

support for real sector  
qualified original  
different perspectives  
innovative leader  
offering exclusive solutions  
consultant  
trustworthy  
creating added value for its customers  
understanding  
listening unique  
generating easy solutions  
rendering fast service

**CONVENIENCE TRANSLATION OF  
THE REPORT ON COMPLIANCE OF ANNUAL REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

**Compliance Opinion**

To the General Assembly of Finansbank A.Ş.:

We have audited the accuracy and compliance of the financial information in the accompanying annual report of Finansbank A.Ş. with the audit report issued as of December 31, 2010. The annual report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on the audited annual report based on the compliance of financial information provided in the annual report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual reports as set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual report presents fairly, in all material respects, the financial position of Finansbank A.Ş. as of December 31, 2010 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411. The financial information provided in the annual report is in compliance with the audited financial statements and explanatory notes, and also includes the summary Management report and our audit opinion on these financial statements.

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



Hasan Kılıç  
Partner

İstanbul, April 1, 2011

## FINANSBANK A.Ş. REPRESENTATION LETTER FOR THE 2010 ANNUAL REPORT

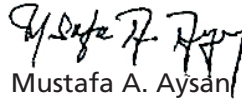
---

Finansbank's Annual Report is prepared in accordance with the principles and regulations stated in the "Regulation on the Preparation and Publication of Annual Report for Banks" which appeared in Official Gazette on November 1, 2006 numbered 26333.



Ömer A. Aras

Chairman of the Board



Mustafa A. Aysan

Board Member and  
Head of Audit Committee



Paul Mylonas

Board Member and  
Audit Committee Member



Temel Güzeloğlu

Board Member and  
General Manager



Adnan Menderes Yayla

Executive Vice President

# CONTENTS

---

## SECTION 1 CORPORATE PROFILE

- 1 FINANSBANK IN BRIEF
- 2 VISION-MISSION
- 3 VALUES
- 4 2010 ACHIEVEMENTS
- 5 2010 RESULTS
- 6 FINANSBANK'S CREDIT RATINGS
- 7 CHAIRMAN'S STATEMENT
- 9 MESSAGE FROM THE CEO

## SECTION 2 2010 ACTIVITIES

- 11 CORPORATE BANKING
- 13 COMMERCIAL BANKING
- 15 SME BANKING
- 16 CONSUMER BANKING
- 20 PRIVATE BANKING
- 21 CARD PAYMENT SYSTEMS
- 23 OPERATION
- 24 TREASURY
- 25 INTERNATIONAL RELATIONS
- 26 HUMAN RESOURCES
- 28 INFORMATION TECHNOLOGIES

## SECTION 3 SUMMARY OF FINANCIAL FIGURES

- 30 FINANCIAL HIGHLIGHTS FOR THE YEAR 2010
- 31 AMENDMENTS TO THE ARTICLES OF INCORPORATION, SHARE CAPITAL AND SHAREHOLDERS

## SECTION 4 MANAGEMENT AND CORPORATE GOVERNANCE

- 32 BOARD OF DIRECTORS, EXECUTIVE VICE PRESIDENTS AND AUDITORS
- 39 EXECUTIVE COMMITTEES OF FINANSBANK
- 41 INFORMATION ABOUT THE PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMMITTEE MEMBERS TO RELATED MEETINGS
- 42 ABSTRACT OF THE BOARD OF DIRECTORS' REPORT PRESENTED TO THE GENERAL MEETING OF SHAREHOLDERS
- 43 INFORMATION ON THE PROCEDURES FOR STAFF RECRUITMENT AND PROMOTION
- 44 TRANSACTIONS OF FINANSBANK WITH THE RISK GROUP THAT INVOLVES FINANSBANK
- 45 CORPORATE GOVERNANCE COMPLIANCE REPORT
- 50 INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS/ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES
- 51 SUMMARY OF 2010 AUDIT REPORT

## SECTION 5 FINANCIAL HIGHLIGHTS AND RISK MANAGEMENT

- 52 DISTRIBUTION OF PROFIT
- 53 AUDIT COMMITTEE'S EVALUATION ON THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ASSESSMENT OF THEIR ACTIVITIES IN THE ACCOUNTING PERIOD
- 55 DISCLOSURE ABOUT FINANSBANK'S FINANCIAL POSITION, PROFITABILITY AND SOLVENCY
- 56 RISK MANAGEMENT POLICIES
- 58 SUMMARY OF THE SELECTED FINANCIAL DATA PERTAINING TO FINANCIAL YEARS BETWEEN 2006-2010
- 59 CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH REPORT OF INDEPENDENT AUDITORS

# FINANSBANK

Finansbank owes its success story written over 23 years to its human resources, innovative and proactive approach, and the quality of its services rendered across a lifelong partnership with its clients...

Turkey's 5th largest private bank in terms of asset size, a status attained despite its tender years, Finansbank has always pushed its growth graph upwards and has become a major league player.

Having operated in the banking business across ten countries in its first 20 years, Finansbank earned the accolade of being the Turkish bank with the largest investment and branch network abroad. Following its merger with National Bank of Greece S.A. (NBG), Greece's largest private bank, in 2006, Finansbank maintained its domestic growth and has provided the bank's partners and clients with new opportunities through this new partnership.

For 23 years since its inception, it has always managed to sustain its growth in such times. Attaining such growth through investment in human capital and

technology, Finansbank has continuously developed both its active structure and its credit and deposit portfolio. One of the most active banks in offering resources to the real economy, Finansbank has invested in its main core of operations, and accomplished a number of social responsibility projects through its engagement in education, environment and business awareness.

Its investment in human resources and technology have paved the way for Finansbank to become "the bank with the highest quality service" in Turkey and claim a place among the three most popular banks after a very short time in the banking sector. Finansbank launched its service excellence project in 2007 and has developed it ever since, seeking to render the best service to clients and maximize client satisfaction. To offer its clients the fastest and securest services, it has generously invested in human resources and a cutting-edge datacenter, considered to be one of the pioneer technological bases in Europe and the Middle East.

Known as "the bank of firsts and innovations", Finansbank has always been the market leader and a model to follow thanks to its products which have received many awards and acclamations both in Turkey and abroad. It has left a notable mark on the sector and thanks to its success became a case study at Harvard University, one of the world's most respected institutions.

