 2008, YTL 18,524 (December 31, 2007 - YTL 16,080) reserve for employee termination benefits was provided in the financial statements.

As of December 31, 2008, the Group provided a reserve of YTL 10,659 (December 31, 2007- YTL 9,034) for the unused vacations under reserve for employee benefits account in the financial statements.

As of December 31, 2008, the Group accounted for the bonuses and premiums of YTL 38,584 (December 31, 2007- YTL 40,310) that will be paid to the personnel, in the "Reserve for Employee Benefits" account in the financial statements.

8.4.1. Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	16,080	13,670
Benefits paid	(2,624)	(2,189)
Arising during the year	5,068	4,599
Total	18,524	16,080

8.5. Information on insurance technical provisions

	Current Period	Prior Period
Insurance Technical Provisions (Net)	25,844	624
Total	25,844	624

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8.6. Information on other provisions

8.6.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	61,940	85,688

As of December 31, 2008 the Group made YTL 61,940 provision (December 31, 2007 - YTL 85,688) for possible losses that could arise in the loans in watch list, considering their collection rates.

8.6.2. Information on other provisions

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	15,388	22,538
Other Provisions	61,815	45,396
Total	77,203	67,934

9. Taxation

9.1. Current taxes

9.1.1. Current tax liability

As of December 31, 2008, the Group has current tax liability of YTL 50,558 (December 31, 2007 - YTL 135,465) and prepaid taxes of YTL 67,527 (December 31, 2007- YTL 105,598).

The corporate tax payable and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2008, after the offsetting, the current tax asset is disclosed as YTL 27,160 (December 31, 2007- None), and corporate tax payable as YTL 10,191 (December 31, 2007- YTL 29,867) in the accompanying consolidated financial statements.

9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	10,191	29,867
Banking and Insurance Transaction Tax (BITT)	21,390	14,882
Taxation on Securities Income	9,180	5,639
Foreign Exchange Transaction Tax	-	1,390
Taxation on Real Estates Income	710	574
Other	35,851	23,278
Total	77,322	75,630

The corporate tax payable amounting to YTL 10,191 (December 31, 2007 – YTL 29,867) is shown in the “current tax liabilities” account and other taxes balance in the “other liabilities” account in the accompanying consolidated financial statements.

9.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	3,549	3,135
Social Security Premiums - Employer Share	3,770	4,438
Unemployment Insurance - Employee Share	247	221
Unemployment Insurance - Employer Share	499	447
Total	8,065	8,241

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9.2. Information on deferred tax liabilities

The details have been disclosed at explanations and disclosures related to asset section, in disclosure numbered 15.

10. Information on payables related to assets held for sale

None (December 31, 2007 –None).

11. Information on subordinated loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	993,482	-	-
From Other Foreign Institutions	-	308,905	-	237,739
Total	-	1,302,387	-	237,739

The Parent Bank obtained a subordinated loan on October 7, 2004 from international markets via special purpose entities (SPE's) with leadership of an international investment bank with ten years maturity, semi annual interest payments and principal payment at the maturity amounting to USD 200 million. The interest rate of loan is 9% and there is a repayment option at the end of the 5th year.

The Parent Bank used 650 million US Dollar subordinated loan 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 each 5 year.

12. Information on shareholder's equity

12.1. Paid-in capital

	Current Period	Prior Period
Common Stock	1,500,000	1,400,000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	1,500,000	3,000,000

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

At the current period the capital of the Parent Bank has been increased by YTL 100,000. YTL 70,000 of the increase is provided by the first dividend of 2007 profit and YTL 30,000 is transferred from extraordinary reserves.

Date of Increase	Amount of Increase	Cash	Reserves	Capital Reserves
September 22, 2008	100,000	-	100,000	-

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12.4. Information on share capital increases from revaluation funds

Revaluation of Securities	Revaluation of Tangible and Intangible Assets.	Associates, Subsidiaries and Entities under Common Control Bonus Shares Sales Profit	Other
-	-	-	-

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

Group does not have any capital commitment; all of the capital is fully paid-in.

