



**MENA IS RISING,
SO ARE WE.**



ANNUAL REPORT 2010



SOARING TO NEW HEIGHTS IN THE LANDS WHERE CIVILIZATION WAS BORN: **A&T BANK**

For 34 years, we have achieved continuous growth in the lands that gave birth to civilization. We firmly believe that it will once again be these lands whose values shape the future. This belief is the reason for our commitment to help you maximise opportunities in North Africa and the Middle East. Because, our shareholding and correspondent relationships with the largest financial institutions in Turkey and the MENA region help us take you straight to the top as we soar ever higher.



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ANNUAL REPORT COMPLIANCE OPINION

To the General Assembly of Arap Türk Bankası Anonim Şirketi:

We have audited the accuracy and the consistency of the financial information in the annual report of Arap Türk Bankası Anonim Şirketi (“the Bank”) with the audited financial statements as of 31 December 2010. The annual report is the responsibility of the Bank’s management. Our responsibility, as independent auditors, is to express an opinion on the annual report based on our audit.

Our audit was conducted in accordance with the regulations on preparation and issuance of annual report in (Turkish) Banking Law No 5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance regarding whether the consistency of financial information represented in the annual report with the audited financial statements and explanatory notes is free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial information represented in the accompanying annual report represents fairly, in all material respects, the information regarding the financial position of Arap Türk Bankası Anonim Şirketi as of 31 December 2010 in accordance with the effective regulations described in article 40 of (Turkish) Banking Law 5411 and includes Independent Auditors’ report issued by us and summary of Board of Directors’ Report and is consistent with the audited financial statements and explanatory notes.

İstanbul,
11 February 2011

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi



Erdal Tıkmak, SMMM
Partner

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A&T Bank Articles of Association were not amended within the accounting period.

**We are rising along
with Turkey and
MENA.**





NEMRUT MOUNTAIN

Nemrut is a mountain in Turkey, famous for its monumental statues of various gods, animals and the king Antiochus. The sanctuary also contains a large slab with a lion, showing the celestial arrangement of three planets and stars on the date of 7 July 62 BC. Since 1987, Nemrut Mountain has been a UNESCO World Heritage Site.

ABOUT A&T BANK

A&T BANK WAS ESTABLISHED IN 1977 AS A JOINT VENTURE IN ACCORDANCE WITH THE AGREEMENT BETWEEN THE LIBYAN ARAB REPUBLIC AND THE REPUBLIC OF TURKEY FOR THE ESTABLISHMENT OF A JOINT BANK, WHICH WAS SIGNED IN TRIPOLI, LIBYA ON AUGUST 11, 1975 TO FOSTER TRADE BETWEEN THE TWO COUNTRIES.

A&T Bank, which until 2009 was known as Arab-Turkish Bank, is 62.37% Libyan-owned, 36.01% Turkish-owned and 1.62% Kuwaiti owned. The Libyan Foreign Bank, a fully owned subsidiary of the Libyan Central Bank, holds all the company's Libyan shares while Türkiye İş Bankası A.Ş. and T.C. Ziraat Bankası A.Ş., Turkey's two largest banks on an asset basis, hold 20.58% and 15.43% respectively, with the Kuwait Investment Company holding the remaining 1.62%. The Bank is headquartered in Istanbul.

As of year-end 2010, A&T Bank had 255 employees and six branches in five cities across Turkey:

[İSTANBUL MAIN BRANCH](#) / [İSTANBUL KOZYATAĞI](#) / [ANKARA](#) / [KAYSERİ](#) / [KONYA](#) / [GAZİANTEP BRANCHES](#)

Since its founding in 1977, A&T Bank has specialized in facilitating trade between Turkey and the countries of the Middle East and North Africa (MENA) region. Today, A&T Bank is the number one Turkish bank in terms of transaction volume with Libya, and ranks among the top Turkish banks in Syria, Algeria, Lebanon and Jordan. For more than three decades, A&T Bank's founders and employees have built banking and business relationships, expertise and know-how across the region, achieving steady, conservative growth and establishing A&T Bank as the go-to-player in this special niche market.

With a network of more than 450 correspondent banks around the world, A&T Bank has the reach and sound reputation required to serve customers who operate internationally. As it was in the past, through organic ties and strong working relationships built up over three decades, A&T Bank will continue to fulfill its mission of linking Turkey to the region in the future.



A&T BANK'S VISION:

To become a preferred financial institution with talented people, focusing on nurturing its business relations, constantly delivering outstanding results for its customers.

A&T BANK'S MISSION:

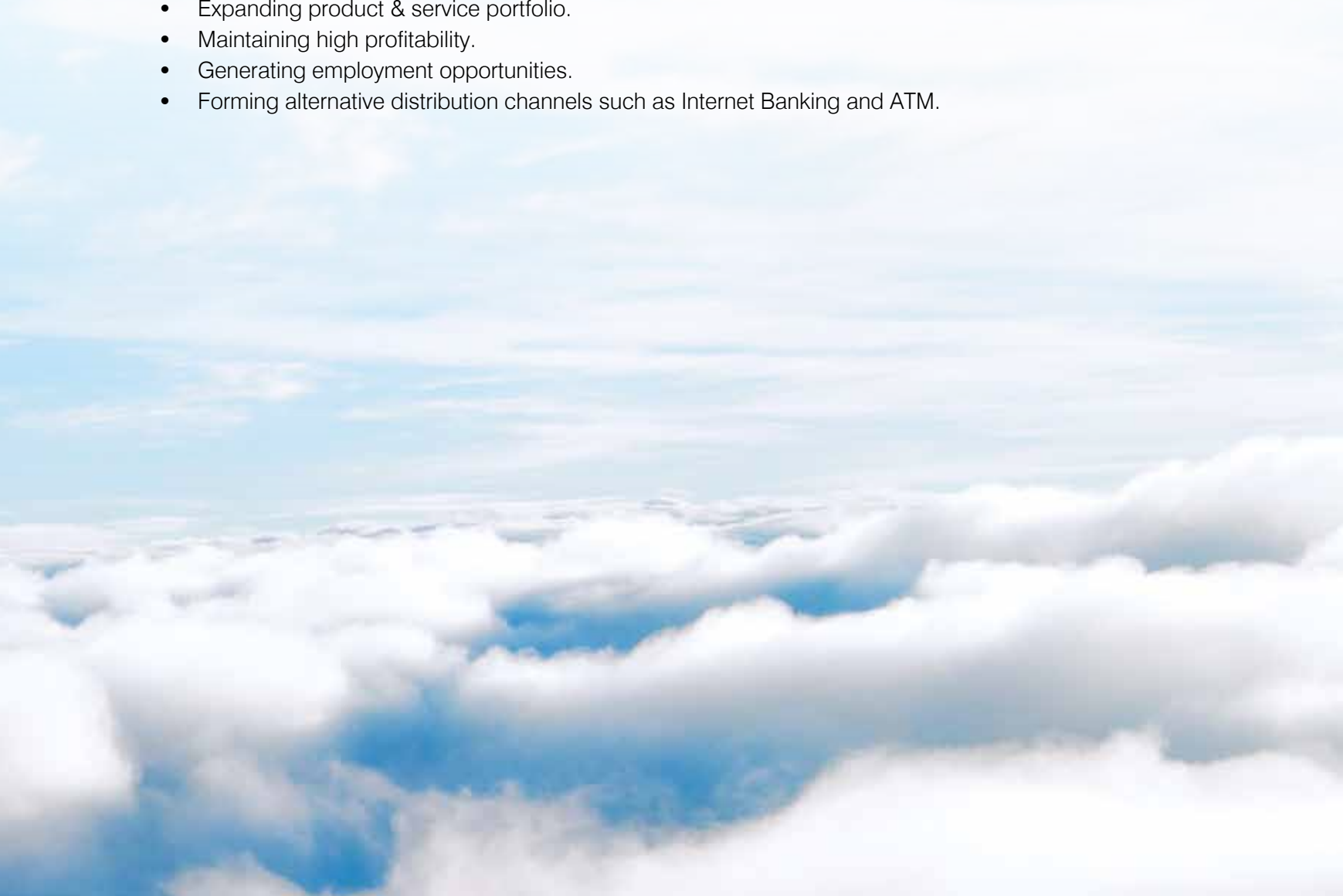
To become the financial bridge between Turkey and MENA countries; to provide innovative products and services adding value to our customers; to be the business partner of our customers; to become a financial institution with high availability and easy to do business with.

A&T BANK IN 2010

- We achieved asset growth of 18 percent, loans growth of 42 percent, deposits growth of 78 percent, SHEQ growth of 8 percent, non-cash loans growth of 34 percent and maintained our high level of profitability.
- We decided to increase our paid-in capital.
- We focused on implementing integrated information technologies.
- We took considerable steps in the area of new customer acquisition. We acquired more than 500 active customers in SME and other segments.
- Recruiting 44 new employees, we expanded our human resources by 11 percent.
- We supported our corporate identity with sponsorships of national and international organizations.

A&T BANK 2011 TARGETS

- Opening three new branches.
- Boosting activity and expanding business volume in all our markets with increased paid-in capital.
- Expanding product & service portfolio.
- Maintaining high profitability.
- Generating employment opportunities.
- Forming alternative distribution channels such as Internet Banking and ATM.



MILESTONES IN A&T BANK'S HISTORY

AUGUST 11, 1975

"Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey" signed in Tripoli, Libya.

APRIL 1, 1977

Arab Turkish Bank founded under the framework of the 1975 agreement.

1980'S

A&T Bank becomes one of the first banks in Turkey to perform international money-market transactions and foreign-exchange operations. It was also one of the few banks in the country to finance export transactions to MENA (Middle East and North African) countries.

1997

A&T Finansal Kiralama A.Ş., a subsidiary, was established to carry out leasing operations.

2000 – 2005

The Turkish economy faced the most destructive twin financial crises in its history at the beginning of the 2000s. Even reputable Turkish banks faced serious funding problems and required access to the Central Bank's emergency liquidity facilities during that period. The number of banks in Turkey decreased from 79 to 48 in 2000-2005 periods. Thanks to its strong capital structure, effective management and the full support of its main shareholder, A&T Bank was not affected by this severe financial turmoil. In addition, by using its ability to access external sources, and injecting them into the financial system, the Bank continued to fulfill its duty of supporting the economy, and emerged from this very difficult period successfully, staying on its sustainable growth trajectory.

2008

The Bank defines a new strategy to reposition itself in the Turkish banking industry and increases its paid-in capital by 485.4% from TL 41 million to TL 240 million.

2009

The Bank is restructured and reinvigorated, as new branches open in Kayseri, Konya and Gaziantep in accordance with the Bank's strategy of leveraging and promoting closer ties between Turkish companies and their counterparts in the MENA region. Organizational structure of the Bank was renewed, studies for diversifying the product and service portfolio and forming an integrated delivery channel network gained acceleration. Focusing on the transformation plan, a new corporate identity was introduced and the Bank's new name and rebranded identity (A&T Bank) were communicated to the public via a nationwide launch campaign. Core banking system was renewed with "Temenos T24".

2010

A&T Bank accelerated its effort to increase its paid-in capital to secure additional business from the rapidly developing commercial and economic relationship between Turkey and the MENA region. In this framework, the strategic plan of the Bank was re-defined.

2010 TURKISH ECONOMIC OUTLOOK

IN 2010, AS THE GLOBAL ECONOMY CONTINUED TO GRADUALLY REVIVE, THE RECOVERY IN DEVELOPED ECONOMIES - THE SOURCE OF THE WORLDWIDE ECONOMIC CRISIS - FOLLOWED AN EVEN SLOWER AND MORE FRAGILE COURSE.

That the balance sheet restoration process for financial institutions and other companies, as well as households, is still underway in more developed economies limits the support of private consumption and investment to the recovery in economic activity. The slow recovery in the labor market compared to economic activity is another factor curtailing private consumption.

On the other hand, recovery in developing economies continues at a rapid and stable pace. In fact, in many developing countries including Turkey, production surpassed pre-crisis levels and the labor market recovered steadily in 2010. The gap between recovery rates of developed and developing economies became even more pronounced in 2010.

This gap was also reflected in the monetary policy in these countries. An unprecedented monetary expansion continues in developed economies, as a result of the emergence of new economic problems. Additional monetary measures taken by leading central banks in the most recent period indicate that low interest rates and high liquidity conditions will persist for quite some time in these economies. In developing countries, the relatively quick pace of recovery in economic activity caused many central banks to end measures implemented during the height of the crisis.

Upon the easing of the effect of the economic crisis on financial markets, the Central Bank of Turkey announced that it would withdraw its previously implemented liquidity measures and normalize the operational framework of its monetary policy. Considering the positive developments in the loan market and the recovery tendency in economic

activity, the Central Bank withdrew the temporary liquidity supports put in place in the crisis period, decreasing excess liquidity to the market gradually, while increasing the required reserve ratio.

In the post-economic crisis period, the monetary transfer mechanism in Turkey seems to be working more efficiently. So much so that, in spite of the fluctuating course of risk perceptions, the basic indicator of interest rates in monetary and loan markets was the policy interest rate of the Central Bank in this period. This situation, an important stage in the normalization process of the Turkish economy, was largely made possible by the prudent monetary policy during the crisis period.

INTEREST RATES LOW BY GLOBAL STANDARDS, AND THE CENTRAL BANK PLANNING TO KEEP ITS POLICY INTEREST RATES FIXED, HAVE ENABLED MARKET INTEREST RATES TO DROP TO THEIR LOWEST-EVER LEVELS AND REMAIN THERE IN 2010. THIS TREND WAS OBSERVED IN EVERY PERIOD DURING THE YEAR. THE DROP IN LONG-TERM INTEREST RATES BECAME MORE PRONOUNCED WITH THE CONTRIBUTION OF THE RECOVERY TO THE RISK PERCEPTIONS ABOUT TURKEY. RATING RISES BY CREDIT RATING INSTITUTIONS IN 2010 REAFFIRM THAT THE IMPROVEMENT IN PERCEPTIONS ABOUT THE LEVEL OF RISK OF TURKEY ARE PERMANENT. TURKEY EVEN RANKS AMONG THOSE COUNTRIES WITH GREATEST DECREASE IN RISK PREMIUM INDICATORS COMPARED TO THE PRE-CRISIS PERIOD.

THE MAIN EVENTS IN THE TURKISH ECONOMY IN 2010 ARE OUTLINED BELOW:

- **The economy entered a quick recovery process.** In spite of the contraction of 4.7% in 2009, the Gross Domestic Product increased 11.8%, 10.2% and 5.5% in the first, second and third quarters respectively. GDP growth averaged 8.9% for the first nine months of 2010.
- **The unemployment rate dropped.** As a result of the economic recovery, the improvement in the labor market continues. The unemployment rate receded from 13.5% in December 2009 to as low as 11.0% in November 2010, as a result of the robust recovery in the first 11 months of the year, especially in the production, construction and service industries. Deseasonalized data indicate that the recovery trend in employment is ongoing, albeit at a slower rate. If this improvement in the labor market is permanent, household income will become more stable and lower on loan default risk for the banking industry.
- **Current account deficit was on the rise.** The current account deficit rose from USD 13.991 million for 2009 to USD 48.557 million in 2010. The current account deficit/GDP ratio is expected to climb from 2.27% at year-end 2009 to around 6,5% at year-end 2010.
- **Budget deficit contracted.** The budget deficit and budget deficit/GDP ratio fell from TL 52.761 million and 5.5%: respectively at year-end 2009 to TL 39.600 million and 3.5% (expectation) at the end of 2010.
- **Inflation remained stable.** Consumer inflation dipped slightly from 6.53% at year-end 2009 to 6.40% as of year-end 2010.
- **Interest rates dropped.** The overnight debt interest rate of the Central Bank decreased five points compared to year-end 2009 and realized as 1.5%. Market interest rates also fell in line with the Central Bank's interest rate policy.
- **External trade volume increased.** Turkey's annual foreign trade volume rose from USD 243.0 billion (USD 102.1 billion in exports, USD 140.9 billion in imports) as of year-end 2009 to USD 299.4 billion (USD 113.9 billion in exports, USD 185.5 billion in imports) at the end of 2010.

One of the main risks has been the disruption in the government debt balance, especially in peripheral countries of Europe. This has caused the public debt indicators to become increasingly prominent. Using a considerable portion of the additional public revenue generated from Turkey's high GDP growth to reduce government debt is extremely important in order to maintain both price and economic stability. The Council of Ministers, the Banking Regulation and Supervision Agency (BRSA) and the Central Bank of Turkey have taken significant measures to stabilize the markets and provide sound growth in the economy.

THE TURKISH BANKING INDUSTRY IN 2010

AN INCREASE IN BOTH PERSONNEL AND BRANCHES MARKED THE TURKISH BANKING INDUSTRY IN 2010. AS OF DECEMBER 2010, THE NUMBER OF BANKING PERSONNEL ROSE 6,975 TO 191,180, UP FROM 184,205 IN THE PREVIOUS YEAR. THE NUMBER OF BRANCHES INCREASED BY 485 FOR THE SAME PERIOD, FROM 9,581 IN THE PREVIOUS YEAR.

The total assets of the Turkish banking industry climbed 21% compared to year-end 2009 and reached TL 1,006.9 billion at end-2010. The industry funded the increase in investment in 2010 mainly through increases in deposits, equities and foreign debts. The share of loans in total assets in the banking industry rose to 52.2%, an increase of 5.1% from year-end 2009. Total loans increased TL 133.3 billion (34%) compared to year-end 2009 and reached TL 525.9 billion as of December 2010.

Recovery post-economic crisis saw a sharp increase in the loan volume of the industry, while non-performing loans and non-performing loan (NPL) ratios decreased from the beginning of 2010. Non-performing loans (gross) fell to TL 19.9 billion as of December 2010, down 8.8% from year-end 2009. The NPL ratio dropped to 3.65% as of December 2010 from 5.27% in December 2009.

The government securities portfolio of the industry climbed TL 287.9 billion in 2010, up 9.5% over 2009. The global economic crisis caused a contraction in lending, and banks increased their holdings of government securities, mostly government bonds. Gauging from the basic indicators of the banking industry, this impact has continued to wane. The share of government securities as a percentage of total assets, which dropped to as low as 26.5% in the pre-crisis period and then rose to 32.7% in January 2010, dropped back to 28.6% at end-2010.

Making up 61.2% of banking industry assets, deposits are banks' most important funding source. Total deposits

increased 19.9%, or TL 102.4 billion, compared to year-end 2009 and rose to TL 617.0 billion at end-2010.

Shareholder's equity for the banking industry rose to TL 134.5 billion in 2010. The rate of increase shareholder's equity was 21.3%, surpassing the 20.7% growth in total assets in the same period.

The capital adequacy ratio of the industry retained its high level in 2010, at 18.95%.

ALTHOUGH THE NET INTEREST MARGIN DECREASED COMPARED TO SAME TERM LAST YEAR, TOTAL NET PROFIT OF THE TURKISH BANKING INDUSTRY REACHED TL 22,133 MILLION IN 2010, UP TL 1,951 MILLION, OR 9.7%, FROM THE PREVIOUS YEAR. THE RISE WAS DUE TO AN INCREASE IN THE VOLUME OF HIGH-YIELD ASSETS AND BASIC IMPROVEMENT IN ASSET QUALITY. WITH THE TRANSITION FROM RECESSION TO RECOVERY, MORE STABLE COURSE IN PROFITABILITY IS FORECASTED IN THE BANKING INDUSTRY FOR THE NEAR FUTURE.

A&T BANK IN THE TURKISH BANKING INDUSTRY

A&T Bank serves as a bridge for trade between Turkey and Middle East and North African (MENA) countries.

As a specialized, niche player in the Turkish finance industry, A&T Bank focuses on non-cash and commercial loans aimed at construction firms carrying out projects in the MENA region or commercial customers exporting to this region.

A&T Bank has concentrated on treasury transactions, corporate loans (cash and non-cash) and export financing (letters of credit) since 1970's. However, beginning from last year, it has renewed and diversified its product portfolio in order to position itself as a more significant player within the Turkish finance sector and started to take steps to strengthen its commercial and individual banking offerings.

A&T Bank has six branches in total, two in Istanbul (Main and Kozyatağı) and one each in Ankara, Konya, Kayseri and Gaziantep, and 255 employees as of year-end 2010.

- Asset Size: TL 1,141 million, or 0.11% of the total asset size of TL 1,006,931 million of the industry.
- Loan Portfolio: TL 496 million, or 0.09% of the total loan size of TL 525,907 million of the industry.
- Deposit Volume: TL 319 million, or 0.05% of the total deposit volume of TL 617,037 million of the industry.
- Paid-in Capital: TL 240 million, or 0.50 % of the total paid-in capital of TL 47,937 million of the industry.
- Total Profit for the Year: TL 23.7 million, or 0.11% of the total profit for the year of TL 22,133 million of the industry.

RESEARCH AND DEVELOPMENT ACTIVITIES

A&T Bank works with the most reliable and expert firms in their respective fields on a project basis to achieve its research and development objectives.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

“IN THIS NEW PERIOD, A&T BANK WILL BOOST ITS ACTIVITIES IN ALL RELEVANT MARKETS, EXPAND ITS BUSINESS VOLUME AND MAINTAIN ITS HIGH LEVEL OF PROFITABILITY WITH ITS EVEN STRONGER CAPITALIZATION.”

Seizing the entire world beginning in 2008, the economic crisis started to lose steam and entered a new phase in 2010. The most economically developed countries succeeded in rescuing the world's largest banks from bankruptcy with emergency funding provided in the first days of the crisis; however, the sustainability of some of these very countries themselves has become questionable today. Uncertainties and negative developments in developed countries raise concerns about full recovery from the economic crisis.

On the other hand, we can see that Turkey has managed the recovery process effectively so far. The Turkish economy achieved much greater success in combating the impact of the crisis compared to other countries in the same league. In the first nine months of 2010, Turkey's gross domestic product (GDP) grew by a considerably high rate of 8.9% compared to the same period of last year. The country is expected to continue to register positive growth in 2011 as well.

Implementing structural reforms, imposing fiscal discipline and having a sound banking system all played a major role in the great success of the Turkish economy. The country's large domestic market coupled with the strong performance of its export and tourism industries were also key factors in its resilience in the crisis. Although Turkey sends half of its exports to EU countries, its close trade links with the Middle East and Africa have helped the country emerge assuredly from the crisis. The course of foreign demand for the Turkish economy will determine growth in the coming period due to the macro problems in European economies that became distinct towards the end of second quarter of this year. It is clear that markets other than the European Union, primarily the Middle East and North Africa, will become even more important to Turkey's continued economic vibrancy.

International credit rating institutions have stated that Turkey's ability to successfully navigate economic, financial and political trials has increased markedly in recent years. Improvements in the country's sovereign credit rating in the last quarter of 2010 indicate that Turkey's rating will probably rise to “Investable” in the coming period if fiscal discipline continues.

With improvements in the real economy and the normalization process in financial markets, the Turkish banking industry continued to grow and generate profit in 2010. The asset size of the industry totaled TL 1,006.9 billion as of December 2010, a rise of 21% compared to year-end 2009. Meanwhile net profit for the period rose to TL 22.1 billion, an increase of 9.7% compared to last year. The capital adequacy ratio stood at 18.95%, much higher than the legally prescribed limit, and illustrates the robust capital structure of the industry.

A&T Bank also maintained its profitability and growth in line with its targets with its strong capital base and stable balance sheet structure in 2010. The Bank boosted its total assets by 18%, loans 42%, deposit

volume 78% and shareholders' equity 8%. Our Bank continued to increase its non-cash loan balance (letters of guarantee, letters of credit and acceptance credit) as part of its support for commitment firms, exporters and importers in 2010 and raised its total balance 33.7% compared to end of last year to TL 1,564 million. A&T Bank closed 2010 with an asset size of TL 1,140.6 million and a net profit of TL 23.7 million.

Our Bank plans to open three new branches and raise its paid-in capital in 2011.

In the coming period, A&T Bank intends to increase its activity in all relevant markets even more with a much stronger capital structure and expand its business volume with increased profitability. Within the re-structuring process currently being implemented, A&T Bank will continue to diversify its product and service portfolio, expand its distribution channels, grow its corporate and commercial customer base and offer the best banking service to its customers, in line with its corporate philosophy of "Earning with Customers."

Our target is to continue to add value to the national economy by using our experience in our home base of Middle East and North Africa more efficiently, satisfying the banking needs of our customers with our ever-expanding correspondent bank network available to entrepreneurs around the world, and increasing our domestic and foreign activities.

I would like to extend thanks to our esteemed customers who support our Bank with their confidence and trust, all employees who contribute their efforts, our shareholders and local and foreign business partners, on behalf of our Board of Directors.

Best Regards,



Atilla Çetiner
Chairman



MESSAGE FROM THE GENERAL MANAGER

“THE SHAREHOLDERS OF A&T BANK TOOK AN IMPORTANT STEP TO INCREASE THE PAID-IN CAPITAL. AN INDICATOR OF THE CONFIDENCE OF OUR SHAREHOLDERS IN THE TURKISH ECONOMY, THIS CAPITAL INJECTION WILL HELP BOOST THE EFFICIENCY OF OUR OPERATIONS.”

The global economic crisis, which started in 2008 and intensified in 2009, continued this year, though its impact was greatly diminished. The post-crisis recovery also continued, albeit to a widely varying degree by country; however, risks are still present in the global growth outlook. Economic fragility persists especially in developed countries, where budget balances deteriorated severely and public debt increased to extreme levels. Lingering problems in the financial services industry and high rates of unemployment have had an adverse impact on lasting economic recovery in these countries.

In contrast, Turkey experienced full economic recovery in 2010. Leading indicators confirm that in the first three quarters of the year the Turkish economy regained the losses it sustained in 2009. The country's 8.9% growth in gross domestic product for that period is the most shining example.

The year 2010 was highly successful for the Turkish financial services industry as well. Industry research and statistics indicate that the Turkish banks not only weathered this turbulent period while many of their counterparts in developed countries lost billions of dollars, but also avoided the global crisis mode altogether and sustained growth and high levels of profitability.

The past experience of the Turkish banking industry in navigating the severe crises that ravaged the country's economy in previous years surely played a major role in their success. Strong infrastructure, high liquidity and capital adequacy requirements, coupled with effective risk management and internal control systems all worked to limit the impact of the crisis on the Turkish banking industry compared to those in other countries.

In 2011, we expect that competition in consumer and commercial banking will escalate, and that banks will increase lending, grow their assets and focus on branching.

The year 2010 was a year of continuing growth and high profitability for A&T Bank. Thanks to our growing presence in the Middle East and North Africa region, profitable treasury operations and rising local market share, we have had a very successful year financially.

- The asset size of our Bank rose to TL 1,140.6 million, up from TL 965.8 million, an increase of 18% from year-end 2009.
- In this period, our loans increased to TL 495.7 million, up from TL 349.7 million, a rise of 42%, and their share in total assets climbed to 43.5% from 36.2%.
- The proportion of securities in our assets continued to decrease, dropping from 47.5% with TL 458.3 million at end-of-year 2009 to 34.4% with TL 392.2 million at year-end 2010.

- The deposit volume increased 78% to TL 318.8 million, from TL 179.1 million; its share in total funding rose to 28.0% from 18.5%.
- The sharp rise in our off-balance sheet items in 2010 is also remarkable: Compared to year-end 2009, total balance increased 33.7% to TL 1,564 million, up from TL 1,170 million.
- Our capital adequacy ratio (CAR) remained high throughout 2010, closed the year at 27.67%, significantly above the regulatory requirement.
- We maintained high profitability in 2010. A decrease in net interest revenues due to the decline in interest margins in 2010 was compensated with an increase in net fees and commission income. Compared with year-end 2009, our Bank raised its total operating revenues 13.2% to TL 72.2 million, up from TL 63.8 million. Our net profit for the year was TL 23.7 million with a return on assets ratio of 2.49% at year-end 2010.

With the economic crisis still raging in more developed countries, the Middle East and North Africa (MENA) markets are expected to play a more important role in world trade. Turkey too is becoming more key as the strategic “centerpiece” and a “bridge to the region.” A&T Bank will continue to actively contribute to Turkey’s efforts to position itself as a leader in this region, with its experience and close ties with MENA countries.

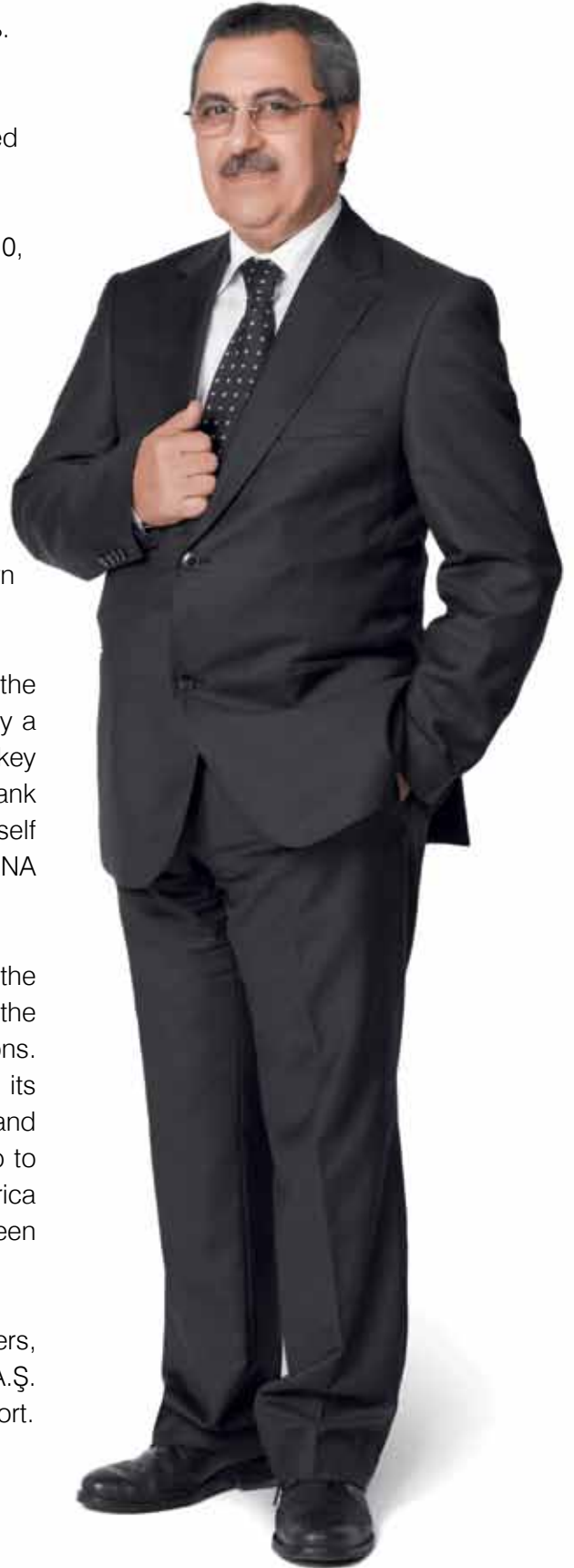
Our shareholders took a very important step toward increasing the paid-in capital. An indicator of the confidence of our shareholders in the Turkish economy, this step will also improve efficiency in our operations. In the coming year, A&T Bank will further develop all aspects of its infrastructure and corporate management, launch new products and services, increase the number of its distribution channels, open up to new customers and markets, and keep the Middle East and North Africa as its target market while strengthening economic relations between Turkey and this region.

I would like to extend my thanks and regards to our shareholders, customers, employees and our subsidiary A&T Finansal Kiralama A.Ş. for bringing A&T Bank to its current state with their continuous support.

Best Regards,



Sadek K. S. Abu Hallala
General Manager



**We keep on rising
steadily and
securely.**



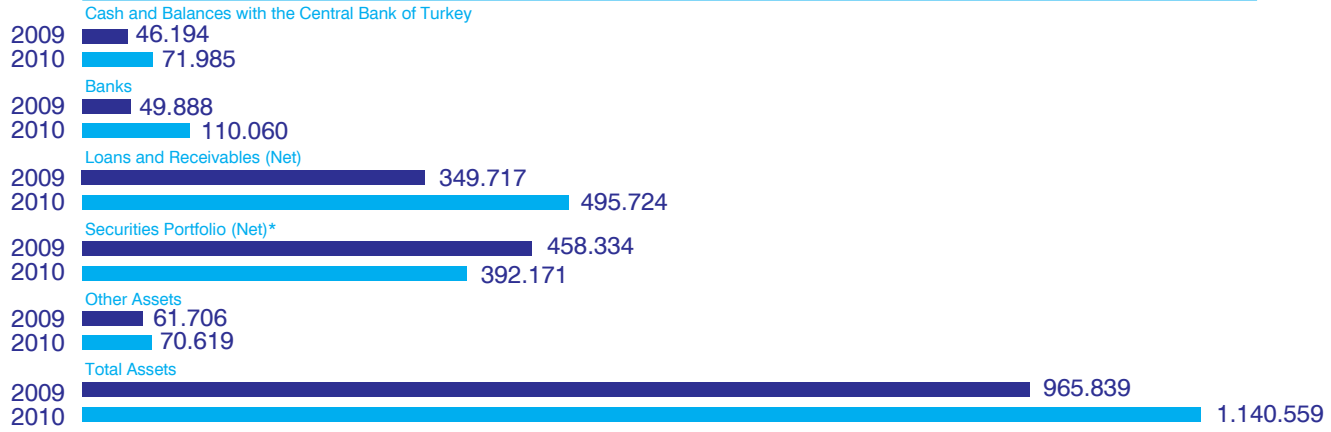


RUINED COASTAL TEMPLE OF ISIS - LIBYA

Sabratha was originally established as a Carthaginian trading post and harbour.

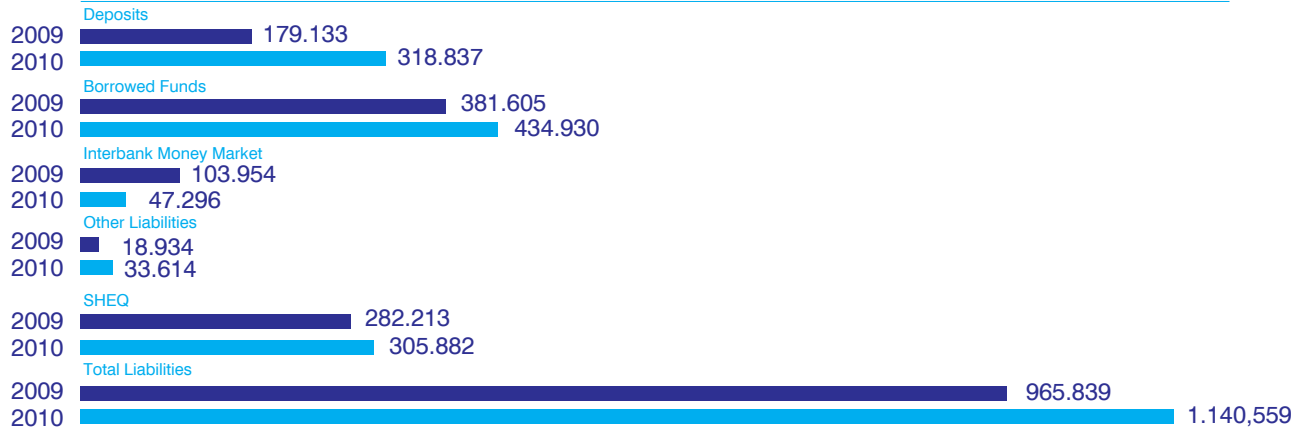
2010 FINANCIAL INDICATORS

ASSETS (THOUSAND TL)

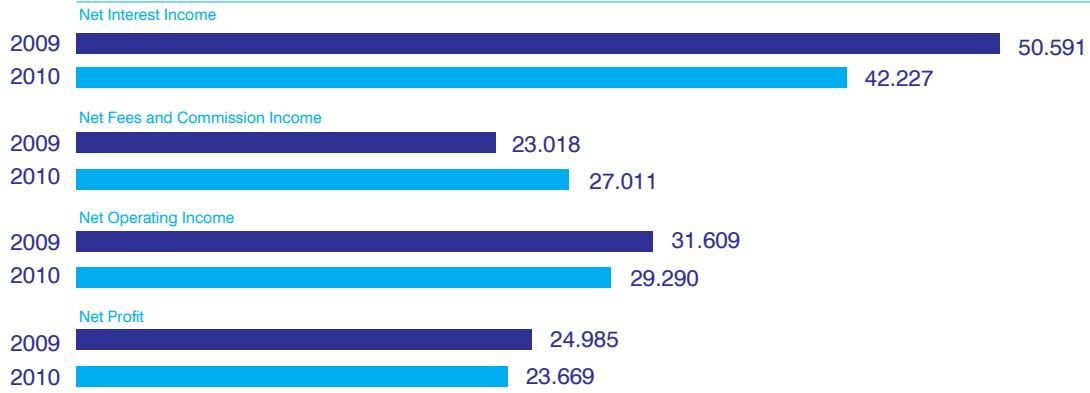


* Financial Assets at Fair Value Through Profit or Loss (Net) + Investments Held to Maturity (Net)

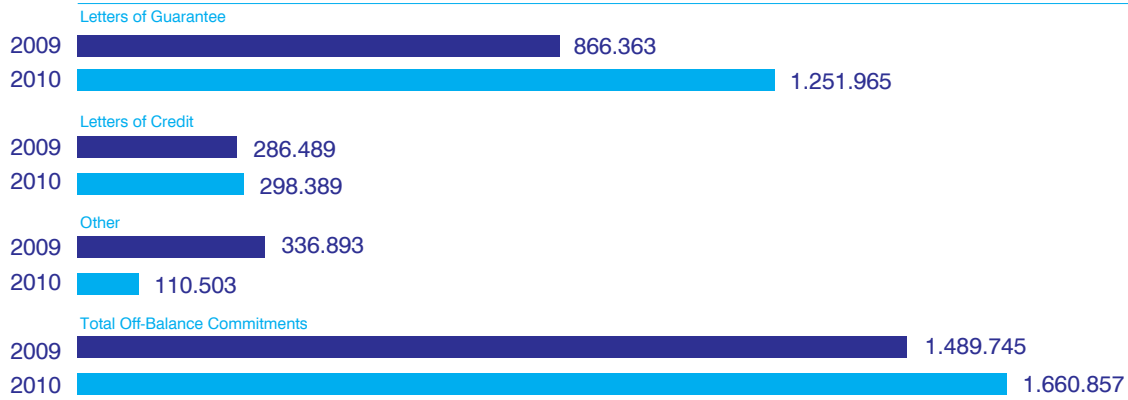
LIABILITIES (THOUSAND TL)



INCOME STATEMENT (THOUSAND TL)



OFF-BALANCE SHEET COMMITMENTS (THOUSAND TL)

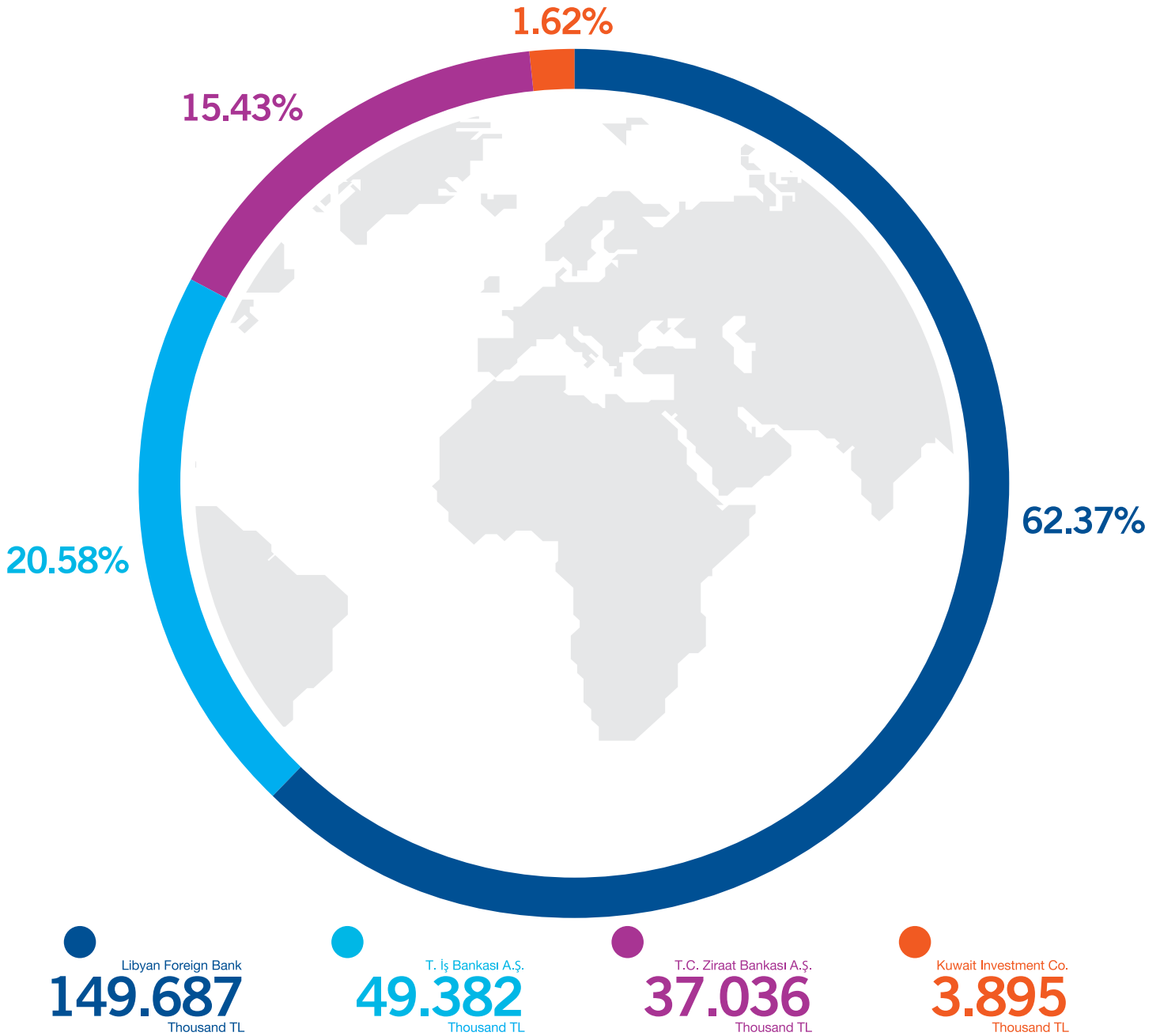


CAPITAL ADEQUACY STANDARD RATIO (%)



SHAREHOLDERS AND PAID-IN CAPITAL

The shareholding structure of A&T Bank did not change in 2010.



* Emek İnşaat ve İşletme A.Ş. has a 0.0000014 percent share of the paid-in capital with TL 3.38.

INSIDER HOLDINGS

Neither the Chairman, Members of the Board of Directors, the General Manager, the Statutory Auditors, nor the Assistant General Managers hold any shares in A&T Bank.

FINANCIAL POSITION: ASSESSMENT OF FINANCIAL STRENGTH, PROFITABILITY AND DEBT REPAYMENT CAPACITY

- The Bank's total assets increased by 18% year-on-year and reached TL 1,140.6 million.
- Loans accounted for the largest share of total assets, 43.5%; the corresponding figure was 36.2% at year-end 2009.
- The share of marketable securities, the second largest item in total assets, decreased from 47.5% to 34.4%.
- As in previous years, asset quality was one of the most important performance indicators for A&T Bank in 2010. While the industry's NPL ratio (non-performing loans gross / total loans) closed 2010 at 3.65%, the Bank's NPL ratio stood at 1.57% in the same period. 100% of non-performing loans has been provisioned.
- Funds borrowed, including those borrowed from the interbank money market; still comprise the largest source of total liabilities with a 42.3% share.
- Deposits, at 28%, continued to account for a significant share of total liabilities.
- From 2009 to 2010, Shareholders' Equity increased by 8.4% and reached TL 305.9 million. The share of this item in total funding was 26.8% at end-2010.
- The Bank's capital adequacy standard ratio, which was 31.61% as of December 2009, remained high in 2010 and closed the year at 27.67%.
- When compared to the end of 2009, letters of guarantee climbed by 44.5% from TL 866.4 Million to TL 1,252.0 Million in 2010. Letters of credit similarly went up by 4.2% from TL 286.5 Million to TL 298.4 Million. Total off balance sheet commitments increased by 18.4% from TL 1,402.4 Million to TL 1.660,9 Million in 2010.
- Return on Asset and Return on Equity ratios of the Bank realized as 2.49% and 8.39%, respectively at end-2010.
- Thanks to its strong capital structure and its ability to tap external sources of funding, in 2010 A&T Bank faced no difficulty in borrowing.