Its communication projects have received a variety of awards from the most significant competitions in the world. Finansbank's corporate website took away the largest prize at the International Media Awards, a competition held annually in New York and deemed one of the most important in its field. Finansbank became the first Turkish bank to be selected as "best in its class" in the banking category. The world's first debit card with installment feature, CardFinans Nakit was recognized in "the best new

debit card product launch" category at "Cards and Payments Europe", one of the world's most prestigious awards. Finansbank made it to the finals with CardFinans Nakit and CardFinans Vadekart and became the only Turkish bank to receive "the best new debit card product card" award at this contest, with awards in ten categories. It also garnered many awards at the Cannes International Advertising Festival.

Having achieved great business successes in 2010, Finansbank is well aware that it can reach even greater heights by expanding its goals. Building the bridge between what it has achieved and what it will achieve through strategic decisions taken in 2010, Finansbank enters into adulthood with the goal of "being the most preferred bank in Turkey".

## OUR VISION

---

To help build individual and commercial financial plans that will catalyze Turkey's success.

## OUR MISSION

To build life-long and successful partnerships with all our stakeholders through understanding and best fulfilling their needs.

### **Our Customers:**

To help them reach their goals by correctly identifying their needs and delivering the right solutions.

### **Our Employees:**

To make investments that will help employees achieve their career goals.

### **The community we live in:**

To embark on initiatives that will make an impact on our society through our ability to support individuals and institutions.

# VALUES

---

## Respect and passion for our work:

- Our primary value is that we have respect and passion for our work.
- We are driven by the challenge to take our customers and stakeholders further.
- We believe in continuous change and improvement.
- We believe it is our responsibility to evolve with the times by adopting new technologies and practices that improve how we do business.
- We are transparent with everyone we work with.
- We are responsible, fair, realistic and candid people.
- We deliver our promises, we place importance on the trust bestowed upon us.

**When we embark on a journey together we are committed to the very end.**

## To be a “Team”:

- We do not work alone, we work together.
- For our customers or employees, there is no ‘you’ there is ‘us’.
- We are all part of the same team and are working for the same, shared goals.
- If we succeed it is because we have created success together.
- We take pride and care in listening to and understanding both our customers and each other.
- We take the time to understand the goals and aspirations of every individual we work with.

**Because acting and thinking as a team will deliver solutions that bring growth to our business.**

## Creativity:

- We believe success is based on our ability to create the right solutions, for the right people.
- We understand everyone’s needs are different; there is no one size fits all.
- For this reason we must be creative in delivering our products and services to customers and career opportunities to employees.
- We know that the most important question that can help drive our business forward is ‘what can I do better’?

**Because we know that only then can we achieve genuine success.**

## Leadership:

- We become a leader only when we can make a leader out of everyone.
- Only a bank that is courageous enough to assume calculated risk and take the initiative can become a leader.
- Only those who think and act like a leader can bring positive change to their careers.
- Only those who think like leaders can carry their customers to success.
- Therefore, we at Finansbank believe in rewarding success.

**Because leadership is not just a goal, but a way of our culture.**

## 2010 ACCOMPLISHMENTS

- The world's first debit card with installment feature, CardFinans Nakit was recognized in "the best new debit card product launch" category at "Cards and Payments Europe", one of the world's most prestigious awards. Finansbank made it to the finals with CardFinans Nakit and CardFinans Vadekart and became the only Turkish bank to receive "the best new debit card product card" award at this contest, with awards in ten categories.
- Biriktiren Hesap (the Account that Accumulates) Advergame, launched in January 2010 which provided over one-hour per capita communication to over fifty thousand registered members, won the Crystal Apple award in the digital category at the 22nd Crystal Apple Awards.
- The commercial for Vade Kart, the credit card offered exclusively to business owners instead of checks and bills, ensuring safe company spending, earned 2nd place in the TV category at the 22nd Crystal Apple Awards.
- The press advertisement of Today's Investment Instruments product campaign, which in line with today's economic conditions addresses all kinds of investment needs, won 3rd prize in the press category at the 22nd Crystal Apple Awards.
- [www.finansbank.com.tr](http://www.finansbank.com.tr) was recognized in the "Bank Standard of Excellence" category, [www.clubfinans.com.tr](http://www.clubfinans.com.tr) and [www.fixcard.com.tr](http://www.fixcard.com.tr) won awards in the "Financial Services Standard of Excellence" category at the "Web Awards 2010", held by the Web Marketing Association and hailed as one of the industry's most prominent awards.
- Finansbank made it to the finals in the Education and Development Category at the PERYÖN İnsan Yönetimi Ödülleri (Human Management Awards) 2010.
- As an indicator of the skillful management of its job-application process, the bank was awarded "The Company with The Most Job Applications Made" as part of the Yenibiriş Awards 2009.
- [www.finansbank.com.tr](http://www.finansbank.com.tr) was selected as "The People's Choice" in the Corporate Web Site category at the 2010 Golden Spider Web Awards.
- Issue of FixCards, the first charge-free credit card with standard credit card features, rose to over three hundred thousand in six months.
- ClubFinans Doctors, a credit card exclusive to doctors, is now used by three out of every four Turkish doctors, with forty seven thousand clients in just eight months.
- Thanks to a project funded by the European Investment Fund (EIF), the first of its kind in Turkey, SME clients have now managed to overcome collateral difficulties to a great degree.



## 2010 RESULTS

---

- Finansbank's 2010 net income from continuing operations increased by 98% compared to 2009 net income excluding the gain from the disposal of subsidiary amounting TL 187 million and reached to TL 915 million.
- Net interest income reached to TL 2,254 million and net fees and commissions increased by 7% and realized as TL 594 million. Assets recorded as TL 38,087 million as a result of 30% increase.
- Total loans recorded as TL 25,836 million and total customer deposits reached to TL 23,552 million with an increase of 35%, and 25% respectively.
- The Capital Adequacy Ratio (CAR) realized at 16.68% for the year-end 2010 where shareholders equity stood at TL 5,208 million with an increase of 44%.
- Branch network has been extended with the addition of 41 new branches, increasing the total number of branches to 502.

