

**FINANSBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

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

*Translated into English from the
Original Turkish Report*

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

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
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FİNANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2010

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

Board of Director's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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

Hasan Kılıç
Partner

İstanbul, February 10, 2011

Member of Deloitte Touche Tohmatsu Limited



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

The Parent Bank's;
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Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
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Genel Müdürlük
Büyükdere Caddesi No: 129
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Tel : (0212) 318 50 00
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www.finansbank.com.tr

The consolidated financial report for the year ended December 31, 2010 in compliance with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures regulated by the Banking Regulation and Supervision Agency consists of the sections listed below:

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

Within the context of this financial report, the consolidated subsidiaries are as follows. There are no associates 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 Emeklilik ve Hayat Anonim Şirketi
6. Finans Tüketici Finansmanı Anonim Şirketi
7. Finans Faktoring Hizmetleri 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 Turkish Lira (TL).



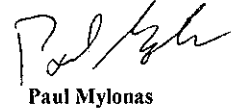
Ömer
A. Aras

Chairman



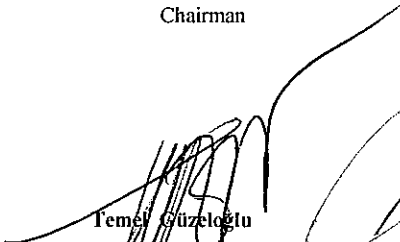
Mustafa A. Aysar

Member of the Board of
Directors and Chairman
of the Audit Committee



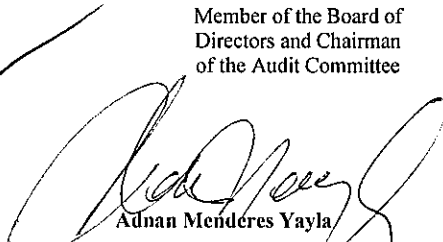
Paul Mylonas

Member of the
Board of
Directors and of the
Audit Committee



Temel Güzeloglu

General Manager and
Member of the
Board of Directors



Adnan Menderes Yayla

Executive Vice President
Responsible of Financial Control and Planning



Gökhan Yücel

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

Information related to the responsible personnel to whom the questions about the financial 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 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, 2010**

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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 controlling group of the Parent Bank

As of December 31, 2010, 77.22% of the Parent Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

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

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
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FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

⁽²⁾ Yener Dinçmen resigned from his Board of Directors member duty as of December 21, 2010. Appointment of Christos Alexis Komninos instead is still in process.

⁽³⁾ Elçin Yanık has resigned from her Assistant Managing Director duty as of January 12, 2011.

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

(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, 2010

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

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

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

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

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

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (Statement of Financial Position)
- II. Consolidated Statement of Off-Balance Sheet Commitments and Contingencies
- III. Consolidated Income Statement (Statement of Income / Loss)
- IV. Consolidated Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Cash Flows Statement
- VII. Consolidated 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, 2010
(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Audited 31.12.2010			Audited 31.12.2009			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,150,341	1,247,979	2,398,320	1,014,658	779,548	1,794,206
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,402,806	153,963	1,556,769	2,088,528	53,552	2,142,080
2.1	Financial assets held for trading		351,201	153,963	505,164	437,947	53,552	491,499
2.1.1	Public sector debt securities		91,403	4,163	95,566	54,904	925	55,829
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		242,495	149,800	392,295	370,242	52,627	422,869
2.1.4	Other securities		17,303	-	17,303	12,801	-	12,801
2.2	Financial assets at fair value through profit and loss		1,051,605	-	1,051,605	1,650,581	-	1,650,581
2.2.1	Public sector debt securities		74,654	-	74,654	78,452	-	78,452
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		976,951	-	976,951	1,572,129	-	1,572,129
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	78,366	480,812	559,178	116,986	1,204,501	1,321,487
IV.	MONEY MARKET PLACEMENTS		4,977	-	4,977	14,351	-	14,351
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		4,977	-	4,977	14,351	-	14,351
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	6,548,667	696,118	7,244,785	4,953,637	457,672	5,411,309
5.1	Share certificates		-	-	-	-	-	-
5.2	Public sector debt securities		6,427,633	602,273	7,029,906	4,873,092	338,804	5,211,896
5.3	Other securities		121,034	93,845	214,879	80,545	118,868	199,413
VI.	LOANS AND RECEIVABLES	(5)	22,416,555	2,434,620	24,851,175	15,516,792	2,042,351	17,559,143
6.1	Loans and receivables		22,184,232	2,434,620	24,618,852	15,410,830	2,042,351	17,453,181
6.1.1	Loans to risk group of the Bank		-	29,061	29,061	-	30,632	30,632
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		22,184,232	2,405,559	24,589,791	15,410,830	2,011,719	17,422,549
6.2	Non-performing loans		1,757,762	-	1,757,762	1,454,726	-	1,454,726
6.3	Specific provisions (-)		1,525,439	-	1,525,439	1,348,764	-	1,348,764
VII.	FACTORING RECEIVABLES	(6)	205,716	16,309	222,025	35,465	1,581	37,046
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	5,769	-	5,769	6,016	-	6,016
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		5,769	-	5,769	6,016	-	6,016
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		5,769	-	5,769	6,016	-	6,016
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	14,986	-	14,986	14,986	-	14,986
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	2,800	-	2,800	800	-	800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		2,800	-	2,800	800	-	800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	800	-	800
XII.	LEASE RECEIVABLES (Net)	(11)	159,940	658,361	818,301	148,543	746,914	895,457
12.1	Financial lease receivables		187,640	720,150	907,790	178,194	829,187	1,007,381
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		27,700	61,789	89,489	29,651	82,273	111,924
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	28,648	-	28,648	-	2,417	2,417
13.1	Fair value hedge		28,648	-	28,648	-	2,417	2,417
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(13)	377,984	39	378,023	387,549	19	387,568
XV.	INTANGIBLE ASSETS (Net)	(14)	110,129	-	110,129	74,426	-	74,426
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		101,160	-	101,160	65,457	-	65,457
XVI.	INVESTMENT PROPERTIES (Net)	(15)	-	-	-	-	-	-
XVII.	TAX ASSETS	(16)	30,022	-	30,022	79,240	-	79,240
17.1	Current tax assets		614	-	614	50,499	-	50,499
17.2	Deferred tax assets		29,408	-	29,408	28,741	-	28,741
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(18)	468,919	559,098	1,028,017	381,238	150,073	531,311
TOTAL ASSETS			33,006,625	6,247,299	39,253,924	24,833,215	5,438,628	30,271,843

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, 2010
(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Audited 31.12.2010			Audited 31.12.2009			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	18,018,607	5,991,727	24,010,334	12,752,735	7,175,498	19,928,233
1.1	Deposits from risk group of the Bank		113,611	14,060	127,671	26,984	1,157,475	1,184,459
1.2	Other		17,904,996	5,977,667	23,882,663	12,725,751	6,018,023	18,743,774
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	333,765	141,199	474,964	229,234	38,624	267,858
III.	FUNDS BORROWED	(3)	553,127	4,098,035	4,651,162	441,966	2,495,305	2,937,271
IV.	MONEY MARKET BORROWINGS		873,625	309,882	1,183,507	37,176	-	37,176
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		43,280	-	43,280	18,000	-	18,000
4.3	Funds provided under repurchase agreements	(4)	830,345	309,882	1,140,227	19,176	-	19,176
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		867,067	122,979	990,046	579,204	210,380	789,584
VIII.	OTHER LIABILITIES	(5)	475,718	21,769	497,487	320,098	9,216	329,314
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 lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	319,785	7,000	326,785	-	2,693	2,693
11.1	Fair value hedge		250,240	7,000	257,240	-	2,693	2,693
11.2	Cash flow hedge		69,545	-	69,545	-	-	-
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(8)	546,881	31,215	578,096	492,298	32,704	525,002
12.1	General provisions		234,593	31,215	265,808	166,747	32,704	199,451
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		83,119	-	83,119	74,120	-	74,120
12.4	Insurance technical provisions (Net)		48,609	-	48,609	31,983	-	31,983
12.5	Other provisions		180,560	-	180,560	219,448	-	219,448
XIII.	TAX LIABILITY	(9)	144,693	-	144,693	87,390	-	87,390
13.1	Current tax liability		72,834	-	72,834	4,328	-	4,328
13.2	Deferred tax liability		71,859	-	71,859	83,062	-	83,062
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	1,010,383	1,010,383	-	1,473,260	1,473,260
XVI.	SHAREHOLDERS' EQUITY	(12)	5,382,374	4,093	5,386,467	3,861,701	32,361	3,894,062
16.1	Paid-in capital	(12)	2,205,000	-	2,205,000	1,575,000	-	1,575,000
16.2	Capital reserves		99,642	4,093	103,735	45,386	32,361	77,747
16.2.1	Share premium	(13)	665	-	665	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(14)	120,153	4,093	124,246	45,386	32,361	77,747
16.2.4	Revaluation funds on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation funds on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8	Hedging funds (effective portion)		(21,176)	-	(21,176)	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		1,996,424	-	1,996,424	1,386,371	-	1,386,371
16.3.1	Legal reserves		204,185	-	204,185	168,051	-	168,051
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,792,239	-	1,792,239	1,218,320	-	1,218,320
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		937,603	-	937,603	708,604	-	708,604
16.4.1	Prior years' income/ (losses)		14,681	-	14,681	154,748	-	154,748
16.4.2	Current year income/ (loss)		922,922	-	922,922	553,856	-	553,856
16.5	Minority shares		143,705	-	143,705	146,340	-	146,340
TOTAL LIABILITIES AND EQUITY			27,515,642	11,738,282	39,253,924	18,801,802	11,470,041	30,271,843

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 OFF BALANCE SHEET COMMITMENTS AND
CONTINGENCIES AS OF DECEMBER 31, 2010**

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

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

		Audited 31.12.2010			Audited 31.12.2009		
	Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
(I+II+III)		40,628,183	32,994,251	73,622,434	26,799,990	19,983,792	46,783,782
I. GUARANTEES	(1), (2), (3), (4)	2,970,060	3,065,622	6,035,682	2,266,027	2,951,914	5,217,941
1.1 Letters of guarantee		2,967,436	1,587,549	4,554,985	2,239,000	1,706,226	3,945,226
1.1.1 Guarantees subject to State Tender Law		181,832	14,443	196,275	94,304	16,130	110,434
1.1.2 Guarantees given for foreign trade operations		2,292,413	1,573,106	3,865,519	1,756,064	1,690,096	3,446,160
1.1.3 Other letters of guarantee		493,191	-	493,191	388,632	-	388,632
1.2 Bank loans		2,483	719,055	721,538	-	664,139	664,139
1.2.1 Import letter of acceptance		2,483	719,055	721,538	-	664,139	664,139
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		141	722,709	722,850	78	539,845	539,923
1.3.1 Documentary letters of credit		141	697,409	697,550	78	496,789	496,867
1.3.2 Other letters of credit		-	25,300	25,300	-	43,056	43,056
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	26,949	-	26,949
1.8 Other guarantees		-	36,309	36,309	-	41,704	41,704
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		14,535,418	510,390	15,045,808	10,712,786	1,100,436	11,813,222
2.1 Irrevocable commitments		14,535,418	510,390	15,045,808	10,712,786	1,100,436	11,813,222
2.1.1 Forward asset purchase commitments		193,664	504,197	697,861	435,640	1,082,526	1,518,166
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		2,000	-	2,000	2,250	-	2,250
2.1.4 Loan granting commitments		1,876,601	-	1,876,601	1,726,856	-	1,726,856
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		673,661	-	673,661	556,793	-	556,793
2.1.8 Tax and fund liabilities from export commitments		5,141	-	5,141	5,297	-	5,297
2.1.9 Commitments for credit card expenditure limits		11,705,737	-	11,705,737	7,764,698	-	7,764,698
2.1.10 Commitments for promotions related with credit cards and banking activities		25,298	-	25,298	21,074	-	21,074
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		53,316	6,193	59,509	200,178	17,910	218,088
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	23,122,705	29,418,239	52,540,944	13,821,177	15,931,442	29,752,619
3.1 Derivative financial instruments for hedging purposes		6,138,670	4,126,450	10,265,120	-	144,480	144,480
3.1.1 Fair value hedge		4,828,794	4,126,450	8,955,244	-	144,480	144,480
3.1.2 Cash flow hedge		1,309,876	-	1,309,876	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		16,984,035	25,291,789	42,275,824	13,821,177	15,786,962	29,608,139
3.2.1 Forward foreign currency buy/sell transactions		693,384	1,139,058	1,832,442	331,042	500,375	831,417
3.2.1.1 Forward foreign currency transactions-buy		321,497	590,854	912,351	126,393	287,420	413,813
3.2.1.2 Forward foreign currency transactions-sell		371,887	548,204	920,091	204,649	212,955	417,604
3.2.2 Swap transactions related to foreign currency and interest rates		10,455,312	16,109,433	26,564,745	10,755,114	11,151,653	21,906,767
3.2.2.1 Foreign currency swap-buy		4,216,018	5,773,181	9,989,199	2,281,147	7,281,113	9,562,260
3.2.2.2 Foreign currency swap-sell		4,204,144	5,854,110	10,058,254	7,648,449	2,607,602	10,256,051
3.2.2.3 Interest rate swaps-buy		1,017,575	2,171,501	3,189,076	412,759	631,469	1,044,228
3.2.2.4 Interest rate swaps-sell		1,017,575	2,310,641	3,328,216	412,759	631,469	1,044,228
3.2.3 Foreign currency, interest rate and securities options		5,828,545	7,649,636	13,478,181	2,735,021	3,825,276	6,560,297
3.2.3.1 Foreign currency options-buy		2,977,137	3,765,395	6,742,532	1,307,931	1,811,640	3,119,571
3.2.3.2 Foreign currency options-sell		2,835,408	3,884,241	6,719,649	1,413,806	1,712,496	3,126,302
3.2.3.3 Interest rate options-buy		-	-	-	-	150,570	150,570
3.2.3.4 Interest rate options-sell		-	-	-	-	150,570	150,570
3.2.3.5 Securities options-buy		8,000	-	8,000	6,642	-	6,642
3.2.3.6 Securities options-sell		8,000	-	8,000	6,642	-	6,642
3.2.4 Foreign currency futures		6,794	368,280	375,074	-	274,612	274,612
3.2.4.1 Foreign currency futures-buy		3,397	184,140	187,537	-	137,306	137,306
3.2.4.2 Foreign currency futures-sell		3,397	184,140	187,537	-	137,306	137,306
3.2.5 Interest rate futures		-	25,382	25,382	-	35,046	35,046
3.2.5.1 Interest rate futures-buy		-	12,691	12,691	-	17,523	17,523
3.2.5.2 Interest rate futures-sell		-	12,691	12,691	-	17,523	17,523
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		71,888,808	17,676,819	89,565,627	55,743,738	20,163,109	75,906,847
IV. ITEMS HELD IN CUSTODY		2,337,075	1,104,198	3,441,273	3,051,854	1,114,745	4,166,599
4.1 Assets under management		133,039	12,216	145,255	110,560	10,702	121,262
4.2 Investment securities held in custody		809,992	659,412	1,469,404	1,980,007	853,205	2,833,212
4.3 Checks received for collection		1,127,774	192,750	1,320,524	710,122	111,910	822,032
4.4 Commercial notes received for collection		266,257	233,451	499,708	218,491	119,220	337,711
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		10	6,369	6,379	32,671	19,708	52,379
4.8 Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		69,551,733	16,572,621	86,124,354	52,691,884	19,048,364	71,740,248
5.1 Marketable securities		282,255	189,201	471,456	246,832	212,766	459,598
5.2 Guarantee notes		548,633	122,585	671,218	94,036	59,206	153,242
5.3 Commodity		20,737	-	20,737	19,864	-	19,864
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		30,517,661	6,008,242	36,525,903	23,328,456	8,493,260	31,821,716
5.6 Other pledged items		38,182,447	10,252,593	48,435,040	29,002,696	10,283,132	39,285,828
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		112,516,991	50,671,070	163,188,061	82,543,728	40,146,901	122,690,629