BREAKDOWN OF ASSETS AND LIABILITIES (THOUSAND TL)

ASSETS	2009	% Share	2010	% Share	Change (Amount)	Change (%)
Cash and Balances with the CBT	46,194	4.8	71,985	6.3	25,791	55,8
Financial Assets at Fair Value Through Profit or Loss (Net)	208,819	21.6	167,493	14.7	-41,326	-19,8
Banks	49,888	5.2	110,060	9.6	60,172	120,6
Financial Assets Available For Sale (Net)	1,001	0.1	1,030	0.1	29	2,9
Loans and Receivables	349,717	36.2	495,724	43.5	146,007	41,9
Investments Held To Maturity (Net)	249,515	25.8	224,678	19.7	-24,837	-10,0
Investment in Subsidiaries (Net)	32,753	3.3	35,952	3.2	3,199	9,8
Tangible Assets (Net)	22,085	2.3	22,128	1.9	43	0,2
Intangible Assets (Net)	2,084	0.2	1,823	0.2	-261	-12,5
Tax Asset	1,517	0.2	1,478	0.1	-39	-2,6
Assets Held For Sale and Assets of Discontinued Operations (Net)	662	0.1	427	0.0	-235	-35,5
Other Assets	1,604	0.2	7,781	0.7	6,177	385,1
TOTAL ASSETS	965,839	100.0	1,140,559	100.0	174,720	18,1

LIABILITIES	2009	% Share	2010	% Share	Change (Amount)	Change (%)
Deposits	179,133	18.5	318,837	28.0	139,704	78,0
Derivative Financial Liabilities Held For Trading	79	0.0	0	0.0	-79	-100,0
Funds Borrowed	381,605	39.5	434,930	38.1	53,325	14,0
Interbank Money Market	103,954	10.8	47,296	4.1	-56,658	-54,5
Miscellaneous Payables	1,248	0.1	2,912	0.3	1,664	133,3
Other External Resources	4,827	0.5	15,471	1.4	10,644	220,5
Leasing Transactions Payables	513	0.1	243	0.0	-270	-52,6
Provisions	9,930	1.0	13,468	1.2	3,538	35,6
Tax Liability	2,337	0.2	1,520	0.1	-817	-35,0
Shareholders' Equity	282,213	29.3	305,882	26.8	23,669	8,4
TOTAL LIABILITIES	965,839	100.0	1,140,559	100.0	174,720	18,1

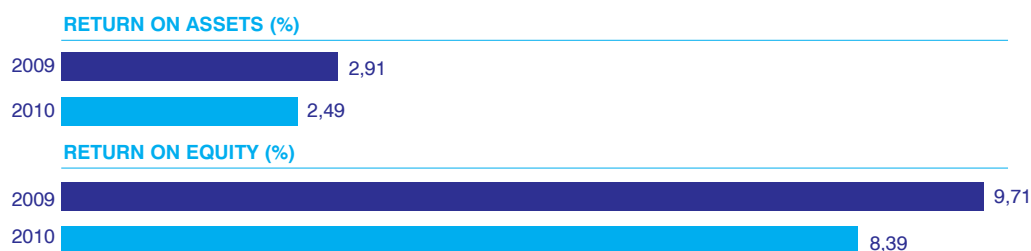
INCOME STATEMENT (THOUSAND TL)

	2009	2010	Change (Amount)	Change (%)
Interest Income	62,449	47,556	-14,893	-23,8
Interest Expense (-)	11,858	5,329	-6,529	-55,1
Net Interest Income	50,591	42,227	-8,364	-16,5
Net Fees and Commission Income	23,018	27,011	3,993	17,3
Dividend Income	48	3,259	3,211	6,689.6
Trading Profit / Loss (Net)	-10,660	-1,579	9,081	-85,2
Other Operating Income	807	1,296	489	60,6
Total Operating Income	63,804	72,214	8,410	13,2
Provision for Loan or Other Receivables Losses (-)	3,496	3,395	-101	-3,0
Other Operating Expenses (-)	28,699	39,529	10,830	37,7
Net Operating Profit / Loss	31,609	29,290	-2,319	-7,3
Provision for Taxes in Income from Continuing Operations (-)	6,624	5,621	-1,003	-15,1
NET PROFIT	24,985	23,669	-1,316	-5,3

PROFITABILITY

THE BANK'S NET PROFIT REACHED TL 23,669 THOUSANDS IN 2010.

A&T Bank's Return on Assets (Net Profit/ Average Total Assets) and Return on Equity (Net Profit/Average SHEQ) were 2.49% and 8.39%, respectively, as of year-end 2010.



SUMMARY FINANCIAL HIGHLIGHTS FOR THE LAST FIVE YEARS

THOUSAND TL	2006	2007	2008	2009	2010
Total Assets	372,818	356,689	799,199	965,839	1,140,559
Marketable Securities Portfolio (Net)*	176,943	146,827	327,484	459,335	393,201
Loans and Receivables (Net)	106,096	128,359	325,521	349,717	495,724
Deposits	92,018	85,524	98,000	179,133	318,837
Loans Received**	183,827	171,177	406,738	485,559	482,226
SHEQ	86,688	89,393	257,228	282,213	305,882
Net Profit	5,006	2,745	2,710	24,985	23,669

* Including Financial Assets Available For Sale (Net)

**Funds Borrowed + Interbank Money Market

RATINGS OF THE BANK

No rating study was conducted on A&T Bank in 2010.

**We are raising the bar
with our continued
success.**





TIMGAD, UNESCO WORLD HERITAGE - ALGERIA

The site of Timgad, with its Roman military camp, model town planning and unique civil and military architecture reflects an important interchange of ideas, technologies and traditions exercised by the central power of Rome.

OPERATIONS OF A&T BANK IN 2010

TREASURY DEPARTMENT

THANKS TO ITS EFFECTIVE RISK MANAGEMENT PRACTICES IN 2010, A&T BANK IMPROVED ITS PROFITABILITY BY SEIZING LOW-RISK AND HIGH-RETURN OPPORTUNITIES.

The stability of the European Union and the strength of the Euro came into question in 2010. A new era began after the sharp contraction in the global economy, marked by uncertainty for the future, a change in risk perception and a decrease in appetite of both the real sector and financial markets for new investments. Assistance and recovery packages, government bond purchase programs and initiatives that aimed to support restructuring, from both the IMF and EU, prevented the occurrence of disaster scenarios.

Turkey exhibited a more successful fiscal performance compared to other developing countries and major financial markets, thanks to regulations adopted in the wake of the 2001 economic crisis. As the Central Bank reassured the market, targeting price as well as economic stability, Turkey pulled through the global crisis with few long-term effects. In addition, the country's sovereign credit rating was even upgraded by the rating agencies in the final quarter of 2010.

The banking industry faced severe risks due to market fluctuations and great economic uncertainty in 2010. Even in such a challenging environment, A&T Bank's Treasury Department was able to generate maximum income with minimum risk while safeguarding from the ongoing economic crisis, in line with its strategic decisions during the year.

In 2010, A&T Bank strived to determine market conditions with basic and technical analyses while closely tracking country risk profiles, regional and global macroeconomic variables, national and foreign political developments, interest rate expectations, fluctuations in markets and liquidity conditions to improve the profitability of its existing assets.

The year 2010 also created a variety of opportunities due to market turmoil around the world. Wide fluctuations in the markets increased both risks and profit-making

opportunities. Given its expectations and the announced economic indicators, the Treasury Department targeted investments deemed opportunities while minimizing risks via diversification of its holdings.

In 2010, the Treasury Department managed the risks well and optimized the decision making process based on future projections in an effective manner. Thanks to the expert new personnel hired to restructure the Department, A&T Bank became a more efficient institution with a larger workforce and business volume, and boosted its share in the industry.

Upon the establishment of the Trading Unit, the Treasury Department focused on trading transactions in both FX market and bond market. Its growth-oriented portfolio management strategy includes daily, weekly and monthly economic and strategic assessments. New investments were sought in markets with continued variation and uncertainty; the volume of Treasury Bills in the Bank's portfolio increased and the portfolio was further diversified with syndication loans and private sector bonds.

- The Treasury Department invested TL 197.6 million into the Treasury bond portfolio in 2010. The average income of this portfolio was 7.33%. (2009: TL 235.6 million with a 13.85% annual yield.)
- The Department also maintained an approximately 35 million USD-type and 9 million EUR-type Eurobond portfolios. Incomes were yearly 7.39% on average for USD and yearly 5.36% on average for EUR (2009: USD 90.8 million with a 5.91% annual yield.)
- The Treasury Department also invested \$20 million in Credit Linked Notes (CLNs) yielding 2.76% on average. (2009: \$30 million with a 3.92 % annual yield.)
- Investment in syndication loans amounted to \$37.1 million and €29.6 million. Yields were 2.86% for USD and 3.91% for EUR.

DEPOSITS TAKEN

TL DENOMINATED (THOUSAND)



USD DENOMINATED (THOUSAND)



EUR DENOMINATED (THOUSAND)



DEPOSITS PLACED

TL DENOMINATED (THOUSAND)



USD DENOMINATED (THOUSAND)



EUR DENOMINATED (THOUSAND)



As A&T Bank has a boutique service approach in its offerings to multinationals and SMEs active in private banking, especially in the MENA region, the Treasury Department segments its product and services to meet its specific needs.

TARGETS FOR 2011

CONSIDERING 2010 IN TERMS OF OPPORTUNITIES AND RISKS, THE DELAY IN RECOVERY FROM THE GLOBAL ECONOMIC CRISIS AND THE MONETARY EASING POLICY IN BOTH THE USA AND EU RESULTED IN THE LIKELIHOOD OF INTEREST RATE INCREASES TO SHIFT, TOWARD 2012. WE EXPECT COUNTRIES TO RAISE THEIR REQUIRED RESERVE RATIOS TO STOP MONETARY UNITS FROM BECOMING EVEN MORE VALUABLE IN 2011. IN TURKEY, WE FORESEE THE POSSIBILITY OF A LIQUIDITY CRUNCH IN THE MARKET DUE TO THE ELECTIONS SCHEDULED FOR JUNE.

THE PRIMARY GOALS IN THE COMING YEAR FOR THE TREASURY DEPARTMENT ARE TO FIND ALTERNATIVE INVESTMENT CHANNELS WHILE MINIMIZING COSTS, EXPAND THE SECURITIES PORTFOLIO, GROW EXISTING ASSETS, MINIMIZE RISK AND OBTAIN COST/BENEFIT PRODUCTIVITY. EXPECTED TO CONTINUE IN THE NEXT QUARTER ARE IMPLEMENTATIONS SUCH AS ADDING PRODUCTS WITH MINIMUM RISK TO THE EXISTING PORTFOLIO TO MANAGE RISK AND MINIMIZING CREDIT RISK BY SERVING FIRST CLASS CORPORATE CUSTOMERS AND USING DERIVATIVE PRODUCTS AND SCENARIO ANALYSES AS PART OF EFFICIENT RISK MANAGEMENT ON THE LOAN SIDE.

FINANCIAL INSTITUTIONS DEPARTMENT

HAVING BOOSTED ITS CAPABILITY OF FINANCING AT ELIGIBLE COST WITH ITS VARIOUS LOANS, A&T BANK RETAINED THIS POSITION IN 2010 AND ACHIEVED SUSTAINABLE SUCCESS. THE BANK EXPANDED ITS CORRESPONDENT NETWORK AND INCREASED THE VARIETY OF THE PRODUCTS.

To ensure continuity and stability in the market has been a part of the general international strategy of A&T Bank. The Financial Institutions Department assumed an important role in ensuring this continuity with both its extensive correspondent network and credit limits, kept ready for various banking operations. The primary responsibility of the Department is to anticipate the needs of both branches and the Treasury Department and to conduct its operations to meet these needs in a timely manner.

A&T Bank, a financial services institution frequently preferred by exporters, continues to be highly regarded in both domestic and international markets due to its strong ownerships and prestigious position.

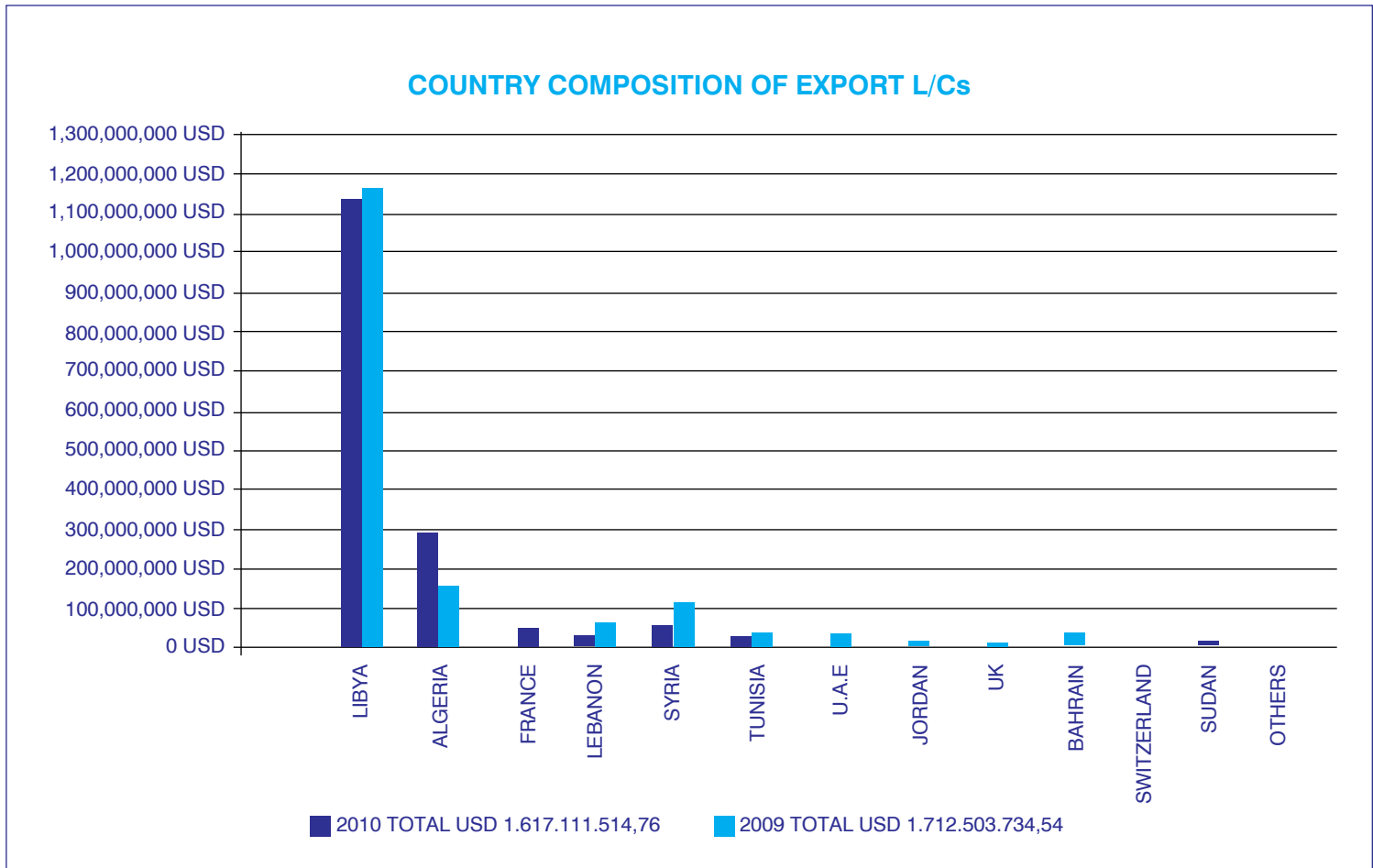
As a result of its product diversification strategy, A&T Bank's syndication loans to banks totaled TL 81.2 million as of year-end 2010. Taking real sector companies into account, the amount reached TL 119.2 million.

On the other hand, the successfully performance in 2009 regarding the volume of export letter of credits and guarantee letters is repeated. Annual transaction volumes realized as USD 1.6 billion and USD 446 million respectively, and the commission fees generated contributed to the Bank's profitability. Non-cash loan volumes also illustrated the confidence that Turkish exporters and entrepreneurs had in A&T Bank. Our Bank continues to be the most preferred bank for foreign trade banking operations the Middle East and North Africa regions.

A&T Bank's Financial Institutions Department retained its efficient credit usage policy by closely monitoring the banks' and countries' risk levels throughout the year. The active correspondent network was continuously monitored and periodically assessed to guard against potential risks. The Bank strived to proactively respond to the needs of its correspondent network members and strengthen its presence in the Middle East and North Africa market.

A&T Bank's correspondent network both expanded and gained strength in 2010. The number of correspondent banks rose to 479 from 450, during the year. Representatives of the Department visited many of its correspondent network members in 2010. Completing the year without suffering the impact of the economic crisis and retaining its strong position within the Turkish banking system, A&T Bank plans to continue to expand its correspondent network and strengthen its base and efficiency in the Middle East and North Africa region.

Libya and Algeria kept their first two ranks in A&T Bank's export L/Cs portfolio in 2010.



TARGETS FOR 2011

WITH THE ATTACK OF BRANCHING OUT AND GROWTH, EFFECTIVE MANAGEMENT OF OUR CORRESPONDENT NETWORK AND THE CREDIT LIMITS WILL BECOME EVEN MORE IMPORTANT. IN THIS CONTEXT, FINANCIAL INSTITUTIONS DEPARTMENT WILL CONTINUE TO PERFORM ITS FUNCTION TO MEET THE BANK'S NEEDS AND CREATE A DISTINCT DIFFERENCE IN FOREIGN TRADE WITH ITS PROACTIVE STRATEGY. THE DEPARTMENT PLANS TO EXPAND IN VARIOUS MARKETS, GAINING TOGETHER WITH THE INCREASE IN IMPORT TRANSACTIONS IN 2011.

CREDITS DIVISION

A&T BANK STEADILY INCREASED ITS LOAN PLACEMENTS EVEN DURING THE ECONOMIC DOWNTURN. THIS UPWARD TREND BECAME MORE PRONOUNCED IN 2010: CASH LOANS ROSE 42% AND NON-CASH LOANS CONSISTING OF LETTERS OF GUARANTEE AND LETTERS OF CREDIT 34% OVER THE PREVIOUS YEAR.

The economic crisis that began in the last quarter of 2008 and engulfed the world for the last two years minimally impacted the MENA region compared to more developed markets. As the target market for the Bank, as well as for many Turkish exporters in recent years, the economies of MENA further opened to countries outside the region, and business volume climbed steadily. These developments brought new opportunities for A&T Bank and allowed for significant increases in cash and non-cash loans, fueling the Bank's uninterrupted growth in spite of the crisis.

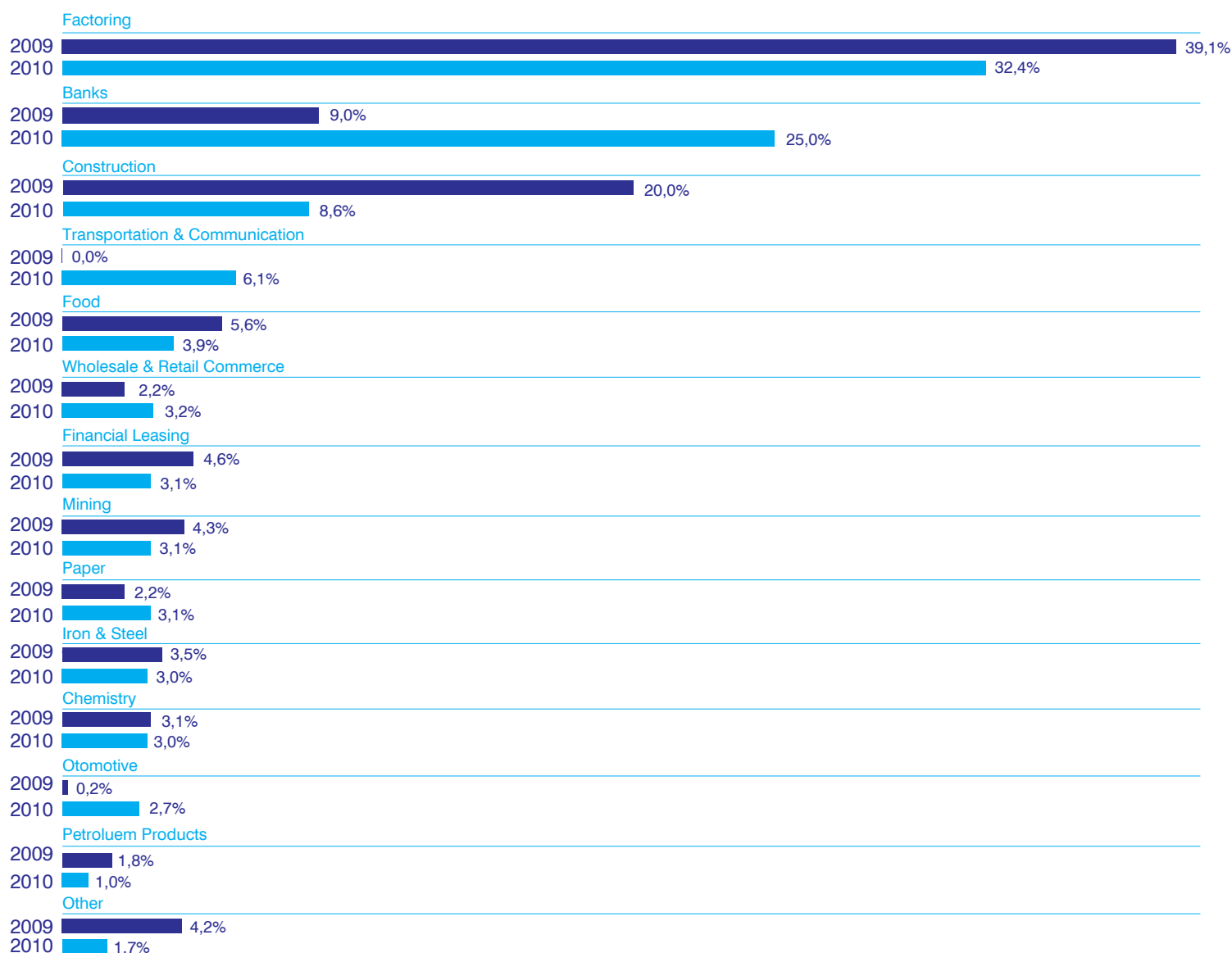
In 2010, A&T Bank strengthened its role not only as a bridge but also as a pit stop between Turkey and the Middle East and North Africa, thanks to its rapid and efficient servicing of exporters with trade relations with that region. A&T Bank's extensive correspondent network supported its services offering.

A&T Bank's customer portfolio includes high value borrowers in the corporate and large commercial segments primarily in the A-group. Even though the Bank increased its loans on a cash basis by 42% (TL 146 million) in 2010, no non-performing loans were registered which is another success of the Bank. In addition, the Bank's NPL ratio, calculated by dividing non-performing loans by total loans before special provisions and itself an important indicator of asset quality, was just 1.57% in 2010, much lower than that for the industry as a whole, 3.65%. Along with the high quality customer profile, the meticulous efforts of the Credits Division employees in every phase of customer service from first contact to allocation and increasing credit lines contributed to this great success.

As a result of the increase in loan volume, its share in total assets rose from 36.2% in 2009 to 43.5% at year-end 2010. An analysis of the total loan portfolio of A&T Bank by the customer rating system of the Bank shows that proportion of loans extended to "Good" and "Very Good" companies in total loans was over 70% in 2010, the same level as the previous year.

Factoring companies, banks and construction firms are at the first three ranks in the Bank's cash loan portfolio at end-2010 as it was in 2009. However, while the share of factoring companies and construction firms in total decreased by 17% and 57%, respectively, the share of banks went up by 178% from 2009 to 2010.

DISTRIBUTION OF CASH LOANS BY INDUSTRY IN 2009 AND 2010:



TARGETS FOR 2011

AS THE GLOBAL ECONOMY LEAVES THE CRISIS BEHIND IN 2011, WE BELIEVE THAT THE CORPORATE AND COMMERCIAL LOAN MARKET IN TURKEY WILL CONTINUE TO EXPAND COMPARED TO PREVIOUS PERIODS. WHILE EXPECTING A GENERAL GROWTH IN LOANS THROUGHOUT 2011, A&T BANK CREDITS DIVISION WILL ALSO TAKE INTO CONSIDERATION MARKET FRAGILITY RELATED TO ONGOING DEBT PROBLEMS IN SOME EUROPEAN COUNTRIES, AND ITS IMPACT ON DEVELOPING COUNTRIES. THE DIVISION PLANS TO TARGET A-GROUP COMPANIES PRIMARILY, AND TAKING INTO CONSIDERATION THE NARROWING PROFIT MARGINS OF A-GROUP COMPANIES, ALSO CAREFUL COOPERATION WITH COMPANIES IN SUB-SEGMENTS WILL BE CARRIED OUT.

SALES, MARKETING AND BUSINESS DEVELOPMENT DIVISION

IN 2010, WE COMPLETED OUR INFRASTRUCTURAL TRANSFORMATION AND FOCUSED ON EMPLOYING INFORMATION TECHNOLOGY TO ASSIST MORE IN BUSINESS DEVELOPMENT. WE ACQUIRED MORE THAN 500 NEW CUSTOMERS IN SME AND HIGHER SEGMENTS. A&T BANK ALSO CAPTURED ADDITIONAL MARKET SHARE IN THE RISING TRADE VOLUME BETWEEN TURKEY AND MENA (MIDDLE EAST AND NORTH AFRICA).

A&T Bank successfully completed its strategic transformation initiative in 2010. Maintaining profitability in the face of mounting competition, narrowing interest margins and growth related investments, A&T Bank increased its lending involving MENA region transactions. New branches acquired more than 500 additional customers in SME and higher segments and also deepened relationships with existing customers.

The Sales, Marketing and Business Development Division assisted the Bank to achieve its 2010 budget targets, prepare the overall strategy, organization and process and to support growth infrastructure for the system and make A&T Bank more customer-focused. Specifically, the Division contributed to the Bank's successful operational performance during the year by achieving loan volume and revenue targets.

In 2010, the procedures, system and organization of the Division were improved to support the growth plan. Initiatives to measure branch, customer and product profitability were completed to help branches more marketing oriented. Methodologies such as Fund Transfer Pricing went live to minimize interest and foreign exchange risk in the branches. A budgeting system based on a branch and customer portfolio was completed and implemented. Also, in 2010, the internet banking project was launched as part of the distribution channel development initiatives.

As part of the partnership initiative to expand our product portfolio, we renewed our agreement with Anadolu Sigorta to act as intermediary for the sale of insurance products; we completed the required organizational, procedural and system updates and premium production commenced in 2010. In order to capitalize on the developing potential, especially in

Konya, we signed an agreement with the Agricultural Products Office and launched a new product, the Warehouse Receipt Loan.

This year's banking activities continued to focus on intermediating banking transactions of companies trading with the MENA region. We implemented initiatives to acquire new customers and to deepen relationships with existing ones. With the strong rise in customer acquisitions from new branches in 2010, A&T Bank targeted the SME segment more than ever.

During the year, we conducted branch-based customer acquisition campaigns and encouraged more frequent customer visits to maintain and strengthen our market share in MENA. The Bank also pursued a more competitive pricing strategy and worked to create new positions and preserve existing positions. In parallel with the soaring trade volume between MENA and Turkey, the market share of A&T Bank in this region also increased markedly.

TARGETS FOR 2011

WE EXPECT THAT INTENSE PRICE COMPETITION WILL CHARACTERIZE THE TURKISH BANKING INDUSTRY IN 2011; THE YEAR SHOULD END WITH ORGANIC GROWTH FOR THE INDUSTRY AS A WHOLE. WE ALSO ANTICIPATE THAT THE BANKING ENVIRONMENT IN THE MIDDLE EAST AND NORTH AFRICA WILL BE MUCH MORE COMPETITIVE IN THE COMING YEAR. DUE TO LIBERALIZATION AND REGULATION OF THE FINANCIAL SYSTEM AND THE EXTREMELY HIGH RETURN ON CAPITAL COMPARED TO DEVELOPED MARKETS, COUPLED WITH HIGH LEVELS OF INVESTMENT IN INFRASTRUCTURE AND SUPERSTRUCTURE AND INCREASED PUBLIC AND PRIVATE SECTOR SPENDING, THE MENA REGION WILL REMAIN ATTRACTIVE FOR BANKS. TRADE BETWEEN MENA AND TURKEY IS EXPECTED TO EXPAND THROUGH CONTRACTED PROJECTS IN 2011; COMPETITION IN BANKING TRANSACTIONS INVOLVING THIS REGION IS LIKELY TO INTENSIFY. A&T BANK'S CUSTOMER-FOCUSED STRATEGY WILL STRENGTHEN ITS POSITIONING IN THE REGION AND MAINTAIN, AND PERHAPS EVEN INCREASE, THE BUSINESS VOLUME IT ACHIEVED IN 2010.

IT AND OPERATION DIVISION

IN 2010, MAINLY WE FOCUSED IN IMPLEMENTATION OF PROJECTS FOR INCREASING THE SECURITY, PERFORMANCE, CAPACITY AND FUNCTIONALITY IN OUR CORE BANKING SYSTEM AND OTHER INFORMATION TECHNOLOGY INFRASTRUCTURE. BESIDES, WE FACILITATED HIGH AVAILABILITY SOLUTIONS FOR SYSTEMS AND COMMUNICATION LINES.

A&T Bank's IT Department continued its infrastructure investments to support new coming projects. Following the latest technological developments closely, the IT and Operations Division implemented initiatives in support of the Bank's strategic plan, especially with regards to developments in the finance industry and demands coming from business units.

The banking system was updated with state-of-art technology when the Temenos T24 banking system was installed in 2009. The Temenos T24 has a modular and extendable architecture that allows alternative distribution channels such as ATM, Internet banking and telephone banking to be implemented rapidly and efficiently. The system, which is open to local development, was made more compatible with the business requirements of the Bank with the addition of new functionalities during 2010 by the Bank's IT personnel.

The main projects that resulted in a significant rise in IT expenditures in 2010, were new modules added to the core banking system, activation of new devices to improve performance, capacity and availability in the network and security infrastructure. Additionally, we also established a centralized back-up system to backup critical data and centralized log management system to keep the logs come from different systems and applications. Open value licensing agreement was signed between Microsoft Company and our Bank to prevent the use of unlicensed software and to be able to upgrade all existing software to the latest support releases. The IT Department also improved the physical conditions of the IT system room in line with regulatory requirements.

Thanks to projects implemented by the IT and Operations Division, personnel were provided the opportunity to access their business e-mail accounts outside the Bank via the Internet, and over mobile phones through the Blackberry Enterprise Server. Meeting rooms can now be booked over the intranet via the Outlook application. Some other applications such as "News, News from Us, Birthday Reminder, Job Postings" were developed over the Livelink system on demands from business units. Thanks to all these activities, A&T Bank reaped benefits such as compliance with regulatory requirements, more efficient use of bank resources, increased mobility, and higher level protection of data privacy and integrity.

TARGETS FOR 2011

THE IT DEPARTMENT PLANS TO FOCUS ON INVESTMENTS THAT FACILITATE INTERNET BANKING AND ATM TO PROVIDE 7/24 ONLINE BANKING SERVICES TO CORPORATE AND COMMERCIAL CUSTOMERS IN 2011. WE ALSO PLAN TO AUTOMATE SOME OF THE BANKING PROCESSES LIKE OPENING ACCOUNTS AND ALLOCATING LOANS WHICH ARE CURRENTLY CARRIED OUT MANUALLY, TO LOWER RESOURCE CONSUMPTION WHILE BOOSTING TRANSACTION PROCESSING SPEED AND EFFICIENCY.

THE MAJOR TREND FOR IT UNITS IN THE BANKS IS EXPECTED AS THE CLOUD COMPUTING WHICH IS EXPECTED TO RE-SHAPE THE IT MARKETPLACE WITH LEVERAGING SOFTWARE –AS A SERVICE, PLATFORM –AS A SERVICE, INFRASTRUCTURE –AS A SERVICE, IN THE NEXT YEARS.

HUMAN RESOURCES PRACTICES

WE RECEIVED 27,000 APPLICATIONS FOR THE OPEN POSITIONS IN THE BANK, GENERATED EMPLOYMENT FOR 44 PEOPLE AND INCREASED THE EMPLOYEE WORKFORCE BY 11 PERCENT IN 2010. A&T BANK'S PERSONNEL TURNOVER RATE WAS ONLY 2.4 PERCENT.

While 2009 was a stagnant year for the banking industry, in terms of both new branch openings and personnel recruitments, 2010 saw capital spending rise, after being delayed during the economic crisis, new branch openings and employment increase. As the economic downturn was felt around the world, the Turkish banking industry continued on its growth trend and increased its workforce size in 2010.

Toward year-end 2009, A&T Bank reconfigured its organizational structure to be more customer-focused to help ensure its sustainable growth path; the Bank also opened three new branches. The initiative to offer 'special and different' service to customers continued in 2010 with a new marketing approach, new branches and new products. The Human Resources and Organizational Development Department visited teams working in branches, became acquainted with them and took actions for their needs in this process. We strived to align corporate targets with employee expectations by facilitating direct and continuous contact with both Bank employees and senior executives.

In 2010, the Bank also defined its strategy and launched transformational initiatives to implement this strategy. In this process, the Human Resources and Organizational Development Department played a role managing change and implementing professional development solutions. Through its strategic human resource management approach, it also developed human resource policies in line with the organization's targets and strategies. The Department aimed to improve employee satisfaction and design innovative processes for organizational development with improvements made to basic functions of the department including selection, recruitment, training, remuneration, and performance appraisal. Major projects implemented during the year include structured interviews, training of employees, development of an information platform to increase in-house communication, supporting sponsor institutions for social responsibility initiatives, announcement of career opportunities within the Bank, exit interviews and standardization of employee rights.

In addition to its guiding philosophy of 'recruiting the most qualified and appropriate person for the appropriate position and attracting excellent candidates to the organization', the Department also continued to strengthen our corporate culture and vision by making effective investments in human resources and establishing a reward system. In 2010, A&T Bank received 27,000 applications for its open positions. From these applications, we hired 44 new employees and increased our workforce by 11%. The Bank's personnel turnover rate was only 2.4% for the year.

A&T Bank employee profile according to 2010 data:

- 255 employees
- Average age: 37
- Average banking experience: 8 years
- 65% university graduates (Bachelor and MBA Degree)

TARGETS FOR 2011

WE PLAN TO MAKE 2011 A BREAKTHROUGH YEAR FOR HUMAN RESOURCES INITIATIVES AND PROJECTS. THE MAIN INITIATIVES TO BE IMPLEMENTED IN 2011 ARE THE PERFORMANCE APPRAISAL AND NEW REMUNERATION SYSTEM PROJECT, CREATION OF NEW HIRE AND SPECIALIZED TRAINING PROGRAMS, A CAREER DEVELOPMENT SYSTEM, A TARGET AND COMPETENCE-BASED PERFORMANCE APPRAISAL SYSTEM AND A RECOMMENDATION AND REWARD SYSTEM.

SET ON A PATH TO ACHIEVE REAL ORGANIZATIONAL GROWTH IN 2011, A&T BANK PLANS TO HIRE 42 NEW EMPLOYEES, 28 FOR NEW AND EXISTING BRANCHES AND 14 FOR HEAD OFFICE UNITS.

COMPLIANCE AND LEGISLATION DEPARTMENT

THE DEPARTMENT WHICH WAS REORGANIZED TO ENSURE COMPLIANCE WITH NATIONAL LEGISLATION MAIN PURPOSE IS TO COMPLIANCE ALL THE BANK'S ACTIVITIES, NEW PROCESSES AND PRODUCTS WITH THE LAWS, RELEVANT REGULATIONS AND CURRENT LEGISLATION AND GIVE PROFESSIONAL CONSULTING AND SUPPORT TO UNITS. AFTER MENTIONED RESTRUCTURING, THE DEPARTMENT'S RESPONSIBILITY, EFFECTIVENESS AND COORDINATION ABILITY WITH THE OTHER UNITS INCREASED SIGNIFICANTLY. IN THIS PROCESS, THE DEPARTMENT TAKE AN ACTIVE ROLE IN MANY COMMITTEES AND WORKING GROUPS BY CONTRIBUTING ITS EXPERTISE IN MATTERS OF LEGISLATION.

The Department consists of four separate units and reports directly to the Authorized Member of the Board of Directors.

Legislation Compliance Unit The unit works to ensure compliance with the laws, relevant regulations and current legislation, gives consulting and support to units. Follows up the changes in national legislation and declares the changes with internal correspondences (like communiqués and circulars) in institution. It is the first address for the official correspondence to convey correspondence to related units coming from the official authorities and ensure the timely creation of responds.

Within 2010, the Legislation Compliance Unit announces to the Bank, as a whole and/or to relevant departments, any applicable and/or newly enacted laws, regulations, communiqués and legislation amendments and coordinates closely with relevant departments throughout the Bank to ensure timely compliance with amended legislation and offers consultancy and support services. Examples of its work include efforts carried out regarding Check Law No. 5941, amendments in the Resource Utilization Support Fund (RUSF) and Mandatory Reserves. Accordingly the important amendments in legislation started to report periodically to Senior Management within this year.

This year the Unit also started to review new processes and products with respect of relevant legislation, give advice to related units and committees and participate in the Test Team which was established to test and evaluate the new products that compliance with legislation to give applicability approval if assessment results positive.

The Unit took an active role in committees relating to the Document Management initiative started this year. Also advice and recommendations have been given on the issues such as renewal of agreements (including Current Accounts and Banking Transactions Framework Agreement, General Loan Agreement, among others), updated printed documents and receipts with the legislation point of view.

The Unit plans more frequent branch and department visits, to ensure more effective communication negotiate and take faster action with changes in legislation.

Anti Money Laundering Unit The Unit purveys implementation of the Bank's Compliance Program related to "Prevention of Laundering Proceeds of Crime and Finance of Terrorism" and takes all necessary actions in within this context. Follows up the relevant legislation and declares in the Bank. Within the compliance program content takes the necessary measure, make the updates of the Banks Policy and Procedures and prevents disruption in implementations. With the frame of the mentioned law and regulations coordinated with the related units convey them for execution of transactions. Ensures the coordination with relevant official authority and provides the demands on time. These contexts manage the reputation, legal and operational risk of the Bank.

The Bank became a member of the Turkish Banking Association - MASAK Work Group during year 2010, participated in meetings conducted and information/opinions were exchanged.

Sworn-in Auditors of Banks (on behalf of MASAK) made a comprehensive "Liabilities Audit" and found the unit legally compliant.

In accordance with the "Compliance Program," the Unit monitored amendments to related legislation, announced and ensure the necessary measures taken on time. The Unit worked with relevant departments concerning information requirements about the sender in electronic transfers, which was included in the "Electronic Transfers" chapter of the Precautionary Regulation that was enacted on 01.01.2011. Before this new practice came into effect, the Unit informed Turkish banks and our foreign correspondent banks which we have SWIFT transactions or intermediations, about this development and prevented possible delays in transfers.

A training on "Prevention of Laundering Proceeds of Crime and Finance of Terrorism" within the framework of our annual training plan for new personnel was held in year -2010, ensuring that our entire workforce is informed about this important matter and updated about amended legislation.

The Unit updated its Anti-Money Laundering (AML) and Know Your Customer (KYC) Questionnaires and responded to AML/KYC Questionnaires received from domestic and foreign banks; documentation required from our correspondent banks was also brought up to date.

In 2011, the Unit plans to increase contact with correspondent banks in order to coordinate and exchange information more effectively. And also plans to acquire software that allow for automatic tracking of customer accounts and transactions within the framework of laws and communiqués on anti-money laundering; establishes a working group on AML/KYC with participation of other relevant units and branches within the Bank and improve its response times and communications.

IT Compliance Unit The IT Compliance Unit undertakes to provide compliance with bank information systems and relevant laws, regulations, and current legislation. Follows up the relevant legislation and declares to the related units and takes the necessary measures about the amendments. Ensures to update implementations of Bank's IT Compliance Policy and Procedure compliance with the legal requirements. With the frame of the mentioned law and regulations about the execution of transactions works in coordination with the related units. In addition as a result of the periodical external audit, makes the necessary action plan for elimination of emerging findings, provides coordination between units, assigns responsibility and carries out monitoring activities.

With the frame of the Management Declaration, for the basic banking process takes part in the project team established for preparing workflows, and contributes establishing workflows charts.

Within year 2010, the Unit worked on the project team to prepare workflows for the Bank's main processes within the framework of the Management Declaration and also helped to create Workflow Charts.

In the 2010 Annual Information Systems Audit, the Unit facilitated the coordination of Independent IT Auditors and the IT Department of our Bank, and accompanied the system-wide testing performed by Independent IT auditors in business units.

It monitored the implementation of action plans to correct findings detected as a result of external audits in previous years and periodically reported developments concerning the action plans with IT Division to the Bank's Executive Management.

During year 2010, the IT Compliance Unit also oversaw implementation of the 'Independent Audit Tracking System' (BADES) as prescribed by the BRSA. BADES enables electronic tracking of banks' contracts with independent auditing companies, IT Audit findings and action plans. The Unit inserts the IT Action Plans into BADES and updates them periodically.

Account Investigations Unit The Unit announces research, injunction/block and attachment requests from official authorities (courts, prosecutors, tax offices, relevant ministries, Banking Association of Turkey, BRSA, Social Security Institution, Revenue Administration, customs office, governor's offices and other institutions) concerning customer accounts to branches and relevant units, collects customer information on the matter and organizes the official response in a timely manner.

E-attachment transactions realized according to the signed protocol with the Revenue Administration, so that our bank received e-attachment packages electronic media and sent back the response in electronic media to the Revenue Administration.

It also made announcements to relevant departments pertaining to Lost/Stolen Identity Notifications, Fraud/Action Attempt Notifications, restraining orders and custody decisions from Turkish Banks Association.

Social Security Institution (SGK) e-attachment projects are expected to become effective and to be implemented within the year 2011.

**We derive strength
from our
shareholders and
we all rise together.**





TEMPLE OF BACCHUS - LEBANON

The Temple of the Sun is considered one of the best preserved Roman temples in the world.

SUBSIDIARY: A&T FİNANSAL KİRALAMA A.Ş.

THE IMPACT OF THE GLOBAL RECESSION ON THE TURKISH ECONOMY AND INVESTMENT ENVIRONMENT IS STILL BEING FELT IN THE COUNTRY, AS IN MANY OTHER MARKETS. HAVING STRENGTHENED ITS MACROECONOMIC FUNDAMENTALS AND ESTABLISHED A RESILIENT FINANCIAL SYSTEM THANKS TO THE IMPLEMENTATION OF STRUCTURAL REFORMS, TURKEY EMERGED FROM THE CRISIS MUCH MORE QUICKLY THAN OTHER COUNTRIES; HOWEVER, IT STILL FACES RISKS FROM THE ONGOING CRISES IN DEVELOPED ECONOMIES. WITH THE SLOW REVIVAL IN REAL SECTOR INVESTMENT DEMAND AT THE BEGINNING OF 2010, THE FINANCIAL LEASING INDUSTRY GATHERED MOMENTUM FOR GROWTH. ACCORDING TO DATA PUBLISHED BY FIDER, TRANSACTIONS FOR THE INDUSTRY TOTALED USD 3.2 BILLION IN 2010, A SHARP UPTICK OF 45% COMPARED TO LAST YEAR'S USD 2.2 BILLION.

Although the crisis did have an adverse effect on the Turkish economy, A&T Finansal Kiralama A.Ş. went to great lengths to maintain its strong liquidity position in order to minimize the negative impact on its operations. In light of the fragile market conditions, A&T Finansal Kiralama A.Ş. adopted a controlled growth policy with increased sensitivity to risk. The Company focused on careful risk control and prudent customer portfolio management. The Company increased its business volume by reaching out to and renewing ties with former customers. A&T Finansal Kiralama A.Ş. gained USD 20.8 million in new business in 2010, up from USD 8.6 million in the previous year. Financial leasing receivables totaled USD 40.9 million in 2010.

Establishing long-term relations with customers is fundamental to the Company's approach. In making placements, A&T Finansal Kiralama A.Ş. emphasizes

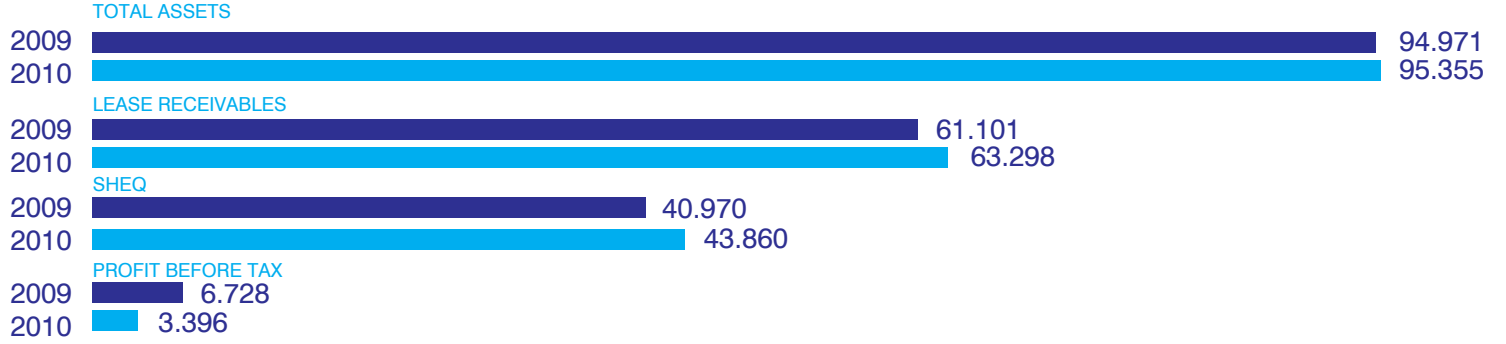
not only industry diversification, but also economic viability and productivity of the project. Determining its priorities well, the Company efficiently conveyed its resources to investors and diversified risk across various business sectors. In addition, the Company always places a high priority on customer satisfaction.