# INTERNATIONAL RATINGS

---

## MOODY'S INVESTOR SERVICE

Long-term Foreign Currency Deposit	Ba3
Long-term Local Currency Deposit	Baa2
Short-term Local Currency Deposit	Prime-2
Bank Financial Strength Rating	C -

## CAPITAL INTELLIGENCE

Long-term Foreign Currency	BB
Short-term Foreign Currency	B
Financial Strength	BBB+
Support	3

## FITCH RATINGS

Long-term Foreign Currency	BBB -
Long-term Local Currency	BBB -
Short-term Foreign Currency	F3
Short-term Local Currency	F3
Long-term National Rating	AAA (TR)
Individual Rating	C
Support	3T

# CHAIRMAN'S STATEMENT



As a bank that aptly evaluates its atmosphere, recognizes opportunities and takes action, Our Bank generated original strategies throughout 2010. As in the past, it was the bank to be followed and tracked very closely...

Dear Shareholders,

After a year of great success for our Bank, we observe that the post-crisis economic recovery differs between developing and developed countries. While developing countries with rapid growth constitute the driving force behind the economic recovery, the developed countries have not performed as expected. Large-scale incentive packages to overcome the global crises created loan problems and caused severe distortions in budget balances. Although the financial support package by the EU and IMF helped ease Euro-Zone debt concerns, they did not completely abolish them. The assumption that returning to pre-crisis levels in the USA, especially in the labor market, will take longer than expected made low policy interest rates in developed countries during 2010 a predictable outcome. Commodity prices followed an upward trend throughout 2010 due to expectations that the USA would continue with its expansionary monetary policy. During this period oil prices rose by 9% to \$ 94.81 and gold prices went up by roughly 30%.

Markets will watch the economic growth of developed countries, especially the USA, and its impact on monetary policies. In addition, commodity and energy prices will be followed closely.

In 2010, the Turkish economy stood out, achieving growth of 8% and enjoying a successful year. Decreasing interest rates controlled inflation and has also strengthened the financial sector. Thanks to their robust capital structures, banks played a significant role in supporting the economy by expanding their loan volumes.

In 2010, while all the parameters of the Turkish economy took positive strides, the only issue of concern was the growth in current account deficit. Domestic demand-based growth led to a major increase in imports, leading to a

regression on current account deficit. From the last period of 2010 on, the Central Bank (of Turkey) put into effect policies intent on reducing the current account deficit to a sustainable level. On the one hand interest rates were lowered, while on the other hand the required reserves were boosted to take credit growth under control. We expect that these policies will continue in 2011 and the growth rate will fall to 4-5%.

Throughout 2010, our Bank continued its profitable growth and considerable results in winning market share. As a bank that aptly evaluates its atmosphere, recognizes opportunities and takes action, our Bank continued to generate original strategies. As in the past, it was the bank to be followed and tracked very closely.

With over 500 branches and 12,000 employers, Finansbank has launched a significant development project. This project, which we began by determining our new vision, mission and values for our past values to properly serve our future goals, will contribute to Finansbank on its quest to best understand the needs of all of its clients, employees and partners, to offer the most precise solutions to these needs, to become a bank that forges lifelong relationships, and one that both generates and distributes profit. We firmly believe that we are on the path to great accomplishments while embarking on this journey to become "Turkey's most preferred bank".

We look to 2011 with confidence. We demonstrate our "skillful management" capacity by thoroughly analyzing global economic and political events, as well as the dynamics of Turkey. Finansbank will increasingly continue to support the real sector in the upcoming period. By forging a deep relationship with our clients, intended to expand our client base and instrumental in long-run, permanent connections, we will carry out the necessities of the process through which

we will fully understand and offer the best solutions to our clients. Our financial achievements have been attained by our clients' trust, loyalty and continuation with us.

I thank all of our esteemed stakeholders who have contributed to our success for their belief in Finansbank.

**Ömer A. Aras**

Chairman of the Board of Directors

# MESSAGE FROM THE CEO



Having achieved great success in business results in 2010, our Bank took confident steps on its quest to become the most preferred bank by adding further to its current efforts to “forge a lifelong relationship” ...

Dear Shareholders;

As the global turmoil continues around us, we have come to the end of a fortunate year for our country. Generally put, the ongoing abundance of liquidity and falling inflation towards the end of the year allowed bond yields to drop to as low as 7.09% in 2010. Following 11% growth in the first half of 2010, the rate fell to 5.5% in Q3 due to base effect and global problems. However, it recovered to 8% in Q4 thanks to reinvigorated economic activities.

The banking sector was a significant contributor to the post-crisis recovery by providing much greater support for the real sector. Considering the recent unfavorable global conditions, there is no doubt that our banking sector acted as a lever in helping Turkey to overcome the global crisis.

Looking briefly at the Turkish Banking Sector's 2010 performance; as of December 2010, the sector's total asset size grew by 20.8% to TL 1.007,6 billion. The total size of loans reached a growth of 33.9% (TL 133,3 billion), corresponding to a total of TL 525,9 billion. As of December 2010, the ratio of capital adequacy stood at 18.9%. The sector's shareholder equity rose by 21.1% (TL 134.3 billion). Its profitability also grew by 8.7%, to a total of TL 21.931 million at 2010 year-end.

Our Bank continued in 2010 to be one of the highest contributor banks to the real sector by continuing to launch innovative products tailored to client needs and expectations.

Our mortgage products come with many different payment and credit facility options. Along with the “5030 Money is Ready” channel; our “Today's Investment Instruments” concept combining brand-new investment alternatives and offering solutions to our clients in decision-making; Fix Card, a brand-new product that

grants freedom and flexibility to our clients; ClubFinans Doctors, the platform we launched to best address our doctors' financial and personal needs; and our new insurance product that grants our clients access to discounted health insurance at 56+ years old, they represent but a few of our 2010 products for the individual banking segment.

Maintaining close relationships with commercial firms since its inception, our Bank again pioneered many "firsts" thanks to products exclusive to the commercial segment. As a result of our Bank's agreement with the European Investment Fund, we enabled our entrepreneur and SME clients with collateral difficulties to use loans in different packages, a major contribution to the real sector of which we are rightly proud. In another first, we brought a new dimension to commercial life with our CardFinans VadeKart, a product we launched in February that grants our clients more freedom from checks and bills.

As a robust indicator of our corporate social responsibility, we initiated a new project with WWF Turkey to draw attention to the effects of climate change and to remind individuals of their own responsibilities. We set up the web site [www.ekolojikayakizim.org](http://www.ekolojikayakizim.org) (my ecological footprint). We intended to make users learn about their ecological footprints, indicating the effect of their demand for natural resources, by responding to questions regarding their domestic, travel, food etc. consumption habits.