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 INCOME STATEMENT FOR THE YEAR ENDED

DECEMBER 31, 2010 (STATEMENT OF INCOME/LOSS)

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

III. CONSOLIDATED INCOME STATEMENT

			Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
		Section 5 Part IV		
I.	INTEREST INCOME	(1)	3,908,931	4,032,259
1.1	Interest on loans		3,337,579	3,268,236
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		64,178	74,857
1.4	Interest received from money market placements		9,297	5,120
1.5	Interest received from marketable securities portfolio		407,450	570,168
1.5.1	Held-for-trading financial assets		9,108	10,400
1.5.2	Financial assets at fair value through profit and loss		11,794	18,110
1.5.3	Available-for-sale financial assets		386,548	438,954
1.5.4	Investments held-to-maturity		-	102,704
1.6	Finance lease income		75,430	110,603
1.7	Other interest income		14,997	3,275
II.	INTEREST EXPENSE	(2)	1,552,022	1,669,568
2.1	Interest on deposits		1,334,298	1,328,463
2.2	Interest on funds borrowed		163,543	258,653
2.3	Interest on money market borrowings		53,531	82,071
2.4	Interest on securities issued		-	-
2.5	Other interest expense		650	381
III.	NET INTEREST INCOME (I - II)		2,356,909	2,362,691
IV.	NET FEES AND COMMISSIONS INCOME		672,288	616,483
4.1	Fees and commissions received		781,167	706,307
4.1.1	Non-cash loans		41,827	48,963
4.1.2	Other		739,340	657,344
4.2	Fees and commissions paid		108,879	89,824
4.2.1	Non-cash loans		1,204	553
4.2.2	Other		107,675	89,271
V.	DIVIDEND INCOME	(3)	326	1,481
VI.	NET TRADING INCOME	(4)	(261,057)	(362,453)
6.1	Securities trading gains/ (losses)		381,213	338,048
6.2	Gains / (losses) from financial derivative transactions		(678,094)	(760,942)
6.3	Foreign exchange gains/ (losses)		35,824	60,441
VII.	OTHER OPERATING INCOME	(5)	155,486	114,456
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		2,923,952	2,732,658
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	274,739	835,651
X.	OTHER OPERATING EXPENSES (-)	(7)	1,473,788	1,251,479
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1,175,425	645,528
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)	1,175,425	645,528
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(237,848)	(121,209)
16.1	Current income tax charge		(256,576)	(122,968)
16.2	Deferred tax charge / benefit		18,728	1,759
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	937,577	524,319
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	97,422
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	43,324
18.3	Income on other discontinued operations		-	54,098
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	39,067
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	39,067
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	58,355
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	(10,978)
21.1	Current income tax charge		-	(10,978)
21.2	Deferred tax charge / benefit		-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	47,377
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	937,577	571,696
23.1	Group's profit/loss		922,922	553,856
23.2	Minority shares		14,655	17,840
	Earnings per share		0.05478	0.03341

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)

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010
(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)

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

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

	Audited 01.01 - 31.12.2010	Audited 01.01 - 31.12.2009
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	176,893	139,953
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW	-	-
V. HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES) PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	(26,129)	-
VI. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(6,858)	(27,707)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	143,906	112,246
XI. PROFIT/LOSS	(118,583)	(27,698)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(118,242)	(27,698)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(341)	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	25,323	84,548

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Audited	Section 5 Part V	Paid-in Capital	Effect of Initiation Accounting on Capital and Other Reserves	Share Premium	Share Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase/ Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I	Prior period - 01.01.-31.12.2009		1,500,000	-	-	-	143,864	-	935,255	-	-	563,952	(6,801)	-	-	-	-	3,136,270	138,308	3,264,578
II.	Beginning balance																			
2.1	Corrections according to T.A.S 8																			
2.2	The effect of corrections of errors																			
III.	The effects of changes in accounting policies																			
	New balance (I+II)		1,500,000				143,864		935,255			563,952	(6,801)					3,136,270	138,308	3,264,578
IV.	Changes in period																			
V.	Increased/decrease related to merger	(1)																		
VI.	Marketable securities valuation differences																			
6.1	Hedging funds (effective portion)																			
6.2	Cash-flow hedge																			
VII.	Hedge of net investment in foreign operations																			
VIII.	Tangible assets revaluation differences																			
VIII.	Intangible assets revaluation differences																			
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control																			
X.	Foreign exchange differences	(2)																		
XI.	The disposal of assets																			
XII.	The reclassification of assets																			
XIII.	The effect of change in associates' equity																			
XIV.	Capital increase	(5)	75,000						(75,000)											
14.1	Cash																			
14.2	Internal sources		75,000						(75,000)											
XV.	Share issue																			
XVI.	Share cancellation profits																			
XVII.	Inflation adjustment to paid-in capital																			
XVIII.	Other																			
XIX.	Period net income/(loss)																			
XX.	Profit distribution																			
20.1	Dividends distributed						24,187		358,065		553,856	(409,204)						553,856	17,240	571,096
20.2	Transfers to reserves											(26,932)						(26,932)		(26,932)
20.3	Other						24,187		358,065			(382,232)						(26,932)		(26,932)
	Closing balance		1,575,000				168,051		1,218,320		553,856	154,748	77,747					3,747,722	146,340	3,894,062
	(II+IV+V+.....+ XVIII+XIX+XX)																			

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year 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 Sharehol Disc. Op.	Total Equity Attributa ble to the Parent	Minority Shares	Total Equity
I.	Current period – 01.01-31.12.2010	1,575,000	-	-	-	168,951	-	1,218,320	-	-	708,604	77,747	-	-	-	-	3,747,722	146,340	3,894,062
II.	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increases/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	46,499	-	-	-	-	46,499	-	46,499
4.1	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)
4.2	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)
V.	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Capital increase	630,800	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	547,143	-	547,143
12.2	Cash	547,143	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	547,143	-	547,143
XIII.	Internal sources	82,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	665	-	665
XVIII.	Period net income/(loss)	-	-	-	-	-	-	-	-	-	(1,013)	-	-	-	-	-	(1,013)	(17,290)	(18,303)
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	922,922	-	-	-	-	-	-	922,922	14,655	937,577
18.1	Dividends distributed	-	-	-	-	-	-	656,776	-	-	(692,910)	-	-	-	-	-	-	-	-
18.2	Transfers to reserves	-	-	-	-	-	-	656,776	-	-	(692,910)	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		2,205,000	-	-	-	665	204,185	1,792,239	-	922,922	14,681	124,246	-	-	-	(21,176)	5,242,762	143,705	5,386,467
(I+II+III+....+XVI+XVII+XVIII)																			

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 CASH FLOWS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Audited 01.01- 31.12.2010	Audited 01.01 – 31.12.2009
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1. Operating profit before changes in operating assets and liabilities (+)		2,230,181	1,607,101
1.1.1 Interest received (+)		4,034,883	4,158,814
1.1.2 Interest paid (-)		(1,520,749)	(1,764,885)
1.1.3 Dividend received (+)		326	1,481
1.1.4 Fees and commissions received (+)		781,167	730,513
1.1.5 Other income (+)		124,078	114,134
1.1.6 Collections from previously written off loans (+)		504,310	307,921
1.1.7 Payments to personnel and service suppliers (-)		(1,182,770)	(1,150,535)
1.1.8 Taxes paid (-)		(263,705)	(231,682)
1.1.9 Other (+/-)	(1)	(247,359)	(558,660)
1.2 Changes in operating assets and liabilities		(454,147)	367,180
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(43,552)	(36,859)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		571,802	824,064
1.2.3 Net (increase) decrease in due from banks and other financial institutions (+/-)		(4,322)	2,183
1.2.4 Net (increase) decrease in loans (+/-)		(7,340,227)	(2,777,218)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(634,647)	379,636
1.2.6 Net increase (decrease) in bank deposits (+/-)		(640,057)	535,197
1.2.7 Net increase (decrease) in other deposits (+/-)		4,368,545	3,848,739
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1,760,052	(2,221,406)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	1,508,259	(187,156)
I. Net cash provided from / (used in) banking operations (+/-)		1,776,034	1,974,281
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(2,013,097)	(841,222)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(22,516)	(10,800)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		4,071	351,763
2.3 Fixed assets purchases (-)		(73,728)	(79,267)
2.4 Fixed assets sales (+)		8,571	1,919
2.5 Cash paid for purchase of financial assets available for sale (-)		(22,515,765)	(3,883,041)
2.6 Cash obtained from disposal of financial assets available for sale (+)		20,652,070	2,817,248
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Other (+/-)		(65,800)	(39,044)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		28,479	-
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(495,755)	-
3.3 Capital increase (+)		547,143	-
3.4 Dividends paid (-)		(22,909)	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		43,088	(6,424)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(165,496)	1,126,635
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	3,121,193	1,994,558
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2,955,697	3,121,193

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 PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2010

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

VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION

	Audited 31.12.2010(**)	Audited 31.12.2009
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	1,133,729	787,826
1.2 TAXES AND DUTIES PAYABLE (-)	219,055	137,712
1.2.1 Corporate tax (Income tax)	237,352	113,633
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(18,297)	24,079
A. NET INCOME FOR THE YEAR (1.1-1.2)	914,674	650,114
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	32,506
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	914,674	617,608
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	78,750
1.6.1 To owners of ordinary shares	-	78,750(***)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	538,858
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.05429	0.02948
3.2 TO OWNERS OF ORDINARY SHARES (%)	5.42%	2.94%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	0.005
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	5%
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Consolidated profit is not distributed by the companies according to the legislations in Turkey. Within this framework, the above represents the profit distribution of the Parent Bank.

(**) The Parent Bank did not resolve a decision regarding profit distribution of 2010 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, 2010
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. 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 financial subsidiaries ("The Group") prepared the accompanying 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, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

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

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

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

Explanation for Convenience Translation to English

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

1. Strategy for the use of financial instruments

The major funding sources of the Parent Bank are customer deposits and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad generally bear 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 TL 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 TL liquidity using long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Thus, the Parent Bank generates TL 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. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

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

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

2. Foreign currency transactions

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

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

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

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

The net foreign exchange gain included in the consolidated income statement as of December 31, 2010 is TL 35,824 (December 31, 2009 - TL 60,441).