A&T Finansal Kiralama A.Ş. enjoys a high degree of regard in both local and international markets, always fulfilling its commitments in a timely manner. During 2010, the Company accessed both domestic and international sources for mid-term and long-term financing. A&T Finansal Kiralama A.Ş. is able to obtain lending with favorable terms and conditions, to provide financial leasing to its customers.

In Turkey, the faster than expected economic recovery, medium-term budget plan indicating that the fiscal discipline will continue, stability of the banking system, positive outlooks from credit rating agencies, and risk premium indicators lower than pre-crisis levels all will have a positive impact on the banking and financial leasing industry in 2011. With consumption and investment stimulated as a result of these developments, borrowing by households will pick up and the economy will expand largely fueled by domestic demand. As part of the medium-term budget plan, the GDP growth rate is forecast to be 4.5% in 2011, and reach 5.5% at year-end 2013. According to the medium-term budget plan, the share of fixed capital investments in national income will reach 19%, 19.6% and 20.3% percent respectively in 2011, 2012 and 2013. In order to maximize its share of fixed capital investments from the private sector, A&T Finansal Kiralama A.Ş. plans to increase its capital base and identify new funding sources.

MAIN FINANCIAL HIGHLIGHTS OF A&T FINANSAL KIRALAMA A.Ş.

(THOUSAND TL)



THE BOARD OF DIRECTORS REPORT TO BE SUBMITTED TO THE 33RD ORDINARY GENERAL ASSEMBLY

Esteemed Shareholders;

We are honored to host you at the Annual Shareholders Meeting of A&T Bank. We would hereby like to present you with a short summary of economic developments in Turkey, followed by information on the financial and operational performance of the Bank in 2010.

The global economic crisis, which started in 2008 and intensified in 2009, continued this year, though its impact was much diminished. The post-crisis recovery also continued, albeit to a widely varying degree by country. However, risks are still present in the global growth outlook. Economic fragility persists especially in developed countries, where budget balances deteriorated severely and public debt increased to extreme levels. Lingering problems in the financial services industry and high rates of unemployment have had an adverse impact on lasting economic recovery in these countries.

On the other hand, we can see that Turkey has managed the recovery process effectively so far. The Turkish economy achieved much greater success in combating the impact of the crisis compared to other countries in the same league. In the first nine months of 2010, Turkey's gross domestic product (GDP) grew by a considerably high rate of 8.9% compared to the same period of last year. The country is expected to continue to register positive growth in 2011.

As the impact of the crisis on financial markets abated, and in light of the positive developments in the lending environment and the recovery trend in financial activities, the Central Bank of Republic of Turkey withdrew its temporary liquidity supports activated in the crisis period and increased the required reserve ratio while gradually reducing the surplus liquidity provided to the market. In the post-economic crisis period, the monetary transfer mechanism in Turkey seems to be working more efficiently. So much so that, in spite of the fluctuating risk perceptions, the basic indicator of interest rates in money and lending markets was the policy interest rate of the Central Bank.

With interest rates low by global standards, and the Central Bank planning to keep its policy interest rates fixed, market interest rates dropped to their lowest-ever levels and remained there in 2010. This trend was observed in every period during the year. The drop in long-term interest rates became more pronounced with the contribution of the recovery in the risk perceptions about Turkey. Rating rises by credit rating agencies in 2010 reaffirm that the improvement in perceptions about the level of risk of Turkey are permanent. Turkey even ranks among those countries with the greatest decrease in risk premium indicators compared to the pre-crisis period.

The Turkish banking industry also continued to grow in 2010 and ranked among the best globally with its strong operational performance. Total assets of the banking industry climbed 21% compared to year-end 2009 and reached TL 1,006.9 billion at end-2010. The industry funded the increase in 2010 investments mainly through increases in deposits, equities and foreign borrowing. The share of loans in total assets rose to 52.2%, an increase of 5.1% from year-end 2009. Total loans increased TL 133.3 billion (34%) compared to year-end 2009 and reached TL 525.9 billion of December 2010.

Making up 61.2% of banking industry assets at end-2010, deposits are banks' most important funding source. Total deposits increased 19.9%, or TL 102.4 billion, compared to year-end 2009 and rose to TL 617 billion as of December 2010.

The banking industry closed 2010 with a profit of TL 22.1 billion, 2.67% return on assets and 20.13% return on equity. The industry has a total shareholders' equity of TL 134.5 billion, and a Capital Adequacy Standard Ratio of 18.95%, significantly above the regulatory requirement.

The year 2010 was marked by growth and high profitability for A&T Bank:

- The asset size of our Bank rose to TL 1,140.6 million, up from TL 965.8 million, an increase of 18% from year-end 2009.
- In this period, our loans increased to TL 495.7 million, up from TL 349.7 million, a rise of 42%, and their share in total assets climbed to 43.5% from 36.2%.
- The proportion of securities in our assets continued to decrease, dropping to 34.4% with TL 392.2 million at year-end 2010, from 47.5% with TL 458.3 million at end-of-year 2009.
- The deposit volume increased 78% to TL 318.8 million, from TL 179.1 million; its share in total funding rose to 28.0% from 18.5% percent.
- Total equity rose to TL 305.9 million at year-end 2010, up from TL 282.2 million from the previous year, an increase of 8%. The equity to total liabilities ratio stands at a significantly high 26.8%.
- The sharp rise in our off-balance sheet items in 2010 is also remarkable: Compared to year-end 2009, the total (LGs, LCs and Acceptance Credits) increased 33.7% to TL 1,564 million, up from TL 1,170 million. Such a sharp increase indicates the continued support of A&T Bank to the Turkish exporters, importers and contracting firms.
- Our capital adequacy ratio (CAR) remained high throughout 2010, and closed the year at 27.67%, significantly above the regulatory requirement.
- We continued our profit-making track record in 2010. A decrease in net interest revenues due to the decline in interest margins in 2010 was offset with an increase in net fees and commission income. Compared with year-end 2009, our Bank raised its total operating revenues 13.2% to TL 72.2 million, up from TL 63.8 million. Our net profit for the year was TL 23.7 million with a return on assets ratio of 2.49% at year-end 2010.

With the economic crisis still raging in more developed countries, the Middle East and North Africa (MENA) markets are expected to play a more important role in world trade. Turkey too is becoming more key as the strategic “centerpiece” for the region. A&T Bank will continue to actively contribute to Turkey’s efforts to position itself as a leader in this region, with its experience and close ties with MENA countries.

Our shareholders took a very important step toward increasing our paid-in capital. An indicator of the confidence of our shareholders in the Turkish economy, this step will also improve the efficiency of our operations and strengthen A&T Bank’s position in Turkish banking sector. In the coming year, A&T Bank will further develop all aspects of its infrastructure and corporate management, launch new products and services, increase the number of its distribution channels, open up to new customers and markets, and keep Middle East and North Africa as its experienced target market while strengthening economic relations between Turkey and MENA region and other important markets where the Turkish entrepreneurs are active.

Dear Shareholders,

We have submitted the Activity Report, Balance Sheet and Income Statements for 2010 for your inspection and approval. On behalf of A&T Bank Board of Directors, we would like to extend our thanks to customers for keeping their confidence in us, our correspondent banks in Turkey and abroad for their strong, deep-rooted relationships with us, our General Directorate for its successful management, all our employees for their contribution to good results with their devoted efforts and shareholders for their continuous support and our regards to our esteemed shareholders for honoring our General Assembly.

On Behalf of the Board of Directors
Chairman
Atilla ÇETİNER



**Briefly:
We keep on rising!**





AL JAMM ROMAN AMPHITHEATER - TUNISIA

This awe-inspiring monument and its underground tunnel, where slaves and animals were held before fighting in the arena.

BOARD OF DIRECTORS

Meetings of the Board of Directors convene pursuant to the relevant provision of the Bank's Articles of Association, whenever Bank business requires, at the invitation of the Chairman. The Board reviews matters related to the Bank and takes decisions according to the authority given to it by the Bank's Articles of Association, law and regulations. Throughout 2010, Members of the Board of Directors regularly participated in meetings, fulfilling the quorum requirement.

CHAIRMAN ATILLA ÇETİNER 1

A graduate of Ankara University Economic and Commercial Sciences Academy, Economy and Finance Department, Çetiner worked as Assistant General

Manager in Charge of External Relations and Participations at T.C. Ziraat Bankası A.Ş. between 2002 and 2005. Çetiner has served as the General Manager of Ziraat Bankası International AG since 2005. He has 32 years of professional experience.

VICE CHAIRMAN MOHAMED NAJIB HMIDA EL-JAMAL 2

A graduate of the Alfatah University (Libya) Accounting Department, El-Jamal worked as the General Manager of A&T Bank from 2001 to 2006 and as the General Manager of Libyan Foreign Bank between 2006 and 2010. El-Jamal has served as the Consultant of Libyan Foreign Bank Board of Directors since 2010. El-Jamal has 40 years of professional experience.

MEMBER OF THE BOARD OF DIRECTORS AND GENERAL MANAGER SADEK K.S. ABU HALLALA 3

After graduating from the Garyounis University (Libya, formerly known as Libya University) Accounting Department, Hallala completed his master's degree in accounting at Hartford University (USA). Hallala worked as the Manager of Accounting Department in Libyan Foreign Bank between 1995 and 2006 and has worked as the General Manager at A&T Bank since 2006. Hallala has 26 years of professional experience.

MEMBER OF THE BOARD ABDURAUUF İBRAHİM SHNEBA 4

Shneba graduated from the El-Fatah University (Libya) Statistics

Department and worked as the Banking Operations Department Manager at Libyan Foreign Bank between 2006 and 2009. Shneba has been working as the Manager of Marketing and External Relations Department at Libyan Foreign Bank since 2009. Shneba has 23 years of professional experience.

MEMBER OF THE BOARD SAEID AWAD 5 RASHWAN RASHWAN

Rashwan received a Bachelor of Science degree from the Economy Department of Garyounis University (Libya) and completed his master's degree at Leicester University (United Kingdom) in the field of Management Sciences. Previously the General Manager of Al-Wehda Bank between 2006 and 2008, Rashwan has served as the General Manager at National Commerce Bank since 2008. Rashwan has 20 years of professional experience.



**MEMBER OF THE BOARD
AND THE AUDIT COMMITTEE
ABDULFATAH A. ENAAMI 6**

After receiving a Bachelor of Science degree from the Business Operation and Finance Department of Sheffield Hallam University (United Kingdom), Enaami served as the Manager of Portfolio Investments Department at Libyan Foreign Bank between 2006 and 2007. Enaami has served as the Manager in Charge of Direct Investments at Libya Investment Agency since 2007. Enaami has 16 years of professional experience.

**MEMBER OF THE BOARD
ABDULAZİZ MOHAMED
ALİ MANSUR 7**

After receiving a Bachelor of Science degree from the Accounting and Finance Department of National Management Institute, Mansur completed a master's degree in the same field at Yeditepe University. Mansur served as the Deputy Manager of the Risk Management Department at Libyan Foreign Bank between 2008 and 2009, and has worked as the Manager of Human Resources Department at Libyan Foreign Bank since 2009. Mansur has 20 years of professional experience.

**MEMBER OF THE BOARD
AND THE AUDIT COMMITTEE
HASAN KİMYA BOLAT 8**

Bolat graduated from the Faculty of Political Sciences International Relations Department at Ankara University and served as a Regional Manager in the Commercial Loans Department of Türkiye İş Bankası A.Ş. between 2003 and 2007. Bolat has served as the Department Manager of SME Loans Allocation Department at Türkiye İş Bankası A.Ş. since 2007. Bolat has 22 years of professional experience.

**MEMBER OF THE BOARD AND THE
CHAIRMAN OF THE AUDIT COMMITTEE
SELİM GÜRAY ÇELİK 9**

Çelik graduated from the Faculty of Political Sciences Business Management Department at Ankara University and completed his master's degree at the University of Illinois (USA) in finance. Çelik worked as Banks Sworn Auditor and Chief Auditor at the Banking Regulation and Supervision Agency between 2000 and 2005, and has served as the Chief Deputy General Manager of T.C. Ziraat Bankası A.Ş. since 2005. Çelik has 16 years of professional experience.

**MEMBER OF THE BOARD
MUSTAFA TURGAY ATALAY 10**

Atalay graduated from the Faculty of Political Sciences Economics and Finance Department at Ankara University and worked in various positions at T. İş Bankası A.Ş. Atalay has served as the Project and Transformation Management Head at Türkiye İş Bankası A.Ş. since 2006. Atalay has 30 years of professional experience.

**SECRETARY OF THE BOARD OF
DIRECTORS
GÖNÜL ÇULHA ÖZSOY 11**

A graduate of the Faculty of Political Sciences Business Administration Department of Ankara University, Özsoy served as Banks Sworn Auditor at the Banking Regulation and Supervision Agency between 2001 and 2009. Özsoy has worked as the Internal Systems Director at A&T Bank since 2009. Özsoy has 10 years of professional experience.



SENIOR MANAGEMENT

GENERAL MANAGER

SADEK K. S. ABU HALLALA ①

After graduating from the Garyounis University (Libya, formerly known as Libya University) Accounting Department, Hallala completed his master's degree in accounting at Hartford University (USA). Hallala worked as the Manager of Accounting Department in Libyan Foreign Bank between 1995 and 2006 and has worked as the General Manager at A&T Bank since 2006. Hallala has 26 years of professional experience.

ASSISTANT GENERAL MANAGER CREDITS DIVISION

MOHAMED NAGEB H. MUGBER ②

A graduate of the Accounting Department of El-Kudüs University (Libya), Mugber worked as the Acting Manager at Libyan Foreign Bank between 1989 and 2006. Mugber has served as the Assistant General Manager at A&T Bank since 2006. Mugber has 36 years of professional experience.

ASSISTANT GENERAL MANAGER INFORMATION TECHNOLOGIES AND OPERATIONS DIVISION

GIUMA MASAUD SALEM KORDI ③

A graduate of the Alfateh University (Libya) Faculty of Computer Sciences, Kordi served as Information Technology Group Manager at A&T Bank between 2003 and 2008. Kordi has served as the Assistant General Manager at A&T Bank since 2008. Kordi has 18 years of professional experience.



ASSISTANT GENERAL MANAGER
TREASURY AND FINANCIAL
INSTITUTIONS DIVISION
ÖZGÜR ERKER 4

A graduate of the Business Administration Department of Marmara University, Erker served as the Deputy President at Dexia Private Bank between 2007 and 2009. Erker has served as the Assistant General Manager at A&T Bank since 2009. Erker has 13 years of professional experience.

ASSISTANT GENERAL MANAGER
FINANCIAL MANAGEMENT AND
STRATEGIC PLANNING DIVISION
SALİH HATİPOĞLU 5

A graduate of Boğaziçi University Department of Economics, Hatipoğlu completed his master's degree in the Business Administration Department of Yeditepe University. Hatipoğlu served as the Manager of the Risk Management Department at A&T Bank between 2002 and 2008, and has worked as the Assistant General Manager at A&T Bank since 2008. Hatipoğlu has 12 years of professional experience.



AUDITORS

VOLKAN KUBLAY ①

Kublay graduated from Marmara University Faculty of Economic And Managerial Sciences, English Economics Department. Kublay served as an inspector at T. İş Bankası A.Ş. Department of Inspection Council between 2000 and 2008. Kublay has worked as the Deputy Manager of the Unit of Bank and Finance Participations and Risk Tracking Coordination Unit, Participation Department at T. İş Bankası A.Ş. since 2008. Kublay has 10 years of professional experience.



DR. ERTAN ALTİKULAÇ ②

Altıkulaç received a Bachelor of Science degree from Marmara University Faculty of Economic and Managerial Sciences, Econometrics Department. Afterwards, he completed his master's degree in the Banking and Insurance Institute at the same university and then obtained his doctorate in Banking. Altıkulaç served as the Manager of T.C. Ziraat Bankası A.Ş. Nişantaşı Branch between 2005 and 2009, and has worked as the Head of External Relations Department at T.C. Ziraat Bankası A.Ş. since September 2009. Altıkulaç has 15 years of professional experience.



STATUTORY AUDITORS' REPORT

TO THE GENERAL ASSEMBLY OF
ARAP TÜRK BANKASI A.Ş.

We have examined the transactions of the Bank for the fiscal year 2010, its balance sheet as of December 31st, 2010 and the related statement of earnings for the year then ended.

In our opinion the above mentioned transactions were recorded in conformity with the Laws and the balance sheet and the statement of earnings are in agreement with the records.

We, therefore, propose that you approve the enclosed balance sheet and the statement of earnings.


February 28th 2011

STATUTORY AUDITORS

Dr. Ertan Altıkulaç



Volkan Kublay



REPORT OF THE AUDIT COMMITTEE ON INTERNAL SYSTEMS OF THE BANK

The global economic crisis has revealed various application errors of risk management and it has shown the importance of the Internal Audit and Risk Management function once again.

The main purpose of our Bank's internal systems policies is to increase shareholder value by balancing risk and return in bank activities. Internal audit and risk management activities must start before, rather than after, risks are assumed. Therefore, we at A&T Bank focus on future events, rather than those already transpired. All employees of our Bank, from the most junior positions to top-level executives, are aware of the relationship between risk and return. All our managers try to assess the risks taken in the best way and they do not take on a risk if it cannot be managed or controlled.

In accordance with the framework of the Regulation on Internal Systems of Banks, the Audit Committee was established by the Bank's Board of Directors to execute the audit and monitoring functions of the Board. The Director of Internal Systems, appointed by the Board of Directors, coordinates the Internal Systems Departments in accordance with the requirements of the Banking Act, Internal Systems Regulation and relevant rules and regulations, and works under the supervision of the Bank Audit Committee. Although the functions, duties and responsibilities relating to internal audit, internal control and risk management are wholly separate from each other within the Bank, the Inspection Council, Internal Control Department and Risk Management Department all work in coordination with each other.

The Audit Committee believes in the necessity of building and operating an efficient and sufficient Internal Systems Structure appropriate with our Bank's activities and characteristics under ever-changing conditions. With the organizational changes effected during 2010, we have aimed to establish required systems for strong and controlled expansion. We believe that our Bank will take significant steps to realize its strategic plans and reach the level of power and size deserved by the Bank with the confidence of our Inspection Council, Internal Control Department and Risk Management Department.

The Inspection Council and Internal Control Department plan and execute their activities with a risk-focused approach regarding operational and credit risk management, the conformity of the Bank's activities to both internal rules and external legislation, and with increasing efficiency and service quality. Reports containing audit results are delivered to relevant authorities (including the Audit Committee and Senior Management of the Bank) in a timely manner to ensure that any weaknesses found are eliminated without any delay.

Audits conducted during the course of 2010 identified no serious circumstances that would adversely affect bank activities or prevent it from fulfilling its obligations. The Committee noted the overall success of internal control and risk management systems, that the Bank's activities in general bear a manageable level of risk and the financial and legal reports are accurate, and all relevant legislation has been complied with.

The Internal Control Department and Inspection Council contributed to the removal of potential risks, the compliance of business operations with legislation and internal rules, and the reinforcing of a control-focused environment in 2010.

In mid-2010, the “Self-Assessment Application” was implemented on the Bank’s intranet to raise awareness of internal controls in our corporate departments and branches among our personnel in general and to improve efficiency and effectiveness in the internal audit function. Additionally, our Bank’s Internal Systems rules were also updated, expanded and refined during the year. The Bank’s Work Flow and Control Inventory underwent an extensive and comprehensive reconfiguration in relation to T-24, our new banking system; the Internal Control Center and Audit Committee offered requisite support to business units and helped us to complete this important work in a timely manner.

The Risk Management Department is responsible for analyzing, identifying, measuring, monitoring, reporting and controlling risks. It is further responsible for establishing and applying risk management policies, guidelines and rules in conformity with principles approved by the Board of Directors. Risk analysis reports related to credit, market and operational risks are submitted to the Audit Committee, Senior Management and the Board of Directors to be evaluated and taken into consideration in the decision-making process on a monthly basis.

Ongoing studies to improve the currently used duration, scenario, and stress testing analyses are being conducted in light of the management of liquidity and interest rate, and foreign exchange rate risks. The Board of Directors approved the purchase of new computer software to improve the management of market risk and asset-liability management. These projects will be fully implemented in 2011. The classification of assets in the Bank’s portfolios as defined in the Basel II accord is ongoing with close coordination by related departments. The requisite studies on measuring credit risk in compliance with the Basel II agreement are ongoing and remain on the top of the agenda of the Risk Management Department; to this end, the Bank participated in the Numerical Impact Study organized by the BRSA in 2010.

In making strategic decisions, the Board of Directors and the Bank’s Senior Management always assess and take into account the work conducted in the context of internal systems management, including audit findings, comprehensive risk analyses, simulations, and stress tests.



Selim Güray Çelik
Chairman of the Audit Committee

INTERNAL SYSTEMS

DIRECTOR

GÖNÜL ÇULHA ÖZSOY

A graduate of the Faculty of Political Sciences Business Administration Department of Ankara University, Özsoy served as Banks Sworn Auditor at the Banking Regulation and Supervision Agency between 2001 and 2009. Özsoy has worked as the Internal Systems Director at A&T Bank since 2009. Özsoy has 10 years of professional experience.

Özsoy's principal responsibilities are to ensure performance of internal systems operations in an efficient and effective manner in compliance with relevant regulations and report activities of the internal systems and their results to the Audit Committee, pursuant to Article 29 of the Banking Law on Internal Systems of Banks regulated by the Banking Regulation and Supervision Agency and published on Official Gazette No. 26333 dated November 1, 2006.

HEAD OF THE INSPECTION COUNCIL

ALİ KASTAL

A graduate of Istanbul University Faculty of Economics, Economics Department, Kastal worked in the External Transactions Directorate at T.C. Ziraat Bankası A.Ş. between 1997 and 2000. Kastal has worked in A&T Bank Inspection Council since 2000 and presided over the Council since 2009. Kastal has 13 years of professional experience.

Kastal's principal responsibility is to manage and fulfill the requirements of the internal audit function pursuant to Article 32 of the Banking Law and the Regulation on Internal Systems of Banks.

MANAGER / INTERNAL CONTROL DEPARTMENT

SELİM KIZILIRMAK

A graduate of Istanbul University Faculty of Economics, Statistics and Econometrics Department, Kızılırmak worked as Inspector and Branch Manager at Dışbank A.Ş. between 1986 and 1994. Kızılırmak has worked as an executive at A&T Bank since 1996 and served as the Manager of the Internal Control Department since 2009. Kızılırmak has 27 years of professional experience. Kızılırmak's principal responsibilities include the organization, management and monitoring of internal control activities within the Bank and reporting the activities and control results to the Senior Management and other relevant units pursuant to Article 30 of the Banking Law and the Regulation on the Internal Systems of Banks.

MANAGER / RISK MANAGEMENT DEPARTMENT

CEM ERTAN

After graduating from Boğaziçi University's Department of Economics, Ertan served as Assistant Specialist at Yaşarbank A.Ş. between 1998 and 2000. Ertan has been an executive at A&T Bank since 2000 and has served as the Manager of the Risk Management Department since 2008. Ertan has 12 years of professional experience.

Pursuant to Article 31 of the Banking Law and the Regulation on Internal System of Banks, Ertan's principal responsibilities include planning and maintaining the risk management systems of the Bank, determining risk management strategies, policies and implementation procedures and defining, measuring, analyzing, tracking, studying and reporting risk within the framework of principles approved by the Board of Directors.

RISK MANAGEMENT POLICIES

THE BANK'S RISK STRATEGY, POLICY AND PROCEDURES, WHICH WERE APPROVED BY THE BOARD OF DIRECTORS, HAVE BEEN SET OUT BASED ON THE FOLLOWING PRINCIPLES:

- To be selective in risk taking.
- To define, measure, analyze and manage risks effectively.
- To secure the balance between risk and return.
- To have sound collateral covering both existing and potential risks, and to closely monitor the sufficiency of these collateral.
- To have adequate capital to cover existing and potential future risks.
- To secure the appropriate level of risks within the defined limits.
- To ensure that all operations are conducted in accordance with approved policies and procedures.
- To ensure that all operations are in compliance with applicable laws and regulations.
- To establish an appropriate corporate culture around risk-taking within the Bank.
- To create effective reporting channels and to inform the relevant management authorities in time to eliminate any kind of discrepancy.

A&T Bank focuses on defining, measuring, analyzing and managing the risks involved in its operations, and determines its risk management policies and application procedures in a consolidated manner based on the following main risk categories.

Credit Risk

- CREDIT RISK
- COUNTRY RISK

Market Risk

- INTEREST RATE RISK
- FOREIGN EXCHANGE RATE RISK
- LIQUIDITY RISK

Operational Risk

The Risk Management Department undertakes the daily analysis of the various risks that the Bank may be exposed to and makes calculations of profitability and cost relating to the management of such risks. The aim of risk analysis is to determine the characteristics of these risks and their possible effects on the Bank. Only by taking into consideration the structure of these possible risks can the Bank investigate its options for the avoidance, transfer, or as a last resort, acceptance of such risk with the minimum possible loss.

MARKET RISK

THE BANK DEFINES MARKET RISK AS INCLUDING POSSIBLE GENERAL MARKET RISK, SPECIFIC RISK, COMMODITY RISK AND CLEARING RISK. THE BANK'S MARKET RISK MANAGEMENT DEALS WITH INTEREST RATE RISK, FOREIGN EXCHANGE RATE RISK, LIQUIDITY RISK AND THEIR RELATIONS WITH AND EFFECTS ON OTHER POSSIBLE RISKS.

The Bank aims to maximize its risk-adjusted return by effectively managing market risk using suitable parameters in compliance with the size of its operations.

Within the framework of sound market risk management, the Bank uses four basic elements to manage assets, liabilities and off-balance sheet items:

- Appropriate Board of Directors and Senior Management oversight
- Adequate risk management policies and procedures
- Appropriate risk measurement, analysis, monitoring and control functions
- Comprehensive internal controls and independent audits.

Within the Bank, market risk is measured using the Standard Method for legal reporting. In the Standard Method, general market risk is the risk of loss composed of interest rate risk, equity position risk and foreign exchange rate risk, arising from changes in the value of positions in the trading book due to changes in equity prices, interest rates, and foreign currency exchange rates.

Positions consist of:

- 1- Interest rate related debt securities
- 2- Equities
- 3- Other securities
- 4- All asset and liability items denominated in foreign currencies that are included in on- and off- balance sheet items
- 5- Derivative contracts based on the instruments referred to above.

The Value at Risk (VaR) Model is also used for daily internal measurements of market risk. The Value at Risk number is estimated using various statistical methods that express the maximum loss for a given confidence interval and holding period to which a bank may be exposed to as a result of changes in the value of its portfolio or its assets due to fluctuations in interest rates, foreign exchange rates and equity prices. As a statistical method in which the risk level depends on the variability of risk factors (including exchange rates, interest rates and equity prices), VaR is a more sophisticated technique than the Standard Method, in which the risk level depends solely on the size of the position. VaR results are subject to daily back-testing.

VaR analyses are made under usual circumstances and market movements. However, the Bank also analyzes unusual fluctuations in the market and measures the change in portfolio value. Complementary applications like stress tests and scenario analyses are used to measure the effects of unusual market movements. These types of analyses are conducted periodically in order to measure the sensitivity of the Bank's portfolio to change its main risk factors, to evaluate the capacity of the Bank's capital to absorb large losses, and to identify steps the Bank can take to reduce its risk and protect its capital. The results of these analyses are reported periodically to the relevant internal authorities by the Risk Management Department.

Within the framework of the internal risk limits approved by the Board of Directors, results of the Standard and VaR models are examined and evaluated periodically. To effectively measure market risks, the following studies are also carried out;

- Duration analyses
- GAP analyses
- Sensitivity analyses
- Ratio analyses
- Cost/return analyses
- Asset and liability structure analyses
- Income statement analyses.

CREDIT RISK

THE BANK DEFINES CREDIT RISK AS THE POSSIBILITY OF RISK DUE TO THE INABILITY OR UNWILLINGNESS OF A CUSTOMER OR COUNTERPARTY TO MEET THEIR COMMITMENTS IN RELATION TO LENDING, TRADING, HEDGING, SETTLEMENT OR OTHER FINANCIAL TRANSACTIONS. THE CREDIT RISK MANAGEMENT OF THE BANK DEALS WITH TRANSACTION OR DEFAULT RISK, SETTLEMENT RISK, AND PORTFOLIO RISK COVERING ALL KINDS OF TYPES OF CREDITS, AS DESCRIBED IN THE BANKING LAW (INCLUDING EXPOSURE TO SOVEREIGN POWERS, BANKS, CORPORATE ENTITIES AND INDIVIDUALS) AND THEIR RELATIONS WITH AND EFFECTS ON OTHER RISKS.

The widest and most visible sources of credit risk are the loans extended by the Bank, but other activities including those that stand on both banking books and accounts of balance sheet and off-balance sheet items, are also a factor. Due to the diversifying nature of A&T Bank's transactions the Bank faces more credit risks unrelated to loans in its operations, including interbank transactions, acceptances, trade finance, foreign exchange transactions, swap transactions, bonds, options, futures, guarantees and commitments, and other financial instruments.

In order to effectively manage the Bank's credit risk, it is essential to:

- Create a clear definition of responsibilities in the credit risk management process
- Ensure effective functioning of the lending policy
- Understand the basic characteristics of credit risk
- Make all relevant personnel aware of the Bank's lending policy
- Set limits for credit risk that are periodically reviewed and effectively control the risk-limit position
- Maintain appropriate credit risk measurement, review and monitoring functions
- Analyze the risk structure of any new instruments before implementing them
- Install an adequate management reporting system
- Provide sufficient audit and control functions on credit risk
- Separate credit utilization and marketing functions
- Evaluate credit risk on an individual and consolidated basis.

In addition to the standard risk inherent in credit generating activities, risks relating to economic conditions must also be considered.

In regards to the portfolio, one of the most important components of credit risk management, the Bank sets in-bank risk limits in order to manage its loan portfolio more effectively and has determined a maximum risk amount for individual and group customers for both cash and non-cash loans. When the volume of certain loans exceeds a set level, Bank management is warned to take the necessary precautions to minimize risk. To this end, all analyses are made in concert with in-bank risk limits, and a report containing a detailed analysis of the loan portfolio is periodically analyzed in order to determine the most sensitive cases and loan concentrations (e.g. concentration of various risks in single customers, risk groups, currencies, maturity, industry, countries or types and the development of problematic loans or rates of provisions). To decrease its credit risks, the Bank makes use of securities and guarantees but transactions are realized primarily according to the Bank's evaluation of the repayment capacity of the borrower.

The Bank also uses an internal rating system as one of its most important tools for measuring the quality of the companies in its loan portfolio. A well-structured internal risk rating system is one of the best ways to rate different credit risks to which the Bank may be exposed. This system enables a more accurate determination of the characteristics of the credit portfolio, the concentration of credits, non-performing loans and the sufficiency of provisions.

SINCE CREDIT RISK MANAGEMENT AT BANKS IS THE SUBJECT OF RENEWED FOCUS, LARGELY AS AN OUTGROWTH OF THE DEBATE AROUND THE NEW BASEL CAPITAL ACCORD, METHODOLOGY, MEASUREMENT, AND PORTFOLIO MANAGEMENT ATTITUDES ARE EXPECTED TO CHANGE BROADLY, AND THE RATINGS OF THE BANK'S COUNTERPARTIES WILL GAIN IN IMPORTANCE. CONSEQUENTLY, THE BANK'S 2010 STUDIES ON CREDIT RISK MANAGEMENT FOCUSED MAINLY ON WORKING TO DEVELOP AND IMPROVE THE BANK'S INFRASTRUCTURE IN ACCORDANCE WITH THE NEW CAPITAL ACCORD.

OPERATIONAL RISK

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, personnel and systems or from external events.

The Bank believes that operational risk may be the most significant risk an organization faces and that banks thus need a quantification framework to understand and effectively manage operational risk. Effective operational risk management enhances the Bank's competitive position, helping it meet business objectives and profitability targets while protecting its reputation.

Clear strategies and oversight by the Board of Directors and Senior Management, a strong operational risk culture and internal control culture (including, among other things, clear lines of responsibility and segregation of duties), effective internal reporting, and contingency planning are all crucial elements of an effective operational risk management framework for the Bank.

The Bank uses risk mitigation tools or programs to reduce its exposure to, or the frequency and/or severity of its exposure to, some significant operational risks that have low probabilities but potentially very large financial impact, or those events that cannot be controlled. For example, insurance policies, particularly those with prompt and set pay-out features, are used to externalize the risk of such "low frequency, high severity" losses that may occur as a result of events including third-party claims resulting from errors and omissions, physical loss of securities, employee or third-party fraud, and natural disasters.

Operation limits in related departments have been determined to manage risks effectively. An independent and effective internal audit and control system, limit application, insurance, and a clear definition of duties, responsibilities, job descriptions, policies and application procedures are the primary means employed to mitigate operational risk. Contingent processing capabilities are also used as a means to limit the adverse impacts of operational risk. Within this context, a comprehensive Business Continuity Management Plan was prepared for the Bank in 2010.

IN ORDER TO MANAGE OPERATIONAL RISK EFFECTIVELY, THE ENTIRE BANK STAFF CLOSELY FOLLOWS AND ABIDES BY ALL RELEVANT LAWS, REGULATIONS, CIRCULARS AND OTHER RULES ISSUED BOTH INTERNALLY AND OUTSIDE THE BANK IN THE COURSE OF THEIR WORK, WHILE TAKING INTO ACCOUNT THE EFFICIENCY OF THE TASKS UNDERTAKEN. THE INTERNAL AUDIT/CONTROL FUNCTIONS STRICTLY GOVERN THE COMPLIANCE OF BANK OPERATIONS WITH THE POLICIES, APPLICATION PROCEDURES, DUTIES, RESPONSIBILITIES, JOB DESCRIPTIONS, MANUALS, LAWS, REGULATIONS AND CIRCULARS AND INFORM SENIOR MANAGEMENT OF ANY NECESSARY MEASURES IN THIS.

RELATIONS WITH THE BANK'S RISK GROUP

All relevant transactions with entities in the Bank's risk group are conducted in accordance with the Banking Law. Detailed explanations on these transactions are included in footnote no. VII of Section Five of the Unconsolidated Financial Statements, Explanations of these and Footnotes and the Independent Audit Report, prepared as of December 31, 2010 to be disclosed to the public.

COMMITTEES

AUDIT COMMITTEE

The Committee consists of three members of the Board of Directors with no executive duties.

Responsibilities of the Committee:

The Committee audits the adequacy and efficiency of internal control, risk management and internal audit systems, and operation of these systems and accounting and reporting systems pursuant to the regulatory requirements, and ensures the integrity of the generated data.

The Committee is also responsible for performing preliminary preparations required for election of independent audit companies and tracking activities of these companies regularly.

Moreover, the Committee is responsible for ensuring that internal audit functions of institutions subject to consolidation are implemented in a secure and coordinated manner.

Committee Members:

Selim Güray Çelik, Chairman
Hasan Kimya Bolat, Member
Abdulfatah A.Enaami, Member

Members of the Audit Committee attended all the meetings in 2010 unless they had a valid excuse.

ASSETS AND LIABILITIES COMMITTEE

The Assets and Liabilities Committee is responsible for managing assets and the liabilities of the Bank. Its primary task is to implement strategies regarding the balance sheet management and make evaluations on market, credit, and operational risks.

Committee Members:

Özgür Erker, Chairman
Mohamed Nageb H. Mugber, Vice Chairman
Salih Hatipoğlu, Member
Giuma M. S. Kordi, Member
Mehmet Dilek, Member
Kemal Saad El-Ebyad, Member
Gönül Çulha Özsoy, Observer
Elma Galijatovic Pulular, Secretary

Members of the Assets and Liabilities Committee attended all the meetings in 2010 unless they had a valid excuse.

INDIVIDUALS AND INSTITUTIONS OFFERING SUPPORT SERVICE

Within the scope of "Regulation on Banks" Procurement of Support Services and Authorization of Such Service Providers" A&T Bank obtained the following support services from external sources:

Obtained Service	Relevant Institution
Printing checkbook	Akbasım Matbaacılık ve Tic. Ltd. Şti.
Cash transfer with armored vehicle	Group 4 Securicor Güvenlik Hizmetleri A.Ş.

ARAP TÜRÖK BANKASI A.Ş. UNCONSOLIDATED FINANCIAL STATEMENTS

**AS OF AND FOR THE PERIOD ENDED
31 DECEMBER 2010**

(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)

With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi
11 February 2011

This report contains 1 page of independent auditor's report and 76 pages of
financial statements including footnotes.

- I. Independent Auditor's Report
- II. Publicly Announced Unconsolidated Financial Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Arap Türk Bankası Anonim Şirketi:

We have audited the unconsolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") as of 31 December 2010 and the related unconsolidated statement of income, changes in shareholders' equity, statement of profit distribution and cash flow for the year then ended together with the summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishment of internal control systems relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements and guidance issued by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into and assessing the appropriateness of the applied accounting policies. It has been obtained the reasonable and appropriate audit evidence which is basis for independent auditors' opinion explained below.

Independent Auditors' Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Arap Türk Bankası A.Ş. as of 31 December 2010 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 of (Turkish) Banking Law No 5411 and the statements and guidance published by the BRSA on accounting and financial reporting principles.

İstanbul,
11 February 2011

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak
Engagement Partner

Additional paragraph for convenience translation to English:

As explained in Section 3.1, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

ARAP TÜRK BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2010

Address of the Bank's Headquarters

Valikonağı Caddesi No:10
34367 – ŞİŞLİ/İSTANBUL

Telephone and Fax Numbers

Tel : 0.212.225 05 00
Faks: 0.212.225 05 26

Website of the Bank

<http://www.atbank.com.tr>

E-mail address of the Bank

webmaster@atbank.com.tr

The unconsolidated financial report as of and for the period ended 31 December 2010 prepared in accordance with the communique of “Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in Thousands of Turkish Lira (TL) as of 31 December 2010 and independently audited and enclosed.

Atilla Çetiner
Chairman of the Board of Directors



Selim Güray Çelik
Member of Board of the Directors and
Head the of Audit Committee



Abdulfatah A.Enaami
Member of the Board of Directors and
the Audit Committee



Hasan Kimya Bolat
Member of The Board
of Directors and The
Audit Committee



Sadek K.S. Abu Hallala
General Manager



Salih Hatipoğlu
Assistant General Manager
Responsible for Financial Reporting



Feyzullah Küpeli
Manager



SECTION ONE

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SECTION ONE

GENERAL INFORMATION

ABOUT THE BANK

I. Bank's date of establishment, beginning statute, its history including changes on its statute

Arap Türk Bankası A.Ş. ("the Bank") has been established on 18 July 1976 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The Bank is managed in conformity with the Articles of Association published in Official Gazette on 18 July 1976 and also as per the "Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey" dated August 11, 1975. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders assigned by the Board.

II. Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about bank's group

The Bank is a foreign bank status incorporated in Turkey. The main shareholder is Libyan Foreign Bank incorporated in Libya, the other shareholders are Türkiye İş Bankası A.Ş. and T.C. Ziraat Bankası A.Ş. The main shareholder Libyan Foreign Bank has financial investments in various countries.

III. Information about the Bank's chairman and members of board of directors, members of audit committee, general manager and associate general managers and their qualifications, related changes within the year and their shares at the Bank

Name	Responsibility	Starting Date of Job	Education	Experience in Banking and Management
Atilla Çetiner	Chairman of Board of Directors	19.09.2002	University	32 year
M.Najib Hmida El-Jamal	Deputy Chairman of Board of Directors	15.02.2010	University	40 year
Abdurauf Ibrahim Shneba	Member of the Board	29.03.2010	University	17 year
Saeid Awad Rashwan Rashwan	Member of the Board	29.03.2010	University	20 year
Abdulaziz Mohamed Ali Mansur	Member of the Board	29.04.2010	University	20 year
Selim Güray Çelik	Member of the Board and Chairman of Audit Committee	29.04.2010	University	16 year
Hasan Kimya Bolat	Member of the Board and Audit Committee	27.04.2010	University	22 year
Abdulfatah A.Enaami	Member of the Board and Audit Committee	09.05.2007	University	16 year
Turgay Atalay	Member of the Board of Directors	21.07.2010	University	30 year
Dr.Ertan Altıkulaç	Auditor	07.12.2010	Graduate Degree	15 year
Volkan Kublay	Auditor	09.08.2010	University	10 year
Sadek K.S. Abu Hallala	General Manager Member of the Board	23.05.2006	Graduate Degree	26 year
M. Nageb Hassan Mugber	Associate General Manager	15.09.2006	University	36 year
Salih Hatipoğlu	Associate General Manager	01.07.2008	Graduate Degree	12 year
Giuma Masaud Salem Kordi	Associate General Manager	01.07.2008	University	18 year
Özgür Erker	Associate General Manager	02.03.2009	University	13 year

On April 30, 2010 as Chairman of the Board and Chairman of the Audit Committee Mr. Aykut Demiray has been resigned from his duties. Mr. Atilla Çetiner who started to his duty as a member in the Board of Directors at 19 September, 2002 has been appointed to Chairman of the Board of Directors on April 30, 2010.

On February 15, 2010 Mr. M.Najib Hmida El-Jamal was appointed as Deputy Chairman of the Board.

On March 29, 2010 Mr. El Hadi Emgahid T.Abultife has been resigned from his place and Mr. Saeid Awad Rashwan Rashwan has been appointed to his place as Member of the Board. At the same date, Mr. Fekri A.A.Sinan has been resigned and Mr.Abdurauif İbrahim Shneba has been appointed to his place as Member of the Board.

On March 30, 2010 Mr.Ömer Celebi and Khaled M.N.M. AL Hajri have been resigned from their Member of the Board duty.

On April 29, 2010 Mr. Abdulaziz Mohamed Ali Mansur, Mr. Selim Guray Celik and on April 27, 2010 Mr. Hasan Kimya Bolat were appointed as Member of the Board.

On July 21, 2010 Mr. M. Turgay Atalay was appointed to his place as Member of the Board of Directors to replace Mr. Aykut Demiray.

On August 5, 2010 Mr. Yusuf Dilaver has been resigned and Mr. Müslüm Karaman was appointed to his place as Auditor.

On August 9, 2010 Mrs. Zeynep Hansu Uçar has been resigned and Mr. Volkan Kublay was appointed to his place as Auditor.

On December 7, 2010 Mr. Müslüm Karaman has been resigned and Mr. Dr. Ertan Altıkulaç was appointed to his place as Auditor.

Members of the board, auditors and top level managers do not possess any share in the Bank.

IV. Information on people and entities who have qualified share in the Bank:

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	149.687	62,37	149.687	-
T. İş Bankası A.Ş.	49.382	20,58	49.382	-
T.C. Ziraat Bankası A.Ş.	37.036	15,43	37.036	-

V. Information about the services and nature of activities of the Bank

The Bank was incorporated to mediate commercial activities between Turkey and North African countries. The Bank is authorized to gather deposits and operates in corporate banking areas. The Bank has six branches; two in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

VI. Other information

All the amounts in financial report have been presented as "thousand Turkish Lira".