In this period, we received a number of exciting awards. The world's first debit card with installment feature, CardFinans Nakit was recognized in "the best new debit card product launch" category at "Cards and Payments Europe", one of the world's most prestigious awards. Finansbank made it to the finals with CardFinans Nakit and CardFinans Vadekart and became the only Turkish bank to achieve "the best new debit

card product card" award at this contest, with awards in ten categories. Attaching the utmost priority to client satisfaction, Finansbank internationally proved the success of its websites by winning three different awards at "Web Awards 2010", one of the internet world's most prestigious awards. Biriktiren Hesap (the account that accumulates) Advergame, launched in January 2010 which provided over one-hour per capita communication to over fifty thousand registered members, won the Crystal Apple award in the digital category at the 22nd Crystal Apple Awards. The advertisement for Vade Kart, the credit card offered exclusively to business owners instead of checks and bills, ensuring safe company spending, earned 2nd place in the TV category at the 22nd Crystal Apple Awards. The press release of Today's Investment Instruments product campaign, which in line with today's economic conditions addresses all kinds of investment needs, won 3rd prize in the press category at the 22nd Crystal Apple Awards.

In addition to the innovative efforts above, heedful of its clients and intending to ease their daily lives, Finansbank continued to present its clients with the most excellent banking experience and managed also to reflect this on its financial performance. I would like to remark that Finansbank, one of the most eminent banks despite its young age, enters into adulthood with its eyes focused on "doing and becoming the best".

The credit portfolio, which Finansbank aimed to expand by focusing on banking activities and enlarging its client base, reached TL 25.8 billion. It expanded its total asset size to TL 38,087 million, equivalent to a 30% surge. As of 2010 year-end, its market share in individual housing, credit cards, and auto and consumer loans rose by 10.51%, 14.12%, 4.17% and 5.60% respectively. In parallel with this growth in assets,

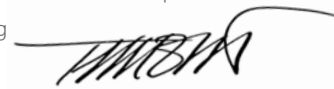
Finansbank continued to increase its TL deposits in a balanced manner. The total amount of client deposits climbed 25% to TL 23,552 million.

While net interest profits rose to TL 2,254 million, net revenues from fees and commissions went up by 7% to TL 594 million. Pre-tax and pre-provisions profit was TL 1,394 million, while net profit from continuing operations amounted to TL 915 million, corresponding to a leap of 98%. Our total equities grew by 44% to TL 5,208 million, and the ratio of capital adequacy in 2010 was 16.68%. We boosted our employee base to 11,734 and added 41 new branches to our branch network, now totalling 502 branches.

Having achieved great successes in business results in 2010, our Bank took confident steps on its quest to become the most preferred bank by adding further to its current efforts to "forge a lifelong relationship".

At Finansbank, we draw our strength from the care and support granted by our clients, shareholders and close to twelve thousand employees. Among the pioneers of the Turkish financial sector, our bank will keep working towards becoming a bank that offers services shaped by client expectations, and one in which shareholders and employees are proud to be a partner and a member.

I thank all our employees, clients, strategic business partners and partner banks that have been instrumental in these accomplishments.



**Temel Güzeloğlu**  
General Manager

## CORPORATE BANKING

Corporate Banking, on which Finansbank has focused since its inception, continues to serve by its steps towards becoming a problem-solving partner of the customers. ...

Corporate Banking activities of Finansbank have continued to develop while increasing its significance.

Finansbank Corporate Banking carried on with its activities as it takes forging long-term relationships with and presenting suitable solutions to its customers as its core principles.

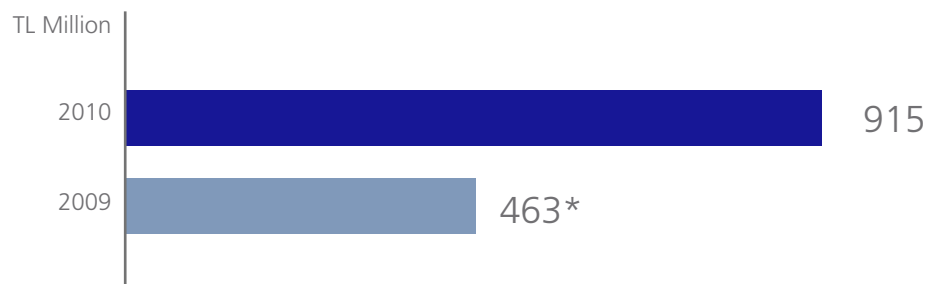
The high degree of concentration achieved bank-wide in group synergy enabled corporate banking to assume an active role in our customers' business in the countries where NBG operates. Corporate Banking department developed its know-how through its international experience and corporate-oriented approach, and offered this experience to its customers at any market condition to create them added-value. Corporate Finance and Syndications Division, growing and operating since 2007, has accomplished a considerable number of projects.

Finansbank served its corporate and large commercial customers with 8 branches located in Istanbul, Izmir, Ankara and Gaziantep, 5 corners located in Bursa, Denizli, Antalya, Kayseri and Adana, all employing expert staff at customers' service. Driven by the need to focus on this segment as part of its quest to better serve its portfolio, Finansbank explicitly classified its customers at corporate and large commercial banking segments in 2010. This classification resulted in Corporate Banking department, serving its corporate customers at four branches located in Istanbul and Ankara, to increase its TL loans, TL deposits and letter of guarantees by 169%, 48% and 54% respectively in 2010. Corporate deposit/loan ratio and non-interest income/non-interest expense ratio realized as 46% and 72.5% respectively.

“as a result of  
EXPANSION in every  
financial component”

Annual net profit growth

%97.6



\* Excluding the gain from the disposal of subsidiary in 2009.



“TRUSTWORTHY  
qualified  
customized  
unique”

## COMMERCIAL BANKING

Restructured according to customer needs and demands, Commercial Banking department exhibits its distinctive quality by offering its customers qualified, reliable and corporate-specific services at most suitable conditions...

Serving the corporates with over 10 million TL annual profit and 3 million TL credit line, Finansbank Commercial Banking department realized its goals of healthy and sustainable growth, thanks to its experienced team, versatile approach to business sectors, its broad customer base, wide range of products, effective product management and excellence service, pushing its total risks and total deposit volume up by 22% and 20% respectively.

