

FİNANSBANK ANONİM ŞİRKETİ

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

*Translated into English from the
Original Turkish Report*

FINANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

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

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

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

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

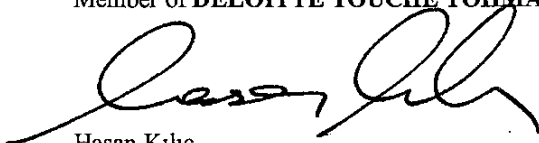
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of the Group for the period ended June 30, 2010 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 and No: 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 the 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 consolidated 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, August 27, 2010

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

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129 34394 Mecidiyeköy/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
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www.finansbank.com.tr

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



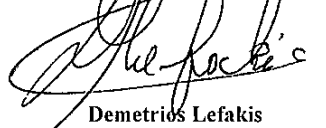
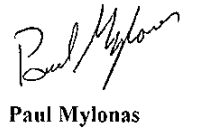


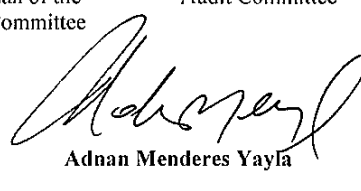
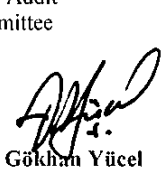
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS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

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

Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans 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 limited review, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL).

 Ömer A. Aras Chairman of the Board of Directors	 Mustafa A. Aysan Member of the Board of Directors and Chairman of the Audit Committee	 Demetrios Lefakis Member of the Board of Directors and of the Audit Committee	 Paul Mylonas Member of the Board of Directors and of the Audit Committee	 Mustafa Hamdi Çurtin Member of the Board of Directors and of the Audit Committee
 Tuncay Güzelöğlu Managing Director 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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Finansbank Anonim Şirketi
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 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 June 30, 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% 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 such as retail banking, assets management, intermediary services and investment banking.

III. Information about the chairman and members of board of directors, members of auditor committee, managing director and executive vice presidents; any changes, and the information about the 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	Board Member and Audit Committee Member	April 17, 2007	Masters
Dimitrios Anagnostopoulos	Board Member	September 24, 2009	Graduate
Edward Nassim	Board Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Yener Dinçmen	Board Member	August 20, 2001	Masters
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member and Audit Committee Member	April 16, 2010	Masters
Agis 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
Vedat Mungan	Assistant Managing Director	January 1, 2008	Masters
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
Lale Maro	Assistant Managing Director	October 13, 1999	Masters
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Kerim Rota	Assistant Managing Director	August 6, 2004	Graduate
Olcayto Onur(*)	Assistant Managing Director	October 2, 1997	Masters
Murat Bayburtluoğlu(**)	Assistant Managing Director	August 19, 2004	Graduate
Hakan Alp(***)	Assistant Managing Director	July 7, 2010	Graduate
Kaan Arslan****)	Assistant Managing Director	May 31, 2005	Masters
Kubilay Güler	Assistant Managing Director	January 16, 2004	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Elçin Yank	Assistant Managing Director	February 1, 2010	Masters
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

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

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

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

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

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

Finansbank Anonim Şirketi

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

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

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

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

The 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. As of June 30, 2010, the Parent Bank operates through 61 corporate and commercial banking (December 31, 2009 - 61), 402 retail and consumer banking (December 31, 2009 - 398), 1 off shore banking (December 31, 2009 -1) and 1 Atatürk Airport Free Trade Zone (December 31, 2009 - 1) branches.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet
- II. Consolidated Statement of Off-Balance Sheet Commitments and Contingencies
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**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

Finansbank Anonim Şirketi

**CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2010
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

			Reviewed 30.06.2010			Audited 31.12.2009		
	Section 5 Part I		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)		823,276	764,012	1,587,288	1,014,658	779,548	1,794,206
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)		1,727,360	107,564	1,834,924	2,088,528	53,552	2,142,080
2.1 Financial assets held for trading			390,703	107,564	498,267	437,947	53,552	491,499
2.1.1 Public sector debt securities			180,945	18,900	199,845	54,904	925	55,829
2.1.2 Equity securities			-	-	-	-	-	-
2.1.3 Assets on trading derivatives			200,036	88,664	288,700	370,242	52,627	422,869
2.1.4 Other securities			9,722	-	9,722	12,801	-	12,801
2.2 Financial assets at fair value through profit and loss			1,336,657	-	1,336,657	1,650,581	-	1,650,581
2.2.1 Public sector debt securities			76,576	-	76,576	78,452	-	78,452
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Loans			1,260,081	-	1,260,081	1,572,129	-	1,572,129
2.2.4 Other securities			-	-	-	-	-	-
III. BANKS	(3)		347,996	293,846	641,842	116,986	1,204,501	1,321,487
IV. MONEY MARKET PLACEMENTS			4,591	-	4,591	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			4,591	-	4,591	14,351	-	14,351
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)		5,184,182	683,157	5,867,339	4,953,637	457,672	5,411,309
5.1 Equity securities			-	-	-	-	-	-
5.2 Public sector debt securities			5,071,363	591,520	5,662,883	4,873,092	338,804	5,211,896
5.3 Other securities			112,819	91,637	204,456	80,545	118,868	199,413
VI. LOANS AND RECEIVABLES	(5)		18,341,111	2,589,221	20,930,332	15,516,792	2,042,351	17,559,143
6.1 Loans and receivables			18,243,883	2,589,221	20,833,104	15,410,830	2,042,351	17,453,181
6.1.1 Loans to risk group of the Bank			-	27,244	27,244	-	30,632	30,632
6.1.2 Public sector debt securities			-	-	-	-	-	-
6.1.3 Other			18,243,883	2,561,977	20,805,860	15,410,830	2,011,719	17,422,549
6.2 Non-performing loans			1,605,382	-	1,605,382	1,454,726	-	1,454,726
6.3 Specific provisions (-)			1,508,154	-	1,508,154	1,348,764	-	1,348,764
VII. FACTORING RECEIVABLES	(6)		121,145	2,363	123,508	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)		6,016	-	6,016	6,016	-	6,016
9.1 Equity method associates			-	-	-	-	-	-
9.2 Unconsolidated			6,016	-	6,016	6,016	-	6,016
9.2.1 Financial Investments			-	-	-	-	-	-
9.2.2 Non-financial Investments			6,016	-	6,016	6,016	-	6,016
X. INVESTMENT IN SUBSIDIARIES (Net)	(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)		800	-	800	800	-	800
11.1 Equity method entities under common control			-	-	-	-	-	-
11.2 Unconsolidated			800	-	800	800	-	800
11.2.1 Financial investments			-	-	-	-	-	-
11.2.2 Non-financial Investments			800	-	800	800	-	800
XII. LEASE RECEIVABLES (Net)	(11)		143,661	650,264	793,925	148,543	746,914	895,457
12.1 Financial lease receivables			170,611	716,001	886,612	178,194	829,187	1,007,381
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			26,950	65,737	92,687	29,651	82,273	111,924
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)		40,557	-	40,557	-	2,417	2,417
13.1 Fair value hedge			40,557	-	40,557	-	2,417	2,417
13.2 Cash flow hedge			-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)			373,465	20	373,485	387,549	19	387,568
XV. INTANGIBLE ASSETS (Net)			94,237	-	94,237	74,426	-	74,426
15.1 Goodwill			8,969	-	8,969	8,969	-	8,969
15.2 Others			85,268	-	85,268	65,457	-	65,457
XVI. INVESTMENT PROPERTIES (Net)			-	-	-	-	-	-
XVII. TAX ASSETS	(13)		21,431	-	21,431	79,240	-	79,240
17.1 Current tax assets			-	-	-	50,499	-	50,499
17.2 Deferred tax assets			21,431	-	21,431	28,741	-	28,741
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)		-	-	-	-	-	-
18.1 Held for sale			-	-	-	-	-	-
18.2 Discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS	(15)		504,058	263,169	767,227	381,238	150,073	531,311
TOTAL ASSETS			27,748,872	5,353,616	33,102,488	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)**

Finansbank Anonim Şirketi

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2010

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES

		Reviewed 30.06.2010			Audited 31.12.2009		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	14,198,435	6,074,599	20,273,034	12,752,735	7,175,498	19,928,233
1.1 Deposits from risk group of the Bank		44,050	1,218,481	1,262,531	26,984	1,157,475	1,184,459
1.2 Other		14,154,385	4,856,118	19,010,503	12,725,751	6,018,023	18,743,774
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	226,758	77,612	304,370	229,234	38,624	267,858
III. FUNDS BORROWED	(3)	508,617	2,331,415	2,840,032	441,966	2,495,305	2,937,271
IV. MONEY MARKET BORROWINGS		1,624,742	250,399	1,875,141	37,176	-	37,176
4.1 Interbank money markets takings		-	171,518	171,518	-	-	-
4.2 Istanbul Stock Exchange money markets takings		43,250	-	43,250	18,000	-	18,000
4.3 Funds provided under repurchase agreements	(4)	1,581,492	78,881	1,660,373	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		686,232	127,310	813,542	579,204	210,380	789,584
VIII. OTHER LIABILITIES	(5)	523,593	14,802	538,395	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)	93,817	24,007	117,824	-	2,693	2,693
11.1 Fair value hedge		93,817	24,007	117,824	-	2,693	2,693
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(8)	513,726	28,979	542,705	492,298	32,704	525,002
12.1 General provisions		197,860	28,979	226,839	166,747	32,704	199,451
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		60,254	-	60,254	74,120	-	74,120
12.4 Insurance technical provisions (Net)		40,125	-	40,125	31,983	-	31,983
12.5 Other provisions		215,487	-	215,487	219,448	-	219,448
XIII. TAX LIABILITY	(9)	77,411	-	77,411	87,390	-	87,390
13.1 Current tax liability		57,517	-	57,517	4,328	-	4,328
13.2 Deferred tax liability		19,894	-	19,894	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)	-	1,540,646	1,540,646	-	1,473,260	1,473,260
XVI. SHAREHOLDERS' EQUITY		4,189,395	(10,007)	4,179,388	3,861,701	32,361	3,894,062
16.1 Paid-in capital	(12)	1,653,750	-	1,653,750	1,575,000	-	1,575,000
16.2 Capital reserves		32,170	(10,007)	22,163	45,386	32,361	77,747
16.2.1 Share premium	(13)	-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(14)	32,170	(10,007)	22,163	45,386	32,361	77,747
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
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)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		2,000,848	-	2,000,848	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		1,796,346	-	1,796,346	1,218,320	-	1,218,320
16.3.4 Other profit reserves		317	-	317	-	-	-
16.4 Profit or loss		345,590	-	345,590	708,604	-	708,604
16.4.1 Prior years' income/(losses)		15,694	-	15,694	154,748	-	154,748
16.4.2 Current period income/(loss)		329,896	-	329,896	553,856	-	553,856
16.5 Minority shares		157,037	-	157,037	146,340	-	146,340
TOTAL LIABILITIES AND EQUITY		22,642,726	10,459,762	33,102,488	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)**