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

None (December 31, 2007- None).

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

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these, after deducting the statutory and fiscal obligations of the Parent 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
Number of Shares (in Thousands)	15,000,000	14,000,000
Preferred Stocks	-	-
Common Stock Issue Premium	-	-
Common Stock Cancelling Profit	-	-
Other Equity Instruments	-	-
Total Common Stock Issued	15,000,000	14,000,000

14. Securities value increase fund

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Associates, Subsidiaries and Entities under Common Control	19,923	-	(3,512)	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	19,923	-	(3,512)	-
Securities Available-for-Sale	(11,991)	(14,733)	399	(565)
Valuation Difference	(11,991)	(14,733)	399	(565)
Foreign Exchange Rate Difference	-	-	-	-
Total	7,932	(14,733)	(3,113)	(565)

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15. Accrued interest and expenses

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Deposits	88,514	43,317	82,031	32,342
Trading Purpose Derivatives	188,541	66,928	822,032	2,671
Funds Borrowed	23,037	49,850	13,295	31,923
Interbank Money Markets	135	284	27	194
Liabilities arising from hedging purpose derivatives	128,802	-	-	-
Other Accruals	5,262	3	15,311	2
Total	434,291	160,382	932,696	67,132

III. Explanation and Disclosures Related to Consolidated Off-Balance Sheet Items

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,855,262	1,565,936
Letters of Guarantee in YTL	2,182,907	2,050,555
Letters of Credit	346,071	615,825
Bills of Exchange and Acceptances	1,026,512	778,607
Other Guarantees	64,801	126,931
Total	5,475,553	5,137,854

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

100% specific provision is provided for the non-cash loans amounting to YTL 49,591 (December 31, 2007-33,015) followed in the off-balance sheet accounts that are not indemnified and liquidated.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	122,075	196,511
Final Letters of Guarantee	2,758,566	2,320,070
Advance Letters of Guarantee	335,653	294,544
Letters of Guarantee Given to Customs Offices	138,666	174,791
Other Letters of Guarantee	683,209	630,575
Total	4,038,169	3,616,491

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2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash	562,159	546,694
Less Than or Equal to One Year with Original Maturity	28,029	6,198
More Than One Year with Original Maturity	534,130	540,496
Other Non-Cash Loans	4,913,394	4,591,160
Total	5,475,553	5,137,854

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

	Current Period				Prior Period			
	YTL	%	FC	%	YTL	%	FC	%
Agricultural	28,156	1.30	75,569	2.34	19,474	0.96	74,534	2.52
Farming and Raising Livestock	4,931	0.23	20,911	0.65	5,258	0.26	9,723	0.33
Forestry	22,840	1.05	53,903	1.67	14,078	0.69	63,742	2.15
Fishing	385	0.02	755	0.02	138	0.01	1,069	0.04
Manufacturing	413,122	18.92	1,828,197	56.66	442,831	21.60	1,489,590	50.32
Mining and Quarrying	12,674	0.58	18,097	0.56	24,996	1.22	21,218	0.72
Production	375,001	17.17	1,754,359	54.37	392,436	19.14	1,432,414	48.39
Electricity, gas and water	25,447	1.17	55,741	1.73	25,399	1.24	35,958	1.21
Construction	522,479	23.91	485,242	15.04	504,445	24.59	353,601	11.94
Services	975,279	44.65	723,445	22.42	1,003,017	48.91	941,433	31.80
Wholesale and Retail Trade	705,492	32.30	435,859	13.51	676,058	32.97	451,654	15.26
Hotel, Food and Beverage Services	6,431	0.29	14,720	0.46	5,785	0.28	10,344	0.35
Transportation and communication	57,501	2.63	54,062	1.68	59,000	2.88	77,844	2.63
Financial Institutions	101,474	4.65	134,065	4.15	123,704	6.03	310,515	10.49
Real Estate and Renting Services	916	0.04	637	0.02	2,523	0.12	1,271	0.04
Self-Employment Services	96,298	4.41	82,428	2.55	129,036	6.29	88,924	3.00
Educational Services	572	0.03	83	0.00	534	0.03	6	0.00
Health and Social Services	6,595	0.30	1,591	0.05	6,377	0.31	875	0.03
Other (*)	244,953	11.22	114,310	3.54	80,801	3.94	101,197	3.42
Total	2,183,989	100.00	3,226,763	100.00	2,050,568	100.00	2,960,355	100.00