Restructured in 2010 to ensure a holistic perspective to the sector and the customers, Commercial Banking department employed its new organization to improve relationship banking with commercial banking customers and to expand cross-selling opportunities. In this respect, it is restructured under five main groups in 2010 to serve its existing and new customers move effectively:

- Large Commercial Banking Sales,
- Commercial Banking Sales,
- Commercial Marketing
- Global Transaction Banking and Trade Finance
- Cash Management

The number of regional offices is increased to twelve for a better understanding and management of regional conditions. The network of branch rose from 60 to 84 nationwide.

Its approach of producing quick solutions to any need of its customers allowed Finansbank Commercial Banking department to carry out activities that included POS, cash management special-priced banking product packages regarding retail/customer and supplier chain. At the same time, it undertook various projects and held campaigns to meet customer demands.

Commercial Banking department created stable and sustainable low-cost fund resources which are formed by

customers' cashflows. Concentration on technological applications that earns new customers, strengthens existing customers' loyalty and significantly reduces transaction costs yielded a 34% increase in the number of customers using electronic banking products in 2010. The technical infrastructure of DBS has been completely revised, leading to an increase in the number of active firms and DBS retailers by 218% and 188% respectively.

In 2010, foreign commercial financing products made significant contributions to the Bank's foreign trade volume and profitability. At the said period, Finansbank's annual trade volume and market share rose by 23% and 1% respectively.

“we continued to be  
an active player  
in generating RESOURCE  
for the real sector”

---

The growth in total loans

%35.1



## SME BANKING

Having exhibited its distinctive quality in SME banking since its inception based on the motto “You get soaked not because it rains but because you do not have an umbrella”, Finansbank carries on with its activities, taking meticulous heed of customer needs....

Driven by the principle that it will address any need of its SME customers through various solutions, Finansbank has gained considerable ground in this segment since it established SME Banking department in 2004, thanks to new products and services offered to the market.

Finansbank ensured its rapid growth in SME Banking both by new branches and staff employed at these branches, and by new products and services that would carry it one step ahead of its competitors. In 2010, Finansbank SME Banking department became the first and only Turkish bank to grant credit guarantee to SMEs, as part of the “Competitiveness and Innovation” (CIP) program of the European Investment Fund (EIF). This allowed Finansbank to grant over TL 200 million to over 5.000 SMEs under the guarantee of EIF. As a result of Finansbank’s remarkable performance, EIF granted Finansbank a new limit of guarantee, amount to TL 350 million, which marked a second success. Therefore, Finansbank’s limit of guarantee in the presence of EIF reached up to a total of TL 600 million.

Another product that placed Finansbank well ahead of its competitors was the Dynamic Loan. This product enabled Finansbank customers who want to take loans in exchange for check or POS denial to take their loans anytime, anywhere, without any extra document or operational procedure, in proportion with their guarantees.

Carrying on ceaselessly with sectoral activities, Finansbank brought solutions to financial needs with its “Construction Loan”, the product that grants contractors engaged in building construction the working capital they need and allows it to be repaid by the revenue from flat sales.

As part of its activities set on offering solutions to all its customers, Finansbank broke another ground by implementing

the risk- and customer value-based pricing policy at SME Banking segment.

Continuing with its non-financial consultancy solutions to SME customers using KobiFinans Dergisi (magazine) and kobifinans.com.tr, Finansbank sustained its growth at this segment in 2010.

SME Banking secured a 23% increase in total cash loans, from TL 3.5 billion to TL 4.3 billion. Loans of commercial character enjoyed a boost by 32%, from TL 2.4 billion up to TL 3.2 billion. Finansbank SME Banking segment continued its mission of forming the Banks demand deposit base in 2010 by growing in TL demand deposit by 19%, up from TL 500 million to TL 593 million.

customer centric  
LEADER  
fast easy trustworthy  
INNOVATIVE

## CONSUMER BANKING

Always bringing “firsts” to the sector with its innovative and leader approach, Finansbank continues to be the bank that offers solutions to any need and highlights its distinction thanks to its customer-oriented activities, principle of rendering the best service, wide range of products and its steps towards becoming a solution partner to its customers. ...

Finansbank has fastidiously attached importance to being the bank that launches and offers well-considered products to its customers since its inception. At this period, it did not cease to sustain its banking concept set to forge long-term relationships with its customers, to stand by them and to grow alongside them.

Factors that grant Finansbank success in consumer banking are as follows:

- Efforts to understand the customer thoroughly and offering to them innovative products shaped by their needs
- Qualified and educated human resources
- Proactive approach to customer needs that can change according to the economical an/or social conditions
- Innovative, alternative channels of distribution
- Branch network covering 98% of Turkey
- Infrastructure with high-edge technology
- Attention to interpersonal contact with customers

Major products of the Consumer Banking department performed in 2010 as follows:

### Mortgage

Offering its customers mortgage products under the title “Mortgage Easy”, Finansbank continued to invest in 2010, too. Having mastered the ability to offer various loan alternatives tailored to their various needs and expectations, Finansbank went on its efforts to widen its range of products for segments, to which it has added till 2010: Lower Installment Mortgage, Lower Interest Mortgage, Mortgage for College Students, Advance-free Mortgage, Mortgage with Equal Principal Payment, Postponed Principle Mortgage, Increasing Installment Mortgage, Decreasing Installment Mortgage, Lower

Fee Mortgage, Mortgage for Government Employees, Standart Mortgage and Discounted Mortgage. In 2010, it released Change Your Home Mortgage, Privileged Mortgage, Mortgage for Investors and Mortgage for Doctors. Still one of the banks that grant most mortgages per branch, Finansbank claimed 10.51% of the mortgage market at 2010 year-end. With its mortgage portfolio rising from TL 4.6 billion to TL 6.0 billion, hence accomplishing a total of 31% growth, Finansbank granted 68% of the total loan portfolio in this segment, which includes installment loans too.

### Consumer and Auto Loans

Increasing its above-the-line campaigns in 2010 with emphasis on speed and ease, Finansbank also focused on increasing sales channels, securing a 44% leap in its consumer loan volume, from TL 1.8 million to TL 2.6 billion.