Finansbank Anonim Şirketi

**CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND
CONTINGENCIES AS OF JUNE 30, 2010**

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 30.06.2010			Audited 31.12.2009		
	Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
I. GUARANTEES	(1), (2), (3), (4)	37,634,091	31,863,112	69,497,203	26,799,990	19,983,792	46,783,782
1.1. Letters of guarantee		2,784,710	1,675,932	4,460,642	2,239,000	1,706,226	3,945,226
1.1.1. Guarantees subject to State Tender Law		126,582	-	126,582	94,304	-	94,304
1.1.2. Guarantees given for foreign trade operations		2,102,389	1,675,932	3,778,321	1,756,064	1,706,226	3,462,290
1.1.3. Other letters of guarantee		555,739	-	555,739	388,632	-	388,632
1.2. Bank loans		2,373	720,422	722,795	-	664,139	664,139
1.2.1. Import letter of acceptance		2,373	720,422	722,795	-	664,139	664,139
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		476	748,472	748,948	78	539,845	539,923
1.3.1. Documentary letters of credit		476	677,088	677,564	78	496,789	496,867
1.3.2. Other letters of credit		-	71,384	71,384	-	43,056	43,056
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	26,949	-	26,949
1.8. Other guarantees		-	41,162	41,162	-	41,704	41,704
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		12,460,917	1,692,195	14,153,112	10,712,786	1,100,436	11,813,222
2.1. Irrevocable commitments		12,458,816	1,692,195	14,151,011	10,630,439	1,100,436	11,730,875
2.1.1. Forward asset purchase commitments		493,110	1,681,925	2,175,035	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		6,500	-	6,500	2,250	-	2,250
2.1.4. Loan granting commitments		1,482,745	-	1,482,745	1,726,856	-	1,726,856
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		618,048	-	618,048	556,793	-	556,793
2.1.8. Tax and fund liabilities from export commitments		5,044	-	5,044	5,297	-	5,297
2.1.9. Commitments for credit card expenditure limits		9,767,943	-	9,767,943	7,764,698	-	7,764,698
2.1.10. Commitments for promotions related with credit cards and banking activities		24,055	-	24,055	21,074	-	21,074
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		61,371	10,270	71,641	117,831	17,910	135,741
2.2. Revocable commitments		2,101	-	2,101	82,347	-	82,347
2.2.1. Revocable loan granting commitments		2,101	-	2,101	82,347	-	82,347
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	22,385,615	26,984,929	49,370,544	13,821,177	15,931,442	29,752,619
3.1. Derivative financial instruments for hedging purposes		3,664,517	3,423,873	7,088,390	-	144,480	144,480
3.1.1. Fair value hedge		3,664,517	3,423,873	7,088,390	-	144,480	144,480
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		18,721,098	23,561,056	42,282,154	13,821,177	15,786,962	29,608,139
3.2.1. Forward foreign currency buy/sell transactions		852,530	1,437,980	2,290,510	331,042	500,375	831,417
3.2.1.1. Forward foreign currency transactions-buy		239,010	890,627	1,129,637	126,393	287,420	413,813
3.2.1.2. Forward foreign currency transactions-sell		613,520	547,353	1,160,873	204,649	212,955	417,604
3.2.2. Swap transactions related to foreign currency and interest rates		10,392,599	11,869,203	22,261,802	10,755,114	11,151,653	21,906,767
3.2.2.1. Foreign currency swap-buy		4,629,845	5,860,169	10,490,014	2,281,147	7,281,113	9,562,260
3.2.2.2. Foreign currency swap-sell		4,814,500	5,590,908	10,405,408	7,648,449	2,607,602	10,256,051
3.2.2.3. Interest rate swaps-buy		474,127	114,581	588,708	412,759	631,469	1,044,228
3.2.2.4. Interest rate swaps-sell		474,127	303,545	777,672	412,759	631,469	1,044,228
3.2.3. Foreign currency, interest rate and securities options		7,475,969	8,449,289	15,925,258	2,735,021	3,825,276	6,560,297
3.2.3.1. Foreign currency options-buy		3,474,873	3,723,852	7,198,725	1,307,931	1,811,640	3,119,571
3.2.3.2. Foreign currency options-sell		3,341,592	3,821,363	7,162,955	1,413,806	1,712,496	3,126,302
3.2.3.3. Interest rate options-buy		285,000	452,037	737,037	-	150,570	150,570
3.2.3.4. Interest rate options-sell		285,000	452,037	737,037	-	150,570	150,570
3.2.3.5. Securities options-buy		44,752	-	44,752	6,642	-	6,642
3.2.3.6. Securities options-sell		44,752	-	44,752	6,642	-	6,642
3.2.4. Foreign currency futures		-	329,824	329,824	-	274,612	274,612
3.2.4.1. Foreign currency futures-buy		-	164,912	164,912	-	137,306	137,306
3.2.4.2. Foreign currency futures-sell		-	164,912	164,912	-	137,306	137,306
3.2.5. Interest rate futures		-	1,474,760	1,474,760	-	35,046	35,046
3.2.5.1. Interest rate futures-buy		-	737,380	737,380	-	17,523	17,523
3.2.5.2. Interest rate futures-sell		-	737,380	737,380	-	17,523	17,523
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		64,349,822	20,213,544	84,563,366	55,743,738	20,163,109	75,906,847
IV. ITEMS HELD IN CUSTODY		4,128,692	1,185,260	5,313,952	3,051,854	1,114,745	4,166,599
4.1. Assets under management		112,401	7,859	120,260	110,560	10,702	121,262
4.2. Investment securities held in custody		2,612,662	869,438	3,482,100	1,980,007	853,205	2,833,212
4.3. Checks received for collection		911,275	138,833	1,050,108	710,122	111,910	822,032
4.4. Commercial notes received for collection		253,430	137,439	390,869	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		238,921	31,691	270,612	32,671	19,708	52,379
4.8. Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		60,221,130	19,028,284	79,249,414	52,691,884	19,048,364	71,740,248
5.1. Marketable securities		179,701	393,681	573,382	246,832	212,766	459,598
5.2. Guarantee notes		90,384	57,370	147,754	94,036	59,206	153,242
5.3. Commodity		26,616	-	26,616	19,864	-	19,864
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		26,619,782	8,259,045	34,878,827	23,328,456	8,493,260	31,821,716
5.6. Other pledged items		33,304,647	10,318,188	43,622,835	29,002,696	10,283,132	39,285,828
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		101,983,913	52,076,656	154,060,569	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)**

Finansbank Anonim Şirketi

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2010

(STATEMENT OF INCOME/LOSS)

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

III. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 – 30.06.2010	Reviewed 01.04 - 30.06.2010	Reviewed 01.01 – 30.06.2009	Reviewed 01.04 - 30.06.2009
Section 5 Part IV					
I.	INTEREST INCOME	(1)	1,872,458	953,716	2,123,336
1.1	Interest on loans		1,581,645	815,526	1,686,148
1.2	Interest received from reserve deposits		-	-	-
1.3	Interest received from banks		42,225	21,442	49,971
1.4	Interest received from money market placements		9,095	2,433	4,225
1.5	Interest received from marketable securities portfolio		190,894	89,202	320,378
1.5.1	Held-for-trading financial assets		3,961	1,917	4,585
1.5.2	Financial assets at fair value through profit and loss		5,807	2,958	12,280
1.5.3	Available-for-sale financial assets		181,126	84,327	200,809
1.5.4	Investments held-to-maturity		-	-	102,704
1.6	Finance lease income		40,017	18,911	60,653
1.7	Other interest income		8,582	6,202	1,961
II.	INTEREST EXPENSE	(2)	716,285	373,502	969,394
2.1	Interest on deposits		626,082	323,581	778,400
2.2	Interest on funds borrowed		81,137	41,985	157,018
2.3	Interest on money market borrowings		5,882	5,076	33,634
2.4	Interest on securities issued		-	-	-
2.5	Other interest expense		3,184	2,860	342
III.	NET INTEREST INCOME (I - II)		1,156,173	580,214	1,153,942
IV.	NET FEES AND COMMISSIONS INCOME		329,312	170,700	316,818
4.1	Fees and commissions received		383,403	197,465	359,584
4.1.1	Non-cash loans		21,600	11,012	26,309
4.1.2	Other		361,803	186,453	333,275
4.2	Fees and commissions paid		54,091	26,765	42,766
4.2.1	Non-cash loans		433	213	205
4.2.2	Other		53,658	26,552	42,561
V.	DIVIDEND INCOME	(3)	169	169	1,481
VI.	NET TRADING INCOME	(4)	(234,290)	(106,350)	(73,990)
6.1	Securities trading gains/ (losses)		99,767	39,595	190,555
6.2	Gains / (losses) Financial derivative transactions		(388,376)	(178,622)	(296,120)
6.3	Foreign exchange gains/ (losses)		54,319	32,677	31,575
VII.	OTHER OPERATING INCOME	(5)	66,639	27,797	64,131
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,318,003	672,530	1,462,382
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	204,663	88,210	399,539
X.	OTHER OPERATING EXPENSES (-)	(7)	690,299	361,139	595,308
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		423,041	223,181	467,535
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)	423,041	223,181	467,535
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(84,796)	(48,266)	(94,264)
16.1	Current income tax charge		(126,745)	(58,375)	(113,418)
16.2	Deferred tax charge / benefit		41,949	10,109	19,154
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	338,245	174,915	373,271
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		-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	47,377
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	338,245	174,915	420,648
23.1	Group's profit/loss		329,896	170,612	412,254
23.2	Minority shares		8,349	4,303	8,394
	Earnings per share		0.19948	0.10317	0.24928