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

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

2.3. Foreign subsidiaries

As of December 31, 2010 the Parent Bank does not have any subsidiaries established abroad.

The Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Parent Bank had 100% shareholding, on February 24, 2009 to NBG International Holdings B.V. The profit amounting to TL 43,324 resulting from this sale is presented as "Income on sale of associates, subsidiaries and entities under common control" under the "Income on Discontinued Operations" in the current year income statement. The income and loss of the above mentioned subsidiary recognized between January 1, 2009 and the sale date of February 24, 2009 are presented as "Income on Discontinued Operations" and "Expenses on Discontinued Operations" in the accompanying consolidated financial statements. TL 54,098 is accounted for under "Other Income on Discontinued Operations" and TL 39,067 is accounted for under "Other Expenses on Discontinued Operations". The total of corporate tax paid by the Parent Bank arising from the sale of this subsidiary and the corporate tax charge of the subsidiary until the sale date; amounting to TL 10,978 is accounted for under "Tax Charge for Discontinued Operations" in the prior year's consolidated income statement.

III. Information on associates and subsidiaries

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements" and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

The subsidiaries 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 (%)	
			December 31, 2010	December 31, 2009
1. Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	100.00	100.00
2. Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	100.00	100.00
3. Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	70.28	81.00
4. Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	64.32	59.24
5. Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Turkey	Consumer Finance	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	99.99	99.99

Subsidiaries maintain their books of accounts 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 Commercial Code, Financial Leasing Law and Turkish Capital Markets Board regulations,. 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 the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2010.

1. Subsidiaries

As of December 31, 2010, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

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

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

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

IV. Explanations on forwards, option contracts and derivative instruments

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

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

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

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

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

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

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

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

Credit default 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 accruals of non-performing loans are cancelled and not recorded as interest income until collected. According to the article 4 of "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside" dated March 6, 2010, the Parent Bank classifies loans which are not overdue into non-performing loans, where the same borrower has overdue loans. The Parent Bank does not provide any specific provision for these loans which are not overdue, in line with the above mentioned regulation.

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

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VI. Fees and commission income and expenses

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

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

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

1.2. Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

3. Investment securities held to maturity

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

As of October 1, 2008, due to the change of the intention, the Group classified securities from trading portfolio and available for sale portfolio to held to maturity portfolio with the nominal values of TL 94,198 and TL 2,571,462, respectively. The intention of the Group for holding the held to maturity portfolio has changed in 2009. As it is stated in TAS 39, paragraph 51, "while the intention or the possibility of holding the securities until the maturity changes, or when the investments become inappropriate to be classified as held to maturity; the related investments should be classified as investment securities available for sale and should be re-measured at their fair values"; the Parent Bank classified TL 2,643,811 nominal amount of held to maturity portfolio to available for sale portfolio effective from March 31, 2009 based on the Board of Directors' decision dated April 16, 2009. Because of this classification, the Group will not be able to classify any financial asset as held to maturity investment in 2009 and the following two years.

4. Loans and specific provisions

The 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 the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Group enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The 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.

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

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

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

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

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

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

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

VIII. Impairment of financial assets

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

IX. Netting of financial instruments

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

The 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.

The unearned interest income related to leasing agreements is presented by netting off with the “Lease Receivables”. Additionally, the specific provision is provided for non-performing lease receivables and net off with lease receivables.

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

X. Sales and repurchase agreements and lending of securities

Securities sold under repurchase agreements are recorded on the balance sheet 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 as at the balance sheet date amounted to TL 1,212,757 (December 31, 2009 - TL 19,168).

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

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

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XI. Assets held for sale and discontinued operations

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

The Group does not have 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 Parent Bank has transferred its shares of Finans Malta Holdings LTD, which the Parent Bank used to own 100% of the shares, by selling to NBG International Holdings B.V. on February 24, 2009. The gain on sale of TL 43,324 resulting from this sale is accounted for as "Income on sale of associates, subsidiaries and entities under common control" under "Income on Discontinued Operations" in the prior period income statement. The income of the subsidiary until the sale date is accounted for as "Other Income on Discontinued Operations" under "Income on Discontinued Operations" and expense is accounted for as "Other Expenses on Discontinued Operations" under "Expense on Discontinued Operations". The total of TL 10,978 that consists of the tax charge amounting to TL 9,855 regarding the sale and deferred tax charge of the subsidiary until the sale date amounting to TL 1,123 is accounted under "Tax Charge for Discontinued Operations".

XII. Goodwill and other intangible assets

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

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

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

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

The difference between the acquisition cost of the subsidiaries and the net assets of the subsidiaries less impairment, if any, is represented as goodwill for acquisition of subsidiaries on before July 1, 2009. 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

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

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

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

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

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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.

XIV. Leasing transactions

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

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

The 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 rental 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.

The provisions for lease receivables are set as per BRSA communiqué numbered 26588 and dated July 20, 2007 "Methods and Principles for the Determination of Receivables of Leasing, Factoring and Financing Companies to be Reserved for and Allocation of Reserves". Those provisions are accounted under "Lease Receivables" at the accompanying financial statements.

XV. Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. Factoring receivables are revised regularly and specific provision for the impairment of factoring receivables are provided over the carrying amount of factoring receivables for the purpose of adjusting their values to the collectable amount.

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XVI. 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 Group. 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 be reliably measured, a provision is recognized.

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

XVII. Obligations of the Group for employee benefits

Provision for employee severance benefits of the Group 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 for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying 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, pension funds or similar associations of which the Group employees are members.

XVIII. Taxation

1. Corporate tax

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

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

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

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

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2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), 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.

XIX. Additional explanations on borrowings

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

XX. Share issues

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

XXI. 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.

XXII. Government incentives

The Group has various numerous investment incentive certificates in relation to its investment expenditures from its leasing company. The related certificates allow the Group to use 100% and 40% of investment incentives over its investment expenditures. Tax deduction by 19.8% should be made on the amount of investment incentive deduction pursuant to investment incentive certificates obtained prior to April 24, 2003. No deduction is made on investment expenses after this date without incentive certificates.

Upon the Constitutional Court's resolution no: 2009/144 published in the Official Gazette on January 8, 2010, the expression of "solely for the periods related to 2006, 2007 and 2008" in the Provisional Article No: 69 of Income Tax Law No: 193, and 5th Article of the Law No: 6009 that came into effect by being published in the Official Gazette No.27659 dated August 1, 2010 have been annulled. The new resolution enables to continue to benefit from investment incentive deduction that is not deducted due to insufficient earnings and that passes on next periods without period limitation, however proposes that the deduction amount will not exceed 25% of the taxable income of the period. Moreover, the effective corporate tax rate for investment incentive deduction beneficiaries, will be adopted as 20%, rather than 30%.

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XXIII. Segment reporting

In addition to corporate banking, retail 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 retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad financial lease 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 revenues of TL 100,000 and higher, and multi-national firms operating in Turkey. The firms that have annual revenue between TL 10,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenues between TL 2,000 and TL 10,000. 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, retail, 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.

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1,154,889	410,086	791,934	2,356,909
Net Fees and Commissions Income	837,937	106,664	(272,313)	672,288
Other Operating Income and Net Trading Income	38,850	66,020	(210,441)	(105,571)
Dividend Income	-	-	326	326
Operating Income	2,031,676	582,770	309,506	2,923,952
Other Operating Expenses	930,304	309,275	234,209	1,473,788
Provision for Loan Losses and Other Receivables	179,255	35,998	59,486	274,739
Profit Before Taxes	922,117	237,497	15,811	1,175,425
Tax Charge	-	-	-	(237,848)
Net Profit/Loss	-	-	-	937,577
Total Assets	19,203,086	6,855,200	10,414,940	39,253,924
Segment Assets	19,203,086	6,855,200	10,414,940	36,473,226
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	23,555
Undistributed Assets	-	-	-	2,757,143
Total Liabilities	14,862,829	8,164,499	8,525,637	39,253,925
Segment Liabilities	14,862,829	8,164,499	8,525,637	31,552,965
Undistributed Liabilities	-	-	-	2,314,493
Equity	-	-	-	5,386,467
Other Segment Accounts	-	-	-	292,406
Capital Expenditures	-	-	-	182,724
Depreciation and Amortization	-	-	-	108,467
Value Decrease/ (Increase)	-	-	-	1,215

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Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group (*)
Net Interest Income	946,764	480,887	935,040	2,362,691
Net Fees and Commissions Income	693,652	135,316	(212,485)	616,483
Other Operating Income and Net Trading Income	24,005	49,987	(321,989)	(247,997)
Dividend Income	-	-	1,481	1,481
Operating Income	1,664,421	666,190	402,047	2,732,658
Other Operating Expenses	664,531	258,045	328,903	1,251,479
Provision for Loan Losses and Other Receivables	307,124	173,726	354,801	835,651
Profit Before Taxes	692,766	234,419	(281,657)	645,528
Tax Charge				(121,209)
Net Profit/Loss				524,319
Total Assets	14,295,556	4,222,455	9,776,624	30,271,843
Segment Assets	14,295,556	4,222,455	9,776,624	28,294,635
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	21,802
Undistributed Assets	-	-	-	1,955,406
Total Liabilities	11,912,627	6,443,409	6,217,921	30,271,843
Segment Liabilities	11,912,627	6,443,409	6,217,921	24,573,957
Undistributed Liabilities	-	-	-	1,803,824
Equity	-	-	-	3,894,062
Other Segment Accounts	-	-	-	253,483
Capital Expenditures	-	-	-	157,302
Depreciation and Amortization	-	-	-	92,530
Value Decrease/ (Increase)	-	-	-	3,651

(*) Total operations include only the Group's continuing operations.

XXIV. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of December 31, 2010, the Group's consolidated capital adequacy ratio is 17.33% (December 31, 2009 - 18.86%).

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

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

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

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

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Consolidated and unconsolidated capital adequacy ratio:

	Parent Bank							Risk Weight						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk														
Balance Sheet Items (Net)	2,903,005	-	153,667	8,981,697	16,849,314	717,866	208,676	2,938,483	-	525,691	9,142,883	17,501,313	717,866	208,676
Cash on Hand	425,352	-	184	-	-	-	-	429,289	-	184	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	1,207,054	-	-	-	-	-	-	1,207,054	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	141,581	-	49,600	-	-	-	-	508,628	-	49,600	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase	-	-	-	-	-	-	-	-	-	4,977	-	-	-	-
Reserve Deposits	760,287	-	-	-	-	-	-	760,287	-	-	-	-	-	-
Loans and Receivables	503,225	-	11,428	8,555,132	14,815,910	717,866	208,676	503,225	-	11,428	8,555,132	14,807,717	717,866	208,676
Non-performing Loans (Net)	-	-	-	-	232,323	-	-	-	-	-	-	232,323	-	-
Lease Receivables	-	-	-	-	-	-	-	1,494	-	-	159,393	648,538	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,440	-	-	-	-	-	-	5,440	-	-
Sundry Debtors	-	-	-	-	499,480	-	-	-	-	-	-	514,191	-	-
Accrued Interest and Income	6,430	-	474	426,565	331,208	-	-	6,455	-	474	428,358	339,117	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	385,613	-	-	-	-	-	-	23,555	-	-
Tangible Assets (Net)	-	-	-	-	272,200	-	-	-	-	-	-	286,406	-	-
Other Assets (*)	657	-	-	-	257,540	-	-	30,679	-	-	-	594,426	-	-
Off-Balance Sheet Items	403,353	-	1,218,011	243,488	6,276,187	-	-	403,353	-	1,218,011	243,488	6,273,023	-	-
Non-Cash Loans and Commitments	403,353	-	51,885	243,488	6,165,237	-	-	403,353	-	51,885	243,488	6,162,050	-	-
Derivative Financial Instruments	-	-	1,166,126	-	110,950	-	-	-	-	1,166,126	-	110,973	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value at Risk	3,306,358	-	1,371,678	9,225,185	23,125,501	717,866	208,676	3,341,836	-	1,743,702	9,386,371	23,774,336	717,866	208,676
Total Risk Weighted Assets	-	-	274,336	4,612,593	23,125,501	1,076,799	417,352	-	-	348,740	4,693,186	23,774,336	1,076,799	417,352

(*) Also includes factoring receivables.