Having gained a momentum in sales thanks to the active usage of Internet and Telesales in Q3, the Plus Loan product offered to existing customers and the increasing number of retail branches and 32 EasyCredit branches; Finansbank raised its market share from 4.64% in 2009 up to 5.60% as of 2010 year-end.

Auto loans market share has reached to TL 5.4 billion as of 2010 year-end. Finansbank’s auto loans volume realized as TL 224 million, corresponding to a 4.17% market share.

Finansbank’s portfolio of installment loans grew 32%, from TL 6.7 billion to TL 8.8 billion.

### Investment Products

While Finansbank’s deposits and investment products portfolio grew in 2010 faster than the market itself, its total consumer deposit market share rose from 4.07% to 4.20%. As its total consumer deposits portfolio reached TL 14.1 billion with a 17.04% annual

growth, TL savings deposit grew by 27.7%. Reliability, widespread branch network, service quality and innovative products offering risk alternatives assumed a decisive role in ensuring this growth. In 2010, Finansbank launched the Gold Account that allows the customers to trade no par gold, and keep these amounts at savings or demand gold warehouse accounts.

Driven by the principle of offering service and products tailored to customer needs and demands, Finansbank and Finansbank Portfolio Management Inc. placed 7 guaranteed funds on the market in 2010 for its customers to benefit the opportunities of guaranteed funds. Released to the market under "Commodity Fund, Gold Fund, Brit Fund, Basket Fund, Oil Fund, Agricultural Fund and Metal Fund", these funds were intended to bring investors a chance to claim their shares from the rise of commodity basked consisting from oil, valuable mines to industrial metals and animal food without the risk of losing their principles. In addition to these products, Finansbank A.Ş. GT-30 Type A Exchange Traded Fund was launched. At the same period, the investment funds market share of the Finansbank group rose to 3.51% from 3.10%.

### Insurance Products

In 2010, insurance products gained more concentration as the Bank focused more on commission revenues. In line with this trend, bank-wide revenues generated from insurance commission increased by 60% compared with the last year. To increase credit linked insurance revenues, Finansbank for the first time began in 2010 to sell long-term life insurance and unemployment insurance products that are suitable to credit period. At the same time, it began to offer brokerage services to Agriculture Insurance, POS Machine Insurance, Health Insurance, and Education Insurances, to increase non temporal insurance revenues. Insurance product sales through the internet were

initiated this year, which is the first of its kind in Turkey. Moreover, insurance sales to corporate and credit card customers were given more attention.

### Segment Activities

In 2010, Finansbank continued to serve its customers through Mass Segment Management and Affluent Segment Management with a focus on customer profile and needs, and began to offer services aimed at sectoral banking and health sector.

With its structure tailored to customer trends and needs, Mass Segment Management continued its activities placing a focus on customer satisfaction. In 2010 the number of active customers increased by 54%. Consumer Banking continued to serve mass segment customers at 492 branches with 1,371 customer representatives as of 2010 year-end.

With its service model specific to affluent segment, Finansbank targeted to provide its customers with high returns through privileged services and skillful management of their savings. In 2010, various associations and clubs with affluent segment customer potential were contacted; many new customers were gained through agreements and activities, leading to a 88% bounce in the number of active affluent segment customers.

### Direct Banking – Alternative Distribution Channels

Finansbank Self-Service Channels continued to carry out new projects and to grow in 2010. Offering its customers an easy banking experience with its wide and innovative range of products, Finansbank Internet Branch sustained its position as a multifunctional service and sales channel with new services added in 2010. Enriched by such new services as Finanscope Finance Bulletin, Insurance Transactions, Private Pension, the branch

enjoyed a 10% increase in the number of users. Finansbank ATM network was widened to 1,754 Nakit24 and Nakit24 Ekstra (cash placement compatible) ATM machines by the year-end. Enriched with innovative operation sets enabling cross-sales activities, the ATMs were continued to be used intensively for payment transactions in particular serving like a customer service representative.

In 2010, Mobile Banking was added to Finansbank Self Service Channels, enabling customers to carry out many banking transaction with their cell phones. Special versions supporting three different technologies were developed to widen the service's access. Many services along with banking transactions like iPhone, customization, and market news were rendered to customers.

Mobile Branch, prepared for Java-supported Smart Phones, enabled banking transactions to be easily made thanks to its support for many different cell phones and its special application. Another channel implemented in 2010, corporate WAP site and WAP branch allowed customers to carry out banking transaction independently of cell phone model.

Many web sites were launched in 2010 to promote product and services on the internet. To promote Fix Card credit card and collect applications [www.fixcard.com.tr](http://www.fixcard.com.tr), to announce ClubFinans Doctors program and collect applications [www.clubfinansdoctors.com](http://www.clubfinansdoctors.com), to render special services to Private Banking customers [www.finansbankprivate.com.tr](http://www.finansbankprivate.com.tr), to promote month-end campaign [www.1ay3haftaolsun.com](http://www.1ay3haftaolsun.com) (one month be three weeks) websites and the improvement program website "Bizce Mümkün" (Possible for us) were launched in 2010.

Alternative distribution channels of Finansbank strengthened their success with many awards.

www.finansbank.com.tr was awarded in "Bank Standard of Excellence" category and www.clubfinans.com.tr and www.fixcard.com.tr were awarded in "Financial Services Standard of Excellence" category at the "Web Awards 2010", held by Web Marketing Association and hailed as one of the most prominent awards.

www.finansbank.com.tr was also selected as "People's Choice" at Golden Spider Web Awards 2010. For the corporate representation of Finansbank and active promotion of campaigns and products, official pages of Finansbank and CardFinans were launched on Facebook and Twitter. Broadly-participated campaigns were implemented on Facebook for Fixcard Consumer Loan and CardFinans Go. As part of digital reputation management, any kind of content on the Internet about Finansbank and sub-brands began to be followed and reported to related units. Constant optimization was ensured by following closely the performance of Google Adwords advertisement programs.

In line with the Bank's values, Microsoft Office Communicator, a messaging system that enables employees to communicate easier and faster, was implemented in 2010 to enhance intercorporate communication and sharing. In co-ordination with the bank's business units, various activities were carried out to promote and market banking product and services on digital channels.

Various campaign activities such as sending SMS and E-bulletin to external customers, promotions on mobile media and profiling were conducted with other business units to gain new customers.