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 Anonim Şirketi

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

(STATEMENT OF OTHER COMPREHENSIVE INCOME)

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

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

	Reviewed 01.01 – 30.06.2010	Reviewed 01.01 – 30.06.2009
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(38,763)	124,156
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	(19,923)
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)	-	-
VI. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING	-	-
POLICIES	-	-
VII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH		
VIII. ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	13,909	(27,646)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(24,854)	76,587
XI. PROFIT/LOSS	(30,730)	(964)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(30,730)	(964)
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to		
Income Statement	-	-
11.2	-	-
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)	(55,584)	75,623

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 Anonim Şirketi
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2010

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Reserves	Share Premium	Share Cancellation	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Prior period - 01.01.-30.06.2009																			
II. Beginning balance	1,500,000	-	-	-	-	143,864	-	935,255	-	-	563,952	(6,801)	-	-	-	-	3,136,270	128,308	3,264,578
2.1. Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. The effects of changes in accounting policies																			
III. New balance (I+II)	1,500,000	-	-	-	-	143,864	-	935,255	-	-	563,952	(6,801)	-	-	-	-	3,136,270	128,308	3,264,578
IV. Changes in period																			
IV. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1. Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2. Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1. Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2. Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)	-	-	-	-	-	-	-	-	-	412,254	-	-	-	-	-	-	-	-	-
XX. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2. Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+...+XVIII+XIX+XX)	1,500,000	-	-	-	-	143,864	-	1,291,320	-	412,254	154,748	68,822	-	-	-	-	3,597,195	136,702	3,733,897

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 Anonim Şirketi
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2010

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Accounting on Capital and Other	Effect of inflation on Capital Reserves	Share Premium	Share Cancellation	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Share Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Current period – 01.01.-30.06.2010	1,575,000	-	-	-	-	-	168,051	-	1,218,220	-	-	708,694	77,747	-	-	-	-	3,747,722	146,340	3,894,062
II. Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	(55,584)	-	-	-	-	(55,584)	-	(55,584)
V. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1. Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2. Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	78,750	-	-	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
12.1. Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2. Internal sources	78,750	-	-	-	-	-	-	-	(78,750)	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other (*)	-	-	-	-	-	-	-	-	-	317	-	-	-	-	-	-	-	317	2,348	2,665
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	329,896	-	-	-	-	-	-	-	8,349	338,245
XVIII. Profit distribution	-	-	-	-	-	-	36,134	-	656,776	-	-	(692,910)	-	-	-	-	-	-	-	-
18.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves	-	-	-	-	-	-	36,134	-	656,776	-	-	(692,910)	-	-	-	-	-	-	-	-
18.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (t+II+tIII+...+tXVI+tXVII+tXVIII)	1,653,750	-	-	-	-	-	204,185	-	1,796,246	317	329,896	15,694	22,163	-	-	-	-	4,022,351	157,037	4,179,388

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 81% to 70.28%.

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 Anonim Şirketi

**CONSOLIDATED CASH FLOWS STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010**

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 30.06.2010	Reviewed 01.01 - 30.06.2009
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1,005,783	345,095
1.1.1 Interest received (+)		1,939,858	2,237,241
1.1.2 Interest paid (-)		(700,674)	(1,049,374)
1.1.3 Dividend received (+)		169	1,481
1.1.4 Fees and commissions received (+)		383,403	359,584
1.1.5 Other income (+)		57,819	63,741
1.1.6 Collections from previously written off loans (+)		316,992	125,558
1.1.7 Payments to personnel and service suppliers (-)		(566,041)	(488,700)
1.1.8 Taxes paid (-)		(116,950)	(79,257)
1.1.9 Other (+/-)		(308,793)	(825,179)
1.2 Changes in operating assets and liabilities		(1,261,852)	(579,516)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(142,062)	(34,471)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		311,114	188,814
1.2.3 Net (increase) decrease in due from banks (+/-)		(4,062)	37
1.2.4 Net (increase) decrease in loans (+/-)		(3,587,984)	264,262
1.2.5 Net (increase) decrease in other assets (+/-)		(374,562)	(1,122,580)
1.2.6 Net increase (decrease) in bank deposits (+/-)		102,639	(229,854)
1.2.7 Net increase (decrease) in other deposits (+/-)		219,206	(1,831,189)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(16,108)	(149,973)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		2,229,967	2,335,438
I. Net cash provided from / (used in) banking operations (+/-)		(256,069)	(234,421)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(656,141)	712,996
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(2,800)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		1,858	351,763
2.3 Fixed assets purchases (-)		(26,154)	(36,142)
2.4 Fixed assets sales (+)		3,024	553
2.5 Cash paid for purchase of financial assets available for sale (-)		(7,976,123)	(1,166,698)
2.6 Cash obtained from sale of financial assets available for sale (+)		7,374,726	1,566,320
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(33,472)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		-	-
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		9,259	18,187
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(902,951)	496,762
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	3,121,193	1,994,558
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	2,218,242	2,491,320

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

Finansbank Anonim Şirketi

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

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the 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 as of June 30, 2010 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

The Group classified TL 16,112 fees and commissions income from cash loans which was accounted for under "Net Fees and Commissions Income" as of June 30, 2009 to "Interest Income" to be consistent with the classification of current period's Income Statement.

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

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

Finansbank Anonim Şirketi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2010

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

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

1. Strategy for the use of financial instruments

The major funding sources of the Parent Bank are customer deposits and funds borrowed from international markets. The customer deposits are with fixed rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally with floating rates and are reprised at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return, 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 with long term swap transactions (fixed TL interest rate and 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 generated 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 generated from deposits with fixed or floating interest rates are explained in the Interest Rate Risk section in detail.

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

2. Foreign currency transactions

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

The 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 June 30, 2010 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts are translated into TL by using foreign currency exchange rates of the Parent Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
US Dollar	TL 1.5747	TL 1.5057
Euro	TL 1.9217	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 June 30, 2010 is TL 54,319 (June 30, 2009 - TL 31,575).

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

Finansbank Anonim Şirketi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2010

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

2.3. Foreign subsidiaries

As of June 30, 2010 the Parent Bank does not have any subsidiary abroad.

The Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Parent Bank had 100% shareholding, on February 23, 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 prior period income statement. The income and expenses of the above mentioned subsidiary recognized between January 1, 2009 and the sale date of February 23, 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 corporate tax payable of 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 Provision for Discontinued Operations" in the 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 and associates included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				June 30, 2010	December 31, 2009
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Turkey	Securities Brokerage Intermediary	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Turkey	Portfolio Management	100.00	100.00
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Turkey	Investment Trust	70.28	81.00
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	59.24	59.24
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Emeklilik)	Turkey	Private Pension	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 which are incorporated in Turkey, maintain their books of account and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Capital Markets Board regulations, Turkish Commercial Code and Financial Leasing Law and the foreign subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and associates and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of June 30, 2010.

1. Subsidiaries

The financial subsidiaries are fully consolidated and intercompany transactions and balances, including intercompany income and expenses 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.

Finansbank Anonim Şirketi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 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 option, swaption, credit default swap and futures agreements.

The Parent Bank funds its growing 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 as well as customer deposits. 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 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.

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

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

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

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

V. Interest income and expenses

Interest income and expenses are recognized in the income statement for all future cash inflows and outflows, on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and commission income and expenses

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

Dividend income is accrued when the investees' 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.

Finansbank Anonim Şirketi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2010

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

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 difference between interest income that has been gained by holding the trading securities and acquisition cost and fair value of the trading securities, is reflected as interest income in the income statement. If any of these financial assets are sold before their maturity, the gain or loss is realized as 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 government bonds in its financial assets at fair value through profit or loss.

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

Some portion of the Eurobond portfolio which has been 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.

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

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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 regarding 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 it is mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Group entered into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per IAS 39. The 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 can not be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

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

If there is evidence for the uncollectibility of loans, the Parent Bank classifies related loans and advances in nonperforming loans and provides specific and general provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 2633 and revised with the Communiqué dated 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". According to the forth article of the revised Communiqué dated March 6, 2010, the Parent Bank does not provide any specific provision for the loans which are not at default whereas the other loans of the same loan customer are classified as non-performing loans. The Parent Bank provides 100% specific provision for non-performing loans, other than those loans stated above, without taking into consideration the collaterals obtained for these loans. The related provisions are charged in the current year income statement.

The 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.

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

VIII. Impairment of financial assets

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

IX. Netting of financial instruments

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

The Group provides specific allowances for loans and other receivables in accordance with “Methods and Principles for the Determination of Loans and Other Receivables to be reserved for and Allocation of Reserves” and offset against non-performing loans.

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

Financial assets and liabilities other than those explained above are offset when the Group has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. 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 amounted to TL 1,711,838 as of balance sheet date (December 31, 2009 - TL 19,168).