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	29,506,581	22,543,392	30,310,413	23,343,038
Value at Market Risk	1,917,300	1,358,263	1,959,813	1,399,088
Value at Operational Risk	3,805,616	3,294,672	4,195,873	3,318,833
Shareholders' Equity	5,877,201	4,893,519	6,320,171	5,293,615
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.68%	17.99%	17.33%	18.86%
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	2,205,000	1,575,000
Nominal Capital	2,205,000	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	-
Share Cancellation Profits	-	-
Legal Reserves	204,185	168,051
I. Legal Reserve (Turkish Commercial Code 466/1)	179,723	144,089
II. Legal Reserve (Turkish Commercial Code 466/2)	24,462	23,962
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,274,609	848,514
Reserve Allocated as per the Decision Held by the General Assembly	1,274,609	848,514
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	937,603	708,604
Current Period Profit	922,922	553,856
Prior Periods Profit	14,681	154,748
Free Reserves for Possible Losses (up to 25% of Core Capital)	78,265	100,835
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Minority Interest	143,705	146,340
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	91,617	89,392
Prepaid Expenses (-)	123,121	102,046
Intangible Assets (-)	101,160	65,457
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
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	5,036,795	3,651,286
SUPPLEMENTARY CAPITAL		
General Provisions	265,808	199,451
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,002,551	1,451,433
Securities Value Increase Fund	55,911	34,986
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	55,911	34,986
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	1,324,270	1,685,870
TIER III CAPITAL		
CAPITAL	6,361,065	5,337,156
DEDUCTIONS FROM CAPITAL	40,894	43,541
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	28,687	30,244
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,207	13,297
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	6,320,171	5,293,615

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II. Information on Credit Risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Current Period	Prior Period
T.R Central Bank	1,968,847	1,494,358
Financial assets held for trading	112,869	68,630
Financial assets at fair value through profit/loss	74,654	78,452
Assets on trading derivatives	392,295	422,869
Banks	559,178	1,321,487
Money Market Placements	4,977	14,351
Derivative financial assets hedging purposes	28,648	2,417
Investment securities available for sale	7,244,785	5,411,309
Factoring receivables	222,025	37,046
Loans and receivables (*)	25,595,803	19,025,310
Investments in associates, subsidiaries and entities under common control (Net)	23,555	21,802
Lease receivables	818,301	895,457
Other assets	650,331	91,810
Total	37,696,268	28,885,298
Guarantees	6,035,682	5,217,941
Commitments	15,045,808	11,813,222
Total	21,081,490	17,031,163
Total credit risk exposure	58,777,758	45,916,461

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

Credit Rating System

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

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

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

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Credit quality per class of financial assets is shown below;

Current Period	Neither past due nor impaired	Past due but not impaired	Total
T.R. Central Bank	1,968,847	-	1,968,847
Financial assets held for trading	112,869	-	112,869
Financial assets at fair value through profit/loss	74,654	-	74,654
Banks	559,178	-	559,178
Assets on trading derivatives	392,295	-	392,295
Money market placements	4,977	-	4,977
Derivative financial assets hedging purposes	28,648	-	28,648
Investment securities available for sale	7,244,785	-	7,244,785
Factoring receivables	222,025	-	222,025
Loans and receivables(**)	24,710,370	885,433(*)	25,595,803
Corporate / commercial loans	9,562,431	62,648	9,625,079
Consumer loans	9,439,674	138,993	9,578,667
Credit cards	5,708,265	683,792	6,392,057
Investments in associates, subsidiaries and entities under common control (net)	23,555	-	23,555
Lease receivables	806,584	11,717(***)	818,301
Other assets	650,331	-	650,331
Total	36,799,118	897,150	37,696,268

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

(**) The loans and receivables amounting to TL 976,951 (December 31, 2009 - 1,572,129) are presented as "Loans at Fair Value through Profit / Loss" in the consolidated financial statements.

(***) Balances represent the overdue installments. The total principle amount of the "Lease Receivables" is TL 48,318.

As of December 31, 2010, for the loans and receivables past due but not impaired, the Group has collaterals amounting TL 820,232 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2009 – TL 839,464).

Prior Period	Neither past due nor impaired	Past due but not impaired	Total
T.R. Central Bank	1,494,358	-	1,494,358
Financial assets held for trading	68,630	-	68,630
Financial assets at fair value through profit/loss	78,452	-	78,452
Banks	1,321,487	-	1,321,487
Assets on trading derivatives	422,869	-	422,869
Money market placements	14,351	-	14,351
Derivative financial assets hedging purposes	2,417	-	2,417
Investment securities available for sale (net)	5,411,309	-	5,411,309
Factoring receivables	37,046	-	37,046
Loans and receivables(**)	18,239,102	786,208(*)	19,025,310
Corporate / commercial loans	7,210,494	67,998	7,278,492
Consumer loans	7,232,265	138,321	7,370,586
Credit cards	3,796,343	579,889	4,376,232
Investments in associates, subsidiaries and entities under common control (net)	21,802	-	21,802
Lease receivables (net)	872,196	23,261(***)	895,457
Other assets	272,476	-	272,476
Total	28,256,495	809,469	29,065,964

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

(**) The loans and receivables amounting to TL 1,572,129 are presented as "Loans at Fair Value through Profit / Loss" in the consolidated financial statements

(***) Balances represent the overdue installments. The principle amounts of the "Lease Receivables" are TL 94,301.

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Information related to financial assets whose maturity or terms of agreement are revised is given in section 5, Part 1, footnote 5.

Credit risk by types of borrowers and geographical concentration:

	Loans to Real People 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	25,024,518	18,771,859	2,540,132	1,747,809	7,432,308	5,558,391	2,510,830	2,807,239
Private Sector	9,060,986	7,067,322	538,791	205,750	122,656	74,272	1,020,546	961,937
Public Sector	88,515	-	1,968,847	1,494,358	7,217,928	5,359,402	333	339
Banks	-	-	32,494	47,701	91,724	124,717	1,346,754	1,735,855
Retail	15,875,017	11,704,537	-	-	-	-	143,197	109,078
Share Certificates	-	-	-	-	-	-	-	-
Information according to geographical concentration	25,024,518	18,771,859	2,540,132	1,747,809	7,432,308	5,558,391	2,510,830	2,807,239
Domestic	24,419,497	18,303,873	2,504,465	1,747,809	6,126,568	4,371,505	1,761,888	2,377,886
European Union Countries	-	-	34,549	-	-	-	9,956	1,581
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	605,021	467,986	-	-	1,305,740	1,186,886	732,634	427,772
USA, Canada	-	-	793	-	-	-	-	-
Other Countries	-	-	325	-	-	-	6,352	-

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

(**) This column represents TL 559,178 (December 31, 2009 – TL 1,321,487) bank placements, TL 392,265 (December 31, 2009 - TL 422,869) derivative financial assets held for trading, TL 28,648 (December 31, 2009 - TL 2,417) derivative financial assets hedging purposes, TL 222,025 (December 31, 2009 – TL 37,046) factoring receivables, TL 818,301 (December 31, 2009 – TL 895,457) lease receivables, TL 23,555 (December 31, 2009 - TL 21,802) investment in associates, subsidiaries and entities under common control, and TL 461,851 (December 31, 2009- TL 91,810) cash guarantees given to financial institutions.

Information according to geographical concentration

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	36,570,142	29,136,284	6,017,122	-	922,922
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	2,660,227	4,731,173	18,560	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	23,555	14,655
Unallocated Assets/Liabilities	-	-	-	-	-
Total	39,230,369	33,867,457	6,035,682	23,555	937,577

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

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Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	28,032,457	21,691,105	5,217,891	-	553,856
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	2,217,584	4,686,676	50	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	21,802	17,840
Unallocated Assets/Liabilities	-	-	-	-	-
Total	30,250,041	26,377,781	5,217,941	21,802	571,696

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

Sectoral Distribution of Cash Loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	99,941	0.43	110,086	4.52	98,878	0.58	115,575	5.66
Farming and Raising Livestock	51,811	0.22	17,042	0.70	36,371	0.21	18,577	0.91
Forestry	43,604	0.19	88,323	3.63	55,498	0.33	90,802	4.45
Fishing	4,526	0.02	4,721	0.19	7,009	0.04	6,196	0.30
Manufacturing	993,997	4.29	1,070,838	43.98	775,627	4.57	834,581	40.86
Mining	43,538	0.19	43,142	1.77	33,512	0.20	25,684	1.26
Production	925,295	3.99	1,027,696	42.21	715,628	4.21	801,198	39.23
Electric, Gas and Water	25,164	0.11	-	0.00	26,487	0.16	7,699	0.37
Construction	317,569	1.37	54,878	2.25	271,766	1.60	122,637	6.00
Services	1,951,689	8.43	1,099,682	45.17	1,254,422	7.39	919,396	45.02
Wholesale and Retail Trade	1,216,027	5.25	412,611	16.95	839,324	4.94	377,506	18.48
Hotel, Food and Beverage Services	34,937	0.15	240,521	9.88	26,847	0.16	202,641	9.92
Transportation and Telecommunication	79,983	0.35	199,244	8.18	78,965	0.46	267,713	13.11
Financial Institutions	496,131	2.14	83,248	3.42	182,202	1.07	47,452	2.32
Real Estate and Renting Services	2,967	0.01	1,005	0.04	38,924	0.23	278	0.01
Self-employment Services	68,934	0.30	35,952	1.48	45,531	0.27	14,971	0.73
Education Services	14,630	0.06	9,198	0.38	14,741	0.09	-	-
Health and Social Services	38,080	0.16	117,903	4.84	27,888	0.16	8,835	0.43
Other	19,797,987^(*)	85.48	99,136	4.07	14,582,266^(*)	85.86	50,162	2.46
Total	23,161,183	100.00	2,434,620	100.00	16,982,959	100.00	2,042,351	100.00

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

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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 ensures 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 Group to take necessary actions in order to identify, measure, control and manage the risks that the Group 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 Parent 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”.

1. Information on consolidated market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	106,470
(II) Capital Obligation against Specific Risks - Standard Method	18,430
(III) Capital Obligation against Currency Risk - Standard Method	16,215
(IV) Capital Obligation against Commodity Risks - Standard Method	14,367
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,303
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	156,785
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,959,813

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	1,201,947	1,278,200	1,143,250	1,255,578	1,394,363	1,037,300
Common Share Risk	238,934	283,050	189,263	224,803	447,338	133,813
Currency Risk	194,691	329,875	111,188	126,466	147,950	88,263
Commodity Risk	44,897	179,588	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	27,194	58,263	15,350	34,459	64,738	17,300
Total Value at Risk	1,707,663	2,128,976	1,459,051	1,641,306	2,054,389	1,276,676

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IV. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years (2009, 2008 and 2007) as per the "Calculation of Value at Operational Risk" of the article (4) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2010, the value at operational risk is amounting to TL 4,195,873 (December 31, 2009 - TL 3,318,833).

V. Explanations related to 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, 2010, the net foreign currency exposure of the Group is TL 431,810 short (December 31, 2009 - TL 18,465 short) resulting from on balance sheet short position amounting to TL 4,162,400 (December 31, 2009 - TL 4,883,847) and long off balance sheet position amounting to TL 3,730,590 (December 31, 2009 - TL 4,865,382). The long off balance sheet position amounting to TL 3,747,117 (December 31, 2009 - TL 4,673,511) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward 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 Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Parent Bank used to own 100% of the shares, on February 24, 2009 to NBG International Holdings B.V. The Parent Bank has ceased the hedge of net investment as of December 31, 2009.

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 Dollar purchase rate in the balance sheet date	TL 1.5460
Euro purchase rate in the balance sheet date	TL 2.0491

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2010	TL 1.5460	TL 2.0491
December 30, 2010	TL 1.5567	TL 2.0437
December 29, 2010	TL 1.5416	TL 2.0406
December 28, 2010	TL 1.5403	TL 2.0260
December 25, 2010	TL 1.5392	TL 2.0204
December 24, 2010	TL 1.5446	TL 2.0225

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 Dollar and Euro purchase rates for December 2010 are TL 1.5131 and TL 1.9993; respectively.

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5. Information on the consolidated foreign currency exchange rate risk of the Group

Current Period	EUR	USD	JPY	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	78,763	1,136,699	196	32,321	1,247,979
Due From Banks	280,165	195,657	777	4,213	480,812
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	6,181	138,206	-	-	144,387
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	85,055	611,063	-	-	696,118
Loans and Receivables ⁽²⁾	1,443,447	2,041,939	101,496	93,329	3,680,211
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	39	39
Intangible Assets	-	-	-	-	-
Other Assets ⁽³⁾	641,266	633,297	-	8,086	1,282,649
Total Assets	2,534,877	4,756,861	102,469	137,988	7,532,195
Liabilities					
Bank Deposits	143,299	222,855	112	18,734	385,000
Foreign Currency Deposits	2,143,293	3,380,209	608	82,617	5,606,727
Money Market Borrowings	48,609	261,273	-	-	309,882
Funds Provided from Other Financial Institutions ⁽⁶⁾	1,842,740	3,267,336	-	-	5,110,076
Securities Issued	-	-	-	-	-
Sundry Creditors	88,181	26,515	965	7,318	122,979
Derivative Fin. Liabilities for Hedging Purposes	779	6,221	-	-	7,000
Other Liabilities ⁽⁵⁾	15,840	137,046	-	45	152,931
Total Liabilities	4,282,741	7,301,455	1,685	108,714	11,694,595
Net Balance Sheet Position	(1,747,864)	(2,544,594)	100,784	29,274	(4,162,400)
Net Off-Balance Sheet Position	1,524,949	2,329,951	(105,196)	(19,114)	3,730,590
Financial Derivative Assets	3,660,565	12,267,859	31,888	796,631	16,756,943
Financial Derivative Liabilities	2,135,616	9,937,908	137,084	815,745	13,026,353
Non-Cash Loans ⁽¹⁾	768,047	2,055,034	1,520	241,021	3,065,622
Prior Period					
Total Assets	2,616,253	3,595,505	120,622	180,319	6,512,699
Total Liabilities	2,849,409	8,469,384	2,556	75,197	11,396,546
Net Balance Sheet Position	(233,156)	(4,873,879)	118,066	105,122	(4,883,847)
Net Off-Balance Sheet Position	262,557	4,826,302	(118,870)	(104,607)	4,865,382
Financial Derivative Assets	780,366	9,947,743	142,718	68,848	10,939,675
Financial Derivative Liabilities	517,809	5,121,441	261,588	173,455	6,074,293
Non-Cash Loans ⁽¹⁾	886,871	1,796,917	4,092	264,034	2,951,914

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

(2) Includes foreign currency indexed loans amounting to TL 1,245,591 (December 31, 2009 – TL 1,080,361) that are classified as TL on the balance sheet.