## CALL CENTER AND TELESALLES

Telesales Unit actualized sales, demand collecting, operational calls in 2010 with its in-house and outsourced consultants.

Calls to Finansbank Call Center in 2010 rose to 40,151,154, a 30% jump compared with last year, and carried out 33,573,378 transactions. The number of active costumers on annual basis grew 31%, reaching up to 5,540,321 customers. Call Center carried out a total of 4,839,589 transactions consisting of sales, supportive sales and sales to promote product use. This figure indicates a 16% growth of sales compared with 2009. Use of Interactive Voice Response System reached to 60% up from 54% last year.

Work initiated to renovate the call's center's infrastructure to ensure continuity of operations in the event of a disaster and to set up the new voice response system which customer can use either by dialing or voice commands were completed in 2010.

In 2010, Business Development and Coordination Unit and Quality and Transaction Guidance Unit were established under Call Center and Telesales Group. The number of Call Center Customer Consultants increased 25%, from 574 to 719 by the end of 2010.

“as a result of  
**TRUST** we built  
in our customers”

---

The growth in total customer deposits

%25.5



“satisfying and comforting  
EXCLUSIVE  
solutions”

## PRIVATE BANKING

Finansbank Private Banking, while making best use of the present, plans its customers' future with them, knows their needs and expectations and offers them countless, life-facilitator privileges...

Finansbank Private Banking (FPB) helps clients build and preserve their financial wealth through tailor-made investment strategies. FPB also creates and implements mid/long term asset allocation within the context of each client's particular risk tolerance. FPB serves investors with assets of more than TL 500,000 or equivalent FCY.

FPB department supports all business lines (consumer, SME, commercial, corporate) in the bank within a matrix structure. Private Banking products and services are rendered by 78 employees located in the headquarters, 20 corners and 8 Private Banking centres, of which four are located in Istanbul and the others in Ankara, Izmir, Bursa and Adana.

With the intent of spending private times with its customers and flavoring their lives through various activities, the department became the main sponsor of Istanbul Ted "Seniors Cup by Finansbank Private Banking", a veteran tennis tournament held between 28 May–6 June 2010, and co-sponsored "Women's Circuit", a tournament held in Izmir Kulturpark Tennis Club on May 15, 2010.

It held a number of economy seminars to inform its customers about the ongoing economic trends and to reply related questions at Istanbul Swissotel on April 26, 2010; at Ankara Swissotel on April 8, 2010; at Adana Hilton on May 11, 2010 and at Izmir Swissotel on September 28, 2010.

Launch event of "Köyü Stone Houses", a co-project of Veryeriler Construction and Finansbank Private Banking, was held at Izmir Topsy on July 9, 2010. "Finansbank Private Banking – UNO Cup" Yacht Race took place between September 18-19, 2010 at Istanbul Pendik Marinturk.

It also acted as the head sponsor of Gülsin Onay Concert at Adana Cultural Center on December 10, 2010 and of the Recital of Gülsin Onay at Antakya Cultural Center on December 11, 2010.



## CARD PAYMENT SYSTEMS

The first bank to release a personal finance card to the Turkish market, Finansbank continues to sustain its customer oriented approach in the bank and credit card sector and strengthen its users with innovative products and services...

Restructured in 2007 and offered to clients with various new features, CardFinans credit card attained an upward curve on its success chart in 2010 as well. Finansbank carried its success in the portfolio of segment-specific credit cards to the debit card sector as well.

### CardFinans

CardFinans credit card maintained its place among the top five banks with over 4 million credit cards and 8.5% market share in 2010. Credit card turnover reached TL 22.9 billion, a 40% year-on-year increase (compared to 2009). Finansbank has become the fourth bank in the sector in terms of the total credit balance as of September 2010, reaching TL 6.3 billion with a 45% year-on-year increase and 14.1% market share.

Finansbank organized many campaigns including CardFinans “Postponing the Spending” that enables to postpone spending free of charge, “Surprise MoneyPoint” that provides a chance of winning up to TL 100 Money Point, “CardFinans Favour for The Real Friends” that presents MoneyPoint to the participants whether they have CardFinans or not, “Carrefour Shopping Center Mercedes Sweepstake Campaign” that gives CardFinans holders the right to participate in the sweepstake, “Free of Charge Credit to the Automatic Bill Payment Order” that gives Free Credit for the Automatic Bill Payment order and “Postponing Campaign” that was the first preferential campaign in Finansbank POSes. “Zero-Interest Favor” campaign, first in Turkey in terms of its benefits, which was launched in December became the most notable campaign of the year.

In addition to all these campaigns, Finansbank took into account the special days and offered various advantages such as discounts, installments and point advantages through various campaigns including “Mother’s Day Campaign”, “Ramadan Campaign”, “Campaign for the

Feast of Sacrifice”, “New Year Campaign”. The coverage of “MoneyPoint Load and Talk” feature, once exclusive to Turkcell clients, was expanded in April 2010 to clients from other operators as well, and “Load and Talk”, the feature that enables users to load TL to their mobile phones just via an SMS, was put into service in the same period.

“CardFinans in 15 minutes”, the application that enables an easy and fast credit card delivery to clients, was expanded to 95 branches in 2010.

### Fix Card

Fix Card, a revolutionary product of Finansbank in the sector, opened a new era that marked the end of card fee payments. Before the product was launched in May, the studies in the consumer insight led to the discovery that while a large number of clients were not willing to pay card fee, they were also not willing to abandon the advantages of credit cards. As a result of these studies Fix Card was launched in the market, putting an end to card fee payments. Fix Card, the best example for customer-oriented approach, was launched in 2010 and it turned out to be a record-breaking success story by reaching 300.000 card holders just in 6 months.

### ClubFinans Doctors ve ClubFinans Xclusive Doctors

ClubFinans Doctors and ClubFinans Xclusive Doctors cards, special cards of ClubFinans Doctors program that grants privileges to doctors in every field of life as well as priorities and opportunities, were launched in August. The number of clients reached just in five months up to 45 thousand corresponding to roughly one third of doctors in Turkey.

### CardFinans VadeKart

CardFinans brought a new dimension to business life with VadeKart, launched in February, which put an end to the use of checks and bonds.

The number of business credit cards has risen to 60.000 following the launch of "CardFinans VadeKart" which was aimed to take the place of numerous functions usually performed by checks and bonds in transactions, including term payment in spending, spending installment, receipt postponing, thus providing business with innovative alternatives and added value. This growth caused business credit card market share of Finansbank to increase to 6.3% and its turnover market share has reached 3.9% as well.