(*) Does not include "Other Guarantees" amounting to YTL 64,801 (December 31, 2007 -126,931 YTL).

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

	I. Group		II. Group	
	YTL	FC	YTL	FC
Letters of Guarantee	2,105,697	1,684,611	56,770	141,560
Bill of Exchange and Acceptances	800	989,343	-	36,308
Letters of Credit	282	343,681	-	2,109
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	64,801	-	-
Non-cash Loans	2,106,779	3,082,436	56,770	179,977

(*) Does not include 100% provisioned non cash loans amounting to YTL 49,591 that are not indemnified and liquidated.

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5. Information on derivative transactions

	Current Period	Prior Period
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	13,737,913	23,300,388
Forward transactions	1,065,029	3,116,609
Swap transactions	10,246,561	12,114,622
Futures transactions	206,998	197,072
Option transactions	2,219,325	7,872,085
Interest Rate Related Derivative Transactions (II)	1,854,992	820,844
Forward rate transactions	-	-
Interest rate swap transactions	1,854,992	820,844
Interest option transactions	-	-
Futures interest transactions	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I+II+III)	15,592,905	24,121,232
Hedging Derivatives	7,062,243	
Fair Value Hedge	7,062,243	-
Cash Flow Hedge	-	-
Net investment hedges	-	-
B. Total Hedging Derivatives	7,062,243	-
Total Derivative Transactions (A+B)	22,655,148	24,121,232

As of December 31, 2008, breakdown of the Group's foreign currency forward and swap transactions based on currencies are disclosed below in their YTL equivalents:

	Forward Buy	Forward Sell	Swap Buy (*)	Swap Sell (*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
YTL	97,378	184,531	1,960,025	6,884,053	467,609	566,181	1,523	1,523
USD	281,676	196,326	6,545,775	2,731,030	642,248	493,889	101,976	101,976
EURO	124,899	128,769	704,266	10,165	9,971	9,754	-	-
OTHER	26,547	24,903	-	328,482	14,836	14,837	-	-
Total	530,500	534,529	9,210,066	9,953,730	1,134,664	1,084,661	103,499	103,499

(*) It also includes hedging purpose derivatives.

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
YTL	265,370	154,718	783,128	6,054,854	1,161,138	1,162,909	11,656	11,656
USD	547,450	822,585	4,781,912	1,028,349	1,842,105	1,861,843	86,880	86,880
EURO	599,445	445,699	1,392	180,159	693,169	690,908	-	-
OTHER	148,275	133,068	72,198	33,474	229,507	230,506	-	-
Total	1,560,540	1,556,070	5,638,630	7,296,836	3,925,919	3,946,166	98,536	98,536

As of December 31, 2008, the Group has no derivatives designated for cash flow hedges.

As of December 31, 2008, the Group has not used derivatives to hedge its net investment in foreign operations.

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6. Information on contingent liabilities and assets

None (December 31, 2007- None).