(3) Does not include the prepaid expenses amounting to TL 835 (December 31, 2009 – TL 44) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006, yet includes FC indexed factoring receivables amounting to TL 49,716 (December 31, 2009 – None).

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

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

(6) Includes FC indexed borrowed funds that are disclosed in TL in balance sheet amounting to TL 1,658 (December 31, 2009 – None).

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6. 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 %		Net Effect on Profit or Loss	Net Effect on Equity(*)	Net Effect on Profit or Loss	Net Effect on Equity(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(6,672)	(7,349)	(4,537)	(2,237)
	10% decrease	6,672	7,349	4,537	2,237
EUR	10% increase	(43,568)	(43,430)	(10,663)	(10,375)
	10% decrease	43,568	43,430	10,663	10,375

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

VI. Explanations related to 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 a positive interest yield, assets and liabilities are repriced 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 TL 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 TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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

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

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

As of the reporting date, 1% increase in interest rates would decrease the Parent Bank's net profit by TL 85,763 (December 31, 2009 – TL 63,462), 1% decrease in interest rates would increase the Parent Bank's net profit by TL 93,983 (December 31, 2009 – TL 62,731), when all the other variables are assumed to be constant.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(Based on 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, Precious Metal) and Balances with the T.R. Central Bank	3,841	-	-	-	-	2,394,479	2,398,320
Due from Banks	56,851	303,244	4,322	-	-	194,761	559,178
Financial Assets at Fair Value Through Profit/Loss ^(**)	127,908	179,663	157,506	300,788	627,020	192,532	1,585,417
Money Market Placements	4,977	-	-	-	-	-	4,977
Investment Securities Available for Sale	1,092,085	416,653	2,128,227	2,456,528	1,030,969	120,323	7,244,785
Loans and Receivables	6,918,850	2,791,409	6,862,344	6,800,376	1,341,823	136,373	24,851,175
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	592,118	171,391	335,486	379,314	9,555	1,122,208	2,610,072
Total Assets	8,796,630	3,862,360	9,487,885	9,937,006	3,009,367	4,160,676	39,253,924
Liabilities							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	14,727,414	5,816,977	371,419	27,177	-	2,188,513	23,131,500
Money Market Borrowings	1,183,465	42	-	-	-	-	1,183,507
Sundry Creditors	20,297	-	-	-	-	969,749	990,046
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1,176,044	2,270,184	1,954,092	187,766	73,285	174	5,661,545
Other Liabilities ^(*)	133,815	53,644	194,926	203,122	55,166	6,767,819	7,408,492
Total Liabilities	18,006,906	8,229,868	2,522,684	418,065	128,451	9,947,950	39,253,924
On Balance Sheet Long Position	-	-	6,965,201	9,518,941	2,880,916	-	19,365,058
On Balance Sheet Short Position	(9,210,276)	(4,367,508)	-	-	-	(5,787,274)	(19,365,058)
Off-Balance Sheet Long Position	34,550	79,703	-	-	-	-	114,253
Off-Balance Sheet Short Position	-	-	(147,163)	(315,453)	(45,913)	-	(508,529)
Total Position	(9,175,726)	(4,287,805)	6,818,038	9,203,488	2,835,003	(5,787,274)	(394,276)

(*) "Other Assets" in "Non Interest Bearing" column include, other assets amounting to TL 580,479, tangible assets amounting to TL 378,023, intangible assets amounting to TL 110,129, associates, subsidiaries and entities under common control amounting to TL 23,555, tax assets amounting to TL 30,022; and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to TL 5,386,467, other liabilities amounting to TL 497,487, provisions amounting to TL 578,096, tax liability amounting to TL 144,693 and part of trading derivative financial liabilities amounting to TL 161,076.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	3.75	3.53	-	9.27
Financial Assets at Fair Value Through Profit/Loss	5.86	7.51	-	9.63
Money Market Placements	-	-	-	7.20
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Receivables	4.96	4.20	5.23	17.19 ^(*)
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.57
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	2.07	2.88	-	10.14

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank	1,495,859	-	-	-	-	298,347	1,794,206
Due from Banks	1,160,264	26,243	-	-	-	134,980	1,321,487
Financial Assets at Fair Value Through Profit/Loss(**)	55,126	238,457	244,249	613,336	896,761	96,568	2,144,497
Money Market Placements	14,351	-	-	-	-	-	14,351
Investment Securities Available for Sale	919,984	1,197,036	1,666,420	1,246,807	306,790	74,272	5,411,309
Loans and Other Receivables	5,035,640	2,336,308	5,143,934	4,690,170	353,091	-	17,559,143
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (*)	158,211	87,472	286,587	400,043	190	1,094,347	2,026,850
Total Assets	8,839,435	3,885,516	7,341,190	6,950,356	1,556,832	1,698,514	30,271,843
Liabilities							
Bank Deposits	1,432,499	16,369	204	-	-	50,589	1,499,661
Other Deposits	12,337,075	3,971,499	192,638	33,657	-	1,893,703	18,428,572
Money Market Borrowings	37,092	84	-	-	-	-	37,176
Sundry Creditors	-	-	-	-	-	789,584	789,584
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	964,287	933,621	1,523,391	499,731	-	489,501	4,410,531
Other Liabilities (*)	20,959	38,588	55,812	90,931	24,152	4,875,877	5,106,319
Total Liabilities	14,791,912	4,960,161	1,772,045	624,319	24,152	8,099,254	30,271,843
On Balance Sheet Long Position	-	-	5,569,145	6,326,037	1,532,680	-	13,427,862
On Balance Sheet Short Position	(5,952,477)	(1,074,645)	-	-	-	(6,400,740)	(13,427,862)
Off-Balance Sheet Long Position	12,843	122,836	7,935	-	-	-	143,614
Off-Balance Sheet Short Position	-	-	-	(18,264)	(20,019)	-	(38,283)
Total Position	(5,939,634)	(951,809)	5,577,080	6,307,773	1,512,661	(6,400,740)	105,331

(*) "Other Assets" in "Non Interest Bearing" column include, other assets amounting to TL 531,311, tangible assets amounting to TL 387,568, intangible assets amounting to TL 74,426, associates and subsidiaries amounting to TL 21,802, tax asset amounting to TL 79,240 and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to TL 3,894,062, other liabilities amounting to TL 329,314, provisions amounting to TL 525,002, tax liability amounting to TL 87,390 and part of trading derivative financial liabilities amounting to TL 40,109.

(**) This account also includes derivative financial assets hedging purposes amounting to TL 2,417.

Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	-	-	-	5.20
Due from Banks	0.43	0.50	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Money Markets Placements	-	-	-	6.00
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans and Receivables	6.24	5.97	5.16	20.60 ^(*)
Lease Receivables	7.90	8.80	-	15.50
Investment Securities Held to Maturity	9.44	8.41	-	26.03
Liabilities				
Bank Deposits	2.23	1.31	-	9.57
Other Deposits	2.67	2.70	0.90	9.54
Money Market Borrowings	-	-	-	6.24
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	3.22	2.95	-	11.87

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

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VII. Explanations Related to Consolidated Liquidity Risk

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

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the 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 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 Group. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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

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

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

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,394,479	3,841	-	-	-	-	-	2,398,320
Due from Banks	194,761	56,851	303,244	4,322	-	-	-	559,178
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	147,808	103,844	242,196	464,534	627,035	-	1,585,417
Money Market Placements	-	4,977	-	-	-	-	-	4,977
Investment Securities Available for Sale	120,323	3,931	6,136	121,656	4,161,502	2,831,237	-	7,244,785
Loans and Receivables	-	6,834,359	2,708,894	6,744,210	7,019,973	1,407,366	136,373	24,851,175
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets ^(*)	801	896,491	178,099	339,018	545,510	15,325	634,828	2,610,072
Total Assets	2,710,364	7,948,258	3,300,217	7,451,402	12,191,519	4,880,963	771,201	39,253,924
Liabilities								
Bank Deposits	21,695	765,871	89,021	2,247	-	-	-	878,834
Other Deposits	2,188,513	14,727,414	5,816,977	371,419	27,177	-	-	23,131,500
Funds Provided from Other Financial Institutions	-	168,852	794,656	2,711,047	1,699,103	287,887	-	5,661,545
Money Market Borrowings	-	1,183,465	42	-	-	-	-	1,183,507
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	5,948	905,782	-	-	-	78,316	-	990,046
Other Liabilities ^(*)	9,377	394,494	64,835	256,820	553,171	60,736	6,069,059	7,408,492
Total Liabilities	2,225,533	18,145,878	6,765,531	3,341,533	2,279,451	426,939	6,069,059	39,253,924
Liquidity Gap	484,831	(10,197,620)	(3,465,314)	4,109,869	9,912,068	4,454,024	(5,292,858)	
Prior Period								
Total Assets	508,381	8,217,683	2,514,401	7,683,048	9,161,869	1,600,619	585,842	30,271,843
Total Liabilities	1,949,455	13,957,725	4,345,927	2,319,937	2,901,989	330,873	4,465,937	30,271,843
Net Liquidity Gap	(1,441,074)	(5,740,042)	(1,831,526)	5,363,111	6,259,880	1,269,746	(3,880,095)	-

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

Unallocated other liabilities column includes shareholders' equity amounting to TL 5,386,467, unallocated provisions amounting to TL 537,899 and tax liability of TL 144,693.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

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6. Analysis of financial liabilities by remaining contractual maturities:

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,695	767,111	89,379	2,352	-	-	880,537	878,834
Other deposits	2,188,513	14,756,720	5,865,837	381,888	27,219	-	23,220,177	23,131,500
Money market borrowings	-	1,184,150	43	-	-	-	1,184,193	1,183,507
Funds provided from other financial institutions	-	170,618	895,351	2,830,643	1,765,664	324,608	5,986,884	5,661,545

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	50,589	317,814	16,616	1,128,191	-	-	1,513,210	1,499,661
Other deposits	1,893,703	12,369,400	4,009,520	195,554	33,668	-	18,501,845	18,428,572
Money market borrowings	-	37,144	85	-	-	-	37,229	37,176
Funds provided from other financial institutions	-	220,530	350,453	1,002,630	2,966,649	301,064	4,841,326	4,410,531

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(**)	969,502	172,198	296,332	171,211	-	1,609,243
Forward Contracts Sell(**)	275,349	172,052	302,402	171,257	-	921,060
Swap Contracts Buy(*)	3,467,472	1,747,996	3,115,234	8,118,020	1,361,739	17,810,461
Swap Contracts Sell(*)	3,432,322	1,756,441	3,191,887	8,935,393	1,703,361	19,019,404
Futures Buy	-	178,297	21,931	-	-	200,228
Futures Sell	-	178,297	21,931	-	-	200,228
Options Buy	2,194,466	1,160,999	3,281,938	113,129	-	6,750,532
Options Sell	2,197,480	1,144,743	3,271,865	113,561	-	6,727,649
Total	12,536,591	6,511,023	13,503,520	17,622,571	3,065,100	53,238,805

(*) This line also includes hedging purpose derivatives.

(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy(**)	1,006,987	75,926	84,410	5,792	-	1,173,115
Forward Contracts Sell(**)	1,007,493	79,027	84,742	5,206	-	1,176,468
Swap Contracts Buy(*)	2,497,282	1,204,744	2,313,213	4,109,737	553,752	10,678,728
Swap Contracts Sell(*)	2,474,399	1,120,917	2,216,218	4,717,772	843,213	11,372,519
Futures Buy	38,743	107,165	8,921	-	-	154,829
Futures Sell	38,743	107,165	8,921	-	-	154,829
Options Buy	2,291,919	300,682	684,182	-	-	3,276,783
Options Sell	2,295,260	302,904	685,350	-	-	3,283,514
Total	11,650,826	3,298,530	6,085,957	8,838,507	1,396,965	31,270,785

(*) This line also includes hedging purpose derivatives.