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- I.** Unconsolidated Balance Sheet (Statement of Financial Position)
- II.** Statement of Unconsolidated Commitments and Contingencies
- III.** Statement of Unconsolidated Income
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- V.** Statement of Changes in Unconsolidated Shareholders' Equity
- VI.** Statement of Unconsolidated Cash Flows
- VII.** Statement of Unconsolidated Profit Distribution

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET

(Statement of Financial Position) As of 31 December 2010 (Thousands of Turkish Lira)

ASSETS		AUDITED						
		Footnotes (5-I)	Current Period (31/12/2010)			Prior Period (31/12/2009)		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	984	71.001	71.985	1.237	44.957	46.194
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2)	138.573	28.920	167.493	147.288	61.531	208.819
2.1	Financial assets held for trading		138.573	28.920	167.493	147.288	61.531	208.819
2.1.1	Public sector debt securities		135.379	-	135.379	147.104	61.531	208.635
2.1.2	Securities representing a share in capital		-	-	-	-	-	-
2.1.3	Derivatives held for trading		1.915	-	1.915	184	-	184
2.1.4	Other marketable securities		1.279	28.920	30.199	-	-	-
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans granted		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	1.064	108.996	110.060	64	49.824	49.888
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	161	869	1.030	154	847	1.001
5.1	Securities representing a share in capital		161	869	1.030	154	847	1.001
5.2	Public sector debt securities		-	-	-	-	-	-
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	(5)	216.774	278.950	495.724	202.854	146.863	349.717
6.1	Loans and Receivables		216.774	278.950	495.724	202.854	146.863	349.717
6.1.1	Loans granted to the Bank's risk group		-	2.615	2.615	-	3.287	3.287
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		216.774	276.335	493.109	202.854	143.576	346.430
6.2	Loans under follow-up		5.892	-	5.892	5.891	-	5.891
6.3	Specific provisions (-)		5.892	-	5.892	5.891	-	5.891
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD TO MATURITY (Net)	(6)	108.685	115.993	224.678	114.880	134.635	249.515
8.1	Public sector debt securities		64.940	72.117	137.057	114.880	67.089	181.969
8.2	Other marketable securities		43.745	43.876	87.621	-	67.546	67.546
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Consolidated by equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments in associates		-	-	-	-	-	-
9.2.2	Non-financial investments in associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	35.952	-	35.952	32.753	-	32.753
10.1	Financial subsidiaries		35.952	-	35.952	32.753	-	32.753
10.2	Non-financial subsidiaries		-	-	-	-	-	-
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated by equity method		-	-	-	-	-	-
11.2	Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operational leasing receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned Revenue (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	22.128	-	22.128	22.085	-	22.085
XV.	INTANGIBLE ASSETS (Net)	(13)	1.823	-	1.823	2.084	-	2.084
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		1.823	-	1.823	2.084	-	2.084
XVI.	INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET	(15)	1.478	-	1.478	1.517	-	1.517
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		1.478	-	1.478	1.517	-	1.517
XVIII.	ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(16)	427	-	427	662	-	662
18.1	Held for sale purpose		427	-	427	662	-	662
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	6.281	1.500	7.781	558	1.046	1.604
	TOTAL ASSETS		534.330	606.229	1.140.559	526.136	439.703	965.839

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

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET

(Statement of Financial Position) As of 31 December 2010 (Thousands of Turkish Lira)

LIABILITIES AND SHAREHOLDERS' EQUITY		AUDITED					
		Footnotes (5-II)	Current Period (31/12/2010)			Prior Period (31/12/2009)	
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	81.968	236.869	318.837	12.487	166.646	179.133
1.1	Deposits held by the Bank's risk group	89	27.097	27.186	90	44.458	44.548
1.2	Other	81.879	209.772	291.651	12.397	122.188	134.585
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	79	-	79
III. FUNDS BORROWED	(3)	-	434.930	434.930	329	381.276	381.605
IV. INTERBANK MONEY MARKET		47.296	-	47.296	103.954	-	103.954
4.1	Interbank money market payables	-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market payables	-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	47.296	-	47.296	103.954	-	103.954
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills	-	-	-	-	-	-
5.2	Asset backed securities	-	-	-	-	-	-
5.3	Bonds	-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1	Borrower funds	-	-	-	-	-	-
6.2	Other	-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		17	2.895	2.912	39	1.209	1.248
VIII. OTHER EXTERNAL RESOURCES	(4)	6.524	8.947	15.471	694	4.133	4.827
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASING TRANSACTIONS PAYABLES	(5)	166	77	243	342	171	513
10.1	Finance leasing payables	214	95	309	485	220	705
10.2	Operational leasing payables	-	-	-	-	-	-
10.3	Other	-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)	48	18	66	143	49	192
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING	(6)	-	-	-	-	-	-
11.1	Fair value hedges	-	-	-	-	-	-
11.2	Cash flow hedges	-	-	-	-	-	-
11.3	Hedges for investments made in foreign countries	-	-	-	-	-	-
XII. PROVISIONS		13.280	188	13.468	9.745	185	9.930
12.1.	General provisions	(7)	8.097	-	8.097	5.427	5.427
12.2	Restructuring reserves	-	-	-	-	-	-
12.3	Reserves for employee benefit	4.694	-	4.694	3.957	-	3.957
12.4	Insurance technical reserves (Net)	-	-	-	-	-	-
12.5	Other provisions	489	188	677	361	185	546
XIII. TAX LIABILITY	(8)	1.520	-	1.520	2.337	-	2.337
13.1	Current tax liability	1.520	-	1.520	2.337	-	2.337
13.2	Deferred tax liability	-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1	Held for sale purpose	-	-	-	-	-	-
14.2	Held from discontinued operations	-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY		305.882	-	305.882	282.213	-	282.213
16.1	Paid-in capital	(10)	240.000	-	240.000	240.000	240.000
16.2	Supplementary capital	9.096	-	9.096	9.096	-	9.096
16.2.1	Share premium	-	-	-	-	-	-
16.2.2	Share cancellation profits	-	-	-	-	-	-
16.2.3	Securities Value Increase Fund	-	-	-	-	-	-
16.2.4	Revaluation surplus on tangible assets	-	-	-	-	-	-
16.2.5	Revaluation surplus on intangible assets	-	-	-	-	-	-
16.2.6	Revaluation surplus on investment property	-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-
16.2.8	Hedging reserves (effective portion)	-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets of discontinued operations	-	-	-	-	-	-
16.2.10	Other capital reserves	9.096	-	9.096	9.096	-	9.096
16.3	Profit reserves	2.658	-	2.658	1.408	-	1.408
16.3.1	Legal reserves	2.658	-	2.658	1.408	-	1.408
16.3.2	Status reserves	-	-	-	-	-	-
16.3.3	Extraordinary reserves	-	-	-	-	-	-
16.3.4	Other profit reserves	-	-	-	-	-	-
16.4	Profit or loss	54.128	-	54.128	31.709	-	31.709
16.4.1	Prior years income/loss	30.459	-	30.459	6.724	-	6.724
16.4.2	Current year income/loss	23.669	-	23.669	24.985	-	24.985
TOTAL LIABILITIES		456.653	683.906	1.140.559	412.219	553.620	965.839

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

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED OFF BALANCE SHEET COMMITMENTS As of 31 December 2010 (Thousands of Turkish Lira)

		AUDITED					
		Current Period (31/12/2010)			Prior Period (31/12/2009)		
		TL	FC	Total	TL	FC	Total
		Footnotes (5-II)					
A.	OFF BALANCE SHEET COMMITMENTS	57.308	1.603.549	1.660.857	94.305	1.308.057	1.402.362
I.	GUARANTEES AND WARRANTIES	6.731	1.557.352	1.564.083	1.391	1.168.563	1.169.954
		(1), (2), (3), (4)					
1.1.	Letters of guarantee	6.731	1.245.233	1.251.964	1.391	864.972	866.363
1.1.1.	Guarantees subject to State Tender Law	40	88	128	54	86	140
1.1.2.	Guarantees given for foreign trade operations	410	1.088.464	1.088.874	429	689.807	690.236
1.1.3.	Other letters of guarantee	6.281	156.681	162.962	908	175.079	175.987
1.2.	Bank acceptances	-	13.729	13.729	-	16.562	16.562
1.2.1.	Import letter of acceptance	-	-	-	-	-	-
1.2.2.	Other bank acceptances	-	13.729	13.729	-	16.562	16.562
1.3.	Letters of credit	-	298.390	298.390	-	286.489	286.489
1.3.1.	Documentary letters of credit	-	-	-	-	-	-
1.3.2.	Other letters of credit	-	298.390	298.390	-	286.489	286.489
1.4.	Prefinancing given as guarantee	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2.	Other endorsements	-	-	-	-	-	-
1.6.	Securities issue purchase guarantees	-	-	-	-	-	-
1.7.	Factoring guarantees	-	-	-	-	-	-
1.8.	Other guarantees	-	-	-	-	540	540
1.9.	Other warranties	-	-	-	-	-	-
II.	COMMITMENTS	5.794	-	5.794	5.584	52.163	57.747
		(1)					
2.1.	Irrevocable commitments	5.794	-	5.794	5.584	52.163	57.747
2.1.1.	Asset purchase and sales commitments	-	-	-	-	-	-
2.1.2.	Deposit purchase and sales commitments	-	-	-	-	216	216
2.1.3.	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4.	Loan granting commitments	-	-	-	-	29.361	29.361
2.1.5.	Securities issue brokerage commitments	-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7.	Payment commitments for checks	5.794	-	5.794	5.584	-	5.584
2.1.8.	Tax and fund liabilities from export commitments	-	-	-	-	-	-
2.1.9.	Commitments for credit card expenditure limits	-	-	-	-	-	-
2.1.10.	Commitments for credit cards and banking services promotions	-	-	-	-	-	-
2.1.11.	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12.	Payables for short sale commitments	-	-	-	-	-	-
2.1.13.	Other irrevocable commitments	-	-	-	-	22.586	22.586
2.2.	Revocable commitments	-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2.	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	44.783	46.197	90.980	87.330	87.331	174.661
		(5)					
3.1	Derivative financial instruments held for hedging	-	-	-	-	-	-
3.1.1	Fair value hedges	-	-	-	-	-	-
3.1.2	Cash flow hedges	-	-	-	-	-	-
3.1.3	Hedges for investments made in foreign countries	-	-	-	-	-	-

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

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED OFF BALANCE SHEET COMMITMENTS As of 31 December 2010 (Thousands of Turkish Lira)

	AUDITED						
	Footnotes (5-II)	Current Period (31/12/2010)			Prior Period (31/12/2009)		
		TL	FC	Total	TL	FC	Total
3.2	Trading transactions	44.783	46.197	90.980	87.330	87.331	174.661
3.2.1	Forward foreign currency buy/sell transactions	-	-	-	-	-	-
3.2.1.1	Forward foreign currency transactions-buy	-	-	-	-	-	-
3.2.1.2	Forward foreign currency transactions-sell	-	-	-	-	-	-
3.2.2	Swap transactions related to foreign currency and interest rates	44.783	46.197	90.980	76.869	76.791	153.660
3.2.2.1	Foreign currency swap-buy	-	46.197	46.197	-	76.791	76.791
3.2.2.2	Foreign currency swap-sell	44.783	-	44.783	76.869	-	76.869
3.2.2.3	Interest rate swaps-buy	-	-	-	-	-	-
3.2.2.4	Interest rate swaps-sell	-	-	-	-	-	-
3.2.3	Foreign currency, interest rate and security options	-	-	-	-	-	-
3.2.3.1	Foreign currency options-buy	-	-	-	-	-	-
3.2.3.2	Foreign currency options-sell	-	-	-	-	-	-
3.2.3.3	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5	Securities options-buy	-	-	-	-	-	-
3.2.3.6	Securities options-sell	-	-	-	-	-	-
3.2.4	Foreign currency futures	-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy	-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	10.461	10.540	21.001
B.	CUSTODY AND PLEDGED SECURITIES (IV+V+VI)	166.357	362.834	529.191	136.746	311.567	448.313
IV.	ITEMS HELD IN CUSTODY	150.132	51.458	201.590	122.831	29.244	152.075
4.1.	Assets under management	-	-	-	-	-	-
4.2.	Investment securities held in custody	-	-	-	89	-	89
4.3.	Checks received for collection	136.931	4.859	141.790	120.972	1.760	122.732
4.4.	Commercial notes received for collection	13.201	46.599	59.800	1.770	27.484	29.254
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	-	-	-	-	-	-
4.8.	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	16.225	311.376	327.601	13.915	282.323	296.238
5.1.	Marketable securities	-	193.250	193.250	-	188.213	188.213
5.2.	Guarantee notes	250	170	420	250	166	416
5.3.	Commodity	-	-	-	-	-	-
5.4.	Warranty	-	-	-	-	-	-
5.5.	Immovables	15.947	91.848	107.795	13.637	89.994	103.631
5.6.	Other pledged items	28	26.108	26.136	28	3.950	3.978
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTEES	-	-	-	-	-	-
	TOTAL OFF BALANCE SHEET COMMITMENTS	223.665	1.966.383	2.190.048	231.051	1.619.624	1.850.675

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

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 December 2010 (Thousands of Turkish Lira)

INCOME AND EXPENSES	AUDITED		
	Footnotes (5-IV)	Current Period 01/01/2010-31/12/2010	Prior Period 01/01/2009-31/12/2009
I. INTEREST INCOME	(1)	47.556	62.449
1.1 Interest on loans		24.479	26.485
1.2 Interest received from reserve deposits		27	40
1.3 Interest received from banks		637	218
1.4 Interest received from money market transactions		113	70
1.5 Interest received from marketable securities portfolio		22.299	35.632
1.5.1 Financial assets held for trading		8.195	21.739
1.5.2 Financial assets where value change is reflected to income statement		-	-
1.5.3 Financial assets available for sale		-	-
1.5.4 Investments held to maturity		14.104	13.893
1.6 Finance lease income		-	-
1.7 Other interest income		1	4
II. INTEREST EXPENSE	(2)	5.329	11.858
2.1 Interest on deposits		1.270	1.368
2.2 Interest on funds borrowed		2.662	3.855
2.3 Interest on money market transactions		1.279	6.472
2.4 Interest on securities issued		-	-
2.5 Other interest expense		118	163
III. NET INTEREST INCOME/EXPENSE (I - II)		42.227	50.591
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		27.011	23.018
4.1 Fees and commissions received		27.765	23.503
4.1.1 Non-cash loans		12.595	9.550
4.1.2 Other		15.170	13.953
4.2 Fees and commissions paid		754	485
4.2.1 Non-cash loans		3	2
4.2.2 Other		751	483
V. DIVIDEND INCOME	(3)	3.259	48
VI. NET TRADING INCOME/EXPENSE	(4)	(1.579)	(10.660)
6.1 Capital markets transactions		713	269
6.2 Profit/losses on trading account securities		(2.999)	(2.014)
6.3 Foreign exchange profit/losses		707	(8.915)
VII. OTHER OPERATING INCOME	(5)	1.296	807
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		72.214	63.804
IX. PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(6)	3.395	3.496
X. OTHER OPERATING EXPENSES (-)	(7)	39.529	28.699
XI. NET OPERATING INCOME/LOSS (VIII-IX-X)		29.290	31.609
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM CONTINUING OPERATIONS		-	-
XIV. NET MONETARY POSITION GAIN/LOSS		-	-
XV. INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		29.290	31.609
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(8)	(5.621)	(6.624)
16.1 Current tax provision	(9)	(5.582)	(2.882)
16.2 Deferred tax provision		(39)	(3.742)
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)		23.669	24.985
XVIII. INCOME FROM DISCONTINUED OPERATIONS	(10)	-	-
18.1 Income from asset held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3 Other income from discontinued operations		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses on asset held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint ventures		-	-
19.3 Other expense from discontinued operations		-	-
XX. INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI. PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSSES (XVII+XXII)	(11)	23.669	24.985
Earning/Loss Per Share		0,00099	0,00104

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

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

STATEMENT OF RECOGNIZED INCOME AND EXPENSE IN UNCONSOLIDATED SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED

31 December 2010 (Thousands of Turkish Lira)

INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY	AUDITED	
	Current Period 01/01/2010-31/12/2010	Prior Period (01/01/2009-31/12/2009)
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI. "GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	-	-
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	-	-
XI. CURRENT PROFIT/LOSSES	23.669	24.985
1.1 Net changes in fair value of securities (transferred to income statement)	-	-
1.2 Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Other	23.669	24.985
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	23.669	24.985

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

ARAP TÜRK BANKASI A.Ş. STATEMENT OF CHANGES IN UNCONSOLIDATED SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 December 2010 (Thousands of Turkish Lira)

	Footnotes (5-V)	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Cancellation Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ Loss	Prior Period Net Profit/ Loss	Securities Value Increase Fund	Revaluation Sur- plus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev.Surp. on Assets Held for Sale and Assets of Discount Op.s	Total Shareholders' Equity
PRIOR PERIOD (31/12/2009)																	
I.	Balances at the beginning of the period	240.000	9.096	-	-	1.408	-	-	-	2.710	4.014	-	-	-	-	-	257.228
2.1	Corrections made as per IAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at the beginning of the period (I+II)	240.000	9.096	-	-	1.408	-	-	-	2.710	4.014	-	-	-	-	-	257.228
IV.	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedges for Risk Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net Cash Flow Hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net Foreign Investment Hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on Bank's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital Reserves From Inflation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Adjustments To Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Period Net Profit	-	-	-	-	-	-	-	-	24.985	-	-	-	-	-	-	24.985
XX.	Profit distribution	-	-	-	-	-	-	-	-	(2.710)	2.710	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves	-	-	-	-	-	-	-	-	(2.710)	2.710	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of period (III+IV+.....+XIV+XV+XVI)	240.000	9.096	-	-	1.408	-	-	-	24.985	6.724	-	-	-	-	-	282.213
CURRENT PERIOD (31/12/2010)																	
I.	Balances at end of prior period	240.000	9.096	-	-	1.408	-	-	-	24.985	6.724	-	-	-	-	-	282.213
	Changes within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedges for Risk Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net Cash Flow Hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net Foreign Investment Hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes resulted from disposal of assets of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on Bank's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital Reserves From Inflation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Adjustments To Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Period Net Profit	-	-	-	-	-	-	-	-	23.669	-	-	-	-	-	-	23.669
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(24.985)	23.735	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1	Transfers to legal reserves	-	-	-	-	-	-	-	-	(24.985)	23.735	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)	240.000	9.096	-	-	2.658	-	-	-	23.669	30.459	-	-	-	-	-	305.882

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

ARAP TÜRK BANKASI A.Ş UNCONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 December 2010 (Thousands of Turkish Lira)

A.	CASH FLOWS FROM BANKING OPERATIONS	Footnotes (5-VI)	AUDITED	
			Current Period (31/12/2010)	Prior Period (31/12/2009)
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		58.326	24.279
1.1.1	Interests Received		69.072	52.462
1.1.2	Interest Paid		(5.228)	(11.969)
1.1.3	Dividend Received		60	48
1.1.4	Fees and Commissions Received		27.765	23.503
1.1.5	Other Income		1.296	807
1.1.6	Collections From Previously Written-off Loans and Other Receivables		-	2
1.1.7	Payments to Personnel and Service Suppliers		(37.240)	(27.290)
1.1.8	Taxes Paid		(9.795)	(221)
1.1.9	Others	(3)	12.396	(13.063)
1.2	Changes in Operating Assets and Liabilities		(21.060)	96.276
1.2.1	Net Decrease in Financial Assets Held For Trading		15.949	(21.396)
1.2.2	Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss		-	-
1.2.3	Net Decrease in Due From Banks and Other Financial Institutions		3.812	1.980
1.2.4	Net (Increase) in Loans		(149.378)	(28.029)
1.2.5	Net Decrease in Other Assets	(3)	(37.042)	8.361
1.2.6	Net Increase /(Decrease) in Bank Deposits		49.244	91.396
1.2.7	Net Increase (Decrease) in Other Deposits		90.482	41.350
1.2.8	Net Increase/ (Decrease) in Funds Borrowed		53.258	27.382
1.2.9	Net Increase/ (Decrease) in Matured Payables		-	-
1.2.10	Net Increase in Other Liabilities	(3)	(47.385)	(24.768)
I.	Net Cash Flow From Banking Operations		37.266	120.555
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Flow From Investing Activities		29.871	(102.023)
2.1	Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures		-	-
2.2	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3	Purchases of Tangible Assets		(2.090)	(5.678)
2.4	Sales of Tangible Assets		594	770
2.5	Cash Paid For Purchase of Financial Assets Available-For-Sale		-	-
2.6	Cash Obtained From Sale of Financial Assets Available-For-Sale		-	-
2.7	Cash Paid For Purchase of Investments Held-to-Maturity		(196.602)	(129.785)
2.8	Cash Obtained From Sale of Investments Held-to-Maturity		227.969	32.670
2.9	Others		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Flows From Financing Activities		(270)	(218)
3.1	Cash Obtained From Funds Borrowed and Securities Issued		-	-
3.2	Cash Used For Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Equity Instruments Issued		-	-
3.4	Dividends Paid		-	-
3.5	Payments For Financial Leases		(270)	(218)
3.6	Others		-	-
IV.	Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents	(3)	(1.872)	2.137
V.	Net (Decrease)/Increase in Cash and Cash Equivalents		64.995	20.451
VI.	Cash and Cash Equivalents at Beginning of Period	(1)	66.953	46.502
VII.	Cash and Cash Equivalents at the End of Period	(1)	131.948	66.953

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

ARAP TÜRK BANKASI A.Ş STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 December 2010 (Thousands of Turkish Lira)

		AUDITED	
		Current Period (31/12/2010)	Prior Period (31/12/2009)
I. DISTRIBUTION OF CURRENT YEAR INCOME			
1.1	CURRENT YEAR INCOME	29.290	31.609
1.2	TAXES AND DUTIES PAYABLE	5.621	6.624
1.2.1	Corporate Tax (Income tax)	5.582	2.882
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	39	3.742
A.	NET INCOME FOR THE YEAR (1.1-1.2)	23.669	24.985
1.3	PRIOR YEARS LOSSES (-)(*)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	1.250
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	23.669	23.735
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	GENERAL RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES			
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE			
3.1	TO OWNERS OF ORDINARY SHARES	0,0010	0,00104
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,099	0,104
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE			
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*)Since the General Assembly has not been made as of the announcement of the financial statement, the distribution of profit has not been decided yet.

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations for basis of presentation and footnotes

Preparation of financial statements and related information and footnotes in compliance with the Turkish Accounting Standards and The Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements are prepared in accordance with The Regulation on Accounting Applications for Banks and Safeguarding of Documents ("Regulation") related to Turkish Banking Law No 5411 published on the Official Gazette no.26333 dated 1 November 2006; in accordance with accounting and financial reporting standards described in regulations, communiqués and other explanations published by the Banking Regulation and Supervision Agency (BRSA), Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidance (collectively referred to as "Reporting Standards"). The Bank maintains its books of account in Turkish Lira (TL).

Financial statements are prepared in Thousand Turkish Lira based on historical costs excluding financial assets and liabilities that are shown at their fair values.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

II. Information on strategy for the use of financial instruments and foreign currency transactions

The Bank's core business operation is banking activities including corporate banking, commercial banking, retail banking and security transactions (treasury transactions) together with international banking services. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency is recorded in accordance with TAS No:21 "Effects of Exchange Rate Changes". Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly. At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Bank's exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses. The Bank's related exchange rates at the balance sheet date are as follows:

	31 December 2010	31 December 2009
US Dollars	TL 1.5460	TL 1.5057
Euro	TL 2.0491	TL 2.1603

III. Information on Subsidiaries and Associates

The Bank does not have any associate as of 31 December 2010 and 31 December 2009.

Subsidiaries are businesses which are controlled by the Bank. Subsidiaries are reflected in the unconsolidated financial statements with cost amount, less provision for impairment.

IV. Information on forward transactions, options and derivative instruments

The Bank's financial derivatives are classified as "Held for Trading" in accordance with TAS 39.

Liabilities and receivables originated from derivative transactions are recorded as off-balance sheet items at their contractual values.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account fair values of financial assets through profit or loss" in trading derivative financial instruments and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities. Gains and losses arising from a change in fair value of trading derivatives after the remeasurement are accounted in the income statement. The fair value of the derivative financial instruments is calculated using quoted market prices or by using discounted cash flow model.

V. Information on interest income and expense

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

VI. Information on fees and commission

Fees and commission income and expenses for various banking services are recorded as income when collected, all other commission income and expense items are accounted on accrual basis.

VII. Information on financial assets

The Bank categorizes and records its financial assets as financial assets at fair value through profit or loss, financial assets available-for-sale, loans and receivables or financial assets held to maturity.

a. Financial Assets at Fair Value Through Profit or Loss

This category has two sub categories: financial assets for trading purposes and those recorded as financial assets designated at fair value through profit or loss at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer's margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are re-measured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

b. Financial Assets Available-for-Sale

Financial assets available for sale are financial assets other than those classified as loans and receivables, financial assets held to maturity and financial assets at fair value through profit or loss.

Debt securities classified as financial assets available-for-sale are subsequently re-measured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is reflected in the equity marketable securities value increase fund. When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

c. Loans and Receivables

Loan and receivables are financial assets originated providing money, commodity and services to debtors. Loans and receivables originated are initially carried at cost and subsequently recognized at the amortized cost method using the internal rate of return. The duties paid, transaction expenditures and other similar expenses on assets received as collateral against such risks are considered as a part of transaction cost and charged to related expense accounts.

Based on the reviews and estimates of the Bank management, loans that are identified as being impaired are reclassified as non-performing loans under follow up accounts. Thereby, specific allowances are made against the carrying amounts of these loans in accordance with the "Regulation on Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette No: 26333 dated 1 November 2006. Specific provisions are recognized in the year's unconsolidated income statement. If there is a collection made on loans that have already provisioned in the previous years, the recovery amount is accounted under income statement accounts other operating income if the provision was made in the current year otherwise such collections are credited to account provision for loan losses or other receivables. Uncollectible receivables are written off after legal procedures are finalized.

d. Financial Assets Held to Maturity

Held-to-maturity securities are financial assets that are not classified as loans and receivables with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using discounting method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the income statement.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

VIII. Information on impairment of Financial Assets

If the estimated recoverable amount of the financial asset, which is the present value of expected future cash flows of by using the internal rate of return rate method or the fair value if exists, is lower than the carrying value the financial assets then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in the value of the impaired financial asset and the provision is charged to the expense accounts.

IX. Information on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. Information on sale and repurchase agreements and lending of financial assets

Repurchase (repo) and resale (reverse repo) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (reverse repo) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

XI. Information on assets held for sale and discontinued operations

The Bank does not have any discontinued operations.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the "Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks" dated 1 November 2006 and published on the Official Gazette No.26333.

XII. Information on goodwill and other intangible assets

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

Software classified as other intangible assets acquired before 1 January 2005 are accounted at restated costs for the effects of inflation in TL units until the end of 31 December 2004 and those acquired after 1 January 2005 are measured at cost less accumulated amortization. The useful life of software is determined as 5 years.

XIII. Information on tangible assets

Tangible assets acquired before 1 January 2005 are reflected at their restated cost for the effects of inflation in TL units current until the end of 31 December 2004 less accumulated depreciation and impairment losses, if any, and those acquired after 1 January 2005 are measured at cost less accumulated depreciation and the impairment losses, if any.

The depreciation of tangible assets is computed using the straight-line method. The depreciation rates used approximate the rates of the useful lives of the tangible assets are as follows:

	%
Buildings	2
Motor Vehicles	20
Furniture, Fixture and Office Equipment	2-20

In case, the cost amount of the related tangible asset is lower than the net realizable value the value of asset is decreased to its net realizable value and the provision for impairment is reflect to the related expense accounts.

Gains and losses resulting from the sale of tangible assets is the difference between the sales amount and net book amount and recorded into the account profit/loss from sale of assets to be accounted under the other operating income/expense in the financial statements.

Expenditures for maintenance and repairs that are routinely made on tangible assets are recognized as expense.

Expenditures incurred in order to extend the capacity of the tangible assets or those that extend the useful life and service capacity of the assets are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

There is no purchase commitments related to the tangible fixed assets.

There are no expected changes in the accounting estimates related with tangible assets, which could have a significant impact on the current and future periods.

XIV. Information on leasing activities

Assets acquired under finance lease agreements are initially recognized at the lower of the fair value of the leased asset or the present value of leasing payments. These leased assets are depreciated according to their useful lives and classified as tangible assets. In cases where leased assets are impaired provisions for impairment are recognized. The obligations under financial leases arising from lease contracts are included in financial lease payables in the balance sheet.

Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Bank does not provide financial leasing services as a lessor.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.

XV. Information on provisions and contingent liabilities

Provisions and contingent liabilities are provided for in accordance with the Communiqué No: 37 "Provisions, Contingent Liabilities and Contingent Assets" of Turkish Accounting Standards, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the financial statements in which the change occurs.

XVI. Information on liabilities regarding employee benefits

Obligations related to employment termination and vacation rights are accounted in compliance with the "Turkish Accounting Standard on Employee Benefits" ("TAS 19"), in the accompanying financial statements.

In accordance with existing legislation in Turkey, the Bank has to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. The provision for severance pay is calculated and reflected on the financial statements by the net value of the possible future liability amount as of today considering the situations of retirement in compliance with the Turkish Labor Law, termination of employment after at least one year of service, leaving due to military obligations and mortality.

XVII. Information on tax applications

Current tax:

The corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income (dividend income etc.) and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax declarations and related accounting entries can be investigated by tax authorities for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Deferred taxes:

The Bank calculates and accounts deferred tax assets and liabilities in accordance with the "Turkish Accounting Standard 12 ("TAS 12") Income Taxes"; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

Transfer Pricing:

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm's length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVIII. Additional information on borrowings

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at amortized cost using the effective interest rate method.

The Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

XIX. Information on share issuances

The Bank has not issued any share in the year.

XX. Information on bills of exchanges and acceptances

Acceptances are realized simultaneously with the payment dates of the clients and they are presented as commitments in off-balance sheet accounts.

There are no acceptances presented as liabilities against any assets.

XXI. Information on government incentives

There are no government incentives utilized by the Bank as of 31 December 2010 and 31 December 2009.

XXII. Information on segment reporting

Operating segment is the unit that operates in only one product or service of the Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented VI footnote of Fourth Section.

XXIII. Profit reserves and profit distribution

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank's paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company's share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

XXIV. Related parties

In accompanying financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with "Declaration of Related Party Standard" ("TAS 24").

XXV. Cash and cash equivalents

In the cash flow statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements time deposits at banks, and investments in financial securities which has original maturity less than three months.

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK

I. Information on capital adequacy ratio

The Bank's capital adequacy ratio as at 31 December 2010 is 27,67% (31 December 2009: 31.61%)

The risk measurement methods used in the determination of the capital adequacy ratio:

The Bank's interest rate risk is calculated and analyzed in consideration with various dimensions within the scope of market risk management of the Risk Management Department.

The interest rate risk and currency risk are measured under the scope of the market risk calculated in accordance with the Standard Methods and is included in the capital adequacy ratio calculation.

Value at operational risk (VOR) is calculated in accordance with the "Basic Indicator Method" and is included in the capital adequacy ratio calculation.

The effect of changes in risk factors on Bank portfolio is calculated on a daily basis using the VaR (Value at Risk) method. The method is tested with a retrospective testing method.

For the analysis of the effect of interest fluctuations above the estimations on the Bank, stress test analyses are made on a monthly basis.

In addition, to reclass possible fluctuation expectations on risk factors various scenario analyses are performed based on possible interest rate estimations and changing expectations of exchange rates.

The interest rate and exchange rate sensitivity of assets, liabilities and off-balance sheets is measured by sensitivity analysis on the level of maturity gaps on a monthly basis.

The Board of Directors has determined limits in order to restrain interest rate risk by means of the daily VaR and Standard Method results.

Information on capital adequacy standard ratio:

	Risk Weights Bank						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	216.029	--	275.758	31.901	449.320	--	--
Cash	2.427	--	--	--	--	--	--
Matured Marketable Securities	--	--	--	--	--	--	--
The Central Bank of Turkey	19.477	--	--	--	--	--	--
Domestic, Foreign Banks and Foreign Headquarter, subsidiaries	--	--	108.905	--	1.152	--	--
Interbank Money Market Placements	--	--	--	--	--	--	--
Receivables from Reverse Repurchase	--	--	--	--	--	--	--
Transactios	--	--	--	--	--	--	--
Reserve Requirements	50.081	--	--	--	--	--	--
Loans	--	--	83.332	31.573	377.772	--	--
Loans under follow-up (Net)	--	--	--	--	--	--	--
Financial lease receivables	--	--	--	--	--	--	--
Securities Available for Sale	--	--	--	--	1.030	--	--
Investments Held to Maturity	134.795	--	82.847	--	4.411	--	--
Receivables from the disposal of assets	--	--	--	--	--	--	--
Miscellaneous receivables	--	--	--	--	70	--	--
Interest and income accruals	2.434	--	674	328	3.210	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	35.952	--	--
Tangible Assets	--	--	--	--	20.141	--	--
Other Assets	6.815	--	--	--	5.582	--	--
Off balance sheet items	1.074	--	601.358	12.137	331.883	--	--
Non cash loans and commitments	1.074	--	599.538	12.137	331.883	--	--
Derivative financial instruments	--	--	1.820	--	--	--	--
Non risk weighted accounts	--	--	--	--	--	--	--
Total risk weighted assets	217.103	--	877.116	44.038	781.203	--	--

Summary information related to capital adequacy standard ratio:

	Current Period	Prior Period
Value at Credit Risk (I)	978.645	784.213
Value at Market Risk (II)	62.350	54.650
Value at Operational Risk (III)	74.662	53.325
Shareholders' Equity	308.720	282.029
Shareholders' Equity/(I+II+III)*100	27,67%	31,61%

Information on Shareholder's Equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	240.000	240.000
Nominal capital	240.000	240.000
Capital Commitments (-)	--	--
Inflation adjustment to paid-in capital	9.096	9.096
Share Premium	--	--
Share Cancellation profit	--	--
Legal reserves	2.658	1.408
First legal reserve (Turkish Commercial Code 466/1)	2.658	1.408
Second legal reserve (Turkish Commercial Code 466/2)	--	--
Other legal reserve per special legislation	--	--
Status reserves	--	--
Extraordinary reserves	--	--
Reserves allocated by the General Assembly	--	--
Retained earnings	--	--
Accumulated loss	--	--
Exchange rate differences on foreign currency capital	--	--
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	--	--
Profit	54.128	31.709
Net income for the period	23.669	24.985
Prior period profit	30.459	6.724
Provisions for possible risks up to 25% of Core Capital	--	--
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	--	--
Primary Subordinated Debt (up to 15% of Core Capital)	--	--
Minority shares	--	--
Loss excess of Reserves (-)	--	--
Current Period Loss	--	--
Prior Periods Loss	--	--
Leasehold Improvements (-)	1.987	2.495
Prepaid Expenses (-)	1.022	370
Intangible Assets (-)	1.823	2.084
Deferred Tax	--	--
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	--	--
Consolidation Goodwill (-)	--	--
Total Core Capital	301.050	277.264
SUPPLEMENTARY CAPITAL		
General Provisions	8.097	5.427
45% of Revaluation Surplus on Movables	--	--
45% of Revaluation Surplus on Immovable's	--	--
Bonus shares of Associates, Subsidiaries and Joint-Ventures	--	--
Primary Subordinated Debt excluding the Portion included in Core Capital	--	--
Secondary Subordinated Debt	--	--
45% of Marketable Securities Value Increase Fund	--	--
Associates and Subsidiaries	--	--
Investment Securities Available for Sale	--	--

	Current Period	Prior Period
Adjustment to Capital Reserves, Profit Reserves and prior years' P/L (excluding Legal Reserves, Statutory Reserves and Extraordinary Reserves)	--	--
Minority shares	--	--
Total Supplementary Capital	8.097	5.427
TIER III CAPITAL (including minority shares if any)	--	--
CAPITAL	309.147	282.691
DEDUCTIONS FROM CAPITAL	427	662
Investments in Unconsolidated 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	--	--
Loans granted to Customers as contradictory to the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovable's 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	427	662
Other	--	--
TOTAL SHAREHOLDER'S EQUITY	308.720	282.029

II. Information on Credit Risk

1. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals:

For credit risk analysis, cash and non-cash loans granted to a debtor or debtors' group is subject to a risk classification in proportion to the Bank's shareholders' equity. In addition the geographical regions and sectoral distribution is investigated periodically and distributions are revised according to the market conditions. The general and other periodical limits of a firm are renewed every year and the extending of loans throughout the day are made with the mentioned limits.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis:

Limit assignments, controls over loan granting process, marketing strategies, matters related to the daily operations and pay-back process are determined in the Bank's credit procedures. Issues related to the daily based transactions (especially extending of cash loans) are managed in coordination with credit and treasury departments.

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables:

Loans and other receivables are being followed periodically as per the "Regulation on the Principals and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions shall be set aside By Banks and to the Provisions to be set aside". Financial statements of the debtors are examined as per the regulation, loan limits are being updated in parallel to the economic conditions under the authorization of the Credit Evaluation Committee and the Top Management. The Bank obtains sufficient guarantees for the loans and the other receivables. Firms that the Bank works with credit is composed of the top level firms of Turkey, therefore most of the collaterals taken are "firm signature

or guarantee". Beside from this third party guarantees, furthermore mortgage, other bank guarantees, cash blockage, customer or personal checks are also obtained. The guarantees obtained are in parallel with the market conditions and other banks collateral conditions.

For the management of credit risk the Bank's Credit Evaluation Committee performs the following:

- Determination of the credit risk management policies in coordination with other related departments.
- Determination and review of concentrations on geographical and credit type basis.
- Contributing for development of rating and scoring systems.
- Submission of various analysis reports to the Board of Directors and top management in addition to the Credit Risk Management reports which comprises of the distribution of credit portfolio (debtors, sector, geographic region basis), credit quality (problematic loans, credit risk ratings) and concentrations

The Bank Management has generated an internal rating system for the determination of firms' ratings and credit assessments. "Credit Rating" process is the analysis of client creditworthiness in accordance with the predetermined various "qualitative" (such as the position of the firm in its sector, the firm's competitiveness, customer and supplier portfolio, the certificates and documents issued by the independent institutions, organizational structure, relationship with the other financial institutions) and "quantitative" (such as current ratio, liquidity ratio, profitability and indebtedness) factors. Upon the conclusion of credit evaluation process the firms and loans are categorized as "Very good firm" (risk rating between 100%-85%), "Good firm" (risk rating between 84.99%-70%), "Satisfactory firm" (risk rating between 69.99%-60%), "Average firm" (risk rating between 59.99%-50%), "Weak firm" (risk rating between 49.99%-40%) "Very Weak firm" (risk rating between 39.99%-0%).

The distribution of the cash and non cash loans according to credit ratings is as follows:

	31 December 2010	31 December 2009
Very good firm	%31,71	%34.20
Good firm	%38,41	%38.51
Satisfactory firm	%20,73	%16.32
Average firm	%6,10	%8.50
Weak firm	%2,44	%2.47
Very weak firm	%0,61	--
Total loans	%100	%100

The rating distribution above does not include retail loans and loans granted to banks.

The rating distribution of financial instruments is as follows:

Financial asset at fair value through Profit or Loss	Rating Agency	Government Bonds	Private sector bonds	Private bank bonds	Investment funds	Derivatives	Total
Aaa	--	--	--	--	--	--	--
Between Aa3- Aa1	Moody's	--	--	--	20.738	--	20.738
Between A3- A1	--	--	--	--	--	--	--
Between Baa3- Baa1	--	--	--	--	--	--	--
Between Ba3 Ba1	Moody's	52.681	--	--	--	--	52.681
Between B3 B1	--	--	--	--	--	--	--
Caa1 and less	--	--	--	--	--	--	--
Not rated	--	82.698	1.279	8.182	--	1.915	94.074
Total		135.379	1.279	8.182	20.738	1.915	167.493

Investments held to maturity	Rating Agency	Government Bonds	Private sector bonds	Private bank bonds	Investment funds	Total
Aaa	--	--	--	--	--	--
Between Aa3- Aa1	--	--	--	--	--	--
Between A3 A1	Moody's	--	7.780	--	--	7.780
Between Baa3 Baa1	--	--	4.411	1.919	--	6.330
Between Ba3 Ba1	Moody's	93.542	--	--	--	93.542
Between B3 B1	--	--	--	--	--	--
Caa1 and less	--	--	--	--	--	--
Not rated	Moody's	43.515	--	73.511	--	117.026
Total		137.057	12.191	75.430	--	224.678

2. Information on the control limits of the Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions.

The Bank evaluates and manages credit risks that are generated from forward transactions, options and similar contracts together with potential risks in the market.

3. Information on whether the Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not.

The Bank tries to mitigate the total risk if it's exposed to huge amount of risk over the forward transactions and options.

4. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

Loans that are structured and rescheduled are included in a new rating group as determined by bank's risk management system, other than the follow-up plan defined in the banking regulations. The Bank's risk management

accepts long term commitments as having more risk than short term commitments which results in a diversification of risk and periodical follow-up for these loans are performed.

5. Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities:

The Bank has no banking activities abroad on the branch level. However in the loan lending processes to the foreign based firms, the economic conditions of the country and the financial structure of the company in question is taken into consideration.

Evaluation of the Bank's competitive credit risk being an active participant of the international banking transactions market

The Bank is not an active participant in the International Banking Transactions Market and do not possess an important risk concentration.

6. The Bank's

a) The share of the top 100 cash loan customers in total loan cash loans portfolio:

The share of the top 100 cash loan customers comprise 99.99% of the total cash loans portfolio of the Bank.

b) The share of the top 100 non-cash loan customers in total loan non-cash loans portfolio:

The share of the top 100 non-cash loan customers comprise 99.94% of the total non-cash loans portfolio of the bank.

c) The share of the total cash and non-cash loan balance of the top 100 loan customers in total assets and off-balance sheet items:

The Bank's total cash and non-cash loans from its top 100 loan customers comprise 61.01% of the total assets and off-balance sheet items.

7. The general provision amount provided by the Bank for credit risk

The general provision amount provided by Bank for the credit risk is TL 8.097 (31 December 2009: TL 5.427).

Customer and Regional Concentration of Credit Risk is as follows:

	Loans and Advances to customers		Loans and Advances to Banks and Other Financial Institutions		Marketable Securities*		Other Receivables**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Customer Concentration	495.724	349.717	110.060	49.888	393.201	459.335	1.698.466	1.523.645
Private Sector	372.639	318.078	--	--	13.469	7.828	297.116	236.799
Public Sector	--	--	--	--	272.437	390.603	--	87.383
Banks	122.853	31.333	110.060	49.888	106.265	59.903	1.401.303	1.199.456
Retail Customers	232	306	--	--	--	--	47	7
Equity securities	--	--	--	--	1.030	1.001	--	--
Geographical Concentration	495.724	349.717	110.060	49.888	393.201	459.335	1.698.466	1.523.645
Domestic	429.255	325.082	108.028	47.175	327.591	398.542	1.219.149	1.040.444
European Union Countries	--	--	410	1.717	58.416	52.118	111.681	111.644
OECD Countries***	--	--	222	38	--	--	4.036	1.869
Off-shore regions	--	--	--	--	--	7.828	--	--
USA, Canada	23.462	--	249	125	--	--	--	--
Other Countries	43.007	24.635	1.151	833	7.194	847	363.600	369.688

* Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity

** Includes transactions defined as receivables as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

*** OECD countries other than EU countries, USA and Canada

Geographical concentration:

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	971.467	237.413	1.175.747	--	23.669
European Union Countries	58.826	2.642	20.700	--	--
OECD Countries*	222	10	4.036	--	--
Off-Shore Banking Regions	--	--	--	--	--
USA, Canada	23.711	1.870	--	--	--
Other Countries	50.381	592.742	363.600	--	--
Associates, subsidiaries and jointly controlled partnership	--	--	--	35.952	--
Unallocated Assets/Liabilities**	--	--	--	--	--
Total	1.104.607	834.677	1.564.083	35.952	23.669
Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	844.944	217.586	837.988	--	24.985
European Union Countries	53.835	2.374	12.356	--	--
OECD Countries*	38	6	1.869	--	--
Off-Shore Banking Regions	7.828	--	--	--	--
USA, Canada	125	894	--	--	--
Other Countries	26.316	462.766	317.741	--	--
Associates, subsidiaries and jointly controlled partnership	--	--	--	32.753	--
Unallocated Assets/Liabilities**	--	--	--	--	--
Total	933.086	683.626	1.169.954	32.753	24.985

* OECD Countries excluding European countries, USA and Canada

**Assets and liabilities that can not be allocated on a consistent basis

Sectoral concentrations for cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	303	0.14	--	0.00	--	0.00	--	0.00
Farming and Raising Livestock	--	0.00	--	0.00	--	0.00	--	0.00
Forestry	303	0.14	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
Manufacturing	41.382	19.09	70.472	25.26	--	0.00	15.169	10.33
Mining	--	0.00	15.570	5.58	--	0.00	15.169	10.33
Production	41.382	19.09	54.902	19.68	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
Construction	14.411	6.65	22.024	7.90	26.348	12.99	43.882	29.88
Services	160.446	74.01	185.927	66.65	176.198	86.86	87.812	59.79
Wholesale and retail trade	532	0.24	16.531	5.93	24.898	12.27	47.407	32.28
Hotel, food and beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	30.060	10.78	--	0.00	--	0.00
Financial institutions	159.405	73.54	139.336	49.95	151.300	74.59	40.405	27.51
Real estate and Leasing Services	--	0.00	--	0.00	--	0.00	--	0.00
"Self-employment" type Services	--	0.00	--	0.00	--	0.00	--	0.00
Education services	--	0.00	--	0.00	--	0.00	--	0.00
Health and social services	509	0.23	--	0.00	--	0.00	--	0.00
Other	232	0.11	527	0.19	308	0.15	--	0.00
Total	216.774	100.00	278.950	100.00	202.854	100.00	146.863	100.00

The distribution of Standard Cash Loans and Non-cash Loans according to their collateral structure:

Cash Loans	31 December 2010	31 December 2009
Secured loans	492.696	347.110
Secured by cash collateral	--	--
Guarantees issued by financial institutions	--	--
Secured by Customer Cheques & Notes	108.982	93.917
Personal guarantees	309.588	200.824
Secured by mortgages	32.698	34.099
Secured by export LC	41.428	18.270
Secured loans	492.696	347.110
FX differences on the principals of FX indexed loans	(19)	(1.103)
Accrued interest	3.047	3.710
Non secured cash loans	--	--
Total Cash Loans	495.724	349.717

Non-Cash Loans	31 December 2010	31 December 2009
Secured by cash collateral	2.527	5.303
Guaranties issued by financial institutions	1.041.969	685.979
Secured by Customer Cheques & Notes	68	3
Personal guarantees	183.438	166.797
Secured by mortgages	25.125	25.509
Secured by export LC	--	--
Secured loans	1.253.127	883.591
Non-secured Non-cash Loans	310.956	286.363
Total Non-cash Loans	1.564.083	1.169.954

III. Information on Market Risk

Whether the Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk:

The Bank's market risk is calculated on a monthly basis using the "Standard Method". Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

In addition, the effect of the changes in risk factors on Bank portfolio is calculated using VaR on a daily basis. With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk / Equity rate can be maximum 50% (+5% exception) and for limiting daily VAR results, the amount under daily risk / equity rate can be maximum 1 % (+1% exception).

a) Information related to market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	292
(II) Capital Obligation against Specific Risks - Standard Method	172
(III) Capital Obligation against Currency Risk - Standard Method	4.524
(IV) Capital Obligation against Stocks Risks - Standard Method	--
(V) Capital Obligation against Exchange Risks - Standard Method	--
(VI) Capital Obligation against Market Risks of Options – Standard Method	--
(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)	4.988
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	62.350

b) Information related to market risk calculated by the month ends of the current period

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	5.537	8.375	3.063	15.668	31.750	5.813
Share Certificates Risk	--	--	--	--	--	--
Currency Risk	45.047	68.938	33.150	74.634	128.263	48.838
Commodity Risk	--	--	--	--	--	--
Exchange Risk	--	--	--	--	--	--
Options Risk	--	--	--	86	225	--
Total Value at Risk	50.584	77.313	36.213	90.388	160.238	54.651

IV. Information related to value at operational risk

"Basic Indicator Method" is used to calculate Bank's value at operational risk. Value at operational risk is calculated in accordance with the "Regulation Regarding Measurement and Assessment of Capital Adequacy Ratio of Banks" that published at 1 November 2006 official gazette numbered 26333 and according to the 4th section "Computation of the Value at Operational Risk" which became valid at 1 June 2007 using the Bank's the last three years; 2009, 2008 and 2007 year end gross revenues.