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

The Parent 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 Parent Bank's rating by international rating institutions

MOODY's October 2008		FITCH September 2008		CI September 2008	
Long term deposit (foreign currency)	B1	Long term foreign currency	BB	Long term foreign currency	BB-
Long term deposit (YTL)	A3	Short term foreign currency	B	Short term foreign currency	B
Short term YTL	Prime-2	Long term YTL	BBB-	Financial strength at local market	BBB+
Financial strength	C-	Short term YTL	F3	Support	2
Outlook	Stable	Long term national Outlook	AAA	Outlook	Stable
		Individual	C		
		Support	3T		

FINANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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IV. Explanations and Disclosures Related to the Consolidated Income Statement

1. a) Information on interest income received from loans

Interest on loans (*)	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short Term Loans	1,607,202	85,635	1,167,478	73,814
Medium and Long Term Loans	1,197,393	250,358	928,345	232,812
Loans Under Follow-up	17,228	-	15,875	3,529
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	2,821,823	335,993	2,111,698	310,155

(*) Includes fees and commissions obtained from cash loans amounting to YTL 177,869 (December 31, 2007- YTL 135,990).

b) Information on interest income from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	63,785	3,051	47,194	13,058
Domestic Banks	7,285	639	3,366	184
Foreign Banks	3,830	31,272	45,754	47,273
Foreign Headquarters and Branches	-	-	-	-
Total	74,900	34,962	96,314	60,515

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	16,160	-	751	-
Financial Assets at FVTPL	52,293	-	16,403	-
Financial Assets Available for Sale	384,644	100,047	345,354	119,674
Investments Held to Maturity	109,357	-	-	-
Total	562,454	100,047	362,508	119,674

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
--	----------------	--------------

Interest Received from Associates and Subsidiaries

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

2. Interest expenses

a) Information on interest expense related to funds borrowed (*)

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	19,687	11,820	9,131	3,141
Foreign Banks	45,447	207,250	40,053	207,856
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	65,134	219,070	49,184	210,997

(*) Includes fee and commission expenses paid for borrowings amounting to YTL 7,859 (December 31, 2007- YTL 5,669).

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	-	-

c) Information on interest expense paid to securities issued

None (December 31, 2007- None).

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

Account	Time Deposits						Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	21,835	854	-	-	491	-	23,180
Saving Deposits	42	472,917	494,730	17,307	2,870	1,060	-	988,926
Public Sector Deposits	53	933	3,512	17	1	-	-	4,516
Commercial Deposits	26	206,980	134,987	19,270	2,303	1,482	-	365,048
Other Deposits	14	13,210	34,267	2,729	95	-	-	50,315
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	135	715,875	668,350	39,323	5,269	3,033	-	1,431,985
Foreign Currency								
Foreign Currency	12	107,330	87,662	13,587	6,540	10	1,172	216,313
Bank Deposits	703	110,466	4,263	839	6,142	17,356	-	139,769
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	715	217,796	91,925	14,426	12,682	17,366	1,172	356,082
Grand Total	850	933,671	760,275	53,749	17,951	20,399	1,172	1,788,067

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

Account	Time Deposits						Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	45,607	-	-	1,193	-	-	46,800
Saving Deposits	9	349,863	292,783	43,303	2,319	680	-	688,957
Public Sector Deposits	5	599	390	8	-	-	-	1,002
Commercial Deposits	20	163,243	38,963	24,481	11,925	3,037	-	241,669
Other Deposits	5	6,128	2,577	1,582	19	-	-	10,311
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	39	565,440	334,713	69,374	15,456	3,717	-	988,739
Foreign Currency								
Foreign Currency	94	118,413	56,347	10,618	5,750	221	630	192,073
Bank Deposits	634	56,603	-	-	-	-	-	57,237
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	728	175,016	56,347	10,618	5,750	221	630	249,310
Grand Total	767	740,456	391,060	79,992	21,206	3,938	630	1,238,049

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expense on Repurchase Agreements ^(*)	161,797	946	75,372	1,376

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

f) Information on finance lease expense

	Current Period	Prior Period
Finance Lease Expenses	-	4

g) Information on interest expense on factoring payables

None (December 31, 2007- None).