(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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

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

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

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using current market interest rates.

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	35,285,858	27,383,290	35,374,998	27,363,717
Financial Assets at Fair Value Through Profit/Loss(*)	187,523	147,082	187,523	147,082
Due From Banks	559,178	1,321,487	559,178	1,321,487
Assets on Trading Derivatives	392,295	422,869	392,295	422,869
Money Market Placements	4,977	14,351	4,977	14,351
Investment Securities Available for Sale	7,244,785	5,411,309	7,244,785	5,411,309
Loans and Receivables	25,828,126	19,131,272	25,886,878	19,076,693
Factoring Receivables	222,025	37,046	222,025	37,046
Lease Receivables	818,301	895,457	848,689	930,463
Derivative Financial Assets Hedging Purposes	28,648	2,417	28,648	2,417
Financial Liabilities	32,647,181	25,436,075	32,644,931	25,422,087
Bank Deposits	878,834	1,499,661	878,420	1,499,342
Other Deposits	23,131,500	18,428,572	23,129,567	18,433,500
Derivative Financial Liabilities Held for Trading	474,964	267,858	474,964	267,858
Funds Provided from other Financial Institutions	5,661,545	4,410,531	5,661,642	4,391,934
Money Market Borrowings	1,183,507	37,176	1,183,507	37,176
Derivative Financial Liabilities for Hedging Purposes	326,785	2,693	326,785	2,693
Sundry Creditors	990,046	789,584	990,046	789,584

(*) Does not include trading derivatives and loan amounts.

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

The classification of fair value calculation is as follows:

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

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

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	7,208,322	1,621,880		8,830,202
Financial Assets at Fair Value through Profit/Loss	187,523	-	-	187,523
Assets on Trading Derivatives	1,488	390,807	-	392,295
Investment Securities Available for Sale	7,019,311	225,474	-	7,244,785
Loans and Receivables	-	976,951	-	976,951
Derivative Financial Assets Hedging Purposes	-	28,648	-	28,648
Financial Liabilities	2,753	798,996	-	801,749
Liabilities on Trading Derivatives	2,753	472,211	-	474,964
Derivative Financial Liabilities for Hedging Purposes	-	326,785	-	326,785

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5,436,972	2,118,834	-	7,555,806
Financial Assets at Fair Value through Profit/Loss	147,082	-	-	147,082
Assets on Trading Derivatives	3,298	419,571	-	422,869
Investment Securities Available for Sale	5,286,592	124,717	-	5,411,309
Loans and Receivables	-	1,572,129	-	1,572,129
Derivative Financial Assets Hedging Purposes	-	2,417	-	2,417
Financial Liabilities	1,402	269,149	-	270,551
Liabilities on Trading Derivatives	1,402	266,456	-	267,858
Derivative Financial Liabilities for Hedging Purposes	-	2,693	-	2,693

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 does not involve in fiduciary activities.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON 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	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	223,045	177,056	168,939	126,865
T.R. Central Bank	923,452	1,045,395	842,286	652,072
Others	3,844	25,528	3,433	611
Total	1,150,341	1,247,979	1,014,658	779,548

b) Balances with the Central Bank of Turkey

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

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

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

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

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities (*)	10,716	-	5,260	-
Other	-	-	-	-
Total	10,716	-	5,260	-

(*) Government bonds given as collateral are classified under Held-for-Trading Financial Assets in the financial statements.

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b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds (*)	2,876	-	-	-
Treasury Bills (*)	13,339	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	16,215	-	-	-

(*)Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	13,823	-	2,712	-
Swap Transactions	228,564	39,677	363,496	36,827
Futures Transactions	-	1,488	-	3,298
Options	108	105,945	165	12,502
Other	-	2,690	3,869	-
Total	242,495	149,800	370,242	52,627

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	61,172	24,149	35,674	8,829
Foreign	17,194	456,663	81,312	1,195,672
Foreign Head Offices and Branches	-	-	-	-
Total	78,366	480,812	116,986	1,204,501

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	185,116	870,328	-	-
USA and Canada	84,998	230,419	49,600	49,296
OECD Countries (*)	2,954	2,545	-	-
Off-shore Banking Regions	150,589	104,159	-	-
Other	600	20,237	-	-
Total	424,257	1,227,688	49,600	49,296

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

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

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c) Information on receivables from reverse repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	4,977	-	14,351	-
T.R Central Bank	152	-	-	-
Banks	-	-	13,286	-
Intermediary Institutions	4,825	-	314	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	751	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	4,977	-	14,351	-

4. Information on investment securities available for sale

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

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

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

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

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	7,124,105	5,336,670
Quoted on a stock exchange(*)	7,032,381	5,221,470
Unquoted on a stock exchange	91,724	115,200
Share certificates	121,333	75,384
Quoted on a stock exchange(**)	120,971	75,017
Unquoted on a stock exchange	362	367
Impairment provision(-)	(653)	(745)
Total	7,244,785	5,411,309

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

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

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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 (*)	42,042	-	38,638	-
Total	42,042	-	38,638	-

(*) Includes the advances given to the bank personnel.

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

Cash Loans(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	24,447,390	190,792	878,294	270,119
Discount Notes	171,528	-	423	-
Export Loans	767,555	55,684	106,422	2,496
Import Loans	-	-	-	-
Loans Given to Financial Sector	542,224	-	-	-
International Loans	35,667	-	-	-
Retail Loans	9,153,182	-	294,815	130,670
Credit Cards	6,211,031	-	134,658	46,368
Precious Metals Loans	-	-	-	-
Other	7,375,411	135,108	341,976	90,585
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	24,256,598	190,792	878,294	270,119

(*)The loans amounting to TL976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit/Loss” in the financial statements.

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	12,292,401	-	134,658	46,368
Non-specialized Loans	12,292,401	-	134,658	46,368
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	11,964,197	190,792	743,636	223,751
Non-specialized Loans	11,964,197	190,792	743,636	223,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	24,256,598	190,792	878,294	270,119

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

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

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

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

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

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	88,515	-
Private	25,507,288	19,025,310
Total	25,595,803	19,025,310

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

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	25,560,136	18,993,689
Foreign Loans	35,667	31,621
Total	25,595,803	19,025,310

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

h) Loans granted to subsidiaries and associates

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.

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i) Specific provisions for loans

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

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)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008
Prior Period			
(Gross Amounts Before the Specific Provisions)	1,202	17,909	70,904
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,202	17,909	70,904

j.2) Movement of non-performing loans

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

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

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

None (December 31, 2009 – None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	96,579	112,912	22,832
Loans to Real Persons and Legal Entities (Gross)	218,237	347,516	1,183,789
Specific provision (-)	(121,658)	(234,604)	(1,160,957)
Loans to Real Persons and Legal Entities (Net)	96,579	112,912	22,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	871	7,349
Specific provision (-)	-	(871)	(7,349)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	49,879	44,914	11,169
Loans to Real Persons and Legal Entities (Gross)	301,379	473,758	672,240
Specific provision (-)	(251,500)	(428,844)	(661,071)
Loans to Real Persons and Legal Entities (Net)	49,879	44,914	11,169
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	7,349	-
Specific provision (-)	-	(7,349)	-
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables:

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

l) Explanations on write-off policy:

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

6. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	196,442	16,309	35,465	1,581
Medium and Long-Term	9,274	-	-	-
Total	205,716	16,309	35,465	1,581

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7. Information on investment securities held-to-maturity

The group does not have any investment securities held to maturity as of December 31, 2010 (December 31, 2009 – None).

8. Investments in associates (Net)

8.1. Investments in associates

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
433	431	-	490	-	356	747	-
22,011	15,865	6,792	912	-	1,465	1,067	-
138,216	132,761	2,953	5,908	-	4,321	3,713	-

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

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

Movements of investments in associates

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

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

(**) The amount represents the Parent Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

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8.3. 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	5,769	6,016
Total	5,769	6,016

8.4. Quoted associates that are not included in consolidation

None (December 31, 2009 – None).

8.5. Valuation methods of investments in associates those are not included in consolidation

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

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

As explained in section 5, footnote 8.2, decrease in investment in associates amounting to TL 247 occurred due to capital decrease of Gelişen Bilgi Teknolojileri A.Ş. (December 31, 2009 – None).

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

The Bank does not have investments in associates acquired as of December 31, 2010. The Bank has participated in to the capital of Garanti Fonu İşletme ve Araştırma A.Ş. in 2009 with TL 2,000 as explained in section 5 footnote 8.2.

9. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99.91%	99.91%

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	21,458	20,379	17,454	-	-	1,752	1,452	-

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

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b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

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

(*)The share of the Parent Bank is 10.01% whereas the remaining 60.27% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

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

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

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

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

b.2) Movement of investments in subsidiaries

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

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

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

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

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

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

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

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b.3) Sectoral distribution of the consolidated subsidiaries:

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

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

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

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

10. Investments in entities under common control:

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

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

11. Information on financial lease receivables (Net):

11.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	441,275	394,205	502,688	444,066
Between 1-4 years	430,707	390,555	481,504	429,950
Over 4 years	35,808	33,541	23,189	21,441
Total	907,790	818,301	1,007,381	895,457

Financial lease receivables include non performing financial lease receivables amounting to TL 122,552 (December 31, 2009 – TL 128,659) and specific provisions amounting to TL 65,665 (December 31, 2009 – TL 62,963).

Changes in non performing financial lease receivables provision as of December 31, 2010 and 2009 are as follows:

	Current Period	Prior Period
End of prior period	62,963	24,702
Provided provision / (cancellation), Net	16,313	43,545
Collections	(3,751)	(5,266)
Written off	(9,860)	(18)
Provision at the end of the period	65,665	62,963

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11.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	907,790	1,007,381
Unearned Finance Income (-)	89,489	111,924
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	818,301	895,457

11.3. 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.

12. Information on hedging purpose derivatives:

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

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

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13. Information on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	68,254	328,504	1,502	476,124	874,384
Accumulated Depreciation (-)	4,564	187,149	1,287	293,816	486,816
Net Book Value	63,690	141,355	215	182,308	387,568
Current Period End					
Cost at the Beginning of the Period	68,254	328,504	1,502	476,124	874,384
Additions	2,419	-	474	70,835	73,728
Disposals (-)	5,319	4,100	558	1,930	11,907
Impairment (-) / (increase)	(566)	-	-	-	(566)
Current Period Cost	65,920	324,404	1,418	545,029	936,771
Accumulated Depreciation at the Beginning of the Period	4,564	187,149	1,287	293,816	486,816
Disposals (-)	653	2,031	393	1,175	4,252
Depreciation amount	1,281	26,702	91	48,110	76,184
Accumulated Depreciation at the End of the Period (-)	5,192	211,820	985	340,751	558,748
Net Book Value at the End of the Period	60,728	112,584	433	204,278	378,023

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

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

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

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

None (December 31, 2009 - None)

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

None (December 31, 2009 - None)

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14. Information on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	150,283	19,209	169,492
Accumulated Amortization (-)	84,826	10,240	95,066
Net Book Value	65,457	8,969	74,426
Current Period End			
Cost at the Beginning of the Period	150,283	19,209	169,492
Additions	66,069	-	66,069
Disposals (-)	-	-	-
Impairment (-)	-	-	-
Current Period Cost	216,352	19,209	235,561
Acc. Amort. at the Beginning of the Period	84,826	10,240	95,066
Disposals (-)	-	-	-
Amortization charge	30,366	-	30,366
Current Period Accumulated Amortization (-)	115,192	10,240	125,432
Net Book Value-End of the Period	101,160	8,969	110,129

- a) Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements: None (December 31, 2009 - None).
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None (December 31, 2009 - None).
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None (December 31, 2009 - None).
- d) The book value of intangible fixed assets that are pledged or restricted for use: None (December 31, 2009 - None).
- e) Amount of purchase commitments for intangible fixed assets: None (December 31, 2009 - None).
- f) Information on revalued intangible assets according to their types: None (December 31, 2009 - None).
- g) Amount of total research and development expenses recorded in income statement within the period if any:

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

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

The goodwill amounting to TL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2009 – TL 8,969).

- i) Information on goodwill:

The details have been disclosed at explanations and disclosures related to asset section, at disclosure 14.

15. Information on investment property

None (December 31, 2009 - None).

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16. Information on 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 TL 29,408 (December 31, 2009 - TL 28,741), and the net deferred tax liability as TL 71,859 (December 31, 2009 - TL 83,062).