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

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

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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 transferred its shares of Finans Malta Holdings LTD, which the Parent Bank used to own 100% of the shares, through its sale 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 comprising the tax charge amounting to TL 9,855 regarding the sale and the income tax charge of the subsidiary until the sale date amounting to TL 1,123 is accounted for under "Tax Charge for Discontinued Operations".

XII. Goodwill and other intangible assets

The Group's intangible assets consist of software, 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.

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

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

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

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XIII. Tangible Assets

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

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

Properties 2%

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

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

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

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

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

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

There is 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 settled as per the 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 for under "Lease Receivables" in the accompanying financial statements.

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XV. Factoring Receivables

Factoring receivables are calculated on the basis of their historical cost that amortised with effective interest rate method after unearned interest income is charged and specific provisions for impairment are provided, if any. Factoring receivables are revised regularly. Specific provision for the impairment of factoring receivables is provided over the carrying amount of the factoring receivables for the purpose of adjusting their values to the collectable amount.

XVI. Provisions and contingent liabilities

Provisions and contingent liabilities, other than specific and general provisions for loans and other receivables are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the 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 reliably be measured, a provision is recognized.

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

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, pensions 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, effective from January 1, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" 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 Liability" and "Current Tax Charge" in the income statement.

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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 22, 2006.

2. Deferred taxes

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

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 internal rate of return method.

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

XX. Share issues

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

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. As of January 1, 2006, the investment incentive application is no longer applicable in accordance with Law No: 5479 issued on March 30, 2006 and accordingly, vested investment incentives are permitted to be offset against the earnings solely related to 2006, 2007, and 2008. Offsetting is forbidden subsequent to December 31, 2008.

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 has been annulled. Application of investment allowance exemption has been rearranged with the fifth article of Law no: 6009 published in the Official Gazette no: 27659 on August 1, 2010. Based on the new resolution, while computing tax base, the investment incentive deduction will not exceed 25% of the taxable income of the period effective for 2010 taxable income. The corporate tax will be computed for the remaining taxable income by the applicable current tax rate.

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XXIII.Segment reporting

In addition to corporate banking, consumer banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its consumer banking clients with demand, time deposits, also installment-based cash advance services, direct debit 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. The Group also serves in trading financial instruments, portfolio management, insurance, factoring and both domestic and abroad leasing.

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

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

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

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

Current Period	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	509,818	193,397	452,958	1,156,173
Net Fees and Commissions Income	387,968	57,846	(116,502)	329,312
Other Operating Income and Net Trading Income	12,322	23,685	(203,658)	(167,651)
Dividend Income	-	-	169	169
Operating Income	910,108	274,928	132,967	1,318,003
Other Operating Expenses	424,574	150,686	115,039	690,299
Provision for Loan Losses and Other Receivables	144,252	19,536	40,875	204,663
Profit Before Taxes	341,282	104,706	(22,947)	423,041
Tax Charge	-	-	-	(84,796)
Net Profit	-	-	-	338,245
Total Assets	15,995,272	6,496,701	8,421,932	33,102,488
Segment Assets	15,995,272	6,496,701	8,421,932	30,913,905
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	21,802
Undistributed Assets	-	-	-	2,166,781
Total Liabilities	12,567,397	5,982,316	8,323,649	33,102,488
Segment Liabilities	12,567,397	5,982,316	8,323,649	26,873,362
Undistributed Liabilities	-	-	-	2,049,738
Equity	-	-	-	4,179,388
Other Segment Accounts	-	-	-	146,414
Capital Expenditures	-	-	-	94,209
Depreciation and Amortization	-	-	-	52,205
Value Decrease/ (Increase)	-	-	-	-

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Prior Period (June 30, 2009)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group(*)
Net Interest Income	449,017	242,206	462,719	1,153,942
Net Fees and Commissions Income	332,519	71,612	(87,313)	316,818
Other Operating Income and Net Trading Income	11,519	25,004	(46,382)	(9,859)
Dividend Income	-	-	1,481	1,481
Operating Income	793,055	338,822	330,505	1,462,382
Other Operating Expenses	319,574	126,396	149,338	595,308
Provision for Loan Losses and Other Receivables	152,464	63,490	183,585	399,539
Profit Before Taxes	321,017	148,936	(2,418)	467,535
Tax Charge	-	-	-	(94,264)
Net Profit	-	-	-	373,271
Other Segment Accounts	-	-	-	104,047
Capital Expenditures	-	-	-	59,965
Depreciation and Amortization	-	-	-	44,082
Value Decrease/ (Increase)	-	-	-	-

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

Prior Period (December 31, 2009)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Total Assets	14,295,556	5,154,958	8,844,121	30,271,843
Segment Assets	14,295,556	5,154,958	8,844,121	28,294,635
Associates and 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

XXIV. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Ratio

As of June 30, 2010, the Group's consolidated capital adequacy ratio is 17.40% (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							Consolidated						
	%0	%10	%20	%50	%100	%150	%200	%0	%10	%20	%50	%100	%150	%200
Value at Credit Risk														
Balance Sheet Items (Net)	2,020,706	-	104,678	7,520,995	14,860,189	440,760	121,967	2,046,526	-	593,686	7,693,854	15,379,975	440,760	121,967
Cash on Hand	318,288	-	601	-	-	-	-	320,839	-	601	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	828,360	-	-	-	-	-	-	828,360	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	104,000	-	51,156	-	-	-	-	588,417	-	51,156	-	-
Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-	-	-	4,591	-	-	-	-
Reserve Deposits	428,339	-	-	-	-	-	-	428,339	-	-	-	-	-	-
Loans	432,936	-	-	7,186,344	13,204,756	440,760	121,967	432,936	-	-	7,186,344	13,188,308	440,760	121,967
Non-performing Loans (Net)	-	-	-	-	97,228	-	-	-	-	-	-	97,228	-	-
Lease Receivables	-	-	-	-	-	-	-	1,806	-	-	169,919	609,682	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	6,213	-	-	-	-	-	-	6,213	-	-
Sundry Debtors	-	-	-	-	252,994	-	-	-	-	-	-	265,592	-	-
Accrued Interest and Income	12,239	-	77	334,651	358,053	-	-	12,271	-	77	337,591	369,963	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	291,787	-	-	-	-	-	-	21,802	-	-
Tangible Assets	-	-	-	-	272,316	-	-	-	-	-	-	285,679	-	-
Other Assets(*)	544	-	-	-	325,686	-	-	21,975	-	-	-	484,352	-	-
Off-Balance Sheet Items	71,085	-	930,207	116,254	5,860,527	-	-	71,085	-	930,207	116,254	5,860,555	-	-
Non-Cash Loans and	71,085	-	-	116,254	5,807,798	-	-	71,085	-	-	116,254	5,807,798	-	-
Derivative Financial Instruments	-	-	930,207	-	52,729	-	-	-	-	930,207	-	52,757	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value at Risk	2,091,791	-	1,034,88	7,637,249	20,720,716	440,760	121,967	2,117,611	-	1,523,893	7,810,108	21,240,530	440,760	121,967
Total Risk Weighted Assets	-	-	206,977	3,818,625	20,720,716	661,140	243,934	-	-	304,779	3,905,054	21,240,530	661,140	243,934

(*) Other assets include 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 (VACR)	25,651,392	22,543,392	26,355,437	23,343,038
Value at Market Risk (VAMR)	1,733,438	1,358,263	1,769,413	1,399,088
Value at Operational Risk (VAOR)	3,805,616	3,294,672	4,195,873	3,318,833
Shareholders' Equity	5,203,618	4,893,519	5,624,300	5,293,615
Shareholders' Equity/(VaCR+VaMR+VaOR)x100	% 16.68	%17.99	%17.40	%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
Paid-in Capital	1,653,750	1,575,000
Nominal Capital	1,653,750	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	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	1,279,033	848,514
Reserve Allocated as per the Decision Held by the General Assembly	1,279,033	848,514
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	345,590	708,604
Current Period Profit	329,896	553,856
Prior Periods Profit	15,694	154,748
Free Reserves for Possible Losses (up to 25% of Core Capital)	102,600	100,835
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Minority Interest	157,037	146,340
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	87,806	89,392
Prepaid Expenses (-)	121,290	102,046
Intangible Assets (-)	85,268	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	3,956,492	3,651,286
SUPPLEMENTARY CAPITAL		
General Provisions	226,839	199,451
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,476,147	1,451,433
Securities Value Increase Fund	4,470	34,986
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	4,470	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	1,707,456	1,685,870
TIER III CAPITAL		
CAPITAL	5,663,948	5,337,156
DEDUCTIONS FROM CAPITAL	39,648	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	26,904	30,244
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,744	13,297
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	5,624,300	5,293,615

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II. 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	94,860
(II) Capital Obligation against Specific Risks - Standard Method	18,557
(III) Capital Obligation against Currency Risk - Standard Method	26,388
(IV) Capital Obligation against Commodity Risks – Standard Method	-
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,748
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	141,553
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,769,413

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2009, 2008 and 2007) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of June 30, 2010, the value at operational risk is amounting to TL 4,195,873 (December 31, 2009- TL 3,318,833).

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IV. Explanations related to Consolidated Foreign Exchange 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 June 30, 2010, the net foreign currency exposure of the Group is TL 331,867 short position (December 31, 2009 – TL 18,465 short position) resulting from on balance sheet short position amounting to TL 3,794,299 (December 31, 2009 – TL 4,883,847 short position) and off balance sheet long position amounting to TL 3,462,432 (December 31, 2009 – TL 4,865,382 long position). The long off balance sheet position amounting to TL 3,235,538 (December 31, 2009 – TL 4,673,511) is related with the FC/TL swap transactions entered into with banks and customers. The Group makes these transactions in order to manage 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 Exchange 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 23, 2009 to NBG International Holdings B.V. Accordingly, the Parent Bank has ceased the net investment hedging 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 Dollars purchase rate in the balance sheet date	TL 1.5747
Euro purchase rate in the balance sheet date	TL 1.9217

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

- 4. The basic arithmetical average of the 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 June 2010 are TL 1.5703 and TL 1.9181; respectively.