3. Information on dividend income

	Current Period	Prior Period
Trading Securities	269	506
Financial Assets at Fair Value Through Profit / Loss	-	-
Investment Securities Available for Sale	5,821	-
Other	-	-
Total	6,090	506

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4. Information on trading income/loss

	Current Period	Prior Period
Income	10,010,003	4,061,776
Trading Account Income	2,252,051	1,069,029
Derivative Financial Instruments	2,141,755	1,008,079
Other	110,296	60,950
Foreign Exchange Gains	7,757,952	2,992,747
Loss (-)	10,248,722	4,366,636
Trading Account Losses	2,537,674	1,397,607
Derivatives Financial Transactions	2,457,605	1,366,206
Other	80,069	31,401
Foreign Exchange Losses	7,711,048	2,969,029
Net Trading Income/Loss	(238,719)	(304,860)

5. Information on other operating income

The Group 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
Specific Provisions For Loans and Other Receivables	462,694	216,257
Loans and Receivables in Group III	139,856	84,917
Loans and Receivables in Group IV	77,952	73,863
Loans and Receivables in Group V	244,886	57,477
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	41,157	34,954
Provision for Free Reserves on Possible Losses	-	-
Impairment Losses on Securities	13	-
Financial assets at fair value through profit or loss	13	-
Financial Assets - Available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Inv. Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control	-	-
Held-to-maturity investment securities	-	-
Other	36,838	27,135
Total	540,702	278,346

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7. Information on other operating expense

	Current Period	Prior Period
Personnel costs	511,459	429,616
Reserve for employee termination benefits	2,444	2,410
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation expenses of tangible assets	61,397	46,726
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization expenses of intangible assets	13,350	10,960
Impairment losses on investments accounted for under equity method	-	-
Impairment losses on assets to be disposed	-	67
Depreciation on assets to be disposed	677	1,430
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	448,194	421,119
Operational lease expenses	73,676	57,583
Repair and maintenance expenses	24,099	17,564
Advertisement expenses	62,426	50,892
Other expenses	287,993	295,080
Losses on sales of assets	169	16
Other	149,799	52,204
Total	1,187,489	964,548

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

For the period ended December 31, 2008, net interest income of YTL 1,855,891 (December 31, 2007 - YTL 1,608,853), net fees and commission income of YTL 618,907 (December 31, 2007 - YTL 468,166) and other operating income of YTL 118,586 (December 31, 2007 - YTL 115,325) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

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

As of December 31, 2008, the Group recorded tax charge of YTL 87,099 (December 31, 2007 - YTL 60,725) and a deferred tax charge of YTL 55,819 (December 31, 2007 - YTL 45,714 benefit)

	Current Period	Prior Period
Corporate Tax Provision	46,720	137,075
Adjustment to Prior Period Corporate Tax	38,881(*)	(76,350)(**)
Prior Period Corporate Tax That was Paid in the Current Period	1,498	-
Total	87,099	60,725

(*) The Group has applied for the settlement of the lawsuit filed against the tax authority by renouncing the total amount of YTL 121,739 for the overpaid tax due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income base, in line with Article 3 of Tax Law No 5736. The application for the settlement of the previously filed lawsuit has been made to be able to use 65 percent of losses realized amounting to YTL 363,733 due to inflation accounting as previous year losses and deduct the amount from the previous year corporate tax base. The tax amount of YTL 38,881 paid to the tax authority due to the settlement has been accounted for under "current tax charge" in the accompanying financial statements at December 31, 2008.

(**) Due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income in 2004 calendar year the Parent Bank filed a lawsuit demanding the cancellation and redemption of the additional tax paid resulted in favor of the Parent Bank. Hence, as of December 31, 2007 YTL 76,350 has been offset against the taxes that would be paid and accounted for under "current tax charge" account.

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2007- None) .

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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10. Information continued and discontinued operations for current period net profit and loss:

The net profit of the Group from continued operations is YTL 489,646 (December 31, 2007- YTL 630,085).

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 Group's performance for the period

None (December 31, 2007- None).

11.2. Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods

None (December 31, 2007- None).