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 26,295 (December 31, 2009 - TL 19,437 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
Reserve for Employee Benefits	83,119	74,120	16,624	14,824
The differences between carrying and taxable amounts of financial assets	181,851	84,621	36,370	16,924
Unused investment incentive certificate	112,435	124,972	22,487	24,993
Other	20,825	18,735	4,165	3,745
Deferred Tax Asset			79,646	60,486
The differences between carrying and taxable amounts of tangible assets	(85,998)	(68,251)	(17,200)	(13,650)
The differences between carrying and taxable amounts of financial assets	(457,254)	(441,107)	(91,451)	(88,221)
Other	(67,230)	(64,681)	(13,446)	(12,936)
Deferred Tax Liability			(122,097)	(114,807)
Deferred Tax Asset / (Liability), Net			(42,451)	(54,321)
	Current Period		Prior Period	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(54,321)		(27,362)	
Deferred Tax (Charge) Benefit	18,728		1,759	
Deferred Tax Items Accounted For Under the Equity	(6,858)		(27,707)	
The Effect of the Subsidiary Excluded From Consolidation (-)	-		(1,011)	
Deferred Tax Asset/ (Liability) as of December 31 (Net)	(42,451)		(54,321)	

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

None (December 31, 2009 - None).

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18. Information on other assets:

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Collateral Given for Derivative Transactions	461,851	91,810
Assets Held for Resale (net)	126,914	89,660
Cheques Receivables from Other Banks	107,964	86,907
Other Prepaid Expenses	99,934	87,298
Advances Given on Finance Lease Transactions	96,122	60,963
Sundry Debtors	53,350	71,528
Prepaid Rent Expenses	16,364	13,777
Advances Given	7,032	3,598
Prepaid Agency Commissions	6,824	971
Other	51,662	24,799
Total	1,028,017	531,311

18.2. 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 note 18.1 section of disclosure.

19. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R Central Bank	1,506	-	7,910	-
Trading Securities	3,205	21	2,505	46
Fin. Assets at Fair Value through Profit or Loss	4,763	-	10,527	-
Assets on Trading Derivatives	242,495	149,800	370,242	52,627
Banks	471	479	630	311
Money Markets Placements	-	-	2	-
Investment Securities Available for Sale	212,089	29,116	200,896	40,975
Investments Securities Held to Maturity	-	-	-	-
Loans and Receivables	384,252	11,643	339,453	20,711
Derivative Financial Instruments Held for Hedging Purposes	28,648	-	-	2,417
Lease Receivables	2,322	6,554	4,379	12,769
Other Accruals	-	-	1,988	-
Total	879,751	197,613	938,532	129,856

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	536,016	-	2,364,956	7,187,597	391,409	76,414	578	17,464	10,574,434
Foreign Currency Deposits	741,976	-	1,519,425	2,866,598	323,061	97,259	27,704	6,274	5,582,297
Residents in Turkey	718,885	-	1,477,898	2,736,609	312,103	61,016	27,704	6,241	5,340,456
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
Public Sector Deposits	95,468	-	4,119	156,406	76	-	-	-	256,069
Commercial Deposits	790,122	-	1,286,099	3,357,562	464,583	89,611	-	-	5,987,977
Other Ins. Deposits	12,807	-	32,172	558,049	101,454	1,810	-	-	706,292
Precious Metal Deposits	12,124	-	12,307	-	-	-	-	-	24,431
Bank Deposits	21,695	-	245,036	436,324	171,673	4,106	-	-	878,834
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
Total	2,210,208	-	5,464,114	14,562,536	1,452,256	269,200	28,282	23,738	24,010,334

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	392,954	-	2,146,539	5,553,446	64,748	39,117	110	17,516	8,214,430
Foreign Currency Deposits	763,060	-	1,757,664	2,963,642	140,842	145,498	7,561	8,936	5,787,203
Residents in Turkey	724,968	-	1,721,739	2,744,879	136,158	138,009	7,561	8,907	5,482,221
Residents Abroad	38,092	-	35,925	218,763	4,684	7,489	-	29	304,982
Public Sector Deposits	75,052	-	3,804	281,138	88	-	-	-	360,082
Commercial Deposits	647,870	-	514,757	2,412,491	222,857	7,928	-	-	3,805,903
Other Ins. Deposits	14,767	-	25,748	127,091	93,321	27	-	-	260,954
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	50,589	-	183,861	142,819	-	-	1,122,392	-	1,499,661
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,690	-	96,791	-	-	-	-	-	99,481
Foreign Banks	17,785	-	87,070	142,819	-	-	1,122,392	-	1,370,066
Participation Banks	30,114	-	-	-	-	-	-	-	30,114
Other	-	-	-	-	-	-	-	-	-
Total	1,944,292	-	4,632,373	11,480,627	521,856	192,570	1,130,063	26,452	19,928,233

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

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

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

	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	11,423	33,984
Total	11,423	33,984

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	22,897	-	7,245	-
Swaps	310,760	37,032	220,449	24,427
Futures	-	2,753	-	1,402
Options	108	98,978	60	12,795
Other	-	2,436	1,480	-
Total	333,765	141,199	229,234	38,624

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	215,553	95,546	109,953	121,312
Foreign Bank, Institutions and Funds	337,574	4,002,489	332,013	2,373,993
Total	553,127	4,098,035	441,966	2,495,305

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	253,111	1,076,120	141,953	675,556
Medium and Long-Term	300,016	3,021,915	300,013	1,819,749
Total	553,127	4,098,035	441,966	2,495,305

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

As of March 24, 2006, in accordance 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, in accordance with the Board of Directors' decision dated March 27, 2006 numbered 68, the Parent Bank received a credit card securitization loan of TL 300,000 with fixed interest rate and 5 years maturity.

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

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

As of December 31, 2010, the Group's liabilities comprise; 61% deposits (December 31, 2009 – 66%), 14% funds borrowed (December 31, 2009 – 15%) and 3% funds provided under repurchase agreements (December 31, 2009 – 0.06%).

4. Information on funds provided under repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	823,642	-	13,034	-
Financial institutions and organizations	790,284	-	-	-
Other institutions and organizations	5,736	-	3,705	-
Real persons	27,622	-	9,329	-
From foreign transactions	6,703	309,882	6,142	-
Financial institutions and organizations	-	309,882	-	-
Other institutions and organizations	6,703	-	6,139	-
Real persons	-	-	3	-
Total	830,345	309,882	19,176	-

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5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceed 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, 2009 – does not exceed).

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

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

6.1. Changes in agreements and further commitments arising

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

6.2. Financial Lease Payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as 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, 2009 – None).

7. Information on liabilities arising from hedging purpose derivatives

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

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

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

8. Information on provisions

8.1. Information on general provisions

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

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

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

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

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

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

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 TAS 19 and reflected these accompanying financial statements.

As of December 31, 2010, TL 26,826 (December 31, 2009 - TL 21,210) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2010, the Group accrued TL 16,096 (December 31, 2009 - TL 12,393) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2010, TL 40,197 (December 31, 2009 - TL 40,517) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

8.4.1 Movement of employee termination benefits

	Current Period 01.01-31.12.2010	Prior Period 01.01-31.12.2009
As of January 1	21,210	18,524
Service cost	4,911	2,569
Interest cost	2,969	2,256
Limitations of payments and benefits	5,081	1,168
Paid during the period	(7,345)	(3,307)
Total	26,826	21,210

8.5. Information on other provisions

8.5.1. Information on free reserves for possible loan losses

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

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

8.5.2 Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	15,147	11,805
Other Provisions	19,217	51,514
Total	34,364	63,319

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9. Taxation

9.1. Current taxes

9.1.1. Current tax liability

As of December 31, 2010, the Group has current tax liability of TL 256,573 (December 31, 2009 - TL 132,823) and advance taxes of TL 184,353 (December 31, 2009 - TL 178,994).

The corporate tax payable and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2010, after the offsetting, the corporate tax payable is disclosed as TL 72,834 (December 31, 2009 - TL 4,328) and the corporate tax asset is disclosed as TL 614 (December 31, 2009 - TL 50,499) in the accompanying consolidated financial statements.

9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	72,834	4,328
Banking and Insurance Transaction Tax (BITT)	21,645	16,893
Taxation on Securities Income	17,363	14,331
Taxation on Real Estates Income	1,028	779
Other	13,205	14,963
Total	126,075	51,294

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

9.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	4,724	3,731
Social Security Premiums - Employer Share	5,112	4,021
Unemployment Insurance - Employee Share	331	261
Unemployment Insurance - Employer Share	671	529
Total	10,838	8,542

9.2. Information on deferred tax liabilities

Deferred tax liability amounting to TL 71,859 (December 31, 2009 - TL 83,062) has been calculated according to the related legislations. The details have been disclosed at explanations and disclosures related to asset section, at disclosure numbered 16.

10. Information on payables related to assets held for sale

None (December 31, 2009 - None).

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11. Information on subordinated loans

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

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

12. Information on shareholder's equity

12.1. Paid-in capital

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

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

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

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

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

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

12.4. Information on share capital increases from revaluation funds

None (December 31, 2009 - None).

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

The Group does not have any capital commitment; 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, 2009 - None).

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

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

13. Common stock issue premiums, shares and equity instruments

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

14. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	120,153	4,093	45,386	32,361
Valuation Difference	120,153	4,093	45,386	32,361
Foreign Exchange Rate Difference	-	-	-	-
Total	120,153	4,093	45,386	32,361

15. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	96,877	11,080	65,120	9,479
Derivative Financial Liabilities Held for Trading	333,765	141,199	229,234	38,624
Funds Borrowed	1,347	23,044	1,461	22,158
Money Market Borrowings	505	182	10	-
Derivative Financial Liabilities for Hedging Purposes	319,785	7,000	-	2,693
Other Accruals	32,160	16	16,811	46
Total	784,439	182,521	312,636	73,000

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SECTION FIVE

III. EXPLANATIONS 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	1,587,549	1,706,226
Letters of Guarantee in TL	2,967,436	2,239,000
Letters of Credit	722,850	539,923
Bank Loans	721,538	664,139
Factoring Guarantees	-	26,949
Other Guarantees	36,309	41,704
Total	6,035,682	5,217,941

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

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

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

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

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	360,270	409,874
Less Than or Equal to One Year with Original Maturity	33,954	31,711
More Than One Year with Original Maturity	326,316	378,163
Other Non-Cash Loans	5,675,412	4,808,067
Total	6,035,682	5,217,941

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	40,653	1.37	40,086	1.32	52,066	2.33	73,805	2.54
Farming and Raising Livestock	8,038	0.27	17,072	0.56	11,595	0.52	21,952	0.75
Forestry	32,136	1.08	21,906	0.72	40,064	1.79	51,775	1.78
Fishing	479	0.02	1,108	0.04	407	0.02	78	0.00
Manufacturing	532,675	17.93	1,510,731	49.87	381,022	17.02	1,427,235	49.05
Mining and Quarrying	29,259	0.99	29,691	0.98	17,479	0.78	31,608	1.09
Production	493,786	16.63	1,440,143	47.54	356,534	15.92	1,364,315	46.88
Electricity, gas and water	9,630	0.32	40,897	1.35	7,009	0.31	31,312	1.08
Construction	609,769	20.53	428,401	14.14	495,233	22.12	391,914	13.47
Services	1,504,363	50.65	952,094	31.43	1,043,170	46.59	770,881	26.49
Wholesale and Retail Trade	947,724	31.91	517,521	17.08	673,698	30.09	505,724	17.38
Hotel, Food and Beverage								
Services	19,334	0.65	7,703	0.25	8,993	0.40	6,287	0.22
Transportation&Communication	59,724	2.01	65,323	2.16	56,221	2.51	43,896	1.51
Financial Institutions	310,366	10.45	315,626	10.42	203,678	9.10	146,672	5.04
Real Estate and Renting Services	8,492	0.29	603	0.02	1,428	0.06	396	0.01
Self Employment Services	148,569	5.00	43,239	1.43	89,625	4.00	65,917	2.27
Educational Services	2,667	0.09	92	0.00	1,366	0.06	88	0.00
Health and Social Services	7,487	0.25	1,987	0.07	8,161	0.36	1,901	0.07
Other (*)	282,600	9.51	98,001	3.24	267,587	11.95	246,375	8.47
Total	2,970,060	100.00	3,029,313	100.00	2,239,078	100.00	2,910,210	100.00

(*)Does not include "Other Guarantees" amounting to TL 36,309 (December 31, 2009 - TL 41,704) and "Factoring Guarantees" amounting to TL 26,949 as of December 31, 2009.