	31 December 2009	31 December 2008	31 December 2007
1. Net Interest Incomes	50.591	42.248	13.283
2. Net Fee and Commissions Income	23.018	9.203	6.607
3. Dividend Income	48	6.405	2.137
4. Trading Gain/ Loss (Net)	(10.660)	(44.470)	1.217
5. Other operating income	807	18.140	1.249
6. Gain/(Loss) on Securities Available-for-Sale and Held-to Maturity	--	--	11
7. Extraordinary Incomes (Gain on sale of immovables and Gain on Sale Associate Subsidiary shares included also)	2	--	351
8. Insurance Claim Collections	--	--	--
9. Basic Indicator-Gross Income (1+2+3+4+5-6-7-8)	63.802	31.526	24.131
10. Basic Indicator – Capital Obligation (9 x 15%)	9.570	4.729	3.620
11. Basic Indicator- Average Cap. Risk Lib.		5.973	
12. Basic Indicator -Amount subject to Operational Risk (11*12,5)		74.662	

V. Information on Foreign Currency Exchange Rate Risk**1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily:**

The Bank complies with net general position-shareholder's equity limits. The Bank has the possibility to borrow a significant amount of foreign currency.

Within the context of the market risk management work of the Risk Management Department, the Bank's Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

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

The Bank does not have any financial derivatives used for hedging.

3. Foreign exchange risk management policy:

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Managable and measurable risks are taken in the scope of the regulatory limits.

4. Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Bank, are as follows:

USD Foreign Exchange Buying Rate as of balance sheet date TL 1.5460
EUR Foreign Exchange Buying Rate as of balance sheet date TL 2.0491

Date	US Dollars	EUR
27 December 2010	1,5392 TL	2,0204 TL
28 December 2010	1,5403 TL	2,0260 TL
29 December 2010	1,5416 TL	2,0406 TL
30 December 2010	1,5567 TL	2,0437 TL
31 December 2010	1,5460 TL	2,0491 TL

5. The basic arithmetical average of the bank's foreign exchange bid rate for the last thirty days:

The basic arithmetical average of the Bank's foreign exchange bid rate for December 2010 is TL 1,5118 for USD and TL 1,9964 for EUR.

Information on Currency Risk:

Current Period	Euro	US Dollars	JPY	Other	Total
Assets					
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.226	69.733	--	42	71.001
Due from Banks and Other Financial Institutions	52.646	55.855	1	494	108.996
Financial Assets through Profit or Loss	20.870	8.050	--	--	28.920
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	--	869	--	--	869
Loans*	90.959	220.162	--	--	311.121
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	18.978	97.015	--	--	115.993
Financial Derivative held for Hedging (Assets)	--	--	--	--	--
Tangible Assets	--	--	--	--	--
Intangible Assets	--	--	--	--	--
Other Assets	584	436	--	--	1.020
Total Assets	185.263	452.120	1	536	637.920
Liabilities					
Bank Deposits	91.678	44.233	--	1	135.912
Foreign Currency Deposits	54.827	45.747	--	383	100.957
Money Market Borrowings	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	61.541	373.389	--	--	434.930
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	406	2.486	--	3	2.895
Financial Derivatives held for Hedging (Liabilities)	--	--	--	--	--
Other Liabilities	7.326	1.697	--	189	9.212
Total Liabilities	215.778	467.552	--	576	683.906
Net "Balance Sheet Position"	(30.515)	(15.432)	1	(40)	(45.986)
Net "Off Balance Sheet Position"	30.737	15.460	--	--	46.197
Financial Derivatives (Assets)	30.737	15.460	--	--	46.197
Financial Derivatives (Liabilities)	--	--	--	--	--
Non-Cash Loans	731.958	556.092	--	269.302	1.557.352
Prior Period					
Total Assets	86.297	384.797	3	928	472.025
Total Liabilities	85.819	466.641	--	1.160	553.620
Balance Sheet Position, net	478	(81.844)	3	(232)	(81.595)
Off Balance Sheet Position, net	--	66.251	--	--	66.251
Financial Derivatives (Assets)	--	76.791	--	--	76.791
Financial Derivatives (Liabilities)	--	10.540	--	--	10.540
Non-cash Loans	579.293	372.662	--	216.608	1.168.563

* Loan balance includes foreign currency indexed loans amounting to TL 32.171(31 December 2009: TL 32.322) as of 31 December 2010.

* As of 31 December 2010, foreign currency amount of TL 480 (31 December 2009: none) is added to prepaid expenses.

Exposed currency risk

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 December 2010 and 31 December 2009 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation of TL;

	31 December 2010		31 December 2009	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	3	3	(1.559)	(1.559)
Euro	22	22	48	48
Other Currencies	(4)	(4)	(23)	(23)
Total	21	21	(1.534)	(1.534)

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

Assuming 10% appreciation of TL;

	31 December 2010		31 December 2009	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(3)	(3)	1.559	1.559
Euro	(22)	(22)	(48)	(48)
Other Currencies	4	4	23	23
Total	(21)	(21)	1.534	1.534

(*) The effect on shareholders' equity also includes the effect on the profit/loss.

VI. Information on interest rate risk**1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items:**

Within the context of the market risk management of the Risk Management Department, the Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

2. The expected effects of the fluctuations of market interest rates on the Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates:

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder's equity, to be maximum 50% (+5% exception) to follow interest rate risk, exchange rate risk and equity price risk.

3. The precautions taken for the interest rate risk the Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods:

Although the increase in interest rates have a limited negative effect on the Bank's financial position the Bank's Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

The table below shows the effects of changes in interest rates on the financial statements of the Bank. The sensitivity of the income statement is the effect of possible changes in the interest rates on the net interest income of floating rate financial assets and liabilities and the financial assets at fair value through profit or loss. The other variables, especially exchanges rates, are assumed to be fixed in this analysis.

31 December 2010	Profit / Loss		Shareholders' Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets at fair value through profit loss	(506)	502	(506)	502
Investment securities available for sale	--	--	--	--
Financial assets with floating interest rates	967	(975)	967	(975)
Financial liabilities with floating interest rate	--	--	--	--
Total, net	461	(473)	461	(473)

31 December 2009	Profit / Loss		Shareholders' Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets at fair value through profit loss	(392)	389	(392)	389
Investment securities available for sale	--	--	--	--
Financial assets with floating interest rates	132	(134)	132	(134)
Financial liabilities with floating interest rate	--	--	--	--
Total, net	(260)	255	(260)	255

The effect on shareholders' equity also includes the effect of 100 bps increase or decrease in interest rates on the profit/loss of available for sale portfolio.

**Information related to 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 currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	69.558	--	--	--	--	2.427	71.985
Banks	110.047	--	--	13	--	--	110.060
Financial assets at fair value through Profit or Loss	53.529	66.211	40.023	7.730	--	--	167.493
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial assets available-for-sale	--	--	--	--	--	1.030	1.030
Loans	222.971	149.478	99.406	23.869	--	--	495.724
Investment securities held-to-maturity	23.518	54.259	67.983	18.005	60.913	--	224.678
Other assets (*)	971	--	--	--	--	68.618	69.589
Total assets	480.594	269.948	207.412	49.617	60.913	72.075	1.140.559
Liabilities							
Bank deposits	205.179	--	--	--	--	--	205.179
Other deposits	12.706	12.148	2.602	196	--	86.006	113.658
Money market borrowings	47.296	--	--	--	--	--	47.296
Miscellaneous payables	--	--	--	--	--	2.912	2.912
Marketable securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Fin. Ins.	97.166	311.123	26.641	--	--	--	434.930
Other liabilities (**)	368	49	171	--	--	335.996	336.584
Total liabilities	362.715	323.320	29.414	196	--	424.914	1.140.559
Long Position in the Balance Sheet	117.879	--	177.998	49.421	60.913	--	406.211
Short Position in the Balance Sheet	--	(53.372)	--	--	--	(352.839)	(406.211)
Long Position in the Off-balance Sheet	--	30.737	15.460	--	--	--	46.197
Short Position in the Off-balance Sheet	--	(30.168)	(14.615)	--	--	--	(44.783)
Total Position	117.879	(52.803)	178.843	49.421	60.913	(352.839)	1.414

(*) Other Assets: The amount of TL 68.618 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 35.952, Tangible Assets amounting to TL 22.128, Intangible Assets amounting to TL 1.823, Deferred Tax Assets amounting to TL 1.478, Assets Held for Sale amounting to TL 427, Miscellaneous Receivables amounting to TL 69, and Other Assets amounting to TL 6.741 .

(**) Other Liabilities: The amount of TL 335.996 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 305.882, Provisions amounting to TL 13.468, Tax, Duty and Premium Payable amounting to TL 1.520 and Other Foreign Resources amounting to TL 15.126.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non- Inter- est Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and Balances with the Central Bank of Turkey	44.778	--	--	--	--	1.416	46.194
Banks	49.875	--	--	13	--	--	49.888
Financial assets at fair value through profit or loss	65.837	59.321	83.661	--	--	--	208.819
Inter bank money market placements	--	--	--	--	--	--	--
Investment securities available-for-sale	--	--	--	--	--	1.001	1.001
Loans	149.142	139.056	53.785	7.734	--	--	349.717
Investment securities held-to-maturity	20.777	104.490	60.931	17.547	45.770	--	249.515
Other assets (*)	1.009	--	--	--	--	59.696	60.705
Total assets	331.418	302.867	198.377	25.294	45.770	62.113	965.839
Liabilities							
Bank deposits	86.689	--	--	--	--	--	86.689
Other deposits	20.978	8.358	2.789	21	--	60.298	92.444
Money market borrowings	103.954	--	--	--	--	--	103.954
Miscellaneous payables	--	--	--	--	--	1.248	1.248
Marketable securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Fin. Ins.	105.646	260.619	15.340	--	--	--	381.605
Other liabilities (**)	378	42	203	248	--	299.028	299.899
Total Liabilities	317.645	269.019	18.332	269	--	360.574	965.839
vv							
Balance Sheet Long Position	13.773	33.848	180.045	25.025	45.770	--	298.461
Balance Sheet Short Position	--	--	--	--	--	(298.461)	(298.461)
Off Balance Sheet Long Position	87.252	--	--	--	--	--	87.252
Off Balance Sheet Short Position	(87.409)	--	--	--	--	--	(87.409)
Total Position	13.616	33.848	180.045	25.025	45.770	(298.461)	(157)

(*) Other Assets: The amount of TL 59.696 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 32.753, Tangible Assets amounting to TL 22.085, Intangible Assets amounting to TL 2.084, Tax Assets amounting to TL 1.517, Assets Held for Sale amounting to TL 662, Miscellaneous Receivables amounting to TL 53, and Other Assets amounting to TL 542.

(**) Other Liabilities: The amount of TL 299.028 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 282.213, Provisions amounting to TL 9.930, Tax, Duty and Premium Payable amounting to TL 2.337 and Other Foreign Resources amounting to TL 4.548.

4. Average interest rates applied to monetary financial instruments: %

	EUR	USD	JPY	TL
Current Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	--	--	--	--
Banks	0,63	0,46	--	6,30
Financial assets at fair value through profit or loss	0,73	5,19	--	7,34
Money market placement	--	--	--	--
Financial assets available-for-sale	--	--	--	--
Loans	3,24	3,31	--	8,08
Investment securities held-to-maturity	5,36	7,10	--	7,49
Liabilities				
Interbank deposits	1,27	0,75	--	--
Other deposits	1,10	1,52	--	7,04
Money market borrowings	--	--	--	6,82
Miscellaneous payables	--	--	--	--
Marketable securities issued	--	--	--	--
Funds borrowed from other financial institutions	1,03	0,51	--	--
	EUR	USD	JPY	TL
Prior Period				
Assets				
Cash (cash in vault, , effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey,	--	--	--	5,20
Banks	0,12	--	--	--
Financial Assets at Fair Value Through Profit or Loss	4,15	6,03	--	22,48
Money market placements	--	--	--	--
Financial assets available-for-sale	--	--	--	--
Loans	6,47	5,23	--	8,53
Investment securities held-to-maturity	6,04	6,44	--	8,85
Liabilities				
Interbank deposits	0,49	0,29	--	6,80
Other deposits	1,88	1,76	--	8,44
Money market borrowings	--	--	--	6,71
Miscellaneous payables	--	--	--	--
Marketable securities issued	--	--	--	--
Funds borrowed from other financial institutions	5,07	0,56	--	10,24

VII. Information on Liquidity Risk**1. Source of Bank's current liquidity risk and whether the related precautions are taken to eliminate the risk. Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts**

The Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context Bank's liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

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

The main reason of liquidity risk is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk for the future for the Bank.

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

Shareholder's Equity has an important portion in the funding resources. The Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 September 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios as of 31.12.2010 are as follows:

Current Period	Primary Maturity Split (Weekly)		Secondary Maturity Split (Monthly)	
	FC	FC+TL	FC	FC+TL
Average	181	268	103	181
Highest (%)	278	407	167	249
Lowest (%)	106	160	83	134

4. Bank's Gross Cash Flow and Resources

31 December 2010	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	205.179	205.293	163.076	--	15.489	26.728	--	--
Other Deposits	113.658	113.708	86.006	19.227	5.666	2.604	205	--
Due from other financial institutions	434.930	435.236	--	139.709	295.527	--	--	--
Money Market Borrowings	47.296	47.349	--	47.349	--	--	--	--
Securities issued	--	--	--	--	--	--	--	--
Total	801.063	801.586	249.082	206.285	316.682	29.332	205	--

31 December 2009	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	86.689	86.694	38.429	48.265	--	--	--	--
Other Deposits	92.444	92.513	60.298	26.902	3.634	1.679	--	--
Due from other financial institutions	381.605	381.901	--	82.981	283.484	15.436	--	--
Money Market Borrowings	103.954	104.030	--	104.030	--	--	--	--
Securities issued	--	--	--	--	--	--	--	--
Total	664.692	665.138	98.727	262.178	287.118	17.115	--	--

Presentation of assets and liabilities based on their outstanding maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	3.021	68.964	--	--	--	--	--	71.985
Due from banks and other financial institutions	2.164	107.883	--	--	13	--	--	110.060
Financial Assets at Fair Value through Profit or Loss	--	53.529	66.211	37.643	10.110	--	--	167.493
Money Market Placements	--	--	--	--	--	--	--	--
Financial assets available-for-sale	--	--	--	--	--	--	1.030	1.030
Loans	--	214.846	124.342	76.022	80.514	--	--	495.724
Investment securities held-to-maturity	--	23.518	25.863	60.405	39.463	75.429	--	224.678
Other assets (*)	--	971	--	--	--	--	68.618	69.589
Total Assets	5.185	469.711	216.416	174.070	130.100	75.429	69.648	1.140.559
Liabilities								
Interbank Deposits	163.076	42.103	--	--	--	--	--	205.179
Other Deposits	86.006	12.706	12.148	2.602	196	--	--	113.658
Funds provided from other financial institutions	--	97.166	311.123	26.641	--	--	--	434.930
Money market borrowings	--	47.296	--	--	--	--	--	47.296
Marketable securities issued	--	--	--	--	--	--	--	--
Miscellaneous payables	--	--	--	--	--	--	2.912	2.912
Other liabilities (**)	--	8.563	431	171	--	--	327.419	336.584
Total Liabilities	249.082	207.834	323.702	29.414	196	--	330.331	1.140.559
Liquidity Gap	(243.897)	261.877	(107.286)	144.656	129.904	75.429	(260.683)	--
Prior Period								
Total Assets	5.106	293.659	151.657	286.389	108.527	59.804	60.697	965.839
Total Liabilities	98.727	284.940	269.019	18.332	269	--	294.552	965.839
Net Liquidity Gap	(93.621)	8.719	(117.362)	268.057	108.258	59.804	(233.855)	--

(*) Other assets amounting TL 68.618 at the unallocated part consists of Subsidiaries amounting TL 35.952, Tangible Assets amounting TL 22.128, Intangible Assets amounting TL 1.823, Deferred Tax Asset amounting TL 1.478, Asset Held For Sale amounting TL 427, Miscellaneous Receivables amounting TL 69 and Other Assets amounting to TL 6.741.

(**) Other liabilities amounting TL 327.419 at the unallocated part consists of Shareholders Equity amounting TL 305.882, Provisions amounting TL 13.468 and TL 8.069 Other Liabilities.

VIII. Information on Fair Values of Financial Assets and Liabilities

The fair value of the held to maturity financial assets; in case of situations where market price or fair value can not be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flow discounted using the market interest rates applicated on similar borrowing and other payables.

The estimated fair value of the loans is calculated over the cash flow discounted using the market interest rates applicated on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	831.492	650.121	788.554	632.819
Banks	110.060	49.888	110.060	49.888
Financial assets available-for-sale	1.030	1.001	1.030	1.001
Investment securities held-to-maturity	224.678	249.515	180.309	204.927
Loans	495.724	349.717	497.155	377.003
Financial Liabilities	803.975	665.940	803.975	665.940
Interbank deposits	205.179	86.689	205.179	86.689
Other Deposits	113.658	92.444	113.658	92.444
Funds provided from other financial institutions	434.930	381.605	434.930	381.605
Money market borrowings	47.296	103.954	47.296	103.954
Marketable securities issued	--	--	--	--
Miscellaneous Payables	2.912	1.248	2.912	1.248

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or,
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
31 December 2010				
Financial assets available for sale	--	1.030	--	1.030
Financial assets held for trading	165.578	1.915	--	167.493
	165.578	2.945	--	168.523
31 December 2009				
Financial assets available for sale	--	1.001	--	1.001
Financial assets held for trading	208.635	184	--	208.819
	208.635	1.185	--	209.820

IX. Activities carried out on behalf of and account of third parties, activities based on assurance**1. Information on whether Bank carries out trading, custody, consulting, management services for third parties:**

The Bank carries out trading of government bonds and treasury bills and repurchase agreements on others' behalf and account. Apart from such services; the Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

2. Information on trust transactions with other financial institutions or direct financial services given within the context of trust transactions to other financial institutions and possible affects of such transactions on Bank's financial situation:

The Bank does not have transactions based on trust.

X. Information on Business Segments:

Informations on operational segments on 31 December 2010 and 31 December 2009 are presented in the table below:

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations
Interest Income	46	24.434	23.076	--	47.556
Unallocated Income/Expenses (Net)	--	--	--	(21.465)	(21.465)
Operating Income	46	24.434	23.076	(21.465)	26.091
Income from Subsidiaries	--	--	--	3.199	3.199
Income before tax	--	--	--	--	29.290
Tax Provision	--	--	--	--	(5.621)
Net Profit for the year	--	--	--	--	23.669

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations
Segment Assets	232	495.492	573.704	--	1.069.428
Associates and Subsidiaries	--	--	--	35.952	35.952
Unallocated assets	--	--	--	35.179	35.179
Total Assets	232	495.492	573.704	71.131	1.140.559
Segment Liabilities	34.550	79.457	687.056	--	801.063
Unallocated Liabilities	--	--	--	33.614	33.614
Equity	--	--	--	305.882	305.882
Total Liabilities	34.550	79.457	687.056	339.496	1.140.559

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations
Interest Income	58	25.890	36.501	--	62.449
Unallocated Income/Expenses (Net)	--	--	--	(30.840)	(30.840)
Operating Income	58	25.890	36.501	(30.840)	31.609
Income from Subsidiaries	--	--	--	--	--
Income before tax	--	--	--	--	31.609
Tax Provision	--	--	--	--	(6.624)
Net Profit for the year	--	--	--	--	24.985

Prior Period (*)	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations
Segment Assets	306	349.411	531.060	--	880.777
Associates and Subsidiaries	--	--	--	32.753	32.753
Unallocated assets	--	--	--	52.309	52.309
Total Assets	306	349.411	531.060	85.062	965.839
Segment Liabilities	18.516	73.928	572.327	--	664.771
Unallocated Liabilities	--	--	--	18.855	18.855
Equity	--	--	--	282.213	282.213
Total Liabilities	18.516	73.928	572.327	301.068	965.839

(*) Information is related to 31.12.2009 period.

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS

1. Information on cash equivalents and Central Bank of Turkey:

Information on cash equivalents:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	390	2.037	320	1.096
Central Bank of Turkey	594	68.964	917	43.861
Other	--	--	--	--
Total	984	71.001	1.237	44.957

Information related to the account of Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	594	--	917	--
Unrestricted Time Deposits	--	18.883	--	14.739
Restricted Time Deposits	--	--	--	--
Reserve Deposits	--	50.081	--	29.122
Total	594	68.964	917	43.861

Information on Reserve Deposits:

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 6 % and 11 %, respectively as per the Communiqué no.2005/1 "Reserve Deposits " of the Central Bank of Turkey. As of 31 December 2010 interest rates are not applied for reserve requirements by the Central Bank of Turkey (31 December 2009 5.20 % for TL deposits).

2. Information on financial assets at fair value through profit/loss

a) Among financial assets at fair value through profit or loss as of 31 December 2010; marketable securities subjected to repurchase transactions is amounted TL 47.970. (31 December 2009: TL 112.903), and there is no amount provided as collateral /blocked. (31 December 2009: TL 72.212)

b) Positive differences on derivative financial assets held for trading:

Derivative Financial Assets Held For Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	1.915	--	184	--
Futures	--	--	--	--
Options	--	--	--	--
Other	--	--	--	--
Total	1.915	--	184	--

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	1.063	106.964	64	47.111
Foreign banks	--	2.032	--	2.713
Foreign head offices and branches	--	--	--	--
Total	1.063	108.997	64	49.824

b) Information on foreign bank accounts:

	Free Amount		Restricted Amount	
	Current period	Prior period	Current period	Prior period
European Union Countries	410	1.717	--	--
USA, Canada	236	112	13	13
OECD Countries (*)	222	38	--	--
Off-Shore Banking Regions	--	--	--	--
Other	1.151	833	--	--
Total	2.019	2.700	13	13

* OECD countries except EU Countries, Canada and USA

4. Information on available for sale financial assets:

4.1 Major types of available for sale financial assets

Available for sale financial assets are composed shares that are not quoted in the stock market.

4.2 Information on available for sale financial assets

	Current period	Prior period
Debt Securities	--	--
Quoted in stock exchange	--	--
Not quoted in stock exchange	--	--
Share Certificates	1.030	1.001
Quoted in stock Exchange	--	--
Not quoted in stock Exchange	1.030	1.001
Impairment provision (-)	--	--
Total	1.030	1.001

5. Information on Loans:**5.1 Information on all types of loans and advances given to shareholders and employees of the Bank**

	Current period		Prior period	
	Cash	Non- Cash	Cash	Non- Cash
Direct Loans Granted to Shareholders	--	49.222	--	13.238
Corporate Shareholders	--	49.222	--	13.238
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to the Bank's personnel	206	11	296	7
Total	206	49.233	296	13.245

5.2 Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

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	495.238	--	--	486
Discount Notes	527	--	--	--
Export loans	93.577	--	--	--
Import loans	--	--	--	--
Loans given to financial sector	231.466	--	--	--
International loans	66.004	--	--	465
Consumer loans	232	--	--	--
Credit cards	--	--	--	--
Precious metals loans	--	--	--	--
Other	103.432	--	--	21
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
Total	495.238	--	--	486

5.3 Cash 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 and Other Receivables	300.389	--	--	21
Non-specialized loans	300.389	--	--	21
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
Medium and long-term loans and Other Receivables	194.849	--	--	465
Non-specialized loans	194.849	--	--	465
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
Total	495.238	--	--	486

5.4 Information on Consumer Loans, Credit Cards and Loans given to employees:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	4	22	26
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	4	22	26
Consumer Loans-Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Consumer Loans-Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Individual Credit Cards-FC	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Personnel Loans- TL	--	206	206
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	206	206
Personnel Loans- Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Personnel Loans-FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Personnel Credit Cards-TL	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Personnel Credit Cards-FC	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Deposits with Credit Limit-TL (Individual)	--	--	--
Deposits with Credit Limit-FC (Individual)	--	--	--
Total	4	228	232

5.5 Information on installment commercial loans and commercial credit cards

None.

5.6 Allocation of loans by customers

	Current Period	Prior Period
Public	--	--
Private	495.724	349.717
Total	495.724	349.717

5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	429.255	319.083
Foreign loans	66.469	30.634
Total	495.724	349.717

5.8 Loans granted to subsidiaries and associates

In the current period there are no loans granted to subsidiaries and associates.

5.9 Specific provisions for loans

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	--	--
Loans and receivables with doubtful collectibles	--	--
Uncollectible loans and receivables	5.892	5.891
Total	5.892	5.891

5.10 Information related to non-performing loans

5.10.1 Information on restructured loans of non-performing loans

	III. Group: Loans and receivables with limited collectibles	IV. Group: Loans and receivables with doubtful collectibles	V. Group Uncollectible loans and receivables
Current Period: 31.12.2010			
(Gross Amounts before Specific Provisions)	--	--	2.030
Restructured Loans and Other Receivables	--	--	2.030
Redemptions and Other Receivables	--	--	--
Previous Period: 31.12.2009			
(Gross Amounts before Specific Provisions)	--	--	2.029
Restructured Loans and Other Receivables	--	--	2.029
Redemptions and Other Receivables	--	--	--

Specific provision for the Redemptions and Restructured Loans amounting to TL 2.030 under the non-performing loans account has been fully provided.

5.10.2 Information on movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibles	Loans and receivables with doubtful collectibles	Uncollectible loans and receivables
Balances at Beginning of Period	--	--	5.891
Additions (+)	--	--	1
Transfers from other categories of non performing loans (+)	--	--	--
Transfers to other categories of non performing loans (-)	--	--	--
Collections (-)	--	--	--
Write-offs (-)	--	--	--
Institutional and commercial credits	--	--	--
Individual credits	--	--	--
Credit cards	--	--	--
Others	--	--	--
Balances at End of the Period	--	--	5.892
Specific provisions (-)	--	--	5.892
Net Balance on Balance Sheet	--	--	--

5.10.3 Information on foreign currency non-performing loans

There are non-performing loan receivables in foreign currency amounting TL 2.030 which is followed in TL accounts.

5.11 Information on gross and net loans under follow-up according to the borrowers

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibles	Loans and receivables with doubtful collectibles	Non-performing loans and receivables
Current Period (Net)			
Loans granted to real persons and legal entities (Gross)	--	--	5.792
Specific provisions (-)	--	--	5.792
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other Loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loans and receivables (Net)	--	--	--
Prior Period (Net)	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.791
Specific provisions (-)	--	--	5.791
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross) *	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other Loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loans and receivables (Net)	--	--	--

* Foreign bank

5.12 Collection policy on loans determined as loss and other receivables

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

5.13 Information on write-off policy

Loans under legal follow-up are classified and are made provision according to "Regulation on Procedures and Principles Concerning Loans and Other Receivable's Nature Definition and Provisions". These loans are collected in collaboration with Department of Loan Trace and Follow, Department of Law Services and Consultancy and other related departments. However if mentioned loans could not be collected in any way, write-off procedure is implemented. This procedure is implemented by getting the opinion of Department of Law Services and Consultancy and by obtaining approvals from Loan Trace and Follow Department and the Board of Directors.

6. Information on held to maturity financial assets:

6.1 As of 31 December 2010, the Bank does not have any marketable securities subjected to repurchase transactions. As of 31 December 2010, TL 12.672 amounted security is held on collateral/blocked for guarantee. (At 31 December 2009: TL 14.634)

6.2 Information on government held to maturity financial assets

	Current Period	Prior Period
Government bonds	62.845	79.730
Treasury Bonds	2.095	30.185
Other Public Bonds	72.117	72.054
Total	137.057	181.969

6.3 Information of investments held to maturity

	Current Period	Prior Period
Debt Instruments	225.215	254.464
Quoted at stock exchange	64.940	110.401
Not-quoted at stock exchange	160.275	144.063
Impairment loss provision (-)	(537)	(4.949)
Total	224.678	249.515

6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at the Beginning of the Period	249.515	152.779
Foreign Currency Gains / Losses on Monetary assets	6.809	1.484
Purchases during the Period	196.602	129.785
Disposals through sales and redemptions (*)	(227.969)	(32.670)
Impairment loss provision (**)	(279)	(1.863)
Period end balance	224.678	249.515

(*) In the current period amounting to TL 227.969 redemption has been realized. In the prior period redemption amounting to (31.12.2009: TL 32.670) has been realized from the portfolio.

(**) Represents provisions allocated for impairment in the current year.

7. Information on Associates

The Bank does not have an associate.

8. Information on subsidiaries (Net):

8.1 Information on subsidiaries

	Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	A&T Finansal Kiralama A.Ş	İstanbul	99,98	99,88

Information on financial statements of the subsidiaries:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
1	95.355	43.860	103	7.451	-	2.889	6.728	35.952

(*) As fair value; the amounts that are reflected on the unconsolidated financial statements that is calculated by the deduction of impairment (if any) from the cost.

8.2 Movement related to subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	32.753	27.954
Movements during the Period	3.199	4.799
Purchases	--	--
Bonus Shares Received	3.199	4.799
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	--	--
Impairment Provision (+)	--	--
Balance at the End of the Period	35.952	32.753
Capital Commitments	--	--
Share Percentage at the end of Period (%)	99,98	99,98

8.2.1 Valuation methods of investments in subsidiaries

The method used in the accounting of subsidiaries is explained in Section Three.

8.2.2 Sectoral Information on the subsidiaries and amounts related to these

Subsidiaries	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	35.952	32.753
Finance Companies	--	--
Other Affiliates	--	--

8.2.3 Quoted Subsidiaries

The Bank does not have a subsidiary that is quoted.

8.2.4 Subsidiaries sold in the current year

None.

8.2.5 Subsidiaries acquired in the current year

None.

9. Information on jointly ventures:

The Bank does not have joint ventures.

10. Information on Financial Lease Receivables (Net):

The Bank does not have any financial lease receivables.

11. Information on financial derivatives for hedging:

The Bank does not have any financial derivatives for hedging.

12. Information on tangible assets:

Current Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period - 31 December 2009					
Cost	27.303	4.688	853	5.779	38.623
Accumulated Depreciation (-)	(9.705)	(4.077)	(479)	(2.277)	(16.538)
Net Book Value	17.598	611	374	3.502	22.085
Balance at the End of the Current Period - 31 December 2010					
Net Book Value at the Beginning of the Current Period	27.303	4.688	853	5.779	38.623
Additions	1.004	--	43	810	1.857
Disposals (-)	--	--	139	186	325
Impairment (-)	--	--	--	--	--
Cost at the End of the Current Period	28.307	4.688	757	6.403	40.155
Accumulated Depreciation (-)	(9.705)	(4.077)	(479)	(2.277)	(16.538)
Depreciation Expense (-)	(656)	(171)	(82)	(866)	(1.775)
Depreciation of Disposals	--	--	99	187	286
Accumulated Depreciation at the End of the Current Period (-)	(10.361)	(4.248)	(462)	(2.956)	(18.027)
Net Book Value at the End of the Current Period	17.946	440	295	3.447	22.128

Prior Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2008					
Cost	27.303	4.694	477	2.919	35.393
Accumulated Depreciation (-)	(9.056)	(3.908)	(433)	(2.396)	(15.793)
Net Book Value	18.247	786	44	523	19.600
Balance at the End of the Current Period - 31 December 2009					
Net Book Value at the Beginning of the Current Period	27.303	4.694	477	2.919	35.393
Additions	--	--	376	3.229	3.605
Disposals (-)	--	(6)	--	(369)	(375)
Impairment(-)	--	--	--	--	--
Cost at the End of the Current Period 31 December 2009	27.303	4.688	853	5.779	38.623
Accumulated Depreciation (-)	(9.056)	(3.908)	(433)	(2.396)	(15.793)
Depreciation expense(-)	(649)	(175)	(46)	(250)	(1.120)
Depreciation Of Disposals	--	6	--	369	375
Accumulated Depreciation at the End of the Current Period (-)	(9.705)	(4.077)	(479)	(2.277)	(16.538)
Net Book Value at the End of the Current Period	17.598	611	374	3.502	22.085

13. Information on Intangible assets:

	Other	Total
Balance at the End of the Prior Period 31 December 2009		
Cost	4.774	4.774
Accumulated Depreciation (-)	(2.690)	(2.690)
Net Book Value	2.084	2.084
Balance at the End of the Current Period 31 December 2010		
Net Book Value at the Beginning of the Current Period	4.774	4.774
Additions	234	234
Disposals (-)	28	28
Impairment(-)	--	--
Cost at the End of the Current Period	4.980	4.980
Accumulated Depreciation (-)	(2.690)	(2.690)
Amortization and amortization expense of disposals(-)	(494)	(494)
Impairment Depreciation(-)	27	27
Accumulated Amortization at the End of the Current Period (-)	(3.157)	(3.157)
Net Book Value at the End of the Current Period	1.823	1.823

Prior Period:	Other Tangible Assets	Total
Balance at the End of the Prior Period 31 December 2009		
Cost	2.704	2.704
Accumulated Depreciation (-)	(2.439)	(2.439)
Net Book Value	265	265
Balance at the End of the Current Period 31 December 2010		
Net Book Value at the Beginning of the Current Period	2.704	2.704
Additions	2.071	2.071
Disposals (-)	1	1
Impairment(-)	--	--
Cost at the End of the Current Period	4.774	4.774
Accumulated Depreciation (-)	(2.439)	(2.439)
Amortization and amortization expense of disposals(-)	(251)	(251)
Impairment Depreciation(-)	--	--
Accumulated Amortization at the End of the Current Period (-)	(2.690)	(2.690)
Net Book Value at the End of the Current Period	2.084	2.084

14. Information on investment property:

The bank does not have any investment property.

15. Information on tax assets:

As of 31 December 2010, there is no tax receivable under current tax asset after the deduction of tax liability. The Bank has calculated TL 1.954 deferred tax asset and TL 476 deferred tax liability over taxable temporary differences as of 31 December 2010 and recorded the net amount of asset and liability to the financial statement (31 December 2009: TL 1.747 deferred tax asset and TL 230 deferred tax liability).

The detail of deferred tax asset and liability is as follows:

	31 December 2010		31 December 2009	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/ liability)
Provisions for employee rights	4.694	939	3.957	791
Unearned Income	2.952	590	1.311	262
Interest accruals	1.590	318	3.150	630
Other	534	107	320	64
Deferred tax asset		1.954		1.747
Derivatives held for trading	1.915	383	105	21
Depreciation difference for tangible and intangible assets	350	70	955	191
Other	115	23	92	18
Deferred tax liability		476		230
Deferred tax asset / (liability), net		1.478		1.517

16. Information about fixed assets held for sale:

	Current Period 31 December 2010	Prior Period 31 December 2009
Cost	791	1.118
Provision Amount (-)	(38)	--
Accumulated Depreciation (-)	(91)	(57)
Net Book Value	662	1.061
Opening Balance	662	1.061
Additions	--	--
Disposals (-).net	(210)	(327)
Provision Expenses (-)	(7)	(38)
Depreciation Expenses (-)	(18)	(34)
Closing Net Book Value	427	662

17. Information on other assets:

As of 31 December 2010 other assets is amounting to TL 7.781 (31 December 2009: TL 1.604) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES**1. Information on maturity profile of deposits:**

	Demand	7 Days Notice	Up to 1 Months	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	1.228	--	1.155	3.895	352	21	128	--	6.779
Foreign Currency Deposits	81.954	--	2.194	8.990	4.360	1.439	2.020	--	100.957
Residents in Turkey	41.680	--	2.182	2.212	2.849	652	122	--	49.697
Residents Abroad	40.274	--	12	6.778	1.511	787	1.898	--	51.260
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	2.410	--	3.014	5	79	--	--	--	5.508
Other Ins. Deposits	414	--	--	--	--	--	--	--	414
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	163.076	--	--	15.460	26.643	--	--	--	205.179
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	69.267	--	--	--	--	--	--	--	69.267
Foreign Banks	93.809	--	--	15.460	26.643	--	--	--	135.912
Special Financial Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	249.082	--	6.363	28.350	31.434	1.460	2.148	--	318.837

Prior Period	Demand	7 Days Notice	Up to 1 Months	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	536	--	518	3.730	182	19	119	--	5.104
Foreign Currency Deposits	54.988	--	2.528	18.859	3.676	877	1.529	--	82.457
Residents in	24.483	--	2.528	11.958	2.160	168	148	--	41.445
Turkey	30.505	--	--	6.901	1.516	709	1.381	--	41.012
Residents Abroad	--	--	--	--	--	--	--	--	--
Public Sector Deposits	1.228	--	9	--	100	--	--	--	1.337
Commercial Deposits	3.546	--	--	--	--	--	--	--	3.546
Other Ins. Deposits	--	--	--	--	--	--	--	--	--
Precious Metal Deposits	38.429	--	48.260	--	--	--	--	--	86.689
Bank Deposits	--	--	--	--	--	--	--	--	--
Central Bank	--	--	48.260	--	--	--	--	--	48.260
Domestic Banks	38.429	--	--	--	--	--	--	--	38.429
Foreign Banks	--	--	--	--	--	--	--	--	--
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	98.727	--	51.315	22.589	3.958	896	1.648	--	179.133

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		Not covered by	
	Deposit Insurance Fund		Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3.498	2.889	3.281	2.215
Foreign Currency Saving Deposits	8.879	8.590	18.943	12.359
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	12.377	11.479	22.224	14.574

1.2 Saving deposits not covered by deposit insurance

1.2.1 The Bank does not have off-shore and foreign branches.

1.2.2 The Bank does not have special current and participation deposits of individuals that are not covered under the guarantee of deposit insurance fund.

Amounts not covered by insurance:**Saving deposits not covered by insurance limits:**

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	--	--
Deposits and Other Accounts held by Shareholders and their Relatives	--	--
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1.141	451
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	--	--
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	--	--

2. Information on financial derivatives through profit or loss:

Financial Derivatives through profit or loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	--	--	--	--
Swap transactions	--	--	--	--
Futures transactions	--	--	--	--
Options	--	--	--	--
Other	--	--	79	--
Total	--	--	79	--

3. Information on Funds Borrowed:**3.1 Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing from Central Bank	--	--	--	--
From Domestic Banks and Institutions	--	387	329	162
From Foreign Banks, Institutions and Funds	--	434.543	--	381.114
Total	--	434.930	329	381.276

3.2 Presentation of funds borrowed based on maturity profile:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	--	430.133	329	376.759
Long-Term	--	4.797	--	4.517
Total	--	434.930	329	381.276

4. Information on other foreign resources:

The other external resources is amounting to TL 15.471 (31 December 2009: TL 4.827); and this amount does not exceed 10% of the total balance sheet.

5. Information on financial lease obligations:

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Bank as a result of the lease agreements.

6. Information on liabilities arised from financial derivative transactions for hedging purposes:

The Bank does not have financial derivative instruments for hedging purposes.

7. Information on provisions:

7.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	5.181	3.166
Provisions for Loans and Receivables in Group II	6	28
Provisions for Non-Cash Loans	2.910	2.233
Other	--	--
Total	8.097	5.427

7.2 Provisions for currency exchange gain/loss on foreign currency indexed loans:

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans(*)	19	1.103

(*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

7.3 Information on other provisions

The Bank has allocated a provision amounting to TL 249 (31 December 2009: TL 116) for the on-going law suits as at balance sheet date and TL 428 (31 December 2009: TL 430) for the non-cash loans.

7.4 Reserves for employee benefit

The movement of reserves for employee benefit is below:

	Current Period	Prior Period
Balance at the beginning	3.957	3.154
Provision for the period	1.154	962
During the period	(417)	(159)
Balance at the end	4.694	3.957

8. Information on tax payables:

8.1 Information on corporate tax liability:

As of 31 December 2010, corporate tax payable after deducting the prepaid tax is TL 382 (31 December 2009: TL 1.361).

8.1.1 Information on tax payables

	Current Period	Prior Period
Corporate Tax	382	1.361
Banking Insurance Transaction Tax (BITT)	202	127
Taxation of Securities	28	19
Value added taxes payable	10	107
Corporate tax payable-limited	9	30
Foreign Exchange Legislation Tax	--	--
Property tax	12	9
Other	518	391
Total	1.161	2.044

8.1.2 Information on premiums

	Current Period	Prior Period
Social Security Premiums- Employee	136	111
Social Security Premiums- Employer	194	158
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee share	10	8
Unemployment Insurance- Employer share	19	16
Other	--	--
Total	359	293

8.2 Information on deferred tax liability:

The net amount of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset with an amount of TL 1.478. Detailed information on net deferred tax is presented in footnote I-15 in Section Five.

9. Information on liabilities of fixed asset held for sale and discontinued operations:

The Bank has no liability related to assets held for sale and discontinued operations.

10. Information on Shareholder's Equity:**10.1 Presentation of Paid-in Capital:**

	Current Period	Prior Period
Common Stock	240.000	240.000
Preferred Stock	--	--

10.2 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

Registered share capital system is not implemented in the Bank.

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

No capital increase has been made during the current period.

10.4 Information on share capital increases from capital reserves

No transfer from capital reserves has been made to share capital in the current period.

10.5 Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments

Board of Directors received the Memorandum No. 2770/244/8/10 submitted by General Management noted the capital of the Bank is increased to TL 690.000, for the purpose article 6 (Capital) of the Articles of Association of the Bank is amended as below, applications required for permissions to effect the ammendment to the Articles of Association are made, the amendment is submitted for the approval of our shareholders at the General Meeting and the General Meeting Resolution is registered and announced.

10.6 The impacts of the foresights, which are prophesied according to Bank's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity

None.

10.7 Information on the privileges given to stocks representing the capital

The registered capital can be increased or decreased once or several times. Such an increase may be accomplished through the transfer from reserves into the capital account and the issuance of "bonus" shares in consequence thereof.

Each shareholder shall have the right to subscribe for a proportion of new shares corresponding to the number of shares held and such right may be exercised within a period of 30 days from the date of receipt by each shareholder of an invitation to the shareholders.

These preferential rights may only be assigned by approval of the Board of Directors upon the favorable vote of 4/5 of the members present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued. Fractional shares will be allocated by the Board of Directors.

The Bank may not, directly or indirectly, finance the acquisition of its own shares.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

10.8 Information on marketable securities value increase fund:

The Bank does not have marketable securities value increase fund.

10.9 Information on legal reserves:

In the current period, amount of TL 1.250 have been transferred to legal reserves from profits of previous years. (31 December 2009: None)

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS**1. Information on contingent liabilities in the off-balance sheets:****1.1 Type and amount of irrevocable commitments**

The Bank has TL 5.794 (31 December 2009: TL 57.747) as irrevocable commitments.