11.3. Income/loss attributable to minority shares

	Current Period	Prior Period
Income/loss related to minority shares	15,946	21,351

11.4. Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods

None. (December 31, 2007- None)

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

Other fee and commission income include, credit card fee and commissions amounting to YTL 398,372 (December 31, 2007 – YTL 266,375), transfer commissions amounting to YTL 23,886 (December 31, 2007 YTL 21,474) and insurance commissions amounting to YTL 26,004 (December 31, 2007 YTL 19,078).

Other fee and commission expenses include credit card fees and commissions amounting to YTL 52,387 (December 31, 2007 – YTL 42,204).

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V. Explanation and Disclosures Related with Consolidated Statement of Changes in Shareholders' Equity

1. Changes resulting from valuation of available for sale securities

The net decrease of YTL 6,801 after tax (December 31, 2007 – 3,678), resulting from valuation of available for sale securities at fair value is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

Foreign currency denominated investments in subsidiaries and borrowings used for acquiring of those subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction dates.

3. Information on dividend

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

There is no dividend distribution announced before the release of the accompanying consolidated financial statements. At the General Assembly dated March 27, 2008, it was decided to distribute the 2007 profit as below.

Parent Bank's 2007 profit distribution table:

Current Year Profit	552,726
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(27,636)
B - The First Dividend for Shareholders	(70,000)
C - To be Paid to Founder Shareholders	(43,497)
D - II. Legal Reserve (Turkish Commercial Code 466/2)	(4,350)
E - Extraordinary Reserves	(407,243)

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

None (December 31, 2007-None).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	36,685	45,382

4. Issuance of share certificates

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

None (December 31, 2007- None).

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

In the current year the Parent Bank issued bonus shares due to capital increase of YTL 70,000 (31 December 2007- YTL 62,500) provided by the dividend of 2007 and YTL 30,000 (31 December 2007- YTL 87,500) transferred from the extraordinary reserves.

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VI. Explanations and Disclosures Related with Consolidated Cash Flow Statement

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

“Other items” amounting to YTL 851,966 in “Operating income before changes in operating assets and liabilities” consist of commissions paid by YTL 109,394, net trading loss by YTL 465,580 and other operating expenses by YTL 143,131.

“Other items” in changes in operating assets amounting to YTL 78,296 consist of the increase in other assets by YTL 45,098 and the increase in intangible assets by YTL 33,198.

“Other items” in changes in operating liabilities amounting to YTL 582,818 consist of the increase in money market borrowings by YTL 300,399 and the increase in other liabilities by YTL 282,419.

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

	Current Period	Prior Period
	January 1, 2008	January 1, 2007
Cash	193,087	148,601
Cash in YTL	95,045	74,805
Cash in Foreign Currencies	97,397	73,652
Other	645	144
Cash Equivalents	1,741,215	3,684,090
Balances with the Central Bank of Turkey	1,019,872	1,443,899
Banks and Other Financial Institutions	732,997	2,240,782
Interbank Money Market Placements	17,728	25,422
Less: Placements with Banks with Maturities Longer than 3 Months	(8,962)	(9,068)
Less: Accruals	(20,420)	(16,945)
Cash and Cash Equivalents	1,934,302	3,832,691

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

	Current Period December 31, 2008	Prior Period December 31, 2007
Cash	225,152	193,087
Cash in YTL	100,592	95,045
Cash in Foreign Currencies	121,349	97,397
Other	3,211	645
Cash Equivalents	1,769,406	1,741,215
Balances with the Central Bank of Turkey	1,349,821	1,019,872
Banks and Other Financial Institutions	428,264	732,997
Interbank Money Market Placements	18,761	17,728
Less: Placements with Banks with Maturities Longer than 3 Months	(2,183)	(8,962)
Less: Accruals	(25,257)	(20,420)
Cash and Cash Equivalents	1,994,558	1,934,302

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

Restricted cash and cash equivalents include YTL 83,784 (December 31, 2007 – YTL 43,165) cash at foreign banks held for transactions made for foreign money and capital markets transactions and borrowings from foreign markets which are not ready to daily use. In addition to that, in Central Bank of Turkey there is an provision account amounting YTL 490,130 (December 31, 2007- 607,873)

5. Additional information

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

None (December 31, 2007- None).