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5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	YEN	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	59,797	686,250	208	17,757	764,012
Due From Banks	152,133	135,850	582	5,281	293,846
Financial Assets at Fair Value through Profit/Loss ^(****)	5,605	82,825	-	-	88,430
Money Market Placements	-	-	-	-	-
Investment securities Available-for-Sale	53,511	629,646	-	-	683,157
Loans ^(**)	1,302,795	2,392,869	110,980	88,743	3,895,387
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Held for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	20	20
Intangible Assets	-	-	-	-	-
Other Assets ^(***)	496,713	411,945	255	6,788	915,701
Total Assets	2,070,554	4,339,385	112,025	118,589	6,640,553
Liabilities					
Bank Deposits	69,412	1,306,338	110	9,744	1,385,604
Foreign Currency Deposits	1,879,617	2,721,925	5,359	82,094	4,688,995
Money Market Borrowings	104,594	145,805	-	-	250,399
Funds Provided from Other Financial Institutions	759,377	3,112,684	-	-	3,872,061
Securities Issued	-	-	-	-	-
Sundry Creditors	80,103	41,344	246	5,617	127,310
Derivative Fin. Liabilities Held for Hedging Purposes	1,518	22,489	-	-	24,007
Other Liabilities ^(****)	14,696	71,580	-	200	86,476
Total Liabilities	2,909,317	7,422,165	5,715	97,655	10,434,852
Net Balance Sheet Position	(838,763)	(3,082,780)	106,310	20,934	(3,794,299)
Net Off-Balance Sheet Position	734,008	2,873,195	(124,309)	(20,462)	3,462,432
Financial Derivative Assets	3,343,107	12,185,709	36,237	405,108	15,970,161
Financial Derivative Liabilities	2,609,099	9,312,514	160,546	425,570	12,507,729
Non-Cash Loans ^(*)	800,418	2,130,864	3,520	251,186	3,185,988
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 ^(*)	886,871	1,796,917	4,092	264,034	2,951,914

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

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

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

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

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

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V. 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 growing 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.

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 Central Bank of Turkey	1,268,204	-	-	-	-	319,084	1,587,288
Due from Banks	483,956	27,129	4,062	-	-	126,695	641,842
Financial Assets at Fair Value Through Profit/Loss(**)	43,760	121,615	310,726	528,670	775,647	95,063	1,875,481
Money Market Placements	4,591	-	-	-	-	-	4,591
Inv. Securities Available for Sale	1,040,922	1,079,626	2,085,216	1,007,324	549,727	104,524	5,867,339
Loans	5,979,825	2,246,758	6,350,535	5,606,497	746,717	-	20,930,332
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	146,455	148,170	263,354	355,107	4,347	1,278,182	2,195,615
Total Assets	8,967,713	3,623,298	9,013,893	7,497,598	2,076,438	1,923,548	33,102,488
Liabilities							
Bank Deposits	1,513,340	65,190	2,354	-	-	64,749	1,645,633
Other Deposits	12,701,165	3,672,525	223,422	28,142	4,283	1,997,864	18,627,401
Money Market Borrowings	1,780,433	94,708	-	-	-	-	1,875,141
Sundry Creditors	-	-	-	-	-	813,542	813,542
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1,011,113	812,824	1,961,338	61,347	22,315	511,741	4,380,678
Other Liabilities	41,872	59,794	103,482	99,329	25,520	5,430,096	5,760,093
Total Liabilities	17,047,923	4,705,041	2,290,596	188,818	52,118	8,817,992	33,102,488
On Balance Sheet Long Position	-	-	6,723,297	7,308,780	2,024,320	-	16,056,397
On Balance Sheet Short Position	(8,080,210)	(1,081,743)	-	-	-	(6,894,444)	(16,056,397)
Off-Balance Sheet Long Position	-	5,622	-	-	-	-	5,622
Off-Balance Sheet Short Position	(7,892)	-	(29,005)	(36,250)	(25,402)	-	(98,549)
Total Position	(8,088,102)	(1,076,121)	6,694,292	7,272,530	1,998,918	(6,894,444)	(92,927)

(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 767,227, tangible assets amounting to TL 373,485, intangible assets amounting to TL 94,237, associates, subsidiaries and entities under common control amounting to TL 21,802 and tax assets amounting to TL 21,431; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 4,179,388, other liabilities amounting to TL 538,395, provisions amounting to TL 542,705, tax liability amounting to TL 77,411 and trading derivative financial liabilities amounting to TL 92,197.

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

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Average interest rates applied to monetary financial instruments

	EUR	USD	YEN	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.20
Due from Banks	2.02	1.05	-	10.64
Financial Assets at Fair Value Through Profit/Loss	5.54	11.84	-	10.94
Money Market Placements	-	-	-	56.65
Investment Securities Available for Sale	4.97	8.08	-	7.37
Loans	5.16	4.36	5.20	18.99
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	2.64	1.38	-	9.75
Other Deposits	3.12	3.34	0.90	9.49
Money Market Borrowings	2.44	2.17	-	7.00
Sundry Creditors	-	-	-	0.00
Securities Issued	-	-	-	0.00
Funds Provided from Other Financial Institutions	2.37	2.87	-	11.17

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

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

(Based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	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
Inv. Securities Available for Sale	919,984	1,197,036	1,666,420	1,246,807	306,790	74,272	5,411,309
Loans	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 include 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 trading derivative financial liabilities amounting to TL 40,109.

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

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Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	YEN %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.20
Due from Banks	0.43	0.50	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Money Market Placements	-	-	-	6.00
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans	6.24	5.97	5.16	20.60 (*)
Leasing 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.

VI. Explanations Related to Consolidated Liquidity Risk

- 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.

- 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.

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

In order to meet urgent liquidity needs 5% (December 31, 2009 – 6%) of the balance sheet is allocated as cash balances.

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

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars 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	Un-Distributed ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the Central Bank of Turkey	319,084	1,268,204	-	-	-	-	-	1,587,288
Due from Banks	126,695	483,956	27,129	4,062	-	-	-	641,842
Financial Assets at Fair Value Through Profit/Loss (**)	-	48,682	104,887	347,048	597,049	777,815	-	1,875,481
Money Market Placements	-	4,591	-	-	-	-	-	4,591
Investment Securities Available for Sale	104,524	10,462	390,488	636,551	3,497,378	1,227,936	-	5,867,339
Loans	-	5,903,418	2,242,263	6,233,514	5,768,970	782,167	-	20,930,332
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	630	642,671	151,750	274,288	503,642	11,820	610,814	2,195,615
Total Assets	550,933	8,361,984	2,916,517	7,495,463	10,367,039	2,799,738	610,814	33,102,488
Liabilities								
Bank Deposits	64,749	347,143	65,190	1,168,551	-	-	-	1,645,633
Other Deposits	1,997,864	12,701,165	3,672,525	223,422	28,142	4,283	-	18,627,401
Funds Provided from Other Financial Institutions	-	293,524	353,933	1,323,842	2,073,777	335,602	-	4,380,678
Money Market Borrowings	-	1,780,433	94,708	-	-	-	-	1,875,141
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	759,523	1,436	-	-	52,583	-	813,542
Other Liabilities (*)	6,864	457,136	32,729	146,964	303,881	34,104	4,778,415	5,760,093
Total Liabilities	2,069,477	16,338,924	4,220,521	2,862,779	2,405,800	426,572	4,778,415	33,102,488
Liquidity Gap	(1,518,544)	(7,976,940)	(1,304,004)	4,632,684	7,961,239	2,373,166	(4,167,601)	-
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 include shareholders' equity amounting to TL 4,179,388, unallocated provisions amounting to TL 521,616 and tax liability amounting to TL 77,411.

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

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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	180,440	130,077	168,939	126,865
Central Bank of Turkey	639,812	626,036	842,286	652,072
Others	3,024	7,899	3,433	611
Total	823,276	764,012	1,014,658	779,548

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	639,812	197,697	842,286	210,818
Restricted Time Deposits	-	428,339	-	441,254
Total	639,812	626,036	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% (December 31, 2009 – 5%) and 9.5% (December 31, 2009 – 9%) respectively.

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

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

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar	-	-	-	-
Marketable Securities (*)	9,589	-	5,260	-
Other	-	-	-	-
Total	9,589	-	5,260	-

(*) Government bonds given as collateral that mentioned above are classified under financial assets held for trading in the financial statements.

b) Trading securities subject to repurchase agreements

None (December 31, 2009 – None)

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	6,094	-	2,712	-
Swap Transactions	192,056	57,127	363,496	36,827
Futures	-	1,988	-	3,298
Options	1,886	29,251	165	12,502
Other	-	298	3,869	-
Total	200,036	88,664	370,242	52,627

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	137,939	27,390	35,674	8,829
Foreign	210,057	266,456	81,312	1,195,672
Foreign Head Offices and Branches	-	-	-	-
Total	347,996	293,846	116,986	1,204,501

4. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	241,988	292,120	273,797	7,339
Other	-	-	-	-
Total	241,988	292,120	273,797	7,339

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

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

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c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,763,655	5,336,670
Quoted on a stock exchange(*)	5,701,479	5,254,374
Unquoted on a stock exchange(**)	62,176	82,296
Share certificates	105,449	75,384
Quoted on a stock exchange(***)	105,087	75,017
Unquoted on a stock exchange	362	367
Impairment provision(-)	(1,765)	(745)
Total	5,867,339	5,411,309

(*)The Eurobond Portfolio amounting to TL 303,618 (December 31,2009 - TL 250,655) which has been accounted for as investment securities available for sale has been designated to the fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

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

(***) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 96,559 (December 31, 2009 – TL 71,239).