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

As of 31 December 2010, the Bank has allocated the provision amounting TL 428 over total non-cash loans (31 December 2009: TL 430).

1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral:

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 312.119 (31 December 2009: TL 303.591).

1.2.2 Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Bank's guarantee letters is TL 1.251.964 (31 December 2009: TL 866.363).

2. Total amount of Non-cash loans:

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	8.580	11.744
Less Than or Equal to One Year with Original Maturity	--	--
More Than One Year with Original Maturity	8.580	11.744
Other Non-Cash Loans	1.555.503	1.158.210
Total	1.564.083	1.169.954

3. Information on Sectoral risk concentrations of non-cash loans:

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	--	0.00	618	0.04	--	0.00	--	0.00
Farming and Raising livestock	--	0.00	618	0.04	--	0.00	--	0.00
Forestry	--	0.00	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
Manufacturing	5.641	83.81	27.418	1.76	--	0.00	--	0.00
Mining	--	0.00	545	0.03	--	0.00	--	0.00
Production	5.641	83.81	26.873	1.73	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
Construction	67	1.00	188.601	12.11	55	3.96	161.548	13.82
Services	989	14.68	1.340.703	86.09	1.293	92.95	1.007.015	86.18
Wholesale and Retail Trade	485	7.20	1.153	0.07	636	45.72	34.823	2.98
Hotel, Food and Beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	291	0.03	--	0.00	--	0.00
Financial Institutions	504	7.49	1.339.195	85.99	657	47.23	972.192	83.20
Real Estate and Renting Services	--	0.00	64	0.00	--	0.00	--	0.00
Self-Employment Services	--	0.00	--	0.00	--	0.00	--	0.00
Education Services	--	0.00	--	0.00	--	0.00	--	0.00
Health and Social Services	--	0.00	--	0.00	--	0.00	--	0.00
Other	34	0.51	12	0.00	43	3.09	--	0.00
Total	6.731	100.00	1.557.352	100.00	1.391	100.00	1.168.563	100.00

4. Information on non-cash loans classified as I and II group loans:

	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	6.731	1.245.233	--	--
Bank acceptances	--	13.729	--	--
Letters of credit	--	298.390	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	--	--	--	--
Non-Cash Loans	6.731	1.557.352	--	--

5. Information on derivative transactions:

	Current Period 31 December 2010	Prior Period 31 December 2009
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	90.980	153.660
Currency Forward	--	--
Currency Swaps	90.980	153.660
Currency Futures	--	--
Currency Option	--	--
Interest Rate Related Derivative Transactions (II)	--	--
Interest Rate Forwards	--	--
Interest Rate Swaps	--	--
Interest Rate Options	--	--
Interest Rate Futures	--	--
Other Trading Derivatives (III)	--	21.001
A. Total Trading Derivatives (I+II+III)	90.980	174.661
Hedging Derivatives		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Hedges for Foreign Currency Investments	--	--
B. Total Hedging Derivatives	--	--
Total Derivative Transactions (A+B)	90.980	174.661

6. Information on contingent assets and liabilities:

The bank does not have any contingent assets or liabilities.

7. Other Information:

The accounts "Commitments for reserve deposit requirements" Turkish Lira and Foreign Currency which are followed in the off balance sheet are deducted from Uniform Chart of Accounts. This deduction is made in accordance with "Communiqué Amending the Communiqué on Uniform Chart of Accounts and Definitions" announced in the Official Gazette numbered 27429 dated 11 December 2009. According to this Communiqué, Banks shall be in conformity with the provisions of the communiqué until 30.06.2010. In this context, in the current period related accounts usage are terminated and previous period amounts in the off balance sheet are regulated with the aim to make them comparable.

IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME

1. Information on interest income:

1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans*				
Short- Term Loans	12.745	4.108	15.181	6.046
Medium and Long- Term Loans	1.849	5.777	1.680	3.553
Interest Received From Non Performing Loans	--	--	25	--
Premiums Received From Resource Utilization Support Fund	--	--	--	--
Total	14.594	9.885	16.886	9.599

(*) It contains fee and commission income related to cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	--	--	--	--
From Domestic Banks	497	38	19	18
From Foreign Banks	40	62	--	181
From Foreign Headquarter and Branches	--	--	--	--
Total	537	100	19	199

1.3 Information on interest income from securities

	Current Period		Prior Period	
	TL	FC	TL	FC
From Trading Financial Assets	6.681	1.514	19.319	2.420
From Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
From Investments Available for Sale	--	--	--	--
From Investments Held to Maturity	6.420	7.684	4.969	8.924
Total	13.101	9.198	24.288	11.344

1.4 Information on interest income received from associates and subsidiaries

None.

2. Interest Expense:

2.1 Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	16	2.646	134	3.721
Central Bank	--	--	--	--
Domestic Banks	16	22	134	8
Foreign Banks	--	2.624	--	3.713
Other Institutions	--	--	--	--
Total	16	2.646	134	3.721

2.2 Information on interest expense paid to subsidiaries and associates

	Current Period	Prior Period
Interest Paid to subsidiaries and associates	118	163

2.3 Information on interest expenses paid to issued securities

None.

2.4 Maturity structure of the interest expense on deposits

Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Time Deposits		Cumulative Deposits	Total
					Up to 1 Year	1 year and over		
TL								
Bank Deposits	44	23	--	--	--	--	--	67
Saving Deposits	--	70	345	19	1	11	--	446
Public Sector Deposits	--	--	--	--	--	--	--	--
Commercial Deposits	--	21	42	7	--	--	--	70
Other Deposits	--	--	--	--	--	--	--	--
"7 Days Notice Deposits"	--	--	--	--	--	--	--	--
Total TL	44	114	387	26	1	11	--	583
FC								
Foreign Currency Deposits	--	17	93	66	22	37	--	235
Bank Deposits	--	452	--	--	--	--	--	452
"7 Days Notice Deposits"	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total FC	--	469	93	66	22	37	--	687
Total	44	583	480	92	23	48	--	1.270

3. Information on dividend income:

	Current Period	Prior Period
Trading Financial Assets	--	--
Financial Assets through profit or loss	--	--
Financial Assets available for sale	59	48
Other (*)	3.200	--
Total	3.259	48

(*) Represents the dividend income from associates

4. Information on trading gain/loss:

	Current Period	Prior Period
Gain	423.949	471.576
Gain from money market transactions	780	269
Gain from financial derivative transactions	23.895	17.939
Gain from exchange transactions	399.274	453.368
Loss (-)	(425.528)	(482.236)
Loss from money market transactions	(67)	--
Loss from financial derivative transactions	(26.894)	(19.953)
Loss from exchange transactions	(398.567)	(462.283)
Net Trading Gain/Loss	(1.579)	(10.660)

5. Information on income from other operations:

	Current Period	Prior Period
From Reversal of Provisions of Prior Year	838	621
From Communication Income	312	--
Gain on sales of assets	43	11
Other	103	175
Total	1.296	807

6. Information on impairment in loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	2	--
Loans and Receivables in Group III	--	--
Loans and Receivables in Group IV	--	--
Loans and Receivables in Group V	2	--
Doubtful Receivables	--	--
General Provision Expenses	2.670	1.367
Provision for Possible Losses	--	--
Foreign Exchange Losses on Foreign Currency Indexed Loans	--	--
Impairment Losses on Securities	282	228
Financial Assets through Profit or Loss	282	228
Investment Securities Available-for-Sale	--	--
Other Impairment Losses	279	1.863
Associates	--	--
Subsidiaries	--	--
Joint Ventures	--	--
Investment Securities Held-to-Maturity	279	1.863
Other	162	38
Total	3.395	3.496

7. Information on other operating expense:

	Current Period	Prior Period
Personnel Expenses	26.174	18.223
Employee Termination Benefits Expense	1.154	962
Tangible Fixed Asset Impairment Expense	--	--
Amortization Expenses of Tangible Assets	1.775	1.120
Intangible Fixed Asset Impairment Expense	--	--
Goodwill Impairment Expense	--	--
Amortization Expenses of Intangible Assets	495	251
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	--	--
Disposable Fixed Asset Impairment Expense	--	--
Amortization Expense of Assets Held for Resale	18	34
Impairment Expense related to Fixed Assets held for sale and discontinued operations	--	--
Assets Impairment Expense	--	--
Other Operating Expenses	6.473	6.183
Operating Lease Expenses	688	523
Maintenance Expenses	236	198
Advertisement Expenses	967	1.425
Other Expenses	4.582	4.037
Losses from sales of Assets	--	--
Other	3.440	1.926
Total	39.529	28.699

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

The pre-tax income amount from continued operations is TL 29.290 (31 December 2009: TL 31.609).

9. Information on tax provision related to continued operations and discontinued operations**9.1 Current period taxation benefit or charge and deferred tax benefit or charge:**

For the year ended 31 December 2010, taxation charge is TL 5.582 (31 December 2009: TL 2.882) and deferred tax expense is TL 39 (31 December 2009: TL 3.742 as deferred tax expense).

9.2 Deferred tax charge arising from origination or reversal of temporary differences

The Bank has TL 39 as deferred tax expense arising from origination of temporary differences (31 December 2009: TL 3.742 deferred tax expense).

9.3 Deferred tax charge/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.

The Bank has TL 39 as deferred tax expense reflected in the income statement computed over temporary difference and tax deductions and exemptions (31 December 2009: TL 3.742 deferred tax expense).

10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations:

Current period profit from continued operations is TL 23.669 (31 December 2009: TL 24.985 profit).

11. Information on net profit or loss of the period

11.1 Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current period performance:

None.

11.2 Information on the profit or loss affect of a change in an estimation related to financial statements and future period affect of the change in this estimation.

There is no change in accounting estimation related to consolidated financial statements.

12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.

There is no other accounts which exceed the 10% of the income statement other than other operating income and other operating loss that are explained above.

V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**1. Changes due to revaluation of financial assets available-for-sale:**

None.

2. Confirmation on exchange rate differences between beginning and ending

None.

3. Increases due to cash flow hedges:

None.

4. Information on dividend:**4.1 Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statement**

None.

4.2 Net profit per share proposed to be distributed after the balance sheet date

None.

5. Amounts transferred to reserves:

	Current Period	Prior Period
Amounts transferred to legal reserves	1.250	-
Amounts transferred to extraordinary reserves	-	-
Amounts transferred to retained earnings	23.735	2.710
Total	24.985	2.710

6. Information on issuance of common stock:**6.1 Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital**

None.

7. Information on other capital increment accounts at the equity movement table:

None.

8. Information on inflation restatement differences of shareholders equity accounts:

In BRSA's Circular on 28 April 2005 and in accordance with the decision dated 21 April 2005 and numbered 1623. Due to the fact that the majority of the criteria's confirming the existence of a hyperinflationary economy are not valid anymore. The inflation accounting had been ceased beginning from 1 January 2005.

Inflation restatement of paid in capital amounting 9.096 TL (31 December 2009: TL 9.096) which was recorded in the account of "Paid in capital Inflation Restatement" account until 31 December 2005 is transferred to "Other Capital Reserves" account.

VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOW STATEMENT**1. Information on cash and cash equivalent assets:****1.1 Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances**

Subject to the preparation of cash flow statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalents" refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

1.1.1. Information on cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	1.416	1.730
Interbank money market placements	--	--
Banks and other financial institutions	65.537	44.772
Cash equivalents	66.953	46.502

1.1.2. Information on cash and cash equivalents at the end of the period

	Current Period	Prior Period
Cash	2.427	1.416
Interbank money market placements	--	--
Banks and other financial institutions	129.521	65.537
Cash equivalents	131.948	66.953

2. Information on unrestricted cash and cash equivalents that is in the possession of the Bank however not in the restricted usage due to legal limitations and other reasons:

The Bank has TL 13 (31 December 2009: TL 13) restricted cash and cash equivalents that is in the possession of the Bank due to legal limitations and other reasons.

3. Information on the effect on cash and cash equivalent assets due to changes in other accounts in the cash flow statement and exchange rates:

The (-) TL 12.396 (31 December 2009: (-) TL 13.063) in the "Other" account that is under the "Operational Profit Before Operations of Banking on Assets and Liabilities" account is comprised of other operating income excluding collections from non performing loans, other operating expense excluding personnel expenses and exchange gain/loss.

The "Net increase/decrease in other assets" account under the "Changes in assets and liabilities subject to banking activities" amounting to (-) TL 37.042 (31 December 2009: (-) TL 8.361 is composed of changes in fixed assets, associates, tax assets and other assets.

The "Net increase/decrease in other debts" account under the "Changes in assets and liabilities subject to banking activities" amounting to (-) TL 47.385 (31 December 2009: (-) TL 24.768) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable.

"Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents" is computed by (-) TL 1.872 (31 December 2009: TL 2.137).

VII. INFORMATION ON THE BANK'S RISK GROUP

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

1.1. Information on the loans of the Bank's risk group

Current Period:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	--	505	--	13.238	3.287	70.797
Balance at the end of the period	--	505	--	49.222	2.615	102.601
Interest and Commission Income received	--	2	--	--	17	--

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Loans given to the Bank's direct and indirect shareholders, are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	--	505	52	15.582	9.284	97.967
Balance at the end of the period	--	505	--	13.238	3.287	70.797
Interest and Commission Income received	--	2	--	--	--	--

(*) Stated at the 2nd clause of the 49nth article of the Law No. 5411 of Bank's Act.

1.2. Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	215	186	33.789	2.049	10.544	17.733
Balance at the end of the period	157	215	78	33.789	26.951	10.544
Interest expense on deposits	--	--	20	60	40	87

(*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

1.3. Information on forward transactions, options and other contracts related to Bank's risk group:

Bank's Risk Group (*)	Associates, and Related Parties		Bank's Direct and Indirect Associates		Individuals and Corporations Included in the Bank's Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions with fair value difference reflected on profit/ loss statement						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	(272)	--	--
Hedging purpose transactions						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	--	--	--

(*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

1.4. Information on benefits provided for top level management:

For the period then ended 31 December 2010, TL 1,972 (31 December 2009: TL 1.799) has been paid to the top level management of the Bank as salaries and fringe benefit.

VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES or INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES

	Number of branches	Number of employees			
Domestic Branch	6	255			
			Country		
Foreign representative office	--	--	--		
Foreign branch	--	--	--	Total assets	Legal capital
				--	--
	--	--	--	--	--
Off shore branches	--	--	--	--	--

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. OTHER INFORMATION ON BANK'S OPERATIONS

None.

II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

Changes in required reserves ratio

1. Published in the Official Gazette No. 27788 dated 17.12.2010 and No. 2010/13 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated 07/01/2011, to be effective with the Turkish lira Turkish lira liabilities required reserve ratio for deposits / participation were differentiated according to the maturity structure of funds.

These ratios are below:

a) Turkish lira required reserve ratio

TL	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	8
Deposits/participation accounts up to 1-month maturity	8
Deposits/participation accounts up to 3 month maturity	7
Deposits/participation accounts up to 6 month maturity	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special funds	Ratios correspond to maturities
Other than deposits/participation accounts	8

b) FX required reserve ratio is 11%

2. Published in the Official Gazette No. 27825 dated 24.01.2011 and 2011 / 2 Required Provisions of the Amendment to the Communiqué on the Scale to be valid obligation dated 04/02/2011, the Turkish lira demand required reserve ratios, and special notice deposits current accounts, term deposits up to 1 month / sharing accounts, time deposits up to 3 months / participate in special fund accounts and deposit pools / other liabilities to non-participation fund was set.

The ratios are below:

TL	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	12
Deposits/participation accounts up to 1-month maturity	10
Deposits/participation accounts up to 3 month maturity	9
Deposits/participation accounts up to 6 month maturity	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special funds	Ratios correspond to maturities
Other than deposits/participation accounts	9

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. INFORMATION ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements as of and for the year ended 31 December 2010 has been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and the independent auditor's report dated on 11 February 2011 is presented in the introduction of this report.

II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.

ARAP TÜRÖK BANKASI A.Ş. AND ITS SUBSIDIARY CONSOLIDATED FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2010**

(Convenience Translation of Consolidated Financial Statements and
Related Disclosures and Footnotes Originally Issued in Turkish)
With Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi
11 February 2011

This report contains 1 page of independent auditors' report and 72 pages of consolidated financial statements including footnotes.

- I. Independent Auditors' Report
- II. Publicly Announced Consolidated Financial Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Arap Türk Bankası Anonim Şirketi:

We have audited the consolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") and its subsidiary ("the Group") as of 31 December 2010 and the consolidated statement of income, consolidated changes in shareholders' equity, statement of profit distribution and consolidated cash flows for the year then ended together with the summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishment of internal control systems relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements and guidance issued by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the consolidated financial statements. The selection of the audit techniques made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into and assessing the appropriateness of the applied accounting policies. It has been obtained the reasonable and appropriate audit evidence which is basis for independent auditors' opinion explained below.

Independent Auditors' Opinion:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arap Türk Bankası AŞ and its subsidiary as of 31 December 2010 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 and 38 of (Turkish) Banking Law No 5411 and the statements and guidance published by the BRSA on accounting and financial reporting principles.

İstanbul,
11 February 2011

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak
Engagement Partner

Additional paragraph for convenience translation to English:

As explained in Section 3.I, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

ARAPTÜRK BANKASI A.Ş

CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2010

Address of the Bank's Headquarters

Valikonağı Caddesi No:10

34367 – ŞİŞLİ/İSTANBUL

Telephone and Fax Numbers

Tel : 0.212.225 05 00

Faks: 0.212.225 05 26

Website of the Bank

<http://www.atbank.com.tr>

E-mail address of the Bank

webmaster@atbank.com.tr

The consolidated financial report as of and for the year ended at 31 December 2010 prepared in accordance with the communiqué of "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

The subsidiaries, associates and jointly controlled companies included in the annual consolidated financial report are as follows:

	Subsidiaries	Associates	Jointly Controlled Companies
1	A&T Finansal Kiralama A.Ş.	-	-

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents "Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying consolidated financial statements are presented in Turkish Lira (TL) thousands as of 31 December 2010 and independently audited and enclosed.

Atilla Çetiner
Chairman of the Board of Directors



Selim Güray Çelik
Member of Board of the Directors and
Head of the Audit Committee



Abdulfatah A.Enaami
Member of the Board of Directors and
the Audit Committee



Hasan Kimya Bolat
Member of The Board
of Directors and The
Audit Committee



Sadek K.S. Abu Hallala
General Manager



Salih Hatipoğlu
Assistant General Manager
Responsible for Financial Reporting



Feyzullah Küpeli
Manager



SECTION ONE

General Information

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SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. The Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Arap Türk Bankası A.Ş. ("the Bank") has been established on 18 July 1976 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The Parent Bank is administrated in conformity with the Articles of Association published in Official Gazette on 18 July 1976 and also as per the "Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey" dated August 11, 1975. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders and assigned by the Board.

II. The Parent Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about bank's group

The Parent Bank is a foreign bank status incorporated in Turkey. The main shareholder is Libyan Foreign Bank incorporated in Libya, the other shareholders is Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş. The main shareholder Libyan Foreign Bank has financial investments in various countries.

III. Information about the Parent Bank's chairman and members of board of directors, members of audit committee, general manager and associate general managers and their qualifications, related changes within the year and their shares at the bank

Name	Responsibility	Starting Date of Job	Education	Experience in Banking and Management
Atila Çetiner	Chairman of Board of Directors	19.09.2002	University	32 year
M.Najib Hmida El-Jamal	Deputy Chairman of Board of Directors	15.02.2010	University	40 year
Abdurauf Ibrahim Shneba	Member of the Board	29.03.2010	University	17 year
Saeid Awad Rashwan Rashwan	Member of the Board	29.03.2010	University	20 year
Abdulaziz Mohamed Ali Mansur	Member of the Board	29.04.2010	University	20 year
Selim Güray Çelik	Member of the Board and Chairman of Audit Committee	29.04.2010	University	16 year
Hasan Kimya Bolat	Member of the Board and Audit Committee	27.04.2010	University	22 year
Abdulfatah A.Enaami	Member of the Board and Audit Committee	09.05.2007	University	16 year
Turgay Atalay	Member of the Board of Directors	21.07.2010	University	30 year
Dr.Ertan Altıkulaç	Auditor	07.12.2010	Graduate Degree	15 year
Volkan Kublay	Auditor	09.08.2010	University	10 year
Sadek K.S. Abu Hallala	General Manager Member of the Board	23.05.2006	Graduate Degree	26 year
M. Nageb Hassan Mugber	Associate General Manager	15.09.2006	University	36 year
Salih Hatipoğlu	Associate General Manager	01.07.2008	Graduate Degree	12 year
Giuma Masaud Salem Kordi	Associate General Manager	01.07.2008	University	18 year
Özgür Erker	Associate General Manager	02.03.2009	University	13 year

On April 30, 2010 as Chairman of the Board and Chairman of the Audit Committee Mr. Aykut Demiray has been resigned from his duties. Mr. Atilla Çetiner who started to his duty as a member in the Board of Directors at 19 September, 2002 has been appointed to Chairman of the Board of Directors on April 30, 2010.

On February 15, 2010 Mr. M.Najib Hmida El-Jamal was appointed as Deputy Chairman of the Board.

On March 29, 2010 Mr. El Hadi Emgahid T.Abultife has been resigned from his place and Mr. Saeid Awad Rashwan Rashwan has been appointed to his place as Member of the Board. At the same date,

Mr. Fekri A.A.Sinan has been resigned and Mr.Abdurauf İbrahim Shneba has been appointed to his place as Member of the Board.

On March 30, 2010 Mr. Omer Celebi and Khaled M.N.M. AL Hajri have been resigned from their Member of the Board duty.

On April 29, 2010 Mr. Abdulaziz Mohamed Ali Mansur, Mr. Selim Guray Celik and on April 27, 2010 Mr. Hasan Kimya Bolat were appointed as Member of the Board.

On July 21, 2010 Mr. M. Turgay Atalay was appointed to his place as Member of the Board of Directors to replace Mr. Aykut Demiray.

On August 5, 2010 Mr. Yusuf Dilaver has been resigned and Mr. Müslüm Karaman was appointed to his place as Auditor.

On August 9, 2010 Mrs. Zeynep Hansu Uçar has been resigned and Mr. Volkan Kublay was appointed to his place as Auditor.

On December 7,2010 Mr. Müslüm Karaman has been resigned and Mr Dr. Ertan Altıkulaç was appointed to his place as Auditor.

Members of the board, auditors and top level managers do not possess any share in the Bank.

IV. Information on people and entities who have qualified share in the Parent Bank

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	149.687	62,37	149.687	-
T. İş Bankası A.Ş.	49.382	20,58	49.382	-
T.C. Ziraat Bankası A.Ş.	37.036	15,43	37.036	-

V. Information about the services and nature of activities of the Parent Bank

The Parent Bank was incorporated to mediate commercial activities between Turkey and North African countries. The Parent Bank is authorized to gather deposits and operates in corporate banking areas. The Parent Bank has three branches; two in Istanbul and one in Ankara. The Parent Bank has share participations in a subsidiary operating in financial leasing business.

VI. Information about subsidiary of Parent Bank

A&T Finansal Kiralama A.Ş., has been established with the permission of T.C. Treasury and Foreign Trade Secretariats

with the law numbered 3226, for leasing purpose both in Turkey and foreign countries and started operations with the announcement of its "Principal Agreement" in Turkey Trade Registry Gazette in 4 July 1997. Arap Turk Bankası A.Ş. has 99% of its shares and is the main shareholder of the Company. The leasing transactions of the Company include contraction equipments, machines and carriers and immovable.

The Company carries out its leasing activities mostly in one country (Turkey).

VII. Other information

All the amounts in financial report have been presented as "thousand Turkish Lira".

SECTION TWO

CONSOLIDATED

FINANCIAL STATEMENTS

- I.** Consolidated Balance Sheet (Consolidated Statement of Financial Position)
- II.** Consolidated Off Balance Sheet
- III.** Consolidated Statement of Income
- IV.** Consolidated Recognized Income and Expense In Shareholders` Equity
- V.** Consolidated Statement of Changes in Shareholders' Equity
- VI.** Consolidated Statement of Cash Flows
- VII.** Consolidated Statement of Profit Distribution

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED BALANCE SHEET

(Consolidated Statement of Financial Position) As of 31 December 2010
 (Thousands of Turkish Lira)

		AUDITED						
		Current Period (31/12/2010)			Prior Period (31/12/2009)			
ASSETS		Footnotes (5-I)	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	984	71,001	71,985	1,237	44,957	46,194
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2)	138,573	28,920	167,493	147,288	61,531	208,819
2.1	Financial assets held for trading		138,573	28,920	167,493	147,288	61,531	208,819
2.1.1	Public sector debt securities		135,379	-	135,379	147,104	61,531	208,635
2.1.2	Securities representing a share in capital		-	-	-	-	-	-
2.1.3	Derivatives held for trading		1,915	-	1,915	184	-	184
2.1.4	Other marketable securities		1,279	28,920	30,199	-	-	-
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans granted		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	29,066	112,267	141,333	28,920	56,708	85,628
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	161	869	1,030	154	847	1,001
5.1	Securities representing a share in capital		161	869	1,030	154	847	1,001
5.2	Public sector debt securities		-	-	-	-	-	-
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS	(5)	216,774	278,950	495,724	202,854	146,863	349,717
6.1	Loans		216,774	278,950	495,724	202,854	146,863	349,717
6.1.1	Loans granted to the Bank's risk group		-	2,615	2,615	-	3,287	3,287
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		216,774	276,335	493,109	202,854	143,576	346,430
6.2	Loans under follow-up		5,892	-	5,892	5,891	-	5,891
6.3	Specific provisions (-)		5,892	-	5,892	5,891	-	5,891
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD TO MATURITY (Net)	(6)	108,685	115,993	224,678	114,880	134,635	249,515
8.1	Public sector debt securities		64,940	72,117	137,057	114,880	67,089	181,969
8.2	Other marketable securities		43,745	43,876	87,621	-	67,546	67,546
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Consolidated by equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments in associates		-	-	-	-	-	-
9.2.2	Non-financial investments in associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1	Financial subsidiaries		-	-	-	-	-	-
10.2	Non-financial subsidiaries		-	-	-	-	-	-
XI.	INVESTMENTS IN JOINT- VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated by equity method		-	-	-	-	-	-
11.2	Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	11,405	45,221	56,626	9,275	44,117	53,392
12.1	Finance lease receivables		13,345	49,036	62,381	11,059	48,864	59,923
12.2	Operational leasing receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		1,940	3,815	5,755	1,784	4,747	6,531
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	22,217	-	22,217	22,208	-	22,208
XV.	INTANGIBLE ASSETS (Net)	(13)	1,837	-	1,837	2,104	-	2,104
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		1,837	-	1,837	2,104	-	2,104
XVI.	INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET	(15)	4,468	-	4,468	3,735	-	3,735
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		4,468	-	4,468	3,735	-	3,735
XVIII.	ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(16)	427	-	427	662	-	662
18.1	Held for sale purpose		427	-	427	662	-	662
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	10,142	1,593	11,735	3,178	1,168	4,346
TOTAL ASSETS			544,739	654,814	1,199,553	536,495	490,826	1,027,321

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED BALANCE SHEET

(Consolidated Statement of Financial Position) As of 31 December 2010 (Thousands of Turkish Lira)

LIABILITIES and SHAREHOLDERS' EQUITY		AUDITED						
		Footnotes (5-1)	Current Period (31/12/2010)			Prior Period (31/12/2009)		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	81,896	236,784	318,680	12,408	166,510	178,918	
1.1 Deposits held by the Bank's risk group		17	27,012	27,029	11	44,322	44,333	
1.2 Other		81,879	209,772	291,651	12,397	122,188	134,585	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	79	-	79	
III. FUNDS BORROWED	(3)	-	484,180	484,180	329	434,218	434,547	
IV. INTERBANK MONEY MARKET		47,296	-	47,296	103,954	-	103,954	
4.1 Interbank money market payables		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market payables		-	-	-	-	-	-	
4.3 Funds provided under repurchase agreements		47,296	-	47,296	103,954	-	103,954	
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-	
5.1 Bills		-	-	-	-	-	-	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		-	-	-	-	-	-	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Other		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES		259	3,478	3,737	319	1,523	1,842	
VIII. OTHER EXTERNAL RESOURCES	(4)	6,524	8,947	15,471	694	4,133	4,827	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-	
10.1 Finance leasing payables		-	-	-	-	-	-	
10.2 Operational leasing payables		-	-	-	-	-	-	
10.3 Other		-	-	-	-	-	-	
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING	(6)	-	-	-	-	-	-	
11.1 Fair value hedges		-	-	-	-	-	-	
11.2 Cash flow hedges		-	-	-	-	-	-	
11.3 Hedges for investments made in foreign countries		-	-	-	-	-	-	
XII. PROVISIONS	(7)	14,377	380	14,757	10,106	185	10,291	
12.1 General provisions		8,097	-	8,097	5,427	-	5,427	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserves for employee benefit		5,284	-	5,284	4,318	-	4,318	
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-	
12.5 Other provisions		996	380	1,376	361	185	546	
XIII. TAX LIABILITY	(8)	1,651	-	1,651	2,440	-	2,440	
13.1 Current tax liability		1,651	-	1,651	2,440	-	2,440	
13.2 Deferred tax liability		-	-	-	-	-	-	
XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-	
14.1 Held for sale purpose		-	-	-	-	-	-	
14.2 Held from discontinued operations		-	-	-	-	-	-	
XV. SUBORDINATED LOANS		-	-	-	-	-	-	
XVI. SHAREHOLDERS' EQUITY	(10)	313,781	-	313,781	290,423	-	290,423	
16.1 Paid-in capital		240,000	-	240,000	240,000	-	240,000	
16.2 Supplementary capital		9,096	-	9,096	9,096	-	9,096	
16.2.1 Share premium		-	-	-	-	-	-	
16.2.2 Share cancellation profits		-	-	-	-	-	-	
16.2.3 Securities Value Increase Fund		-	-	-	-	-	-	
16.2.4 Revaluation surplus on tangible assets		-	-	-	-	-	-	
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-	
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-	
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		9,096	-	9,096	9,096	-	9,096	
16.3 Profit reserves		4,231	-	4,231	2,645	-	2,645	
16.3.1 Legal reserves		4,084	-	4,084	2,498	-	2,498	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		147	-	147	147	-	147	
16.3.4 Other profit reserves		-	-	-	-	-	-	
16.4 Profit or loss		60,454	-	60,454	38,682	-	38,682	
16.4.1 Prior years income/loss		37,096	-	37,096	6,969	-	6,969	
16.4.2 Current year income/loss		23,358	-	23,358	31,713	-	31,713	
16.5 Minority Interest		-	-	-	-	-	-	
TOTAL LIABILITIES		465,784	733,769	1,199,553	420,752	606,569	1,027,321	

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

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED OFF BALANCE SHEET COMMITMENTS As of 31 December 2010 (Thousands of Turkish Lira)

		AUDITED						
		Current Period (31/12/2010)			Prior Period (31/12/2009)			
		Footnotes (5-III)	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS		57.634	1.612.723	1.670.357	95.068	1.308.291	1.403.359
I.	GUARANTEES AND WARRANTIES	(1),(2)	6.731	1.557.352	1.564.083	1.391	1.168.563	1.169.954
1.1	Letters of guarantee		6.731	1.245.233	1.251.964	1.391	864.972	866.363
1.1.1	Guarantees subject to State Tender Law		40	88	128	54	86	140
1.1.2	Guarantees given for foreign trade operations		410	1.088.464	1.088.874	429	689.807	690.236
1.1.3	Other letters of guarantee		6.281	156.681	162.962	908	175.079	175.987
1.2	Bank acceptances		-	13.729	13.729	-	16.562	16.562
1.2.1	Import letter of acceptance		-	-	-	-	-	-
1.2.2	Other bank acceptances		-	13.729	13.729	-	16.562	16.562
1.3	Letters of credit		-	298.390	298.390	-	286.489	286.489
1.3.1	Documentary letters of credit		-	-	-	-	-	-
1.3.2	Other letters of credit		-	298.390	298.390	-	286.489	286.489
1.4	Prefinancing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Securities issue purchase guarantees		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	-	-	-	540	540
1.9	Other warranties		-	-	-	-	-	-
II.	COMMITMENTS	(1)	6.120	9.174	15.294	6.347	52.397	58.744
2.1	Irrevocable commitments		6.120	9.174	15.294	6.347	52.397	58.744
2.1.1	Asset purchase and sales commitments		-	-	-	-	-	-
2.1.2	Deposit purchase and sales commitments		-	-	-	-	216	216
2.1.3	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		-	-	-	-	29.361	29.361
2.1.5	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Payment commitments for checks		5.791	-	5.791	5.581	-	5.581
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10	Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12	Payables for short sale commitments		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		329	9.174	9.503	766	22.820	23.586
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	44.783	46.197	90.980	87.330	87.331	174.661
3.1	Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		-	-	-	-	-	-
3.1.3	Hedges for investments made in foreign countries		-	-	-	-	-	-

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

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED OFF BALANCE SHEET COMMITMENTS As of 31 December 2010 (Thousands of Turkish Lira)

	AUDITED						
	Footnotes (5-III)	Current Period (31/12/2010)			Prior Period (31/12/2009)		
		TL	FC	Total	TL	FC	Total
3.2	Trading transactions	44.783	46.197	90.980	87.330	87.331	174.661
3.2.1	Forward foreign currency buy/sell transactions	-	-	-	-	-	-
3.2.1.1	Forward foreign currency transactions-buy	-	-	-	-	-	-
3.2.1.2	Forward foreign currency transactions-sell	-	-	-	-	-	-
3.2.2	Swap transactions related to foreign currency and interest rates	44.783	46.197	90.980	76.869	76.791	153.660
3.2.2.1	Foreign currency swap-buy	-	46.197	46.197	-	76.791	76.791
3.2.2.2	Foreign currency swap-sell	44.783	-	44.783	76.869	-	76.869
3.2.2.3	Interest rate swaps-buy	-	-	-	-	-	-
3.2.2.4	Interest rate swaps-sell	-	-	-	-	-	-
3.2.3	Foreign currency, interest rate and security options	-	-	-	-	-	-
3.2.3.1	Foreign currency options-buy	-	-	-	-	-	-
3.2.3.2	Foreign currency options-sell	-	-	-	-	-	-
3.2.3.3	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5	Securities options-buy	-	-	-	-	-	-
3.2.3.6	Securities options-sell	-	-	-	-	-	-
3.2.4	Foreign currency futures	-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy	-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	10.461	10.540	21.001
B.	CUSTODY AND PLEDGED SECURITIES (IV+V+VI)	166.357	362.834	529.191	136.746	311.567	448.313
IV.	ITEMS HELD IN CUSTODY	150.132	51.458	201.590	122.831	29.244	152.075
4.1	Assets under management	-	-	-	-	-	-
4.2	Investment securities held in custody	-	-	-	89	-	89
4.3	Checks received for collection	136.931	4.859	141.790	120.972	1.760	122.732
4.4	Commercial notes received for collection	13.201	46.599	59.800	1.770	27.484	29.254
4.5	Other assets received for collection	-	-	-	-	-	-
4.6	Assets received for public offering	-	-	-	-	-	-
4.7	Other items under custody	-	-	-	-	-	-
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	16.225	311.376	327.601	13.915	282.323	296.238
5.1	Marketable securities	-	193.250	193.250	-	188.213	188.213
5.2	Guarantee notes	250	170	420	250	166	416
5.3	Commodity	-	-	-	-	-	-
5.4	Warranty	-	-	-	-	-	-
5.5	Immovables	15.947	91.848	107.795	13.637	89.994	103.631
5.6	Other pledged items	28	26.108	26.136	28	3.950	3.978
5.7	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTS	-	-	-	-	-	-
	TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)	223.991	1.975.557	2.199.548	231.814	1.619.858	1.851.672

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

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 December 2010 (Thousands of Turkish Lira)

INCOME AND EXPENSES		AUDITED		
		Footnotes (5-IV)	Current Period (01/01/2010-31/12/2010)	Current Period (01/01/2009-31/12/2009)
I.	INTEREST INCOME	(1)	54.889	71.762
1.1	Interest on loans		24.479	26.485
1.2	Interest received from reserve deposits		27	40
1.3	Interest received from banks		3.249	3.291
1.4	Interest received from money market transactions		113	70
1.5	Interest received from marketable securities portfolio		22.299	35.632
1.5.1	Financial assets held for trading		8.195	21.739
1.5.2	Financial assets valued at fair value through profit or loss		-	-
1.5.3	Financial assets available for sale		-	-
1.5.4	Investments held to maturity		14.104	13.893
1.6	Finance lease income		4.558	5.993
1.7	Other interest income		164	251
II.	INTEREST EXPENSE	(2)	6.332	13.790
2.1	Interest on deposits		1.270	1.368
2.2	Interest on funds borrowed		3.783	5.950
2.3	Interest on money market transactions		1.279	6.472
2.4	Interest on securities issued		-	-
2.5	Other interest expense		-	-
III.	NET INTEREST INCOME/EXPENSE (I - II)		48.557	57.972
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		27.354	23.237
4.1	Fees and commissions received		28.137	23.758
4.1.1	Non-cash loans		12.592	9.547
4.1.2	Other		15.545	14.211
4.2	Fees and commissions paid		783	521
4.2.1	Non-cash loans		9	11
4.2.2	Other		774	510
V.	DIVIDEND INCOME		59	48
VI.	NET TRADING INCOME/EXPENSE	(3)	(1.559)	(10.606)
6.1.	Profit/losses on trading account securities		713	269
6.2.	Loss/Profit on derivative transactions		(2.943)	(1.968)
6.3	Foreign exchange profit/losses		671	(8.907)
VII.	OTHER OPERATING INCOME	(4)	1.524	1.029
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		75.935	71.680
IX.	PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(5)	3.458	3.496
X.	OTHER OPERATING EXPENSES (-)	(6)	43.763	32.135
XI.	NET OPERATING INCOME/LOSS (VIII-IX-X)		28.714	36.049
XII.	INCOME RESULTED FROM MERGERS		-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)	(7)	28.714	36.049
XVI.	PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±)	(8)	(5.356)	(4.336)
16.1.	Current tax provision		(6.089)	(2.882)
16.2.	Deferred tax provision		733	(1.454)
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(9)	23.358	31.713
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1.	Income from assets held for sale		-	-
18.2.	Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3.	Other income from discontinued operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1.	Expense on assets held for sale		-	-
19.2.	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3.	Other expense from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1.	Current tax provision		-	-
21.2.	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)	(10)	23.358	31.713
23.1	Group's profit/loss		23.358	31.713
23.2	Minority shares	(11)	-	-
	Earnings/Losses per share		0,00097	0,00132

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

ARAP TÜRK BANKASI A.Ş.
STATEMENT OF RECOGNIZED INCOME AND EXPENSE IN CONSOLIDATED
SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED
31 December 2010 (Thousands of Turkish Lira)

INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		AUDITED	
		Current Period 01/01/2010-31/12/2010	Prior Period (01/01/2009-31/12/2009)
I.	"MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVEST- MENT (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	-	-
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	-	-
XI.	CURRENT PERIOD PROFIT/LOSSES	23.358	31.713
1.1	Net changes in fair value of securities (transferred to income statement)	-	-
1.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
1.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4	Other	23.358	31.713
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	23.358	31.713

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

ARAP TÜRK BANKASI A.Ş. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY For the Period Ended 31 December 2010 (Thousands of Turkish Lira)

	Footnotes (5-V)	Paid-in Capital	Capital Reserves From Inflation Adjustments to Paid in Capital	Share Cancellation Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/ Loss	Prior Period Net Profit/ Loss	Securities Value Increase Fund	Revaluation Sur- plus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev.Surp. on Assets Held for Sale and Assets of Discount. Ops.	Total Sharehold- ers' Equity	Accu. Rev. Minority Interest	Total Share- holders' Equity
PRIOR PERIOD (31/12/2009)																			
I.		240,000	9,096	-	2,372	-	147	-	-	(1,073)	8,168	-	-	-	-	-	258,710	-	258,710
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		240,000	9,096	-	2,372	-	147	-	-	(1,073)	8,168	-	-	-	-	-	258,710	-	258,710
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	31,713	(1,199)	-	-	-	-	-	31,713	-	31,713
XX.		-	-	-	-	126	-	-	-	1,073	-	-	-	-	-	-	-	-	-
20.1	(4)	-	-	-	-	126	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	(5)	-	-	-	-	126	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	1,073	(1,073)	-	-	-	-	-	-	-	-
		240,000	9,096	-	2,498	-	147	-	-	31,713	6,969	-	-	-	-	-	290,423	-	290,423
CURRENT PERIOD (31/12/2010)																			
I.		240,000	9,096	-	2,498	-	147	-	-	31,713	6,969	-	-	-	-	-	290,423	-	290,423
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	23,358	-	-	-	-	-	-	23,358	-	23,358
XVIII.		-	-	-	-	-	-	-	-	(31,713)	30,127	-	-	-	-	-	-	-	-
18.1	(4)	-	-	-	-	1,586	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	(5)	-	-	-	-	1,586	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(31,713)	30,127	-	-	-	-	-	-	-	-
		240,000	9,096	-	4,084	-	147	-	-	23,358	37,096	-	-	-	-	-	313,781	-	313,781
Closing balances (I+II+III+...+XVI+XVII+XVIII)																			

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 December 2010 (Thousands of Turkish Lira)

		AUDITED		
		Footnotes (5-IV)	Current Period 31/12/2010	Prior Period 31/12/2009
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		58,932	31,571
1.1.1	Interests Received		77,365	65,407
1.1.2	Interest Paid		(6,324)	(14,645)
1.1.3	Dividend Received		59	48
1.1.4	Fees and Commissions Received		28,138	23,758
1.1.5	Other Income		1,524	1,029
1.1.6	Collections From Previously Written-off Loans and Other Receivables		-	101
1.1.7	Payments to Personnel and Service Suppliers		(41,424)	(30,671)
1.1.8	Taxes Paid		(9,794)	(368)
1.1.9	Others	(3)	9,388	(13,088)
1.2	Changes in Operating Assets and Liabilities		(45,705)	100,374
1.2.1	Net Decrease in Financial Assets Held For Trading		15,949	(21,396)
1.2.2	Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss		-	-
1.2.3	Net Decrease in Due From Banks and Other Financial Institutions		(15,781)	2,158
1.2.4	Net (Increase) in Loans		(149,378)	(28,028)
1.2.5	Net Decrease in Other Assets	(3)	(40,004)	19,367
1.2.6	Net Increase/(Decrease) in Bank Deposits		3,047	91,582
1.2.7	Net Increase (Decrease) in Other Deposits		136,737	41,135
1.2.8	Net Increase/ (Decrease) in Funds Borrowed		49,659	18,256
1.2.9	Net Increase/ (Decrease) in Matured Payables		-	-
1.2.10	Net Increase in Other Liabilities	(3)	(45,934)	(22,700)
I.	Net Cash Flow From Banking Operations		13,227	131,945
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Flow From Investing Activities		29,871	(102,023)
2.1	Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures		-	-
2.2	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3	Purchases of Tangible Assets		(2,090)	(5,678)
2.4	Sales of Tangible Assets		594	770
2.5	Cash Paid For Purchase of Financial Assets Available-For-Sale		-	-
2.6	Cash Obtained From Sale of Financial Assets Available-For-Sale		-	-
2.7	Cash Paid For Purchase of Investments Held-to-Maturity		(196,602)	(129,785)
2.8	Cash Obtained From Sale of Investments Held-to-Maturity		227,969	32,670
2.9	Others		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Flows From 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	Equity Instruments Issued		-	-
3.4	Dividends Paid		-	-
3.5	Payments For Financial Leases		-	-
3.6	Others		-	-
IV.	Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents	(3)	(2,163)	2,227
V.	Net (Decrease)/Increase in Cash and Cash Equivalents		40,935	32,149
VI.	Cash and Cash Equivalents at Beginning of Period	(1)	102,809	70,660
VII.	Cash and Cash Equivalents at the End of Period	(1)	143,744	102,809

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

ARAP TÜRK BANKASI A.Ş. STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED AT 31 December 2010 (Thousands of Turkish Lira)

		AUDITED	
		Current Period (31/12/2010)	Prior Period (31/12/2009)
I. DISTRIBUTION OF CURRENT YEAR INCOME			
1.1	CURRENT YEAR INCOME	29.290	31.609
1.2	TAXES AND DUTIES PAYABLE	5.621	6.624
1.2.1	Corporate Tax (Income tax)	5.582	2.882
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	39	3.742
A.	NET INCOME FOR THE YEAR (1.1-1.2)	23.669	24.985
1.3	PRIOR YEARS LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)(*)	-	1.250
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	23.669	23.735
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	GENERAL RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES			
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE			
3.1	TO OWNERS OF ORDINARY SHARES	0,00099	0,00132
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,099	0,132
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE			
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*)Based on financial statements of the Parent Bank

(*)Published financial statements as of the date, the general board the distribution of profit shall be made not performed yet

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations for basis of presentation and footnotes

Preparation of consolidated financial statements and related information and footnotes in compliance with the Turkish Accounting Standards and The Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The consolidated financial statements are prepared; in accordance with The Regulation on Accounting Applications for Banks and Safeguarding of Documents ("Regulation") related to Turkish Banking Law No 5411 published on the Official Gazette no.26333 dated 1 November 2006, in accordance with accounting and financial reporting standards described in regulations, communiqués and other explanations published by the Banking Regulation and Supervision Agency (BRSA), Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidance (collectively referred to as "Reporting Standards"). The Parent Bank maintains its books of account in Turkish Lira (TL).