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VII. Explanations and Disclosures Related to the Group's Risk Group

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

As of December 31, 2008, the Group's risk group has deposits, non-cash and cash loans at the Parent Bank amounting to YTL 544,615 (December 31, 2007-741,624), YTL 3,166 (December 31, 2007- YTL 63) and 10,005 YTL (December 31, 2007-YTL 34,278); respectively.

Current Period

Group's Risk Group (*)	Associates and Subsidiaries		Parent Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	63	-	-	34,278	5,284
Balance at the End of the Period	-	115	-	-	10,005	3,051
Interest and Commission Income	-	29	-	-	3,260	42

Prior Period

Group's Risk Group (*)	Associates and Subsidiaries		Parent Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	76	-	-	28,284	25,189
Balance at the End of the Period	-	63	-	-	34,278	5,284
Interest and Commission Income	-	-	-	-	414	10

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

(**) Includes the loans granted to the Parent Bank's indirect subsidiaries.

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

Group's Risk Group (*)	Associates and Subsidiaries		Parent 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
Deposits						
Balance at the Beginning of the Period	-	25	583,136	1,742,968	158,488	-
Balance at the End of the Period	80	-	529,562	583,136	14,973	158,488
Interest on deposits	-	537	37,316	29,648	5	-

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

(**) Includes the deposits received from the Parent Bank's indirect subsidiaries.

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

Group's Risk Group ^(*)	Associates and Subsidiaries		Parent 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
Transactions for Trading Purposes						
Beginning of the Period	-	-	654,886	-	-	27,018
End of the Period	-	-	70,407	654,886	142,115	-
Total Income/Loss (***)	-	-	-	-	-	-
Transactions for Hedging Purposes						
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 entered into with the Parent Bank's indirect subsidiaries.

(***) The amount of income/loss from trading transactions with group entities cannot be separated from total income/loss.

The Parent Bank used 650 million US Dollar subordinated loan 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 each 5 year.

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2. Disclosures of transactions with the Group's risk group

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

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

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2008, cash loans of the risk group represented 0.05% (December 31, 2007- 0.21%) of the Group's total cash loans and the deposits represented 2.9% (December 31, 2007- 4.9%) of the Group's total deposits.

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 Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

The Parent Bank invests certain amount of its funds to Finans Portföy Yönetimi A.Ş.

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

The receivables, payables and income and expenses resulting from transactions with financial subsidiaries during the year, are eliminated in the consolidated financial statements.

FİNANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

- I. Other explanations related to the Parent Bank's operations**
- 1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements**

The Parent Bank has sold its subsidiary "Finans Malta Holdings Ltd."s shares on February 24, 2009 for Euro 185 million to NBG International Holdings B.V. fully paid in cash. The nominal value of these shares was Euro 110,001,490 corresponding to 99.99% of the capital.

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

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

- 3. Other matters**

In accordance with Law No: 5083 "Law on the Currency Unit of the Republic of Turkey", the name of the Republic of Turkey's monetary unit and its sub-currency unit is changed to the New Turkish Lira (TRY) and the New Kuruş (NKr), respectively. However, in accordance with the additional order of the Council of Ministers in regards to the Order on the Removal of the Expression "New" in the New Turkish Lira and the New Kuruş and Its Application Principles, the expression "New" used in the Republic of Turkey's monetary unit is removed both from TRY and NKr as of January 1, 2009.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

- I. Explanations on the Independent Auditors' Report**

The consolidated financial statements of the Group as of December 31, 2008 have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent auditors' report dated March 17, 2009 is presented preceding the financial statements.

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

None (December 31, 2007- None).