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

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

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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	36,431,011	28,701,663
Forward transactions (*)	2,530,303	2,349,583
Swap transactions	20,047,453	19,818,311
Futures transactions	375,074	274,612
Option transactions	13,478,181	6,259,157
Interest Related Derivative Transactions (II)	6,542,674	2,424,642
Forward rate transactions	-	-
Interest rate swap transactions	6,517,292	2,088,456
Interest option transactions	-	301,140
Futures interest transactions	25,382	35,046
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	42,973,685	31,126,305
Types of hedging transactions	10,265,120	144,480
Fair value hedges	8,955,244	144,480
Cash flow hedges	1,309,876	-
Net investment hedges	-	-
B. Total Hedging Related Derivatives	10,265,120	144,480
Total Derivative Transactions (A+B)	53,238,805	31,270,785

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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

	Forward Buy(**)	Forward Sell(**)	Swap Buy (*)	Swap Sell (*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	388,533	498,515	5,888,531	10,705,451	2,985,137	2,843,408	3,397	3,397
USD	368,915	482,100	9,633,611	7,328,889	2,069,610	2,070,336	195,723	195,723
EURO	350,882	150,472	2,199,221	751,451	1,109,354	1,232,585	1,108	1,108
Other	152,990	137,896	89,098	233,613	586,431	581,320	-	-
Total	1,261,320	1,268,983	17,810,461	19,019,404	6,750,532	6,727,649	200,228	200,228
(*) This column also includes hedging purpose derivatives.								
(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments								
	Forward Buy(**)	Forward Sell(**)	Swap Buy (*)	Swap Sell (*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	335,301	431,381	2,693,906	8,061,208	1,314,573	1,420,448	-	-
USD	514,570	591,657	7,669,657	2,812,092	1,608,687	1,562,863	154,829	154,829
EURO	166,937	119,586	286,928	127,627	326,501	270,596	-	-
Other	156,307	33,844	28,237	371,592	27,022	29,607	-	-
Total	1,173,115	1,176,468	10,678,728	11,372,519	3,276,783	3,283,514	154,829	154,829

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments

As of December 31, 2010, the Group has no derivatives transactions for hedge of net investment..

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6. Information on contingent liabilities and assets

None (December 31, 2009 – None).

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

The 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 2010	FITCH December 2010	CI November 2010
Long-Term Deposit Rating (FC)	Ba3 Long-Term Foreign Curr.	BBB- Long-Term Foreign Curr. BB
Long-Term Deposit Rating (TL)	Baa2 Short-Term Foreign Curr.	F3 Short-Term Foreign Curr. B
Short-Term Deposit Rating (TL)	Prime-2 Long-Term TL	BBB- Financial Strength BBB+
Financial Strength	C- Short-Term TL	F3 Support 3
	Long-Term National	AAA
	Individual	C
	Support	3T

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IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	1,758,857	49,551	1,822,271	83,098
Medium and Long-Term Loans	1,389,886	57,198	1,247,201	82,433
Non-Performing Loans	82,087	-	33,231	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3,230,830	106,749	3,102,703	165,533

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	29,059	-	45,792	95
Domestic Banks	11,530	123	1,893	60
Foreign Banks	18,476	4,990	20,977	6,040
Foreign Headquarters and Branches	-	-	-	-
Total	59,065	5,113	68,662	6,195

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	8,872	236	10,095	305
Financial Assets at FVTPL	11,794	-	18,110	-
Investment Securities Available for Sale	349,702	36,846	405,531	33,423
Investment Securities Held to Maturity	-	-	102,704	-
Total	370,368	37,082	536,440	33,728

d) Information on interest income received from associates and subsidiaries

None (December 31, 2009 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	10,763	1,818	13,140	7,621
Foreign Banks	43,149	107,813	41,916	195,976
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	53,912	109,631	55,056	203,597

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b) Information on interest expense paid to associates and subsidiaries

None (December 31, 2009 – None).

c) Information on interest expense paid to securities issued:

None (December 31, 2009 – None).

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits					Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	22,265	2,807	1,412	68	-	-	26,552
Saving Deposits	4	206,040	550,590	15,407	4,461	1,115	-	777,617
Public Sector Deposits	-	319	3,858	9	-	-	-	4,186
Commercial Deposits	20	71,390	226,954	16,581	2,499	-	-	317,444
Other Deposits	-	4,897	39,899	11,472	282	-	-	56,550
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	24	304,911	824,108	44,881	7,310	1,115	-	1,182,349
Foreign Currency								
Foreign Currency								
Deposits	29	44,172	76,065	6,987	4,131	826	187	132,397
Bank Deposits	137	729	16,176	2,440	-	-	-	19,482
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	70	-	-	-	-	-	70
Total	166	44,971	92,241	9,427	4,131	826	187	151,949
Grand Total	190	349,882	916,349	54,308	11,441	1,941	187	1,334,298

Prior Period		Time Deposits					Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	51	18,353	3,184	-	-	1,514	-	23,102
Saving Deposits	103	278,936	575,222	16,215	3,249	1,644	-	875,369
Public Sector Deposits	34	373	2,347	39	-	-	-	2,793
Commercial Deposits	24	75,036	121,004	13,246	255	44	-	209,609
Other Deposits	2	6,460	31,340	4,629	1,622	-	-	44,053
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	214	379,158	733,097	34,129	5,126	3,202	-	1,154,926
Foreign Currency								
Foreign Currency								
Deposits	31	65,084	85,873	10,910	5,675	353	417	168,343
Bank Deposits	378	372	460	-	-	3,984	-	5,194
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	409	65,456	86,333	10,910	5,675	4,337	417	173,537
Grand Total	623	444,614	819,430	45,039	10,801	7,539	417	1,328,463

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e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements(*)	50,610	378	81,627	9

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

f) Information on finance lease expenses

None (December 31, 2009 – None).

g) Information on interest expenses on factoring payables

None (December 31, 2009 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	169	151
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	157	1,330
Other	-	-
Total	326	1,481

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	5,855,041	7,060,511
Gains on Capital Market Operations	425,723	386,642
Derivative Financial Instruments	1,376,211	1,600,464
Foreign Exchange Gains	4,053,107	5,073,405
Trading Loss (-)	6,116,098	7,422,964
Losses on Capital Market Operations	44,510	48,594
Derivative Financial Instruments	2,054,305	2,361,406
Foreign Exchange Losses	4,017,283	5,012,964
Net Trading Income/Loss	(261,057)	(362,453)

5. Information on other operating income

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

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	181,537	700,776
Loans and Receivables in Group III	14,478	37,318
Loans and Receivables in Group IV	28,023	233,466
Loans and Receivables in Group V	139,036	429,992
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	66,357	38,599
Provision Expenses for Possible Losses	-	49,029
Impairment Losses on Securities	73	-
Financial assets at fair value through profit or loss	73	-
Investment securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	26,772	47,247
Total	274,739	835,651

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	646,971	559,289
Reserve for employee termination benefits	5,616	2,686
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	1,048
Depreciation charge of tangible assets	76,184	70,874
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	30,366	20,051
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,215	2,603
Depreciation on assets to be disposed	1,917	1,605
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	544,798	467,818
Operational lease related expenses	99,436	88,854
Repair and maintenance expenses	45,225	31,375
Advertisement expenses	74,707	63,876
Other expenses	325,430	283,713
Losses on sales of assets	1,110	131
Other	165,611	125,374
Total	1,473,788	1,251,479

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

For the period ended December 31, 2010, net interest income of TL 2,356,909 (December 31, 2009 – TL 2,362,691), net fees and commission income of TL 672,288 (December 31, 2009 – TL 616,483) and other operating income of TL 155,486 (December 31, 2009 – TL 114,456) constitute an important part of the income.

The Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Bank used to own 100% of the shares, for EUR 185 million in cash on February 24, 2009 to NBG International Holdings B.V. in prior period. The gain of TL 43,324 resulting from the sale is accounted for as “Income on sale of associates, subsidiaries and entities under common control” under the “Income on Discontinued Operations” in the prior period income statement.

The income / expense from discontinued operations as of December 31, 2009 are as follows:

	December 31, 2009
Income / Expense from Discontinued Operations	
Interest Income	34,796
Interest Expenses	(38,586)
Net Interest Income / Expense	(3,790)
Net Commission and Fee Income	62
Net Trading Income / Loss	19,240
Other Operating Income	-
Total Operating Income	15,512
Provisions for Losses on Loans and Other Receivables	-
Other Operating Expenses	(481)
Profit / Loss from Discontinued Operations before Taxes	15,031
Tax Charge (*)	(1,123)
Net Profit / Loss from Discontinued Operations	13,908
Gain on Sale of Discontinued Operations	43,324
Tax Charge of Gain on Sale of Discontinued Operations(*)	(9,855)
Profit	47,377

(*) Income tax charge amounting to TL 9,855 related with the sale of subsidiary and accrued income tax until the day of sale amounting to TL 1,123 are presented under “Tax Charge for Discontinued Operations” as a total of TL 10,978 in the prior period income statement.

9. Explanations on tax provision for continued and discontinued operations

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

As of December 31, 2010, the Group recorded tax charge of TL 256,576 (December 31, 2009 – TL 122,968) and a deferred tax benefit of TL 18,728 (December 31, 2009 – TL 1,759).

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

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2009 – None).

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

In the current period, there is no profit of the Group from discontinued operations (December 31, 2009 – TL 47,377), whereas the net profit of the Group from continued operations is TL 937,577 (December 31, 2009 – TL 524,319).

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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, 2009 – None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	14,655	17,840

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

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

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

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

1. Changes resulting from valuation of available for sale securities

Net increase of TL 46,499 (December 31, 2009 – TL 84,548 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

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

3. Explanations on dividend

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

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

2009 profit distribution table:

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

(*): Distributed as bonus shares.

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

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

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	36,134	24,187

4. Issuance of share certificates

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

None (December 31, 2009 - None).

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

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

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOW STATEMENT

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

“Other items” amounting to TL 247,359 (December 31, 2009 – TL 558,660) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 108,879 (December 31, 2009 – TL 89,824), net trading income/loss amounting to TL 462,085 (December 31, 2009 – TL 188,324 net trading income/loss) and other operating expenses amounting to TL 600,565 (December 31, 2009 – TL 280,512).

“Other items” in changes in operating assets amounting to TL 634,647 (December 31, 2009 - TL 379,636) consist of the increase in collaterals given amounting to TL 370,041 (December 31, 2009 - TL 228,490 decrease), the decrease in lease receivables amounting to TL 56,322 (December 31, 2009 – TL 289,773 decrease), the increase in factoring receivables amounting to TL 184,979 (December 31, 2009 – TL 37,033 increase) and the increase in other assets amounting to TL 135,949 (December 31, 2009 - TL 101,594 increase).

“Other items” in changes in operating liabilities amounting to TL 1,508,259 (December 31, 2009 - TL 187,156) consist of the increase in money market borrowings by TL 1,146,331 (December 31, 2009 - TL 315,231 increase) and the increase in sundry debtors and other liabilities by TL 361,928 (December 31, 2009 - TL 128,075 decrease).

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

	Current Period	Prior Period
	January 1, 2010	January 1, 2009
Cash	299,848	225,152
Cash in TL	168,939	100,592
Cash in Foreign Currencies	126,865	121,349
Other	4,044	3,211
Cash Equivalents	2,821,345	1,769,406
Balances with the T.R. Central Bank	1,494,358	1,349,821
Banks	1,321,487	428,264
Money Market Placements	14,351	18,761
Less: Placements with Banks with Maturities Longer than 3 Months	-	(2,183)
Less: Accruals	(8,851)	(25,257)
Cash and Cash Equivalents	3,121,193	1,994,558

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

	Current Period	Prior Period
	December 31, 2010	December 31, 2009
Cash	429,473	299,848
Cash in TL	223,045	168,939
Cash in Foreign Currencies	177,056	126,865
Other	29,372	4,044
Cash Equivalents	2,526,224	2,821,345
Balances with the T.R. Central Bank	1,968,847	1,494,358
Banks	559,178	1,321,487
Money Market Placements	4,977	14,351
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(2,456)	(8,851)
Cash and Cash Equivalents	2,955,697	3,121,193

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

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

5. Additional information

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

None (December 31, 2009 – None).

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SECTION FIVE

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

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

As of December 31, 2010, the Parent Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 127,671 (December 31, 2009 - TL 1,184,459), TL 29,061 (December 31, 2009 - TL 30,632) and TL 49,066 (December 31, 2009 - TL 34,870), respectively.

Current Period

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	385	-	11,745	30,632	22,740
Balance at the End of the Period	-	270	-	48,794	29,061	2
Interest and Commission Income	-	6	30	55	1,962	-

Prior Period

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	115	-	-	10,005	3,051
Balance at the End of the Period	-	385	-	11,745	30,632	22,740
Interest and Commission Income	-	6	-	79	2,941	235

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

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

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	10,199	80	1,116,699	529,562	57,561	14,973
Balance at the End of the Period	27,579	10,199	1,707	1,116,699	98,385	57,561
Interest on deposits	16,446	9	14,327	2,893	3,045	17,899

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

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

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	-	105,265	70,407	273,419	142,115
End of the Period	-	-	817,073	105,265	246,599	273,419
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.

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

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

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

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

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2010, cash loans of the risk group represented 0.1% of the total cash loans (December 31, 2009 - 0.02%), the deposits represented 0.5% of the total deposits (December 31, 2009 - 5.9%) and derivative transactions with the risk group represented 3.9% of the Parent Bank's total derivative transactions (December 31, 2009 - 2.5%).

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 places certain amount of its funds from time through time 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, advisory and improvement services.

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

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

The receivables, payables, income and expenses of the transactions conducted with the subsidiaries other than those stated above are eliminated in the consolidated financial statements.

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VIII. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES

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

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

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. OTHER EXPLANATIONS RELATED TO THE GROUP'S OPERATIONS

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

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

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

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

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

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

3. Other matters

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

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

II. Explanations on the notes prepared by Independent Auditor

None. (December 31, 2009 – None)