5. Information related to loans

a) Information on all types of loans and advances given to shareholders and employees of the 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 (*)	38,543	-	38,638	-
Total	38,543	-	38,638	-

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

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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	20,041,485	-	1,174,933	876,767
Discount Notes	146,603	-	677	-
Export Loans	951,475	-	173,816	14,236
Import Loans	4,724	-	-	-
Loans Given to Financial Sector	370,522	-	-	-
Foreign Loans	28,457	-	-	-
Consumer Loans	7,572,612	-	312,145	299,841
Credit Cards	4,512,429	-	72,824	266,751
Precious Metals Loans	-	-	-	-
Other	6,454,663	-	615,471	295,939
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	20,041,485	-	1,174,933	876,767

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

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

c) Loans according to their maturity structure:

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled(**)
Short-term Loans	10,597,370	-	72,824	266,751
Non-specialized Loans	10,597,370	-	72,824	266,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	9,444,115	-	1,102,109	610,016
Non-specialized Loans	9,444,115	-	1,102,109	610,016
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	20,041,485	-	1,174,933	876,767

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

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

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

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

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	31,530	-
Private	22,061,655	19,025,310
Total	22,093,185	19,025,310

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

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	22,064,728	18,993,689
Foreign Loans	28,457	31,621
Total	22,093,185	19,025,310

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

h) Loans granted to subsidiaries and associates

None (December 31, 2009 – None).

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i) Specific provisions for loans

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

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	698	3,438	51,528
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	698	3,438	51,528
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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	301,379	481,107	672,240
Additions (+)	465,814	3,213	-
Transfers from Other Categories of Non-Performing Loans (+)	-	372,940	380,938
Transfers to Other Categories of Non-Performing Loans (-)	372,940	380,938	-
Collections (-)	177,423	51,922	87,647
Write-offs (-)	-	-	1,379
Corporate and Commercial Loans	-	-	174
Consumer Loans	-	-	185
Credit Cards	-	-	1,020
Others	-	-	-
Current Period End Balance	216,830	424,400	964,152
Specific Provision (-)	178,213	384,640	945,301
Net Balances on Balance Sheet	38,617	39,760	18,851

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

None (December 31, 2009 – None).

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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	Uncollectible loans and receivables
Current Period (Net)	38,617	39,760	18,851
Loans to Real Persons and Legal Entities (Gross)	216,830	413,838	964,152
Specific provision (-)	178,213	376,504	945,301
Loans to Real Persons and Legal Entities (Net)	38,617	37,334	18,851
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	10,562	-
Specific provision (-)	-	8,136	-
Other Loans and Receivables (Net)	-	2,426	-
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 in legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

6. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	121,145	2,363	35,465	1,581
Medium and Long Term	-	-	-	-
Total	121,145	2,363	35,465	1,581

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7. Information on investment securities held-to-maturity

None (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 İşletmeler Piyasaları A.Ş. (GİP)	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM)	Istanbul/Turkey	9.23%	9.23%
Garanti Fonu İşletme ve Araştırma A.Ş.	Istanbul/Turkey	2.00%	2.00%

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	8,412	8,338	1	389	-	290	747	-
	18,840	15,414	5,971	428	-	1,014	1,067	-
	135,541	131,237	2,169	2,728	-	3,270	3,713	-

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

8.2. Movements of investments in associates

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

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

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8.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	6,016	6,016
Total	6,016	6,016

8.4. Quoted associates

None (December 31, 2009 – None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	6,016	6,016
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
Total	6,016	6,016

8.6. Investments in associates sold during the current period

None (December 31, 2009 – None).

8.7. Investments in associates acquired during the current period

The Parent Bank does not have investments in associates acquired as of June 30, 2010. The Parent Bank has participated into the capital of Garanti Fonu İşletme ve Araştırma A.Ş. in 2009 with an amount TL 2,000 as explained in detail in section 5, note 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	99.80%	99.80%

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
(*)	21,128	19,253	17,211	-	-	626	1,452	-

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

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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	59.24
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	70.28 (*)	70.28 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.001	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(*)The share of the Parent Bank is 10%, the remaining 60.28% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value(***)
1. (*)	185,998	96,702	11,275	6,188	408	11,206	13,069	-
2. (**)	1,297,981	369,368	877	40,104	-	19,993	41,229	315,100
3. (**)	22,885	20,878	68	-	-	1,385	3,102	18,180
4. (*)	15,231	13,849	503	721	6	3,514	6,444	-
5. (*)	90,398	40,194	2,198	3,260	1,544	4,055	4,600	-
6. (*)	3,803	3,693	328	156	-	(565)	(955)	-
7. (*)	178,144	9,748	782	7,759	-	1,048	(1,333)	-

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

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

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

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b.2) Movement of investments in subsidiaries

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

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

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

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

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

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

b.3) Sectoral distribution of the consolidated subsidiaries:

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

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	173,665	132,018
Quoted on International Stock Exchanges	-	-
Total	173,665	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 Year Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	%33	%33	1,098	6,052	3,326	25	(1,171)

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

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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	439,494	391,681	502,688	444,066
Between 1-4 years	420,523	377,503	481,504	429,950
Over 4 years	26,595	24,741	23,189	21,441
Total	886,612	793,925	1,007,381	895,457

Financial lease receivables include non performing financial lease receivables amounting to TL 128,352 (December 31, 2009 – TL 128,659) and specific provisions amounting to TL 67,326 (December 31, 2009 – TL 62,963).

As of June 30, 2010 and 2009, movement of provision on non performing finance lease receivables is as follows:

	Current Period 01.01-30.06.2010	Prior Period 01.01-30.06.2009
Prior Year Closing Balance	62,963	24,702
Additions / (Reversals), Net	9,334	12,890
Collections	4,971	203
Current Year Closing Balance	67,326	37,389

11.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	886,612	1,007,381
Unearned Finance Income (-)	92,687	111,924
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	793,925	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 (*)	40,557	-	-	2,417
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	40,557	-	-	2,417

(*)Derivative financial instruments held for the fair value hedge purposes include swaps. TL 40,557 (December 31, 2009 – None) represents fair value changes regarding the derivative financial instruments held for the fair value hedged loans. TL 2,417 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities as of December 31, 2009.

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13. 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 deferred tax asset is disclosed as TL 21,431 (December 31, 2009- TL 28,741), and the net deferred tax liability is TL 19,894 (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 asset amounting to TL 5,528 (December 31, 2009 –TL 19,437 deferred tax asset) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	June 30, 2010	Dec 31, 2009	June 30, 2010	Dec 31, 2009
Reserve for Employee Benefits	60,254	74,120	12,051	14,824
The differences between carrying and taxable amounts of financial assets	132,354	84,621	26,471	16,924
Unused investment incentive certificate	90,380	124,972	18,076	24,993
Other	202,514	18,735	40,503	3,745
Deferred Tax Asset			97,101	60,486
The differences between carrying and taxable amounts of tangible assets	(70,174)	(68,251)	(14,035)	(13,650)
The differences between carrying and taxable amounts of financial assets	(344,818)	(441,107)	(68,964)	(88,221)
Other	(62,824)	(64,681)	(12,565)	(12,936)
Deferred Tax Liability			(95,564)	(114,807)
Deferred Tax Asset / (Liability), Net			1,537	(54,321)
	Current Period		Prior Period	
	01.01-30.06.2010		01.01-30.06.2009	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(54,321)		(27,362)	
Deferred Tax (Charge) Benefit	41,949		19,154	
Deferred Tax Items Accounted for Under the Equity	13,909		(27,646)	
The Effect of the Subsidiary Excluded from Consolidation	-		758	
Deferred Tax Asset/ (Liability) as of June 30 (Net)	1,537		(35,096)	

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

None (December 31, 2009 – None).

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15. Information on other assets:

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Collateral Given for Derivative Financial Transactions	200,461	91,810
Cheques Receivables from Other Banks	162,362	86,907
Assets Held for Resale (net)	112,342	89,660
Other Prepaid Expenses	104,489	87,298
Sundry Debtors	65,405	71,528
Advances Given on Finance Lease Transactions	61,841	60,963
Prepaid Rent Expenses	16,099	13,777
Advances Given	6,867	3,598
Prepaid Agency Commissions	702	971
Other	36,659	24,799
Total	767,227	531,311

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

Details of the other assets are described in note 15.1 above.

16. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	9,149	-	7,910	-
Trading Securities	1,412	14	2,505	46
Fin. Assets at Fair Value through Profit or Loss	7,717	-	10,527	-
Assets on Trading Derivatives	200,036	88,664	370,242	52,627
Banks	2,081	188	630	311
Money Market Placements	-	-	2	-
Investment Securities Available for Sale	118,566	20,324	200,896	40,975
Loans	337,101	20,976	339,453	20,711
Derivative Financial Assets Held for Hedging Purposes	40,557	-	-	2,417
Leasing Receivables	3,410	9,108	4,379	12,769
Other Accruals	-	-	1,988	-
Total	720,029	139,274	938,532	129,856

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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	431,519	-	2,755,543	5,996,599	117,391	53,182	515	17,398	9,372,147
Foreign Currency Deposits	713,423	-	1,670,615	1,926,494	211,767	138,892	14,379	7,854	4,683,424
Residents in Turkey	687,820	-	1,596,202	1,826,512	203,889	135,589	14,379	7,822	4,472,213
Residents Abroad	25,603	-	74,413	99,982	7,878	3,303	-	32	211,211
Public Sector Deposits	246,557	-	4,570	27,300	195	5,682	-	-	284,304
Commercial Deposits	591,695	-	1,163,640	1,597,320	154,633	10,308	-	-	3,517,596
Other Ins. Deposits	12,616	-	89,690	489,952	172,091	10	-	-	764,359
Precious Metal Deposits	2,054	-	3,517	-	-	-	-	-	5,571
Bank Deposits	64,749	-	111,431	230,547	51,770	20,727	1,166,409	-	1,645,633
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	4,163	-	-	11,465	25,487	-	-	-	41,115
Foreign Banks	58,446	-	111,431	219,082	26,283	20,727	1,166,409	-	1,602,378
Participation Banks	2,140	-	-	-	-	-	-	-	2,140
Other	-	-	-	-	-	-	-	-	-
Total	2,062,613	-	5,799,006	10,268,212	707,847	228,801	1,181,303	25,252	20,273,034

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
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2,690	-	96,791	-	-	-	-	-	99,481
Foreign Banks	17,785	-	87,070	142,819	-	-	1,122,392	-	1,370,066
Participation Banks	30,114	-	-	-	-	-	-	-	30,114
Other	-	-	-	-	-	-	-	-	-
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	3,181,558	3,029,125	6,187,372	5,151,321
Foreign Currency Savings Deposits	616,660	689,194	2,411,245	2,981,232
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	3,798,218	3,718,319	8,598,617	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	3,217	33,984
Total	3,217	33,984

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	33,334	-	7,245	-
Swaps	188,454	36,009	220,449	24,427
Futures	-	2,889	-	1,402
Options	4,970	38,442	60	12,795
Other	-	272	1,480	-
Total	226,758	77,612	229,234	38,624

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	208,604	81,018	109,953	121,312
Foreign Banks, Institutions and Funds	300,013	2,250,397	332,013	2,373,993
Total	508,617	2,331,415	441,966	2,495,305

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	208,604	744,988	141,953	675,556
Medium and Long-Term	300,013	1,586,427	300,013	1,819,749
Total	508,617	2,331,415	441,966	2,495,305

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

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 explained below:

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, 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.

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

As of June 30, 2010, the Group's liabilities comprise; 61% deposits (December 31, 2009 – 66%), 13% funds borrowed (December 31, 2009 – 15%) and 5% 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	1,578,235	-	13,034	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	1,568,395	-	3,705	-
Real persons	9,840	-	9,329	-
From foreign transactions	3,257	78,881	6,142	-
Financial institutions and organizations	-	78,881	-	-
Other institutions and organizations	3,222	-	6,139	-
Real persons	35	-	3	-
Total	1,581,492	78,881	19,176	-

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 10%).

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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 (*)	93,817	24,007	-	2,693
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	93,817	24,007	-	2,693

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

8. Information on provisions

8.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	144,553	116,889
Provisions for Loans and Receivables in Group II	35,352	37,585
Provisions for Non - Cash Loans	26,865	22,312
Other	20,069	22,665
Total	226,839	199,451

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	26,393	12,502

(*) Netted against loans in assets.

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

The specific provision for non cash loans which are related with the non-performing cash loans or the loans which were written off from balance sheet is TL 65,539 (December 31,2009 - TL 55,294).

8.4 Information on employee termination benefits and unused vacation accrual

The 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 June 30, 2010, TL 22,676 (December 31, 2009 - TL 21,210) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2010, the Group accrued TL 16,487 (December 31, 2009 - TL 12,393) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2010, TL 21,091 (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	Prior Period
	01.01-30.06.2010	01.01-30.06.2009
As of January 1	21,210	18,524
Service cost	2,963	1,941
Interest Cost	1,128	1,044
Paid during the period	(2,625)	(674)
Total	22,676	20,835

8.5. Information on other provisions

8.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	102,600	100,835

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

8.5.2. Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	10,566	11,805
Other Provisions	36,782	51,514
Total	47,348	63,319

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9. Taxation

9.1. Current taxes

9.1.1. Current tax liability

As of June 30, 2010, the Group has current tax liability of TL 126,747 (December 31, 2009 - TL 132,823) and advance taxes of TL 69,230 (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 June 30, 2010, after the offsetting, the corporate tax payable is disclosed as TL 57,517 (December 31, 2009, corporate tax payable amounting to TL 4,328 and corporate tax receivable amounting to TL 50,499) in the accompanying consolidated financial statements.

9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	57,517	4,328
Banking and Insurance Transaction Tax (BITT)	17,943	16,893
Taxation on Securities Income	3,550	3,093
Taxation on Real Estates Income	1,063	779
Other	34,743	26,201
Total	114,816	51,294

The corporate tax payable balance is presented in the "Current Tax Liabilities" 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	4,463	3,731
Social Security Premiums - Employer Share	4,817	4,021
Unemployment Insurance - Employee Share	313	261
Unemployment Insurance - Employer Share	631	529
Total	10,224	8,542

9.2. Information on deferred tax liabilities

Deferred tax liability amounting to TL 19,894 has been disclosed in the accompanying financial statements (December 31, 2009 - TL 83,062). The information on deferred tax is given in the section Explanations and Disclosures Related to Consolidated Assets, footnote 13.

10. Information on payables related to assets held for sale

None (December 31, 2009 - None).

11. Information on subordinated loans

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

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year.

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12. Information on shareholder's equity

12.1. Paid-in capital

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

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	1,653,750	6,000,000

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

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

12.4. Information on share capital increases from revaluation funds

None (December 31, 2009- None).

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

The 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).

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.

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13. Common stock issue premiums, shares and equity instruments

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

14. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	32,170	(10,007)	45,386	32,361
Valuation Differences	32,170	(10,007)	45,386	32,361
Foreign Exchange Rate Differences	-	-	-	-
Total	32,170	(10,007)	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	70,293	10,246	65,120	9,479
Derivative Financial Liabilities Held for Trading	226,758	77,612	229,234	38,624
Funds Borrowed	1,231	19,865	1,461	22,158
Money Market Placements	305	144	10	-
Derivative Financial Liabilities Held for Hedging Purposes	93,817	24,007	-	2,693
Other Accruals	28,586	26	16,811	46
Total	420,990	131,900	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	1,675,932	1,706,226
Letters of Guarantee in TL	2,784,710	2,239,000
Letters of Credit	748,948	539,923
Bank Loans	722,795	664,139
Factoring Guarantees	-	26,949
Other Guarantees	41,162	41,704
Total	5,973,547	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 65,539 (December 31, 2009 – TL 55,294) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	317,170	168,784
Final Letters of Guarantee	3,199,899	2,872,818
Advance Letters of Guarantee	201,701	206,120
Letters of Guarantee Given to Customs Offices	140,965	110,434
Other Letters of Guarantee	600,907	587,070
Total	4,460,642	3,945,226

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	371,253	409,874
With Original Maturity of 1 Year or Less than 1 Year	34,660	31,711
With Original Maturity of More Than 1 Year	336,593	378,163
Other Non-Cash Loans	5,602,294	4,808,067
Total	5,973,547	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	39,534	1.42	74,779	2.38	52,066	2.33	73,805	2.54
Farming and Raising Livestock	7,888	0.28	18,648	0.59	11,595	0.52	21,952	0.75
Forestry	31,231	1.12	55,745	1.77	40,064	1.79	51,775	1.79
Fishing	415	0.01	386	0.01	407	0.02	78	0.00
Manufacturing	508,720	18.25	1,634,528	51.98	381,022	17.02	1,427,235	49.04
Mining and Quarrying	30,647	1.10	41,187	1.31	17,479	0.78	31,608	1.09
Production	467,204	16.76	1,539,430	48.95	356,534	15.93	1,364,315	46.87
Electricity, gas and water	10,869	0.39	53,911	1.71	7,009	0.310	31,312	1.08
Construction	633,576	22.73	413,458	13.15	495,233	22.12	391,914	13.47
Services	1,331,472	47.76	857,130	27.26	1,043,170	46.59	770,881	26.49
Wholesale and Retail Trade	835,194	29.96	528,319	16.80	673,698	30.09	505,724	17.38
Hotel, Food and Beverage								
Services	18,362	0.66	11,704	0.37	8,993	0.40	6,287	0.22
Transportation&Communication	84,634	3.04	68,589	2.18	56,221	2.52	43,896	1.50
Financial Institutions	273,395	9.81	203,051	6.46	203,678	9.10	146,672	5.04
Real Estate and Renting Services	5,465	0.20	574	0.02	1,428	0.06	396	0.01
Self Employment Services	106,368	3.82	42,429	1.35	89,625	4.00	65,917	2.27
Educational Services	1,127	0.04	90	0.00	1,366	0.06	88	0.00
Health and Social Services	6,927	0.25	2,374	0.08	8,161	0.36	1,901	0.07
Other (*)	274,257	9.84	164,931	5.24	267,587	11.94	246,375	8.46
Total	2,787,559	100.00	3,144,826	100.00	2,239,078	100.00	2,910,210	100.00

(*)Does not include "Other Guarantees" amounting to TL 41,162 (December 31, 2009- TL 41,704) and "Factoring Guarantees" amounting to TL 26,949 of as 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	2,618,488	1,503,455	139,439	133,721
Bill of Exchange and Acceptances	2,373	709,055	-	11,367
Letters of Credit	476	735,269	-	13,203
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	41,162	-	-
Non-cash Loans	2,621,337	2,988,941	139,439	158,291

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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	40,141,975	28,701,663
Forward transactions (*)	4,465,545	2,349,583
Swap transactions	20,895,422	19,818,311
Futures transactions	329,824	274,612
Option transactions	14,451,184	6,259,157
Interest Related Derivative Transactions (II)	4,315,214	2,424,642
Forward rate transactions	-	-
Interest rate swap transactions	1,366,380	2,088,456
Interest option transactions	1,474,074	301,140
Futures interest transactions	1,474,760	35,046
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	44,457,189	31,126,305
Types of hedging transactions	7,088,390	144,480
Fair value hedges	7,088,390	144,480
Cash flow hedges	-	-
Net investment hedges	-	-
B. Total Hedging Related Derivatives	7,088,390	144,480
Total Derivative Transactions (A+B)	51,545,579	31,270,785

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

As of June 30, 2010 breakdown of the Group's foreign currency forward and currency 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	495,155	850,485	5,103,972	8,953,144	3,804,625	3,671,344	-	-
USD	959,158	823,534	8,253,099	5,660,477	2,747,870	2,791,885	225,582	225,582
EURO	574,093	395,054	799,110	200,154	1,293,194	1,337,181	676,710	676,710
Other	188,904	179,162	117,616	262,620	134,825	144,334	-	-
Total	2,217,310	2,248,235	14,273,797	15,076,395	7,980,514	7,944,744	902,292	902,292
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

(*) Includes hedging purpose derivatives.