Consolidated financial statements are prepared in Thousand Turkish Lira based on historical costs excluding financial assets and liabilities that are shown at their fair values.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

II. Information on strategy for the use of financial instruments and foreign currency transactions

The Parent Bank's core business operation is banking activities including corporate banking and security transactions (treasury transactions) together with international banking services. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Parent Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The activities done with foreign currency is recorded in accordance with TAS No:21 "Effects of Exchange Rate Changes". Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions for the years ended 31 December 2009 and 31 December 2008 are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly. At the balance sheet date, foreign currency assets and liability balances outstanding are translated into TL over the Bank's exchange rates prevailing as of the period end and the resulting exchange rate differences are accounted as foreign exchange gains and losses. The Parent Bank's related exchange rates at the balance sheet date end are as follows:

	31 December 2010	31 December 2009
US Dollars	TL 1.5460	TL 1.5057
Euro	TL 2.0491	TL 2.1603

III. Information on consolidated associates and subsidiaries

The Parent Bank does not have any associate as of 31 December 2010 and 31 December 2009.

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

The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş. that is included in consolidation are together referred to as "Group" in the disclosures and footnotes related to the consolidated financial statements.

1. With respect to subsidiaries

"Full Consolidation" method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

The major principles applied in the consolidation of Subsidiaries

1.1 The carrying amount of the Parent Bank's net investment in the subsidiary and the Bank's portion of equity of the subsidiary are eliminated.

1.2 All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 December 2010 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

IV. Information on forward transactions, options and derivative instruments

The Group's financial derivatives are classified as "Held for Trading" in accordance with TAS 39.

Liabilities and receivables originated from derivative transactions are recorded as off-balance sheet items at their contractual values.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account "Fair values of financial assets through profit or loss" in "Trading Derivative Financial Instruments" and if the fair value difference is negative, it is disclosed under "Trading Derivative Financial Liabilities" Gains and losses arising from a change in fair value of trading derivatives after the remeasurement are accounted in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow model.

V. Information on interest income and expense

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

VI. Information on fees and commission

Fees and commission income and expenses for various banking services are recorded as income when collected, all other commission income and expense items are accounted on accrual basis.

VII. Information on Financial Assets

The Group categorizes and records its financial assets as "Financial assets at fair value through profit or loss", "Financial assets available-for-sale", "loans and receivables" or "financial assets held to maturity".

a. Financial Assets at Fair Value through Profit or Loss:

This category has two sub categories: "Financial assets for trading purposes" and those recorded as "Financial assets designated at fair value through profit or loss" at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer's margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are remeasured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

b. Financial Assets Available-for-Sale:

Financial assets available for sale is financial assets other than those classified as "Loans and Receivables", "Financial Assets Held to Maturity" and "Financial assets at fair value through profit or loss".

Debt securities classified as financial assets available-for-sale are subsequently remeasured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is reflected in the equity "Marketable securities value increase fund". When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

c. Loans and Receivables

Loan and receivables are financial assets originated by the Group providing money, commodity and services to debtors. Loans and receivables originated by the Bank are initially carried at cost and subsequently recognized at the amortized cost method using the "internal rate of return". The duties paid, transaction expenditures and other similar expenses on assets received as collateral against such risks are considered as a part of transaction cost and charged to related expense accounts.

Based on the reviews and estimates of the Group management, loans that are identified as being impaired are reclassified as non-performing loans under follow up accounts. Thereby, specific allowances are made against the carrying amounts of these loans in accordance with the "Regulation on Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette No: 26333 dated 1 November 2006. Specific provisions are recognized in the year's consolidated income statement. If there is a collection made on loans that have already provisioned in the previous years, the recovery

amount is accounted under income statement accounts "Other Operating Income" if the provision was made in the current year otherwise such collections are credited to account "Provision for Loan Losses or Other Receivables". Uncollectible receivables are written off after legal procedures are finalized.

d. Financial Assets Held to Maturity:

Held-to-maturity securities are financial assets that are not classified as "loans and receivables" with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using discounting method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the income statement.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

VIII. Information on impairment of Financial Assets

If the estimated recoverable amount of the financial asset, which is the present value of expected future cash flows of by using the "Effective interest (internal rate of return) rate method" or the fair value if exists, is lower than the carrying value the financial assets then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in the value of the impaired financial asset and the provision is charged to the expense accounts.

IX. Information on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet date when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

X. Information on sale and repurchase agreements and lending of financial assets

Repurchase (repo) and resale (reverse repo) agreements of financial assets are followed at the consolidated balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts. The interest expense accruals are calculated by means of effective interest method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (reverse repo) agreements are reflected under "Receivables from Reverse Repurchase Agreements". The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

The Parent Bank does not have any financial asset that is subject to lending.

XI. Information on assets held for sale and discontinued operations

Group does not have any discontinued operations.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the "Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks" dated 1 November 2006 and published on the Official Gazette No.26333.

XII. Information on goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements related to the acquisition of a subsidiary.

Software classified as other intangible assets acquired before 1 January 2005 are accounted at restated costs for the effects of inflation in TL units until the end of 31 December 2004 and those acquired after 1 January 2005 are measured at cost less accumulated amortization. The useful life of software is determined as 5 years.

XIII. Information on tangible assets

Tangible assets acquired before 1 January 2005 are reflected at their restated cost for the effects of inflation in TL units current until the end of 31 December 2004 less accumulated depreciation and the impairment losses ,if any, and those acquired after 1 January 2005 are measured at cost less accumulated depreciation and the impairment losses, if any.

The depreciation of tangible assets is computed using the straight-line method. The depreciation rates used approximate the rates of the useful lives of the tangible assets are as follows:

	%
Buildings	2
Motor Vehicles	20
Furniture, Fixture and Office Equipment	2-20

In case, the cost amount of the related tangible asset is lower than the "Net realizable value" the value of asset is decreased to its "Net realizable value" and the provision for impairment is reflect to the related expense accounts.

Gains and losses resulting from the sale of tangible assets is the difference between the sales amount and net book value and recorded into the account "Profit/Loss from Sale of Assets" to be accounted under the "Other Operating Income/Expense" in the financial statements.

Expenditures for maintenance and repairs that are routinely made on tangible assets are recognized as expense. Expenditures incurred in order to extend the capacity of the tangible assets or those that extend the useful life and service capacity of the assets are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

There is no purchase commitments related to the tangible fixed assets.

There are no expected changes in the accounting estimates related with property and equipment, which could have a significant impact on the current and future periods.

XIV. Information on leasing activities

Assets acquired under finance lease agreements are initially recognized at the "lower of the fair value of the leased asset or the present value of leasing payments". These leased assets are depreciated according to their useful lives and classified as tangible assets. In cases where leased assets are impaired provisions for impairment are recognized.

The obligations under financial leases arising from lease contracts are included in "Financial Lease Payables" in the balance sheet. Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Parent Bank does not provide financial leasing services as a "Lessor".

The gross amount of the lease payments including interest and capital payments of the financial leases done by the "leaser" A&T Finansal Kiralama that is included in the consolidation is recorded in the financial lease receivables account.

The difference between the total lease payments and the cost of the related tangibles is recorded in the "unearned income" account. The interest income is accounted by computing a constant period income rate over the net investment amount of the leaser on the leased asset.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.

XV. Information on provisions, contingent liabilities and contingent assets

Provisions and contingent liabilities are provided for in accordance with the Communiqué No:37 "Provisions, Contingent Liabilities and Contingent Assets" of Turkish Accounting Standards, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the consolidated financial statements in which the change occurs.

XVI. Information on liabilities regarding employee rights

Obligations related to employment termination and vacation rights are accounted in compliance with the "Turkish Accounting Standard on Employee Benefits" ("TAS 19"), in the accompanying consolidated financial statements.

In accordance with existing legislation in Turkey, the Group has to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. The provision for severance pay is calculated and reflected on the consolidated financial statements by the net value of the possible future liability amount as of today considering the situations of retirement in compliance with the Turkish Labor Law, termination of employment after at least one year of service, leaving due to military obligations and mortality.

XVII. Information on tax applications

Current tax:

The Group is subject to tax laws and legislation effective in Turkey.

Corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Parent Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%.

In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Investment incentives which occur before 24 April 2003, will be subject to withholding tax with a rate of %19.8. After that date, 40% of the investment expenses directly related to the operations of the Company without incentive certificate can be deducted from the taxable profit. The investment expenses without incentive certificate is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax declarations and related accounting entries can be investigated by tax authorities for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Deferred taxes:

The Group calculates and accounts deferred tax assets and liabilities in accordance with the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

Transfer Pricing:

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm's length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVIII. Additional information on borrowings

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at "amortized cost" using the "effective interest rate" method.

The Group did not issue any stocks convertible into bonds.

The Group does not have any borrowing instruments issued by itself.

XIX. Information on share issuances

The Parent Bank has no share issuances.

XX. Information on bills of exchanges and acceptances

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as commitments in "Off-Balance Sheet" accounts.

There are no acceptances presented as liabilities against any assets.

XXI. Information on government incentives

As of 31 December 2010, A&T Finansal Kiralama A.Ş. has TL 13.864 (31 December 2009 TL 10.561) of unutilized investment incentive.

XXII. Information on segment reporting

Operating segment is the unit that operates in only one product or service of the Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented VI footnote of Fourth Section.

XXIII. Profit reserves and profit distribution

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement.

The Legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank's paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company's share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIV. Related parties

For the purpose of accompanying consolidated financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with "Declaration of Related Party Standard" ("TAS 24").

XXV. Cash and cash equivalents

In the cash flow statements "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements, time deposits at banks, and investments in financial securities which has original maturity less than three months.

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

I. Information on consolidated capital adequacy ratio

The Group's consolidated capital adequacy ratio is 27,41 % as of 31 December 2010 (31 December 2009: 31,26%).

The risk measurement methods used in the determination of the consolidated capital adequacy ratio:

The Parent Bank's interest rate risk is calculated and analyzed in consideration with various dimensions within the scope of market risk management of the Risk Management Department.

The interest rate risk and currency risk are measured under the scope of the market risk calculated in accordance with the Standard Methods and is included in the capital adequacy ratio calculation.

Value at Operational Risk (VOR) is calculated in accordance with the "Basic Indicator Method" and is included in the capital adequacy ratio calculation.

The effect of changes in risk factors on the Parent Bank portfolio is calculated on a daily basis using the VaR (Value at Risk) method. The method is tested with a retrospective testing method.

For the analysis of the effect of interest fluctuations above the estimations on the Bank, stress test analyses are made on a monthly basis.

In addition, various scenario analyses are performed based on possible interest rate estimations and changing expectations of exchange rates.

The interest rate and exchange rate sensitivity of assets, liabilities and off-balance sheets is measured by sensitivity analysis on the level of maturity done on a monthly basis.

The Board of Directors has determined limits in order to restrain interest rate risk by means of the VaR results. Similarly, limits are determined for credit risk and capital adequacy ratio.

Information on consolidated and unconsolidated capital adequacy standard ratio:

Current Period	Weighted Risk													
	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)	216.029	--	275.758	31.901	449.320	--	--	222.637	--	307.031	31.901	470.327	--	--
Cash	2.427	--	--	--	--	--	--	2.427	--	--	--	--	--	--
Matured Marketable Securities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Central Bank of Turkey	19.477	--	--	--	--	--	--	19.477	--	--	--	--	--	--
Domestic, Foreign Banks and Foreign Headquarter, Subsidiary	--	--	108.905	--	1.152	--	--	--	--	140.137	--	1.152	--	--
Interbank Money Market	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Reverse Repurchase Transactions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Reserve Requirements	50.081	--	--	--	--	--	--	50.081	--	--	--	--	--	--
Loans	--	--	83.332	31.573	377.772	--	--	--	--	83.332	31.573	377.772	--	--
Loans under Follow-up (Net)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Lease Receivables	--	--	--	--	--	--	--	--	--	--	--	56.229	--	--
Financial Assets Available for Sale	--	--	--	--	1.030	--	--	--	--	--	--	1.030	--	--
Investments Held to Maturity	134.795	--	82.847	--	4.411	--	--	134.795	--	82.847	--	4.411	--	--
Receivables from Term Sale of Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	--	--	70	--	--	--	--	--	--	70	--	--
Interest and Income Accruals	2.434	--	674	328	3.210	--	--	2.434	--	715	328	3.607	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	35.952	--	--	--	--	--	--	--	--	--
Tangible Assets	--	--	--	--	20.141	--	--	--	--	--	--	20.230	--	--
Other Assets	6.815	--	--	--	5.582	--	--	13.423	--	--	--	5.826	--	--
Off Balance Sheet Items	1.074	--	601.358	12.137	331.883	--	--	1.074	--	601.358	12.137	333.631	--	--
Non Cash Loans and Commitments	1.074	--	599.538	12.137	331.883	--	--	1.074	--	599.538	12.137	333.631	--	--
Derivative Financial Instruments	--	--	1.820	--	--	--	--	--	--	1.820	--	--	--	--
Non Risk Weighted Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Risk Weighted Assets	217.103	--	877.116	44.038	781.203	--	--	223.711	--	908.389	44.038	803.958	--	--

Summary information on consolidated and non-consolidated capital adequacy standard ratio:

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk (I)	978.645	784.213	1.007.655	812.832
Value at Market Risk (II)	62.350	54.650	62.888	55.450
Value at Operational Risk (III)	74.662	53.325	83.983	59.686
Shareholders' Equity	308.720	282.029	316.513	290.104
Shareholders' Equity/(I+II+III)*100	27,67%	31,61%	27,41%	31,26%

Information on Consolidated Shareholders' Equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	240.000	240.000
Nominal capital	240.000	240.000
Capital commitments (-)	--	--
Adjustment to Paid-in Capital	9.096	9.096
Share Premium	--	--
Share Cancellation profit	--	--
Legal Reserves	4.084	2.498
First legal reserve (Turkish Commercial Code 466/1)	4.084	2.498
Second legal reserve (Turkish Commercial Code 466/2)	--	--
Other legal reserve per special legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	147	147
Reserves allocated by the General Assembly	147	147
Retained earnings	--	--
Accumulated loss	--	--
Exchange rate differences on foreign currency capital	--	--
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	--	--
Profit	60.454	38.682
Current period profit/(loss)	37.096	31.713
Prior period profit	23.358	6.969
Provisions for possible risks up to 25% of Core Capital	--	--
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	--	--
Primary Subordinated Debt (up to 15% of Core Capital)	--	--
Loss excess of Reserves (-)	--	--
Current Period Loss	--	--
Periods Loss	--	--
Leasehold Improvements (-)	1.987	2.495
Prepaid Expenses (-)	1.114	485
Intangible Assets (-)	1.837	2.104
Deferred Tax Asset excess of 10% of Core Capital (-)	--	--
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	--	--
Total Core Capital	308.843	285.339
SUPPLEMENTARY CAPITAL		
General Provisions	8.097	5.427
45% of Revaluation Surplus on Movables	--	--
45% of Revaluation Surplus on Immovables	--	--
Bonus shares of Associates, Subsidiaries and Joint-Ventures	--	--
Primary Subordinated Debt excluding the Portion included in Core Capital	--	--
Secondary Subordinated Debt	--	--
45% of Securities Value Increase Fund	--	--
Associates and Subsidiaries	--	--
Investment Securities Available for Sale	--	--

	Current Period	Prior Period
Adjustment to Capital Reserves, Profit Reserves and prior years' P/L (excluding Legal Reserves, Statutory Reserves and Extraordinary Reserves)	--	--
	--	--
Supplementary Capital Total	8.097	5.427
TIER III CAPITAL	--	--
CAPITAL	316.940	290.766
DEDUCTIONS FROM CAPITAL	427	662
Investments in Unconsolidated 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	--	--
Loans granted to Customers against the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovables 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	427	662
Other	--	--
TOTAL SHAREHOLDERS' EQUITY	316.513	290.104

II. Information on consolidated credit risk

1. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals:

For credit risk analysis, cash and non-cash loans granted to a debtor or debtors' group is subject to a risk classification in proportion to the Parent Bank's shareholders' equity. In addition the geographical regions and sectoral distribution is investigated periodically and distributions are revised according to the market conditions. The general and other periodical limits of a firm are renewed every year and the extending of loans throughout the day is made with the mentioned limits.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis:

Limit assignments, controls over loan granting process, marketing strategies, matters related to the daily operations and pay-back process are determined in the Parent Bank's credit procedures. Issues related to the daily based transactions (especially extending of cash loans) are managed in coordination by credit and treasury departments.

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables:

Loans and other receivables are being followed periodically as per the "Regulation On The Principals And Procedures Related to the Determination of the Loans And Other Receivables For Which Provisions Shall Be Set Aside By Banks and to the Provisions To Be Set Aside".

Financial statements of the debtors are examined as per the regulation, loan limits are being updated in parallel to the economic conditions under the authorization of the Credit Evaluation Committee and the Top Management. The Parent Bank obtains sufficient guarantees for the loans and the other receivables. Firms that the Parent Bank works with credit is composed of the top level firms of Turkey, therefore most of the collaterals taken are "firm signature or guarantee".

Beside from this third party guarantees, furthermore mortgage, other bank guarantees, cash blockage, customer or personal checks are also obtained. The guarantees obtained are in parallel with the market conditions and other banks collateral conditions

For the management of credit risk the Bank's Credit Evaluation Committee performs the following:

- Determination of the credit risk management policies in coordination with other related departments,
- Determination and review of concentrations on geographical and credit type basis,
- Contributing for development of rating and scoring systems,
- Submission of various analysis reports to the Board of Directors and top management in addition to the Credit Risk Management reports which comprises of the distribution of credit portfolio (debtors, sector, geographic region basis), credit quality (problematic loans, credit risk ratings) and concentrations.

The Parent Bank Management has generated an internal rating system for the determination of firms' ratings and credit assessments. "Credit Rating" process is the analysis of client creditworthiness in accordance with the predetermined various "qualitative" (such as the position of the firm in its sector, the firm's competitiveness, customer and supplier portfolio, the certificates and documents issued by the independent institutions, organizational structure, relationship with the other financial institutions) and "quantitative" (such as current ratio, liquidity ratio, profitability and indebtedness) factors. Upon the conclusion of credit evaluation process the firms and loans are categorized as "Very good firm" (risk rating between 100%-85%), "Good firm" (risk rating between 84.99%-70%), "Satisfactory firm" (risk rating between 69.99%-60%), "Average firm" (risk rating between 59.99%-50%), "Weak firm" (risk rating between 49.99%-40%) "Very Weak firm" (risk rating between 39.99%-0%).

The distribution of the cash and noncash loans according to credit ratings is as follows:

Cash loans	31 December 2010	31 December 2009
Very good firm	31,71%	34.20%
Good firm	38,41%	38.51%
Satisfactory firm	20,73%	16.32%
Average firm	6,10%	8.50%
Weak firm	2,44%	2.47%
Very weak firm	0,61%	--
Total loans	100%	100%

The rating distribution above does not include retail loans and loans granted to banks.

The Parent Bank's rating distribution of financial instruments is as follows:

Financial asset at fair value through Profit or Loss	Rating Agency	Government Bonds	Private sector bonds	Private bank bonds	Investment funds	Derivatives	Total
Aaa	--	--	--	--	--	--	--
Between Aa3- Aa1	Moody's	--	--	--	20.738	--	20.738
Between A3- A1	--	--	--	--	--	--	--
Between Baa3- Baa1	--	--	--	--	--	--	--
Between Ba3 Ba1	Moody's	52.681	--	--	--	--	52.681
Between B3 B1	--	--	--	--	--	--	--
Caa1 and less	--	--	--	--	--	--	--
Not rated	--	82.698	1.279	8.182	--	1.915	94.074
Total		135.379	1.279	8.182	20.738	1.915	167.493

Investments held to maturity	Rating Agency	Government Bonds	Private sector bonds	Private bank bonds	Investment funds	Total
Aaa	--	--	--	--	--	--
Between Aa3- Aa1	--	--	--	--	--	--
Between A3 A1	Moody's	--	7.780	--	--	7.780
Between Baa3 Baa1	--	--	4.411	1.919	--	6.330
Between Ba3 Ba1	Moody's	93.542	--	--	--	93.542
Between B3 B1	--	--	--	--	--	--
Caa1 and less	--	--	--	--	--	--
Not rated	Moody's	43.515	--	73.510	--	117.026
Total		137.057	12.191	75.430	--	224.678

2. Information on the control limits of the Parent Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions.

The Parent Bank evaluates and manages credit risks that are generated from forward transactions, options and similar contracts together with potential risks in the market.

3. Information on whether the Parent Group decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not.

The Parent bank tries to mitigate the total risk if it's exposed to huge amount of risk over the forward transactions and options.

4. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not.

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

The Parent Bank does not have any structured or rescheduled loan. Loans that are structured and rescheduled are included in a new rating group as determined by bank's risk management system, other than the follow-up plan defined

in the banking regulations. The Parent Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk and periodical follow-up for these loans are performed.

5. Evaluation of the significance of country specific risk if the Parent Bank has foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities:

The Parent Bank has no banking activities abroad on the branch level. However in the loan giving processes to the foreign based firms the economic conditions of the country and the financial structure of the company in question is taken into consideration during evaluation of loans.

Evaluation of the Parent Bank's competitive credit risk being an active participant of the international banking transactions market

The Parent Bank is not an active participant in the International Banking Transactions Market and do not possess an important risk concentration.

6. The Parent Bank's;

a) The share of the top 100 cash loan customers in total loan cash loans portfolio:

The share of the top 100 cash loan customers comprises 99.99% of the total cash loans portfolio of the Parent Bank.

b) The share of the top 100 non-cash loan customers in total loan non-cash loans portfolio:

The share of the top 100 non-cash loan customers comprises 99.94% of the total non-cash loans portfolio of the Parent Bank.

c) The share of the total cash and non-cash loan balance of the top 100 loan customers in total assets and off-balance sheet items:

The Parent Bank's total cash and non-cash loans from its top 100 loan customers comprise 61.01% of the total assets and off-balance sheet items.

7. The general provision amount provided by the Parent Bank for credit risk.

The general provision amount provided by Parent Bank for the credit risk is TL 8.097 (31 December 2009: TL 5.427).

Customer and Regional Concentration of Credit Risk is as follows:

	Loans and Advances to customers		Loans and Advances to Banks and other Financial Institutions		Marketable Securities*		Other Receivables**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Customer Concentration	495.724	349.717	141.333	85.628	393.201	459.335	1.728.640	1.548.424
Private Sector	372.639	318.078	--	--	13.469	7.828	314.269	259.795
Public Sector	--	--	--	--	272.437	390.603	833	88.653
Banks	122.853	31.333	141.333	85.628	106.265	59.903	1.403.597	1.199.969
Individual Customers	232	306	--	--	--	--	9.941	7
Securities representing a share in Capital	--	--	--	--	1.030	1.001	--	--
Geographical Concentration	495.724	349.717	141.333	85.628	393.201	459.335	1.728.640	1.548.424
Domestic	429.255	325.082	139.302	48.978	327.591	398.542	1.241.116	1.063.945
European Union countries	--	--	410	1.717	58.416	52.118	118.315	111.741
OECD Countries***	--	--	222	38	--	--	4.152	1.869
Off-shore regions	--	--	--	--	--	7.828	--	--
USA, Canada	23.462	--	249	125	--	--	--	--
Other Countries	43.007	24.635	1.150	34.770	7.194	847	365.057	370.869

* Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity

**Includes transactions defined as receivables as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

*** OECD countries other than EU countries, USA and Canada

Geographical concentration:

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	1.065.330	243.382	1.168.623	--	23.358
European Union Countries	58.826	19.408	27.334	--	--
OECD Countries*	222	10	4.152	--	--
Off-Shore Banking Regions	--	--	--	--	--
USA, Canada	23.711	1.870	--	--	--
Other Countries	51.464	621.102	363.974	--	--
Associates, subsidiaries and joint-ventures	--	--	--	--	--
Unallocated Assets/Liabilities**	--	--	--	--	--
Total	1.199.553	885.772	1.564.083	--	23.358

Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	904.292	217.917	837.988	--	31.713
European Union Countries	53.835	19.724	12.356	--	--
OECD Countries*	38	6	1.869	--	--
Off-Shore Banking Regions	7.828	--	--	--	--
USA, Canada	125	894	--	--	--
Other Countries	61.203	498.357	317.741	--	--
Associates, subsidiaries and joint-ventures	--	--	--	--	--
Unallocated Assets/Liabilities**	--	--	--	--	--
Total	1.027.321	736.898	1.169.954	--	31.713

* OECD Countries excluding European countries, USA and Canada

**Assets and liabilities that can not be allocated in a consistent manner

Sectoral concentrations for cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	303	0.14	--	0.00	--	0.00	--	0.00
Farming and Raising Livestock	--	0.00	--	0.00	--	0.00	--	0.00
Forestry	303	0.14	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
Manufacturing	41.382	19.09	70.472	25.26	--	0.00	15.169	10.33
Mining	--	0.00	15.570	5.58	--	0.00	15.169	10.33
Production	41.382	19.09	54.902	19.68	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
Construction	14.411	6.65	22.024	7.90	26.348	12.99	43.882	29.88
Services	160.446	74.01	185.927	66.65	176.198	86.86	87.812	59.79
Wholesale and retail trade	532	0.24	16.531	5.93	24.898	12.27	47.407	32.28
Hotel, food and beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	30.060	10.78	--	0.00	--	0.00
Financial institutions	159.405	73.54	139.336	49.95	151.300	74.59	40.405	27.51
Real estate and renting Services	--	0.00	--	0.00	--	0.00	--	0.00
"Self-employment" type services	--	0.00	--	0.00	--	0.00	--	0.00
Education services	--	0.00	--	0.00	--	0.00	--	0.00
Health and social services	509	0.23	--	0.00	--	0.00	--	0.00
Other	232	0.11	527	0.19	308	0.15	--	0.00
Total	216.774	100.00	278.950	100.00	202.854	100.00	146.863	100.00

The distribution of Standard Cash Loans and Non-cash Loans of the Parent Bank according to their collateral structure:

Cash Loans	31 December 2010	31 December 2009
Secured by cash collateral	-	-
Guaranties issued by financial institutions	-	-
Secured by Customer Cheque&act	108.982	93.917
Personal guarantees	309.588	200.824
Secured by mortgages	32.698	34.099
Secured by export LC	41.428	18.270
Secured loans	492.696	347.110
FX differences on the principals of FX indexed loans	(19)	(1.103)
Accrued interest	3.047	3.710
Total Cash Loans	495.724	349.717
Non-Cash Loans	31 December 2010	31 December 2009
Secured loans	1.253.127	883.591
Secured by cash collateral	2.527	5.303
Guaranties issued by financial institutions	1.041.969	685.979
Secured by Customer Cheque&act	68	3
Personal guarantees	183.438	166.797
Secured by mortgages	25.125	25.509
Secured by export LC	-	-
Non-secured Non-cash Loans	310.956	286.363
Total Non-cash Loans	1.564.083	1.169.954

III. Information on Consolidated Market Risk

Whether the Parent Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk:

The Parent Bank's market risk is calculated on a monthly basis using the "Standard Method". Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

In addition, the effect of the changes in risk factors on Bank portfolio is calculated using VaR on a daily basis. With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Parent Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined limits at the level of risk factors in order to restrain the market risk. The ratio of the Market Risk / Equity rate can be maximum 50% (+5% exception) and for limiting daily VaR results, the amount under daily risk / equity rate can be maximum 1% (+1% exception).

a) Information related to consolidated market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	292
(II) Capital Obligation against Specific Risks - Standard Method	172
(III) Capital Obligation against Currency Risk - Standard Method	4.567
(IV) Capital Obligation against Stocks Risks - Standard Method	--
(V) Capital Obligation against Exchange Risks - Standard Method	--
(VI) Capital Obligation against Market Risks of Options - Standard Method	--
(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)	5.031
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	62.888

b) Information related to market risk calculated by the month ends of the current period

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	5.113	5.800	4.425	14.628	29.050	5.813
Common Share Risk	--	--	--	--	--	--
Currency Risk	45.969	57.088	34.850	76.294	103.225	49.638
Commodity Risk	--	--	--	--	--	--
Exchange Risk	--	--	--	--	--	--
Options Risk	--	--	--	63	125	--
Total Value at Risk	51.082	62.888	39.275	90.985	132.400	55.451

IV. Information related to value at operational risk

"Basic Indicator Method" is used to calculate Group's operational risk. Amount subject to operational risk is calculated according to "Regulation Regarding Measurement and Assessment of Capital Adequacy Ratio of Banks" that published at 1 November 2006 official gazette numbered 26333 and according to the 4th section "Computation of the Value at Operational Risk" which became valid at 1 June 2007 using the Parent Bank's the last three years; 2009, 2008 and 2007 year end gross revenues.

	31 December 2009	31 December 2008	31 December 2007
1. Net Interest Incomes	57.972	49.959	20.333
2. Net Fee and Commissions Income	23.237	9.215	6.570
3. Dividend Income	48	105	137
4. Trading Gain/Loss (Net)	(10.606)	(44.258)	1.201
5. Other operating income	1.029	18.234	1.565
6. Gain/(Loss) on Securities Available-for-Sale and Held-to-Maturity	--	--	11
7. Extraordinary Incomes (Gain on sale of immovables and Gain on Sale Associate Subsidiary shares included also)	--	--	351
8. Insurance Claim Collections	2	2	--
9. Basic Indicator-Gross Income (1+2+3+4+5-6-7-8)	71.676	33.253	29.444
10. Basic Indicator-Capital Obligation (9x15%)	10.751	4.988	4.417
11. Basic Indicator-Average Cap. Risk Lib.		6.719	
12. Basic Indicator-Amount subject to Operational Risk (11*12,5)		83.983	

V. Information on consolidated foreign currency 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 Bank sets limits for positions that are monitored daily:

The Group complies with net general position-shareholder's equity limits. The Group has the possibility to borrow a significant amount of foreign currency. Within the context of the market risk management work of the Risk Management Department, the Parent Bank's exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. Using the VaR method, the effect of the changes in risk factors is calculated on a daily basis. The method is tested in a retrospective manner. To test the effect of the exchange rate fluctuations on the Bank monthly based stress test analysis are performed. In addition, by classifying the changes in risk factors different scenario analysis are performed based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

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

The Group does not have any financial derivatives used for hedging.

3. Foreign exchange risk management policy:

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

4. Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank are as follows:

USD Foreign Exchange Buying Rate as of balance sheet date	TL 1,5460
EUR Foreign Exchange Buying Rate as of balance sheet date	TL 2,0491

<u>Date</u>	<u>US Dollars</u>	<u>EUR</u>
27 December 2010	TL 1,5392	TL 2,0204
28 December 2010	TL 1,5403	TL 2,0260
29 December 2010	TL 1,5416	TL 2,0406
30 December 2010	TL 1,5567	TL 2,0437
31 December 2010	TL 1,5460	TL 2,0491

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

The basic arithmetical average of the Bank's foreign exchange bid rate for December 2010 is TL 1,5118 for USD and TL 1,9964 for EUR.

Information on Group's Currency Risk:

Current Period	EUR	US Dollars	JPY	Other	Total
Assets					
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.226	69.733	--	42	71.001
Banks	55.868	55.904	1	494	112.267
Financial Assets at Fair Value through Profit or Loss	20.870	8.050	--	--	28.920
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	--	869	--	--	869
Loans (*)	90.959	220.162	--	--	311.121
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	18.978	97.015	--	--	115.993
Financial Derivatives (Assets)	--	--	--	--	--
Tangible Assets	--	--	--	--	--
Intangible Assets	--	--	--	--	--
Other Assets	37.642	8.692	--	--	46.334
Total Assets	225.543	460.425	1	536	686.505
Liabilities					
Bank Deposits	91.617	44.209	--	1	135.827
Foreign Currency Deposits	54.827	45.747	--	383	100.957
Money Market Borrowings	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	102.741	381.439	--	--	484.180
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	859	2.616	--	3	3.478
Financial Derivatives (Liabilities)	--	--	--	--	--
Other Liabilities	7.249	1.889	--	189	9.327
Total Liabilities	257.293	475.900	--	576	733.769
Net Balance Sheet Position	(31.750)	(15,475)	1	(40)	(47.264)
Net Off-Balance Sheet Position	30.737	15.460	--	--	46.197
Financial Derivatives (Assets)	30.737	15.460	--	--	46.197
Financial Derivatives (Liabilities)	--	--	--	--	--
Non-Cash Loans	731.958	556.092	--	269.302	1.557.352
Prior Period					
Total Assets	126.725	395.492	3	928	523.148
Total Liabilities	127.761	477.648	--	1.160	606.569
Balance Sheet Position, net	(1.036)	(82.156)	3	(232)	(83.421)
Off-Balance Sheet Position, net	--	66.251	--	--	66.251
Financial Derivatives (Assets)	--	76.791	--	--	76.791
Financial Derivatives (Liabilities)	--	10.540	--	--	10.540
Non-cash Loans	579.293	372.662	--	216.608	1.168.563

(*) Loan balance includes foreign currency indexed loans amounting to TL 32.171 (31 December 2009: TL 32.322) as of 31 December 2010.

(**) Prepaid expenses in foreign currency are not included amounting to TL 480 (31 December 2009 none) as of 31 December 2010.

Exposed currency risk:

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 December 2010 and 31 December 2009 are presented in the table below. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation;

	31 December 2010		31 December 2009	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(2)	(2)	(1.591)	(1.591)
Euro	(101)	(101)	(104)	(104)
Other Currencies	(4)	(4)	(23)	(23)
Total	(107)	(107)	(1.718)	(1.718)

(*) The effect on shareholders' equity also includes profit/loss effects.

Assuming 10% appreciation;

	31 December 2010		31 December 2009	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	2	2	1.591	1.591
Euro	101	101	104	104
Other Currencies	4	4	23	23
Total	107	107	1.718	1.718

(*) The effect on shareholders' equity also includes profit/loss effects.

VI. Information on Consolidated Interest Rate Risk

1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items:

Within the context of the market risk management of the Risk Management Department, the Bank's interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are performed.

In addition, by classifying the changes in risk factors different scenario analysis are performed based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

2. The expected effects of the fluctuations of market interest rates on the Parent Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates:

The Board of Directors has determined limits for the amount exposed to market risk/shareholder's equity, to be maximum 50 % (+5 % exception) to follow interest rate risk, exchange rate risk and equity price risk.

3. The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods:

Although the increase in interest rates have a limited negative effect on the Parent Bank's financial position the Parent Bank's equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

The table below shows the effects of changes in interest rates on the consolidated financial statements of the Group. The sensitivity of the income statement is the effect of possible changes in the interest rates on the net interest income of floating rate financial assets and liabilities and the financial assets at fair value through profit or loss. The other variables, especially exchanges rates, are assumed to be fixed in this analysis.

31 December 2010	Profit / Loss		Shareholders' Equity(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(506)	502	(506)	502
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	1,038	(1,047)	1,038	(1,047)
Financial Liabilities with Floating Interest Rate	--	--	--	--
Total, net	532	(545)	532	(545)

31 December 2009	Profit / Loss		Shareholders' Equity(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial Assets at Fair Value Through Profit Loss	(392)	389	(392)	389
Investment Securities Available for Sale	--	--	--	--
Financial Assets with Floating Interest Rates	141	(143)	141	(143)
Financial Liabilities with Floating Interest Rate	--	--	--	--
Total, net	(251)	246	(251)	246

(*) The effect on shareholders' equity also includes the effect of increase or decrease in interest rates on the profit/loss.

**Information related to 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 currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	69.558	--	--	--	--	2.427	71.985
Banks	126.162	14.966	--	13	--	192	141.333
Financial assets at Fair Value Through Profit or Loss	53.529	66.211	40.023	7.730	--	--	167.493
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial Assets Available-for-Sale	--	--	--	--	--	1.030	1.030
Loans	222.971	149.478	99.406	23.869	--	--	495.724
Investment Securities Held-to-Maturity	23.518	54.259	67.983	18.005	60.913	--	224.678
Other assets(*)	9.395	3.892	18.842	25.542	--	39.639	97.310
Total assets	505.133	288.806	226.254	75.159	60.913	43.288	1.199.553
Liabilities							
Bank Deposits	205.179	--	--	--	--	--	205.179
Other Deposits	12.706	12.148	2.602	196	--	85.849	113.501
Money Market Borrowings	47.296	--	--	--	--	--	47.296
Miscellaneous payables	--	--	--	--	--	3.737	3.737
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	97.166	335.085	51.929	--	--	--	484.180
Other Liabilities(**)	476	--	--	--	--	345.184	345.660
Total liabilities	362.823	347.233	54.531	196	--	434.770	1.199.553
Long Position in the Balance Sheet	142.310	--	171.723	74.963	60.913	--	449.909
Short Position in the Balance Sheet	--	(58.427)	--	--	--	(391.482)	(449.909)
Long Position in the Off-balance Sheet	--	30.737	15.460	--	--	--	46.197
Short Position in the Off-balance Sheet	--	(30.168)	(14.615)	--	--	--	(44.783)
Total Position	142.310	(57.858)	172.568	74.963	60.913	(391.482)	1.414

(*) Other Assets: Non-Interest Bearing column TL 39.639 is composed of tangible assets amounting to TL 22.217, intangible assets amounting to TL 1.837, Tax assets amounting to TL 4.468, assets held for resale amounting to TL 427, and Other Assets amounting to TL 10.690.

(**) Other Liabilities: Non-Interest Bearing Column TL 345.184 is composed of Shareholders' Equity amounting to TL 313.781, Provisions amounting to TL 14.757, Tax, Duty and Premium Payable amounting to TL 1.651 and Other Foreign Resources amounting to TL 14.995.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non- Inter- est Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	44.778	--	--	--	--	1.416	46.194
Banks	66.152	18.841	--	13	--	622	85.628
Financial assets at Fair Value Through Profit or Loss	65.837	59.321	83.661	--	--	--	208.819
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial assets Available-for-Sale	--	--	--	--	--	1.001	1.001
Loans	149.142	139.056	53.785	7.734	--	--	349.717
Investment Securities Held-to-Maturity	20.777	104.490	60.931	17.547	45.770	--	249.515
Other assets(*)	6.634	4.824	17.997	25.001	--	31.991	86.447
Total assets	353.320	326.532	216.374	50.295	45.770	35.030	1.027.321
Liabilities							
Bank Deposits	86.689	--	--	--	--	--	86.689
Other Deposits	20.978	8.358	2.789	21	--	60.083	92.229
Money Market Borrowings	103.954	--	--	--	--	--	103.954
Miscellaneous Payables	--	--	--	--	--	1.842	1.842
Marketable Securities issued	--	--	--	--	--	--	--
Funds Borrowed From Other Financial Institutions	114.256	280.877	39.414	--	--	--	434.547
Other liabilities(**)	461	--	--	--	--	307.599	308.060
Total Liabilities	326.338	289.235	42.203	21	--	369.524	1.027.321
Balance Sheet Long Position	26.982	37.297	174.171	50.274	45.770	--	334.494
Balance Sheet Short Position	--	--	--	--	--	(334.494)	(334.494)
Off Balance Sheet Long Position	87.252	--	--	--	--	--	87.252
Off Balance Sheet Short Position	(87.409)	--	--	--	--	--	(87.409)
Total Position	26.825	37.297	174.171	50.274	45.770	(334.494)	(157)

(*) Other Assets: Non-Interest Bearing TL 31.991 column is composed of Tangible Assets amounting to TL 22.208, Intangible Assets amounting to TL 2.104, Deferred Tax Assets amounting to TL 3.735, Assets Held for Resale amounting to TL 662, Miscellaneous Receivables amounting to TL 53 and Other Assets amounting to TL 3.229.

(**) Other Liabilities: Non-Interest Bearing Column TL 307.599 is composed of Shareholders' Equity amounting to TL 290.423, Provisions amounting to TL 10.291, Tax, Duty and Premium Payable amounting to TL 2.440 and Other Foreign Resources amounting to TL 4.445.

4.Average interest rates applied to monetary financial instruments: %

	EUR	USD	JPY	TL
Current Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey	--	--	--	-
Banks	0,63	0,46	--	8,45
Financial Assets at Fair Value Through Profit or Loss	0,73	5,19	--	7,34
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	3,24	3,31	--	8,08
Investment Securities Held-to-Maturity	5,36	7,10	--	7,49
Financial Lease Receivables	5,30	6,99	--	10,51
Liabilities				
Interbank Deposits	1,27	0,75	--	--
Other Deposits	1,10	1,52	--	7,04
Money Market Borrowings	--	--	--	6,82
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	1,67	0,54	--	--
Prior Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey,	--	--	--	12,00
Banks	0,33	1,31	--	10,03
Financial Assets at Fair Value through Profit or Loss	4,15	6,03	--	22,48
Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--
Loans	6,47	5,23	--	8,53
Investment Securities Held-to-Maturity	6,04	6,44	--	8,85
Financial Lease Receivables	9,34	7,77	--	15,78
Liabilities				
Interbank Deposits	0,49	0,29	--	6,80
Other Deposits	1,88	1,76	--	8,44
Money Market Borrowings	--	--	--	6,71
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed From Other Financial Institutions	2,71	0,63	--	10,24

VII. Information on Consolidated Liquidity Risk

1. Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts

The Parent Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context the Parent Bank's liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

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

The main reason of liquidity risk is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. The Parent Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Parent Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk in the future for the Parent Bank.

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

Shareholder's Equity has an important portion in the funding resources. The Parent Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks 'Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios of the Parent Bank in 2009 are as follows:

Current Period	Primary Maturity Split (Weekly)		Secondary Maturity Split (Monthly)	
	FC	FC+TL	FC	FC+TL
Average	181	268	103	180
Highest (%)	278	407	167	249
Lowest (%)	106	160	83	134

4. The Group's Cash Flow and Resources:

31 December 2010	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	205.179	205.293	163.076	--	15.489	26.728	--	--
Other Deposits	113.501	113.550	85.858	19.227	5.666	2.603	196	--
Due from other financial institutions	484.180	485.876	--	144.082	295.527	20.873	25.394	--
Money Market Borrowings	47.296	47.349	--	47.349	--	--	--	--
Total	850.156	852.068	248.934	210.658	316.682	50.204	25.590	--

31 December 2009	Book Value	Gross nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over
Banks Deposits	86.689	86.694	38.429	48.265	--	--	--	--
Other Deposits	92.229	92.298	60.083	26.902	3.634	1.679	--	--
Due from other financial institutions	434.547	434.843	--	89.525	287.421	23.076	34.821	--
Money Market Borrowings	103.954	104.030	--	104.030	--	--	--	--
Total	717.419	717.865	98.512	268.722	291.055	24.755	34.821	--

Presentation of assets and liabilities based on their outstanding maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	3.021	68.964	--	--	--	--	--	71.985
Banks	2.356	123.998	14.966	--	13	--	--	141.333
Financial Assets at Fair Value through Profit or Loss	--	53.529	66.211	37.643	10.110	--	--	167.493
Money Market Placements	--	--	--	--	--	--	--	--
Investment Securities Available-for-Sale	--	--	--	--	--	--	1.030	1.030
Loans	--	214.846	124.342	76.022	80.514	--	--	495.724
Investment Securities held-to-Maturity	--	23.518	25.863	60.405	39.463	75.429	--	224.678
Other Assets(*)	177	9.395	3.892	17.330	27.054	--	39.462	97.310
Total Assets	5.554	494.250	235.274	191.400	157.154	75.429	40.492	1.199.553
Liabilities								
Interbank Deposits	163.076	42.103	--	--	--	--	--	205.179
Other Deposits	85.849	12.706	12.148	2.602	196	--	--	113.501
Funds Provided from Other Financial Institutions	--	97.166	325.694	35.926	25.394	--	--	484.180
Money Market Borrowings	--	47.296	--	--	--	--	--	47.296
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	--	--	--	--	--	--	3.737	3.737
Other Liabilities(**)	--	8.671	382	--	--	--	336.607	345.660
Total Liabilities	248.925	207.942	338.224	38.528	25.590	--	340.344	1.199.553
Liquidity Gap	(243.371)	286.308	(102.950)	152.872	131.564	75.429	(299.852)	--
Prior Period								
Total Assets	6.526	315.506	174.796	303.946	134.494	59.804	32.249	1.027.321
Total Liabilities	98.512	291.567	272.913	25.769	34.843	--	303.717	1.027.321
Net Liquidity Gap	(91.986)	23.939	(98.117)	278.177	99.651	59.804	(271.468)	--

(*)Other assets amount TL 39.462 at the unallocated part consists of Tangible Assets amounting TL 22.217, Intangible Assets amounting to TL 1.837, Deferred Tax Asset amounting to TL 4.468, Asset Held For Sale amounting to TL 427, and Other assets amounting to TL 10.513.