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

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

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

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6. Information on contingent liabilities and assets

None (December 31, 2009 – None).

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

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

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SECTION FIVE

IV. EXPLANATIONS ON DISCLOSURES RELATED TO 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	810,895	27,039	951,805	50,492
Medium and Long-term Loans	677,854	24,315	619,260	49,856
Non-performing Loans	41,542	-	14,733	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1,530,291	51,354	1,585,798	100,350

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	17,663	-	27,419	22
Domestic Banks	8,378	21	3,962	47
Foreign Banks	14,059	2,104	8,535	9,986
Foreign Headquarters and Branches	-	-	-	-
Total	40,100	2,125	39,916	10,055

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	3,896	65	4,316	269
Financial Assets at FVTPL	5,807	-	12,280	-
Investment Securities Available for Sale	164,726	16,400	184,073	16,736
Investment Securities Held to Maturity	-	-	102,704	-
Total	174,429	16,465	303,373	17,005

d) Information on interest income received from associates and subsidiaries

None (June 30, 2009 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	4,767	857	9,603	5,178
Foreign Banks	22,229	53,284	22,923	119,314
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	26,996	54,141	32,526	124,492

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b) Information on interest expense paid to associates and subsidiaries

None (June 30, 2009 – None).

c) Information on interest expense paid to securities issued:

None (June 30, 2009 – None).

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

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	-	6,496	1,664	297	190	2	-	8,649	
Saving Deposits	81	102,855	261,791	5,606	2,069	602	-	373,004	
Public Sector Deposits	1	168	472	3	0	-	-	644	
Commercial Deposits	20	35,641	108,090	6,935	500	-	-	151,186	
Other Deposits	-	3,435	12,836	6,378	173	-	-	22,822	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	-	-	-	-	-	-	-	
Total	102	148,595	384,853	19,219	2,932	604	-	556,305	
Foreign Currency									
Foreign Currency Deposits	10	19,754	35,818	2,618	2,463	270	147	61,080	
Bank Deposits	50	711	716	562	-	6,649	-	8,688	
7 Days Call Accounts	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	9	-	-	-	-	-	9	
Total	60	20,474	36,534	3,180	2,463	6,919	147	69,777	
Grand Total	162	169,069	421,387	22,399	5,395	7,523	147	626,082	

Information on maturity structure of interest expense on deposits (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	-	13,798	637	217	86	276	-	15,014
Saving Deposits	101	165,623	327,918	11,406	1,308	817	-	507,173
Public Sector Deposits	11	246	355	4	-	-	-	616
Commercial Deposits	-	50,849	57,585	9,448	68	36	-	117,986
Other Deposits	5	4,875	20,634	2,987	1,359	-	-	29,860
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	117	235,391	407,129	24,062	2,821	1,129	-	670,649
Foreign Currency								
Foreign Currency Deposits	31	40,473	52,984	8,149	2,461	5	546	104,649
Bank Deposits	169	2,341	354	169	69	-	-	3,102
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	200	42,814	53,338	8,318	2,530	5	546	107,751
Grand Total	317	278,205	460,467	32,380	5,351	1,134	546	778,400

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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(*)	4,535	289	33,609	9

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

f) Information on finance lease expenses

None (June 30, 2009 – None).

g) Information on interest expenses on factoring payables

None (June 30, 2009 – None).

3. Information on dividend income

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

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	3,186,008	4,571,543
Gains on Capital Market Operations	114,158	218,111
Derivative Financial Instruments	645,782	980,848
Foreign Exchange Gains	2,426,068	3,372,584
Trading Loss (-)	3,420,298	4,645,533
Losses on Capital Market Operations	14,391	27,556
Derivative Financial Instruments	1,034,158	1,276,968
Foreign Exchange Losses	2,371,749	3,341,009
Net Trading Income/Loss	(234,290)	(73,990)

5. Information on other operating income

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

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	160,769	353,468
Loans and Receivables in Group III	114,999	39,217
Loans and Receivables in Group IV	11,202	140,852
Loans and Receivables in Group V	34,568	173,399
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	27,388	9,044
Provision for Free Reserves on Possible Losses	1,765	15,625
Impairment Losses on Securities	30	-
Financial assets at fair value through profit or loss	-	-
Financial assets - available for sale	30	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Held-to-maturity investment securities	-	-
Other	14,711	21,402
Total	204,663	399,539

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	313,960	268,290
Reserve for employee termination benefits	1,466	2,311
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge for tangible assets	37,765	34,441
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge for intangible assets	13,661	8,896
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	-	-
Depreciation on assets to be disposed	779	745
Impairment charge for assets held for sale and discontinued operations	-	-
Other operating expenses	238,576	220,410
Operational lease related expenses	47,059	43,751
Repair and maintenance expenses	20,237	13,574
Advertisement expenses	36,523	25,351
Other expenses	134,757	137,734
Losses on sales of assets	212	76
Other	83,880	60,139
Total	690,299	595,308

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

For the period ended June 30, 2010, net interest income of TL 1,156,173 (June 30, 2009 - TL 1,153,942), net fees and commission income of TL 329,312 (June 30, 2009 – TL 316,818) and other operating income of TL 66,639 (June 30, 2009 – TL 64,131) constitute an important part of the period 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. 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 / expenses from discontinued operations as of June 30, 2009 are as follows:

	June 30, 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

(*) The current 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” of previous period income statement as total of TL 10,978.

9. Explanations on tax provision for continued and discontinued operations

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

As of June 30, 2010, the Group recorded current tax charge of TL 126,745 (June 30, 2009 TL 113,418) and a deferred tax benefit of TL 41,949 (June 30, 2009 – TL 19,154).

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

9.2. Explanations on operating profit/loss after taxes

None (June 30, 2009 – None).

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

In the current period, there is no profit of the Group from discontinued operations. (June 30, 2009 –47,377). The net profit of the Group from continued operations is TL 338,245 (June 30, 2009 – TL 373,271).

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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 (June 30, 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	8,349	8,394

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

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

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded to the "Fees and Commissions received" account and fees and commissions given to credit cards are recorded to the "Fees and Commissions given" account by the Group.

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOW STATEMENT

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

	Current Period	Prior Period
	January 1, 2010	January 1, 2009
Cash	299,848	225,152
Cash in TL	168,939	100,592
Cash in Foreign Currency	126,865	121,349
Other	4,044	3,211
Cash Equivalents	2,821,345	1,769,406
Balances with the Central Bank of Turkey	1,494,358	1,349,821
Banks and Other Financial Institutions	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

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

	Current Period	Prior Period
	June 30, 2010	June 30, 2009
Cash	321,441	238,005
Cash in TL	180,440	124,744
Cash in Foreign Currency	130,078	110,489
Other	10,923	2,772
Cash Equivalents	1,896,801	2,253,315
Balances with the Central Bank of Turkey	1,265,848	1,176,305
Banks and Other Financial Institutions	641,842	1,077,383
Money Market Placements	4,591	15,126
Less: Placements with Banks with Maturities Longer than 3 Months	(4,062)	(2,146)
Less: Accruals	(11,418)	(13,353)
Cash and Cash Equivalents	2,218,242	2,491,320

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

Restricted cash and cash equivalents include TL 51,156 (December 31, 2009 - TL 49,296) of cash blocked at foreign banks held for foreign money markets and capital markets and borrowings from foreign markets.

4. Additional information

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

None (June 30, 2009 – None).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO THE PARENT BANKS 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

- 1.1.** As of June 30, 2010, the Parent Bank's risk group has deposits, cash and non-cash loans at the Parent Bank amounting to TL 1,262,531 (December 31, 2009 – TL 1,184,459), TL 27,244 (December 31, 2009 – TL 30,632) and TL 9,721 (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	-	9,449	27,244	2
Interest and Commission Income	-	3	-	10	954	-

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	-	3	-	-	1,058	19

(*) 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	30,377	10,199	1,167,752	1,116,699	64,402	57,561
Interest on deposits	1,633	133	919	1,028	1,106	10,573

(*) 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	-	-	97,463	105,265	683,075	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 own Group cannot be differentiated in total profit and loss accounts.

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a repayment option at the end of the 5th year.

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 Parent Bank regardless of the nature of relationship among the parties

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

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of June 30, 2010, cash loans of the risk group represented 0.1% (December 31, 2009 – 0.2%) of the Parent Bank's total cash loans; the deposits represented 6.2% (December 31, 2009 – 5.9%) of the Parent Bank's total deposits and the derivative transactions represented 3% (December 31, 2009 – 2.5%) of the total derivative transactions.

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

The 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 Ibttech 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% shareholding, provides cash transfer services to the Parent Bank.

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

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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

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

As detailed in Section 3, Note: 22, the application of investment allowance exemption has been rearranged with the fifth article of Law no: 6009 dated August 1, 2010. Based on the new resolution, while computing tax base, the investment incentive deduction will not exceed 25% of the taxable income of the period effective for 2010 taxable income. The corporate tax will be computed for the remaining taxable income by the applicable current tax rate.

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

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

3. Other matters

None.

SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The consolidated financial statements of the Group have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent accountant's limited review report dated August 27, 2010 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditor

None (December 31, 2009 – None).