(**)Other liabilities amount TL 336.607 at the unallocated part consists of Shareholders' Equity amounting to TL 313.781, Provisions amounting to TL 14.757 and Other Liabilities TL 8.069.

VIII. Information on fair values of financial assets and liabilities

The fair value of the held to maturity financial assets; in case of situations where market price or fair value can not be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flow discounted using the market interest rates applied on similar borrowing and other payables.

The estimated fair value of the loans and financial lease receivables is calculated over the cash flow discounted using the market interest rates applied on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	919.391	739.253	874.312	76.473
Banks	141.333	85.628	141.333	85.628
Financial assets available-for-sale	1.030	1.001	1.030	1.001
Investment securities held-to-maturity	224.678	249.515	180.309	249.515
Loans	495.724	349.717	495.155	377.003
Leasing receivables	56.626	53.392	56.485	53.326
Financial Liabilities	853.893	719.261	853.893	719.261
Interbank deposits	205.179	86.689	205.179	86.689
Other Deposits	113.501	92.229	113.501	92.229
Funds provided from other financial institutions	484.180	434.547	484.180	434.547
Money market borrowings	47.296	103.954	47.296	103.954
Marketable securities issued	--	--	--	--
Miscellaneous Payables	3.737	1.842	3.737	1.842

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or ,
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
31 December 2010				
Financial assets available for sale	--	1.030	--	1.030
Financial assets held for trading	165.578	1.915	--	167.493
	165.578	2.945	--	168.523
31 December 2009				
Financial assets available for sale	--	1.001	--	1.001
Financial assets held for trading	208.635	184	--	208.819
	208.635	1.185	--	209.820

IX. Activities carried out on behalf of and account of third parties, activities based on assurance
1. Information on whether Bank carries out trading, custody, consulting, management services for third parties:

The Bank carries out trading of government bonds and treasury bills and repurchase agreements on others' behalf and account. Apart from such services; the Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

2. Information on trust transactions with other financial institutions or direct financial services given within the context of trust transactions to other financial institutions and possible affects of such transactions on Bank's financial situation:

The Bank does not have transactions based on trust.

X. Information on Business Segments:

Information on operating segments as of 31 December 2010 are presented in the table below

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	46	24.316	23.076	7.451	--	54.889
Unallocated Income/ Expenses (Net)	--	--	--	--	(26.175)	(26.175)
Operating Income	46	24.316	23.076	7.451	(26.175)	28.714
Income from Subsidiaries	--	--	--	--	--	--
Income before tax	--	--	--	--	--	28.714
Tax Provision	--	--	--	--	--	(5.356)
Net Profit for the year	--	--	--	--	--	23.358

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	232	495.092	573.704	95.355	--	1.164.383
Unallocated assets	--	--	--	--	35.170	35.170
Total Assets	232	495.092	573.704	95.355	35.170	1.199.553
Segment Liabilities	34.550	79.057	687.056	51.495	--	852.158
Unallocated Liabilities	--	--	--	--	33.614	33.614
Equity	--	--	--	--	313.781	313.781
Total Liabilities	34.550	79.057	687.056	51.495	347.395	1.199.553

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	58	25.727	36.501	9.476	--	71,762
Unallocated Income/ Expenses (Net)	--	--	--	(5.036)	(30.677)	(35.713)
Operating Income	58	25.727	36.501	4.440	(30.677)	36.049
Income from Subsidiaries	--	--	--	--	--	--
Income before tax	--	--	--	--	--	36.049
Tax Provision	--	--	--	--	--	(4.336)
Net Profit for the year	--	--	--	--	--	31.713

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	306	349.411	531.060	94.971	--	975.748
Unallocated assets	--	--	--	--	51.573	51.573
Total Assets	306	349.411	531.060	94.971	51.573	1.027.321
Segment Liabilities	18.516	73.928	572.327	54.000	--	718.771
Unallocated Liabilities	--	--	--	--	18.127	18.127
Equity	--	--	--	--	290.423	290.423
Total Liabilities	18.516	73.928	572.327	54.000	308.550	1.027.321

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS

1. Information on cash equivalents and Central Bank of Turkey:

Information on cash equivalents:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	390	2.037	320	1.096
Central Bank of Turkey	594	68.964	917	43.861
Other	--	--	--	--
Total	984	71.001	1.237	44.957

Information related to the account of Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	594	--	917	--
Unrestricted Time Deposits	--	18.883	--	14.739
Restricted Time Deposits	--	--	--	--
Reserve Deposits	--	50.081	--	29.122
Total	594	68.964	917	43.861

Information on Reserve Deposits:

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 6% and 11%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. As of 31 December 2010 interest rates are not applied for reserve requirements by the Central Bank of Turkey. (31 December 2009 5.20 % for TL deposits).

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

a) Among financial assets at fair value through profit or loss as of 31 December 2010; TL 47.970 is subjected to repurchase transactions (31 December 2009: TL 112.903), and none is provided as collateral /blocked. (31 December 2009: TL 72.212)

b) Positive differences on trading derivative instruments

Trading derivative instruments	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	1.915	--	184	--
Futures	--	--	--	--
Options	--	--	--	--
Other	--	--	--	--
Total	1.915	--	184	--

3. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	29.066	110.236	28.920	53.995
Foreign banks	--	2.031	--	2.713
Foreign head offices and branches	--	--	--	--
Total	29.066	112.267	28.920	56.708

3.1 Information on foreign bank accounts:

	Free Amount		Restricted Amount	
	Current period	Prior period	Current period	Prior period
European Union Countries	410	1.717	--	--
USA, Canada	236	112	13	13
OECD Countries (*)	222	38	--	--
Off-Shore Banking Regions	--	--	--	--
Other	1.150	833	--	--
Total	2.018	2.700	13	13

* OECD countries except EU Countries, Canada and USA

4. Information on available for sale financial assets:

4.1 Major types of available for sale financial assets

Available for sale financial assets are comprised of equity shares that are not active in the stock market.

4.2 Information on available for sale financial assets

	Current period	Prior period
Debt Securities	--	--
Quoted in stock exchange	--	--
Not quoted in stock exchange	--	--
Share Certificates	1.030	1.001
Quoted in stock exchange	--	--
Not quoted in stock exchange	1.030	1.001
Impairment Provision (-)	--	--
Total	1.030	1.001

5. Information on Loans:

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current period		Prior period	
	Cash	Non- Cash	Cash	Non- Cash
Direct Loans Granted to Shareholders	--	49.222	--	13.238
Corporate Shareholders	--	49.222	--	13.238
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to the Group's Personnel	206	11	296	7
Total	206	49.233	296	13.245

5.2 Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

Cash Loans	Standard Loans and		Loans and Other Receivables	
	Other Receivables		Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialized Loans	495.238	--	--	486
Discount notes	527	--	--	--
Export loans	93.577	--	--	--
Import loans	--	--	--	--
Loans given to financial sector	231.466	--	--	--
International loans	66.004	--	--	465
Consumer loans	232	--	--	--
Credit cards	--	--	--	--
Precious metals loans	--	--	--	--
Other	103.432	--	--	21
Specialized Loans	--	--	--	--
Other Receivables	--	--	--	--
Total	495.238	--	--	486

5.3 Cash loans according to their maturity structure

Cash Loans	Standard Loans and		Loans and Other Receivables	
	Other Receivables		Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short Term Loans and Other Receivables	300.389	--	--	21
Non-specialized loans	300.389	--	--	21
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
Medium and long-term loans and Other Receivables	194.849	--	--	465
Non-specialized loans	194.849	--	--	465
Specialized loans	--	--	--	--
Other receivables	--	--	--	--
Total	495.238	--	--	486

5.4 Information on consumer loans, credit cards and loans given to employees:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	4	22	26
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	4	22	26
Consumer Loans-Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Consumer Loans-Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Individual Credit Cards-FC	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Personnel Loans- TL	--	206	206
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	206	206
Personnel Loans- Indexed to FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Personnel Loans-FC	--	--	--
Real estate loans	--	--	--
Automotive loans	--	--	--
Consumer loans	--	--	--
Other	--	--	--
Personnel Credit Cards-TL	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Personnel Credit Cards-YP	--	--	--
Installment	--	--	--
Non-Installment	--	--	--
Deposits with Credit Limit-TL (Individual)	--	--	--
Deposits with Credit Limit-FC (Individual)	--	--	--
Total	4	228	232

5.5 Information on installment corporate loans and corporate credit cards

None.

5.6 Allocation of loans by customers

	Current Period	Prior Period
Public	--	--
Private	495.724	349.717
Total	495.724	349.717

5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	429.255	319.083
Foreign Loans	66.469	30.634
Total	495.724	349.717

5.8 Loans granted to subsidiaries and associates

There is no loans granted to subsidiaries and associates.

5.9 Specific provisions for loans

Specific provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	--	--
Loans and Receivables with Doubtful Collectibility	--	--
Uncollectible Loans and Receivables	5.892	5.891
Total	5.892	5.891

5.10 Information on non-performing loans (Net)

5.10.1 Information related to non-performing loans

	III. Group: Loans and receivables with limited collectibles	IV. Group: Loans and receivables with doubtful collectibles	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts before Specific Provisions)	--	--	2.030
Restructured Loans and Other Receivables	--	--	2.030
Redemptions and Other Receivables	--	--	--
Previous Period			
(Gross Amounts before Specific Provisions)	--	--	2.029
Restructured Loans and Other Receivables	--	--	2.029
Redemptions and Other Receivables	--	--	--

For the Redemptions and Restructured Loans, which are stated as non-performing loans, TL 2.030 is reserved as provision.

5.10.2 Information on movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibles	Loans and receivables with doubtful collectibles	Uncollectible loans and receivables
Balances at the Beginning of Period	--	--	5.891
Additions (+)	--	--	1
Transfers from other categories of non performing loans (+)	--	--	--
Transfers to other categories of non performing loans (-)	--	--	--
Collections (-)	--	--	--
Write-offs (-)	--	--	--
Corporate and commercial loans	--	--	--
Retail loans	--	--	--
Credit cards	--	--	--
Others	--	--	--
Balances at the End of the Period	--	--	5.892
Specific provisions (-)	--	--	5.892
Net Balance on Balance Sheet	--	--	--

5.10.3 Information on foreign currency non-performing loans

There are non-performing loan receivables in foreign currency amounting to TL 2.030 which is followed in TL accounts.

5.11 Information on gross and net loans under follow-up according to the borrowers:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibles	Loans and receivables with doubtful collectibles	Non-performing loans and receivables
Current Year (Net)	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.792
Specific provisions (-)	--	--	5.792
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--
Prior Period (Net)	--	--	--
Loans granted to real persons and legal entities (Gross)	--	--	5.791
Specific provisions (-)	--	--	5.791
Loans granted to real persons and legal entities (Net)	--	--	--
Banks (Gross)*	--	--	100
Specific provisions (-)	--	--	100
Banks (Net)	--	--	--
Other loans and receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other loans and receivables (Net)	--	--	--

* Foreign bank

5.12 Collection policy on loans determined as loss and other receivables:

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

5.13 Information on write-off from assets:

Loans under legal follow up are classified according to the 'Principles related to Determination of Loans and Other Receivables and The Procedures of Provision Allocated for Loans and other Receivables'. The Bank allocates fund according to these policies. This loans are tried to be collected by the lead of Loans Monitoring-Follow up Department and Legal Services and Advisory Department. Other related departments also take place in collection process. If the mentioned loans are not able to be collected under any circumstances, Legal Services and Advisory Department's opinion is presented to the top management and according to the approval, the amount is written-off from assets.

6. Information on held to maturity financial assets:

6.1 Information on repurchase transaction related to investment securities and provided as collateral/ blocked for guarantee held to maturity (net):

There are repurchase transactions amounting to TL 12.672 related to investment securities held to maturity. As of 31 December 2010 there is no collateral/blocked for guarantee (31 December 2009: TL 14.634).

6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government bonds	62.845	79.730
Treasury Bonds	2.095	30.185
Other Public Bonds	72.117	72.054
Total	137.057	181.969

6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Instruments	225.215	254.464
Quoted at stock exchange	64.940	110.401
Not-quoted at stock exchange	160.275	144.063
Impairment Loss Provision (-)	(537)	(4.949)
Total	224.678	249.515

6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at the Beginning of the Period	249.515	152.779
Foreign currency gains / losses on monetary assets	6.809	1.484
Purchases during the Period	196.602	129.785
Disposals through sales and redemptions (*)	(227.969)	(32.670)
Impairment loss provision (-) (**)	(279)	(1.863)
Period End Balance	224.678	249.515

(*) In the current period redemption amounting to TL 227.969 has been realized from the portfolio. In the prior period redemption amounting to TL 32.670 has been realized from the portfolio.

(**) Represents provisions allocated for impairment in the current year.

7. Information on Associates

The Group does not have an associate as of 31 December 2010 and 31 December 2009.

8. Information on subsidiaries (Net):

8.1 Information on consolidated subsidiaries

The Parent Bank does not have a subsidiary that is not included in consolidation.

Summary information on consolidated subsidiaries

	Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	A&T Finansal Kiralama A.Ş	İSTANBUL	99.98	99.98

Important financial statements of the subsidiary:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
1	95.355	43.860	103	7.451	-	2.889	6.728	35.952

(*) As fair value; the amounts that are reflected on the financial statements that is calculated by the deduction of impairment (if any) from acquisition cost.

8.2 Movement related to subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	32.753	27.954
Movements during the Period	3.199	4.799
Purchases	--	--
Bonus Shares Received	3.199	4.799
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	--	--
Impairment Provision (+)	--	--
Balance at the End of the Period	35.952	32.753
Capital Commitments	--	--
Share Percentage at the end of Period (%)	99,98	99,98

8.2.1 Valuation methods of investments in subsidiaries

The method used in the accounting of subsidiaries is explained in Section Three.

8.2.2 Sectoral Information on the subsidiaries and amounts related to these

Affiliates	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	35.952	32.753
Finance Companies	--	--
Other Affiliates	--	--

8.2.3 Quoted Subsidiaries

The Parent Bank does not have any subsidiary that is quoted.

8.2.4 Subsidiaries sold in the current year

None.

8.2.5 Subsidiaries acquired in the current year.

None.

9. Information on jointly controlled subsidiaries

The Parent Bank does not have a joint venture.

10. Information on financial lease receivables (Net):

10.1 Maturity analysis of financial lease receivables

	Current period		Prior period	
	Gross	Net	Gross	Net
Less than 1 year	32.787	29.573	30.841	27.177
Between 1-4 years	29.595	27.054	29.082	26.215
Over 4 years	--	--	--	--
Total	62.382	56.627	59.923	53.392

10.2 Information on net financial lease investments

	Current Period	Prior Period
Gross Financial Lease Investment	62.381	59.923
Unearned Financial Lease income (-)	(5.755)	(6.531)
Cancelled Leasing Amounts	--	--
Net Investment on Leases	56.626	53.392

There is a provision amounting to TL 798 for doubtful financial lease receivables in net financial lease investment.

The movement of doubtful receivables is as follows:

	Current Period	Prior Period
Opening Balance	735	834
Provisions	396	--
Collections	(333)	(99)
Ending Balance	798	735

11. Information on financial derivatives for hedging:

The Group does not have any financial derivatives for hedging.

12. Information on tangible assets:

Current Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period: 31 December 2009					
Cost	27.303	4.688	1.299	6.014	39.304
Accumulated Depreciation (-)	(9.705)	(4.077)	(818)	(2.496)	(17.096)
Net Book Value	17.598	611	481	3.518	22.208
Balance at the End of the Current Period: 31 December 2010					
Net Book Value at the Beginning of the Current Period	27.303	4.688	1.299	6.014	39.304
Additions	1.004	--	43	820	1.867
Disposals (-)	--	--	(170)	(477)	(647)
Impairment(-)	--	--	--	--	--
Cost at the End of the Current Period	28.307	4.688	1.172	6.357	40.524
Accumulated Depreciation (-)	(9.705)	(4.077)	(818)	(2.496)	(17.096)
Depreciation Expense (-)	(656)	(171)	(118)	(873)	(1.818)
Depreciation of Disposals	--	--	130	477	607
Accumulated Depreciation at the End of the Current Period (-)	(10.361)	(4.248)	(806)	(2.892)	(18.307)
Net Book Value at the End of the Current Period: 31 December 2010	17.946	440	366	3.465	22.217
Prior Period					
Balance at the End of the Prior Period: 31 December 2008					
Cost	27.303	4.694	888	3.155	36.040
Accumulated Depreciation (-)	(9.056)	(3.908)	(736)	(2.607)	(16.307)
Net Book Value	18.247	786	152	548	19.733
Balance at the End of the Period: 31 December 2009					
Net Book Value at the Beginning of the Current Period	27.303	4.694	888	3.155	36.040
Additions	--	--	411	3.235	3.646
Disposals (-)	--	(6)	--	(376)	(382)
Impairment(-)	--	--	--	--	--
Cost at the End of the Current Period 31 December 2009	27.303	4.688	1.299	6.014	39.304
Accumulated Depreciation (-)	(9.056)	(3.908)	(736)	(2.607)	(16.307)
Depreciation Expense (-)	(649)	(175)	(82)	(265)	(1.171)
Depreciation of Disposals	--	6	--	376	382
Accumulated Depreciation at the End of the Current Period (-)	(9.705)	(4.077)	(818)	(2.496)	(17.096)
Net Book Value at the End of the Current Period: 31 December 2009	17.598	611	481	3.518	22.208

13. Information on intangible assets:

Current Period	Other Tangible Assets	Total
Balance at the End of the Prior Period-31 December 2009		
Cost	4.871	4.871
Accumulated Depreciation (-)	(2.767)	(2.767)
Net Book Value	2.104	2.104
Balance at the End of the Current Period- 31 December 2010		
Net Book Value at the Beginning of the Current Period	4.871	4.871
Additions	234	234
Disposals (-)	31	31
Impairment(-)	--	--
Cost at the End of the Current Period	5.074	5.074
Accumulated Depreciation (-)	(2.767)	(2.767)
Depreciation Expense (-)	(501)	(470)
Depreciation of Disposals	(31)	--
Accumulated Depreciation at the End of the Current Period (-)	(3.237)	(3.237)
Net Book Value at the End of the Current Period-31 December 2010	1.837	1.837

Prior Period	Other Tangible Assets	Total
Balance at the End of the Prior Period-31December 2008		
Cost	2.785	2.785
Accumulated Depreciation (-)	(2.510)	(2.510)
Net Book Value	275	275
Balance at the End of the Current Period- 31December 2009		
Net Book Value at the Beginning of the Current Period	2.785	2.785
Additions	2.087	2.087
Disposals (-)	1	1
Impairment(-)	--	--
Cost at the End of the Current Period	4.871	4.871
Accumulated Depreciation (-)	(2.510)	(2.510)
Depreciation Expense (-)	(257)	(257)
Depreciation of Disposals	--	--
Accumulated Depreciation at the End of the Current Period (-)	(2.767)	(2.767)
Net Book Value at the End of the Current Period- 31 December 2009	2.104	2.104

14. Information on investment property :

The Group does not have any investment property.

15. Information on tax asset:

As of 31 December 2010 there is no tax receivable taking place under current tax asset after the deduction of taxable amount.

The Group has calculated TL 5.198 deferred tax asset and TL 730 deferred tax liability as of 31 December 2010 (31 December 2009: TL 4.246 TL 511 deferred tax liability) over the temporary differences and investment incentives that are subject to tax and unused investment incentives as of the balance sheet date.

As of 31 December 2010 and 2009 the presentation of tax deductible or temporary differences subject to tax and the related deferred tax asset or liability as follows:

	31 December 2010		31 December 2009	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/ liability
Investment allowance	13.864	2.773	10.561	2.112
Provisions regarding employee rights	4.885	977	4.104	821
Interest accruals	1.590	318	3.150	630
Unearned Income	2.950	590	1.311	262
Other	2.700	540	2.106	421
Deferred tax assets		5.198		4.246
Depreciation difference for tangible and intangible	1.230	246	1.963	393
Derivatives held for trading	1.915	383	105	21
Other	505	101	486	97
Deferred tax liability		730		511
Deferred tax asset / (liability), net		4.468		3.735

Investment incentive was abolished being effective from January 1, 2006. In case that entities do not have sufficient taxable income, deduction of the unused investment incentive as of December 31, 2005 from 2006, 2007 and 2008 income was allowed however it was not permitted to defer this investment incentive to subsequent periods after 2008. The Constitutional Court abolished this regulation on October 15, 2009 and the time constraint related to investment incentive has been removed. The resolution has been published in the Official Gazette on January 8, 2010. The Group will use the investment incentive amounting TL 13.864 Thousand by deducting from future profits. The Group recognized deferred tax asset amounting to TL 2.773 Thousand in the financial statements assuming that it will take advantage of the unused investment incentive in the subsequent periods.

16. Information on tangibles held for sale:

	Current Period 31 December 2010	Prior Period 31 December 2009
Cost	791	1.118
Provision (-)	(38)	--
Accumulated Depreciation (-)	(91)	(57)
Net Book Value	662	1.061
Opening Balance	662	1.061
Acquired	--	--
Sold (-)	(210)	(327)
Provisions (-)	(7)	(38)
Depreciation Expense (-)	(18)	(34)
Ending Net Book Value	427	662

17. Information on other assets:

As of 31 December 2010 other assets is TL 11.734 (31 December 2009: TL 4.346) and does not exceed 10% of total assets of consolidated balance sheet excluding consolidated off balance sheet commitments.

II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity profile of deposits:

Current Period

	Demand	7 Days Notice	Up to 1 Months	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Cumulative Demand	Total
Saving Deposits	1.228	--	1.155	3.895	352	21	128	--	6.779
Foreign Currency Deposits	81.869	--	2.194	8.990	4.360	1.439	2.020	--	100.872
Residents in Turkey	41.595	--	2.182	2.212	2.849	652	122	--	49.612
Residents Abroad	40.274	--	12	6.778	1.511	787	1.898	--	51.260
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	2.338	--	3.014	5	79	--	--	--	5.436
Other Ins. Deposits	414	--	--	--	--	--	--	--	414
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	163.076	--	--	15.460	26.643	--	--	--	205.179
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	69.267	--	--	--	--	--	--	--	69.267
Foreign Banks	93.809	--	--	15.460	26.643	--	--	--	135.912
Special Financial Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	248.925	--	6.363	28.350	31.434	1.460	2.148	--	318.680

Prior Period	Demand	7 Days Notice	Up to 1 Months	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative Demand	Total
Saving Deposits	536	--	518	3.730	182	19	119	--	5.104
Foreign Currency Deposits	54.852	--	2.528	18.859	3.676	877	1.529	--	82.321
Residents in Turkey	24.347	--	2.528	11.958	2.160	168	148	--	41.309
Residents Abroad	30.505	--	--	6.901	1.516	709	1.381	--	41.012
Public Sector Deposits	--	--	--	--	--	--	--	--	--
Commercial Deposits	1.149	--	9	--	100	--	--	--	1.258
Other Ins. Deposits	3.546	--	--	--	--	--	--	--	3.546
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
Bank Deposits	38.429	--	48.260	--	--	--	--	--	86.689
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	48.260	--	--	--	--	--	48.260
Foreign Banks	38.429	--	--	--	--	--	--	--	38.429
Special Financial Institutions	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	98.512	--	51.315	22.589	3.958	896	1.648	--	178.918

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		Not covered by	
	Deposit Insurance Fund		Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3.498	2.889	3.281	2.215
Foreign Currency Saving Deposits	8.879	8.590	18.943	12.359
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	12.377	11.479	22.224	14.574

1.2 Saving deposits not covered by deposit insurance

1.2.1 The Parent Bank does not have off-shore and foreign branches.

1.2.2 The Parent Bank does not have special current and participation deposits of individuals that are not covered under the guarantee of deposit insurance fund.

Amounts out of Insurance:

Deposits of Natural Person out of Insurance:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	--	--
Deposits and Other Accounts held by Shareholders and their Relatives	--	--
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1.141	451
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	--	--
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	--	--

2. Information on financial derivatives through profit or loss:

Financial Derivatives Through Profit or Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	--	--	--	--
Swap Transactions	--	--	--	--
Futures Transactions	--	--	--	--
Options	--	--	--	--
Other	--	--	79	--
Total	--	--	79	--

3. Information on funds borrowed:

3.1 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank	--	--	--	--
From Domestic Banks and Institutions	--	4.511	329	4.954
From Foreign Banks, Institutions and Funds	--	479.669	--	429.264
Total	--	484.180	329	434.218

3.2 Presentation of funds borrowed based on maturity profile:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	--	453.990	329	394.880
Medium and Long-Term	--	30.190	--	39.338
Total	--	484.180	329	434.218

3.3 Additional information on concentration of the Group's liabilities

As of 31 December 2010, 26,57% (31 December 2009: 17,42%) and 40,36 % (31 December 2009: 42,30%) of the Group's liabilities comprised of deposits and funds borrowed respectively.

4. Information on other foreign resources:

The other foreign resources account of the consolidated balance sheet is TL 15.471 (31 December 2009: TL 4.827); and this amount does not exceed 10% of the total consolidated balance sheet.

5. Information on financial lease obligations:

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Group as a result of the lease agreements.

6. Information on liabilities aroused from financial derivative transactions for hedging purposes:

The Group does not have financial derivative instruments for hedging purposes.

7. Information on provisions:

7.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	5.181	3.166
Provisions for Loans and Receivables in Group II	6	28
Provisions for Non-Cash Loans	2.910	2.233
Other	--	--
Total	8.097	5.427

7.2 Provisions for currency exchange gain/loss on foreign currency indexed loans:

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans	19	1.103

(*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

7.3 Information on other provisions

The Group has allocated TL 249 for the on-going law suits as of the balance sheet date and (31 December 2009: TL 116) TL 428 for the non cash loans (31 December 2009: TL 430).

7.4 Reserves for employee benefit

The movement of reserves for employee benefit is below:

	Current Period	Prior Period
Balance at the beginning	4.191	3.350
Current year allowance	1.512	1.010
Payment in the current year	(419)	(169)
Balance at the end	5.284	4.191

8. Information on tax payables:

8.1 Information on corporate tax liability:

As of 31 December 2010, the amount of corporate tax payable balance after prepaid tax netted off is TL 382 (31 December 2009: TL 1.361).

8.1.1 Information on tax payables

	Current Period	Prior Period
Corporate Tax	382	1.361
Banking Insurance Transaction Tax (BITT)	202	127
Taxation of Securities	28	19
Value Added Taxes Payable	10	108
Corporate Taxes Payable	9	30
Foreign Exchange Legislation Tax	--	--
Property tax	12	9
Other	619	469
Total	1.262	2.123

8.1.2 Information on premiums

	Current Period	Prior Period
Social Security Premiums- Employee	149	121
Social Security Premiums- Employer	208	169
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee share	11	9
Unemployment Insurance- Employer share	21	18
Other	--	--
Total	389	317

8.2 Information on deferred tax liability

The net value of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset amounting to TL 4.468. Detailed information on net deferred tax asset is presented in footnote I-15 in Section Five.

9. Information on liabilities for assets held for sale:

None.

10. Information on Shareholders' Equity:

10.1 Presentation of Paid-in Capital:

	Current Period	Prior Period
Common Stock	240.000	240.000
Preferred Stock	--	--

10.2 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

Registered share capital system is not implemented in the Parent Bank.

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

There is no capital increase during the current period.

10.4 Information on share capital increases from capital reserves

In the current period, there is no addition from capital reserves.

10.5 Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources for these commitments

Board of Directors received the Memorandum No. 2770/244/8/10 submitted by General Management noted the capital of the Bank is increased to TL 690.000, for the purpose article 6 (Capital) of the Articles of Association of the Bank is amended as below, applications required for permissions to effect the ammendment to the Articles of Association are made, the amendment is submitted for the approval of our shareholders at the General Meeting and the General Meeting Resolution is registered and announced.

10.6 The impacts of the foresights, which are prophesied according to Bank's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity

None.

10.7 Information on the privileges given to stocks representing the capital

According to the master agreement, the registered capital can be increased or decreased once or several times. Such an increase may be accomplished through the transfer from reserves into the capital account and the issuance of "bonus" shares in consequence thereof.

Each shareholder shall have the right to subscribe for a proportion of new shares corresponding to the number of shares held and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders.

These preferential rights may only be assigned by approval of the Board of Directors upon the favorable vote of 4/5 of the members present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.
Fractional shares will be allocated by the Board of Directors.

The Parent Bank may not, directly or indirectly, finance the acquisition of its own shares.
Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

10.8 Information on marketable securities value increase fund:

The Group does not have marketable securities value increase fund.

10.9 Information on legal reserves:

In the current period there is TL 1.586 transferred to legal reserves from retained earnings. (31 December 2009: TL 126).

III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS

1. Information on contingent liabilities in the off-balance sheets:

1.1 Type and amount of irrevocable commitments

The Group has TL 15.294 (31 December 2009: TL 58.744) as irrevocable commitments.

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

As of 31 December 2010, the Group has allocated the provision amounting to TL 428 over total non-cash loans (31 December 2009: TL 430).

1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral:

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 312.119 (31 December 2009: TL 303.591).

1.2.2 Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group's guarantee letters is TL 1.251.964 (31 December 2009: TL 866.363).

2. Total amount of Non-cash loans:

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	8.580	11.744
Less Than or Equal to One Year with Original Maturity	--	--
More Than One Year with Original Maturity	8.580	11.744
Other Non-Cash Loans	1.555.503	1.158.210
Total	1.564.083	1.169.954

3. Information on Sectoral risk concentrations of non-cash loans:

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	--	0.00	618	0.04	--	0.00	--	0.00
Farming and Raising livestock	--	0.00	618	0.04	--	0.00	--	0.00
Forestry	--	0.00	--	0.00	--	0.00	--	0.00
Fishing	--	0.00	--	0.00	--	0.00	--	0.00
Manufacturing	5.641	83.81	27.418	1.76	--	0.00	--	0.00
Mining	--	0.00	545	0.03	--	0.00	--	0.00
Production	5.641	83.81	26.873	1.73	--	0.00	--	0.00
Electric, gas and water	--	0.00	--	0.00	--	0.00	--	0.00
Construction	67	1.00	188.601	12.11	55	3.95	161.548	13.82
Services	989	14.68	1.340.715	86.09	1.293	92.95	1.007.015	86.18
Wholesale and Retail Trade	485	7.20	1.153	0.07	636	45.72	34.823	2.98
Hotel, Food and Beverage Services	--	0.00	--	0.00	--	0.00	--	0.00
Transportation and Telecommunication	--	0.00	291	0.02	--	0.00	--	0.00
Financial Institutions	504	7.49	1.339.195	85.99	657	47.23	972.192	83.20
Real Estate and Renting Services	--	0.00	64	0.00	--	0.00	--	0.00
Self-Employment Services	--	0.00	--	0.00	--	0.00	--	0.00
Education Services	--	0.00	--	0.00	--	0.00	--	0.00
Health and Social Services	--	0.00	12	0.00	--	0.00	--	0.00
Other	34	0.51	--	0.00	43	3.09	--	0.00
Total	6.731	100.00	1.557.352	100.00	1.391	100.00	1.168.563	100.00

4. Information on non-cash loans classified as I and II group loans:

	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	6.731	1.245.233	--	--
Bank acceptances	--	13.729	--	--
Letters of credit	--	298.390	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	--	--	--	--
Non-Cash Loans	6.731	1.557.352	--	--

5. Information on derivative transactions:

	Current Period 31 December 2010	Prior Period 31 December 2009
Trading Derivatives	90.980	153.660
Foreign Currency Related Derivative Transactions (I)	--	--
Currency Forward	90.980	153.660
Currency Swaps	--	--
Currency Futures	--	--
Currency Option	--	--
Interest Rate Related Derivative Transactions (II)	--	--
Interest Rate Forwards	--	--
Interest Rate Swaps	--	--
Interest Rate Options	--	--
Interest Rate Futures	--	21.001
Other Trading Derivatives (III)	90.980	174.661
A.Total Trading Derivatives (I+II+III)		
Hedging Derivatives	--	--
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Hedges for Foreign Currency Investments	--	--
B.Total Hedging Derivatives	--	--
Total Derivative Transactions (A+B)	90.980	174.661

6. Contingent assets and liabilities:

The Group does not have any contingent assets or liabilities.

IV. INFORMATION AND FOOTNOTES RELATED TO THE CONSOLIDATED INCOME STATEMENT

1. Information on interest income:

1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income from loans(*)	--	--	--	--
Short- Term Loans	12.745	4.108	15.181	6.046
Medium and Long- Term Loans	1.849	5.777	1.680	3.553
Interest Received From Non Performing Loans	--	--	25	--
Premiums Received From Resource Utilization Support Fund	--	--	--	--
Total	14.594	9.885	16.886	9.599

(*)included fee and commission income from loans

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	--	--	--	--
From Domestic Banks	3.091	56	115	30
From Foreign Banks	40	62	2.920	226
Total	3.131	118	3.035	256

1.3 Information on interest income from securities

	Current Period		Prior Period	
	TL	FC	TL	FC
From Trading Financial Assets	6.681	1.514	19.319	2.420
From Financial Assets Through Profit or Loss	--	--	--	--
From Investments Available for Sale	--	--	--	--
From Investments Held to Maturity	6.420	7.684	4.969	8.924
Total	13.101	9.198	24.288	11.344

1.4 Information on interest income received from associates and subsidiaries

None.

2. Interest Expense:

2.1 Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	16	3.767	134	5.816
Central Bank	--	99	--	--
Domestic Banks	16	22	134	8
Foreign Banks	--	3.646	--	5.808
Other Institutions	--	--	--	--
Total	16	3.767	134	5.816

2.2 Information on interest expense paid to associates and subsidiaries

None.

2.3 Information on interest expenses paid to issued stocks

None.

2.4 Maturity structure of the interest expense on deposits

Account Name	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over		
TL								
Bank Deposits	44	23	--	--	--	--	--	67
Saving Deposits	--	70	345	19	1	11	--	446
Public Sector Deposits	--	--	--	--	--	--	--	--
Commercial Deposits	--	21	42	7	--	--	--	70
Other Deposits	--	--	--	--	--	--	--	--
"7 Days Notice Deposits"	--	--	--	--	--	--	--	--
Total TL	44	114	387	26	1	11	--	583
FC								
FC Deposits	--	17	93	66	22	37	--	235
Bank Deposits	--	452	--	--	--	--	--	452
"7 Days Notice Deposits"	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total FC	--	469	93	66	22	37	--	687
Total	44	583	480	92	23	48	--	1.270

3. Information on dividend income:

	Current Period	Prior Period
Trading Financial Assets	--	--
Financial Assets through profit or loss	--	--
Financial Assets available for sale	59	48
Other	--	--
Total	59	48

4. Information on trading gain/loss:

	Current Period	Prior Period
Gain	425.831	490.672
Gain on money market transactions	780	269
Derivative and financial transactions	23.951	17.985
Gain on exchange transactions	401.100	472.418
Loss (-)	427.390	(501.278)
Loss from money market transactions	67	--
Derivative and financial transactions	26.894	(19.953)
Loss from exchange transactions	400.429	(481.325)
Net Trading Gain/Loss	(1.559)	(10.606)

5. Information on income from other operations:

	Current Period	Prior Period
Communication Income	838	621
Profits from sale of Assets	531	94
Reversal of Provisions of Prior Year	43	109
Other	112	205
Total	1.524	1.029

6. Information on impairment of loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	2	--
Loans and receivables in group III	--	--
Loans and receivables in group IV	--	--
Loans and receivables in group V	2	--
Doubtful Receivables	--	--
General Provision Expenses	2.670	1.367
Provision for Possible Losses	--	--
Foreign Exchange Losses on Foreign Currency Indexed Loans	--	--
Impairment Losses on Securities	282	228
Financial assets through profit or loss	282	228
Investment securities available-for-sale	--	--
Other Impairment Losses	279	1.863
Subsidiaries	--	--
Subsidiaries	--	--
Joint Ventures	--	--
Investment securities held-to-maturity	279	1.863
Other	225	38
Total	3.458	3.496

7. Information on other operating expense:

	Current Period	Prior Period
Personnel Expenses	28.685	20.282
Employee Termination Benefits Expense	1.205	995
Tangible Fixed Asset Impairment Expense	--	--
Intangible Fixed Asset Impairment Expense	--	--
Amortization Expenses of Tangible Assets	1.819	1.171
Intangible Fixed Asset Impairment Expense	--	--
Goodwill Impairment Expense	501	257
Amortization Expenses of Intangible Assets	--	--
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	--	--
Disposable Fixed Asset Impairment Expense	18	34
Amortization Expense of Assets Held for Resale	--	--
Impairment Expense related to Fixed Assets held for sale and discontinued operations	--	--
Assets Impairment Expense	--	--
Other Operating Expenses	7.556	6.927
Operating Lease Expenses	688	523
Maintenance Expenses	252	214
Advertisement Expenses	987	1.487
Other Expenses	5.629	4.703
Losses from sales of Assets	--	--
Other	3.979	2.469
Total	43.763	32.135

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

The income before tax from continuing operations is TL 28.714 (31 December 2009: TL 36.049 loss)

9. Information on tax provision:

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

For the year ended 31 December 2010 taxation charge is TL 6.089 (31 December 2009: TL 2.882) and deferred tax income is TL 733 (31 December 2009: TL 1.454 deferred tax expense).

9.2 Deferred tax expense arising from origination or reversal of temporary differences

The Group has TL 111 (31 December 2009: TL 1.073 deferred tax expense) as deferred tax income arising from temporary differences.

9.3 Deferred tax expense/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.

The Bank has TL 733 as deferred tax income represented in the income statement within the context of temporary difference and tax deductions and exemptions (31 December 2009: TL 1.454 as deferred tax expense).

10. Information on net profit or loss of the period including profit/loss from continuing and discontinued operations:

Net current period profit from continued operations is TL 23.358 (31 December 2009: TL 31.713 profit).

11. Information on net profit or loss of the period:

11.1 Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current year performance:

None.

11.2 Information on the profit or loss affect of a change in an estimation related to financial statements and future period affect of the change in this estimation.

There is no change in accounting estimation related to consolidated financial statements.

11.3 Profit/loss regarding minority rights:

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.

There is no other accounts which exceed the 10% of the consolidated income statement other than other operating income and other operating loss that are explained above.

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

1. Changes due to revaluation of financial assets available-for-sale:

None.

2. Confirmation on exchange rate differences between beginning and ending

None.

3. Increases due to cash flow hedges:

None.

4. Information on dividend:

4.1 Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statement

None.

4.2 Net profit per share proposed to be distributed after the balance sheet date

None.

5. Amounts transferred to retained earnings:

	Current Period	Prior Period
Amounts transferred to legal reserves	1.586	-
Amounts transferred to extraordinary reserves	-	-
Amounts transferred to retained earnings	30.127	1.073
Total	31.713	1.073

6. Information on issuance of common stock:

6.1 Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital

None.

7. Information on other capital increment accounts at the equity movement table:

Information on inflation restatement differences of shareholders equity accounts:

In BRSA's Circular on 28 April 2005 and in accordance with the decision dated 21 April 2005 and numbered 1623, it was stated that as of January 2005, the majority of the criteria's confirming the existence of a hyperinflationary economy are not valid anymore. Accordingly, the inflation accounting had been ceased beginning from 1 January 2005.

Inflation restatement of paid in capital amounting TL 9.096 (31 December 2009: TL 9.096) which was recorded in the account of "Paid in capital Inflation Restatement" account until 31 December 2005 is transferred to "Other Capital Reserves" account.

VI. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED CASH FLOW STATEMENT

1. Information on cash and cash equivalent assets:

1.1 Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances

In the cash flow statements, "Cash" refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; "Cash equivalent" refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

1.1.1. Information on cash and cash equivalents at the beginning of the period:

	Current Period 31 December 2009	Prior Period 31 December 2008
Cash	1.416	1.730
Interbank money market placements	--	--
Financial assets at fair value through profit or loss (net)	--	--
Banks and other financial institutions	101.393	68.930
Cash equivalents	102.809	70.660

1.1.2. Information on cash and cash equivalents at the end of the period

	Current Period 31 December 2010	Prior Period 31 December 2009
Cash	2.427	1.416
Interbank money market placements	--	--
Financial assets at fair value through profit or loss (net)	--	--
Banks and other financial institutions	141.317	101.393
Cash equivalents	143.744	102.809

2. Information on unrestricted cash and cash equivalents that is in the possession of the Group however not in the restricted usage due to legal limitations and other reasons:

The Group has TL 13 (31 December 2009: TL 13) restricted cash and cash equivalents that is in the possession of the Group due to legal limitations and other reasons.

3. Information on the effect on cash and cash equivalent assets due to changes in other accounts in the cash flow statement and exchange rates:

The TL (-) 9.388 (31 December 2009: (-) TL 13.088) in the "Other" account that is under the "Operational Profit Before Operations of Banking on Assets and Liabilities" account is comprised of other operating income excluding collections from non performing loans, other operating expense excluding personnel expenses and exchange gain/loss.

The "Net increase/decrease in other assets" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (-)40.004 (31 December 2009 TL 19.367) is composed of changes in fixed assets, associates, tax assets and other assets.

The "Net increase/decrease in other debts" account under the "Changes in assets and liabilities subject to banking activities" amounting to TL (-)45.934 (31 December 2009: TL 22.700) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable.

"Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents" is computed by (-) TL 2.163 (31 December 2009: TL 2.227).

VII. INFORMATION ON THE GROUP'S RISK

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 Information on the loans of the Group's risk

Current Period:

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	--	--	--	13.238	3.287	70.797
Balance at the End of the Period	--	--	--	49.222	2.615	102.601
Interest and Commission Income Received	--	--	--	--	17	--

(*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Non-cash loans given to Parent Bank's direct and indirect shareholders, are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period:

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	--	--	52	15.582	9.284	97.967
Balance at the end of the Period	--	--	--	13.238	3.287	70.797
Interest and Commission Income Received	--	--	--	--	--	--

(*) Stated at the 2nd clause of the 49nth article of the Law No. 5411 of Bank's Act.

1.2 Information on deposits of the Group's risk group

Group's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	--	--	33.789	2.049	10.544	17.733
Balance at the End of the Period	--	--	78	33.789	26.951	10.544
Interest Expense of Deposits	--	--	20	60	40	87

(*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

1.3. Information on forward transactions, options and other contracts related to Group's risk group:

Group's Risk Group(*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions with Fair Value Difference Reflected on Profit/ Loss Statement						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	(272)	--	--
Hedging Purpose Transactions						
Period-opening	--	--	--	--	--	--
Period-end	--	--	--	--	--	--
Total profit/loss	--	--	--	--	--	--

(*) Stated at the 2nd clause of the 49th article of the Law No. 5411 of Bank's Act.

1.4. Information on benefits provided for top level management:

For the year ended 31 December 2010, TL 2.914 (31 December 2009: TL 2.663) has been paid to the top level management of the Group as a fringe benefit.

VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES or INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES

	Number of branches	Number of employeess	Country	Total assets	Legal capital
Domestic Branch	6	255			
Foreign representative office	--	--	--		
Foreign branch	--	--	--	--	--
Off shore branches	--	--	--	--	--

SECTION SIX

OTHER INFORMATION ON GROUP'S OPERATIONS

I. OTHER INFORMATION ON GROUP'S OPERATIONS

None.

II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

Changes in required reserves ratio

1. Published in the Official Gazette No. 27788 dated 17.12.2010 and No. 2010/13 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated 07/01/2011, to be effective with the Turkish lira Turkish lira liabilities required reserve ratio for deposits / participation were differentiated according to the maturity structure of funds.

These ratios are below:

a) Turkish lira required reserve ratio

TL	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	8
Deposits/participation accounts up to 1-month maturity	8
Deposits/participation accounts up to 3 month maturity	7
Deposits/participation accounts up to 6 month maturity	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special funds	Ratios correspond to maturities
Other than deposits/participation accounts	8

b)FX required reserve ratio is 11%

2. Published in the Official Gazette No. 27825 dated 24.01.2011 and 2011 / 2 Required Provisions of the Amendment to the Communiqué on the Scale to be valid obligation dated 04/02/2011, the Turkish lira demand required reserve ratios, and special notice deposits current accounts, term deposits up to 1 month / sharing accounts, time deposits up to 3 months / participate in special fund accounts and deposit pools / other liabilities to non-participation fund was set.

The ratios are below:

TL	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	12
Deposits/participation accounts up to 1-month maturity	10
Deposits/participation accounts up to 3 month maturity	9
Deposits/participation accounts up to 6 month maturity	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special funds	Ratios correspond to maturities
Other than deposits/participation accounts	9

SECTION SEVEN

INFORMATION INDEPENDENT ON AUDITORS' REPORT

I. INFORMATION ON INDEPENDENT AUDITORS' REPORT

The consolidated financial statements as of and for the year ended 31 December 2010 has been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and the independent auditor's report dated 11 February 2011 is presented in the introduction of this report.

II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.

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