#### CardFinans On-Air

"CardFinans On-Air", having all the CardFinans features and providing free tickets for domestic flights of Onur Air as well as additional installment opportunities for flights, was introduced to clients in 2010.

#### CardFinans Contactless

"CardFinans Contactless", the card that in addition to all CardFinans features enables to make transactions that account up to TL 35 and below without password or signature, took its place among the new products of 2010.

#### CardFinans Nakit (Cash)

CardFinans Cash paved the way with the launch of the "World's First Debit Card With Installment Feature" in 2009 and in 2010 card owners started to gain MoneyPoint as they do shopping from CardFinans vendors and users were provided with the opportunity to do secure online shopping from contracted member companies with 3D security infrastructure.

The number of CardFinans Cash debit cards rose to 3.5 million, seeing a 35% growth, and its market share rose to 5.0% compared to 2009. CardFinans Cash closed the year ranking the third in the sector with 82% POS turnover increase and 11% market share.

"One of every 4 petrol and market shoppings with CardFinans Cash is free"

campaign and "Use CardFinans Cash, Get Many Gifts" campaign in which 503 gifts, including 1 apartment and 3 automobiles were given to the winners left their marks in the bank cards sector.

#### MERCHANT ACTIVITIES

Many new vendors from various sectors were included in CardFinans system as part of the merchant cooperation in 2010.

These brands included Karaca, Afrodite, Kyo My Friend, Muji, Bilstore in textile/ accessory; Köşebaşı, Ulus 29, Topaz, Niş, Bebek Balıkçısı, Big Chefs, 360 İstanbul in cafe/restaurant; Burç Eğitim, Doğa Koleji in education; Efes Pilsen, Unilever, Mey İçki, Güney 2M in wholesale food, Sky Airlines, Vista Turizm, Novum Turistik, Diana Grubu in tourism; Alarko Carrier, İklimsa in heating and cooling; Atiker, İcitaş in automotive; Yapı Kredi Sigorta, Eureko, Liberty, Işık, Osmanlı Grup Sigorta in insurance sector. In addition, sponsorships were conducted with many beach establishments such as Virgin Otel and Bianca during the year.

A feature to pay motor vehicle taxes and traffic fines in 5 installments with CardFinans through "www.gib.gov.tr" was provided and a sweepstake campaign that gave 5 Mercedes C180K and 5 Audi A3 in 5 shopping center for the New Year shopping was held.

With the addition of new vendors, the installment sales market share climbed past 13%, attaining an increase of 35%.

CardFinans for the second time became the main sponsor of 10th Retail Days. "10th Retail Days", an important meeting venue for retail sector, was held in Lütfi Kırdar Convention and Exhibition Center on October 20-21 with 3.500 participants. In the sweepstake organized with the sponsorship of CardFinans in honor of 10th Year, the winner was given Audi A3 by CardFinans.

CardFinans Retailing Academy, established in 2009 as part of the training activities on retail sector, went on with its contributions to the sector's training needs in 2010. Training sessions were held with the participation of 600 trainees in 2009 and their training continued in 2010. 1200 new trainees participated to the training sessions in 2010.

POS number reached 150,432 and POS market share climbed to 6.74%, with over 120,000 POS member businesses. POS turnover for the retail trade increased to 1,359 million TL and 6.5% market share.

"FX POS" product, developed in 2010 and enabling card holders to pay in five different currencies including USD, EURO, POUND, RUBLE, YEN provided a significant competitive advantage. "Meal POS" was another notable product released in 2010 that enables to use Meal cards and Finansbank cards through the same pos.

# OPERATIONS

Finansbank's operations mission is to generate tailor-made solutions for the bank's needs, to optimize business processes in the most efficient way and to improve customer satisfaction...

Finansbank commenced to implement Six Sigma Project Management system in order to achieve its goal of being the best in the sector. The first wave of black belt efforts reached its final stage with 10 customer-oriented projects during the year.

E-trainings and class trainings, organized to generate awareness and to inform individuals about the amended Check Law, were successfully completed in 2010. Regulations on systemic change and notifications, required by the amended law, were implemented.

With Bantaş, established through the joint venture of Finansbank, TEB and Denizbank, a new project on the transfer of check, bond and other correspondences in addition to the cash operations was launched.

With the decision of the Central Bank of the Republic of Turkey, IBAN usage was made obligatory for money transfers in Turkey and European Economic Area and banks were held responsible for IBAN verification as of January 1, 2010. In line with this decision, systemic reorganization activities were successfully completed and the new system became effective.

Finansbank Operations Center made a large move for increasing the rate of centralization in accordance with the objectives set in 2010. Centralization rate for many functions increased 100%, being 89.49% on average.

Centralization rate increased and the quality of service rendered for branches/clients was measured with close follow-up. Process times pledged to the branches were realized with a rate over 90% in İstanbul and Erzurum Operations Centers thanks to the abovementioned measurements and actions that were taken accordingly.

# TREASURY

Treasury Department of which primary focus is to convey the parameters of the market to the stakeholders, successfully managed the liquidity, interest and currency risks of Finansbank...

## Liquidity Desk

The bank's liquidity is managed by the Liquidity desk while trading desks run bonds and FX trading activity. Trading limits, limit usage and profitability are closely monitored by dealers and desks. 2010 has been a good year as trading desks were well positioned to take advantage of the market movements on FX and interest rates fronts. The management position, which is run by long-term directions, also contributed significantly to the overall profitability of the department.

## Treasury Profitability Unit

Monitoring risk limits and assessing dealer and desk based profitability are responsibilities of Treasury Profitability Unit (TPU). The Unit's technological capabilities were further strengthened by integration of a new "profitability module" within core banking system.

## Balance Sheet Management Desk

Balance sheet risk management and funds transfer pricing (FTP) are run under the Balance Sheet Management (BSM) desk. The desk is responsible to execute the hedging strategy set by the ALCO assessing potential exposures to risks in the balance-sheet of the Bank, especially credits and deposits, in terms of maturity and costs and will evaluate developments in terms of risk and hedging. Tools such as IRSs (Interest Rate Swap), cross currency swaps, swaptions and other interest rate risk management instruments have been used in the hedging process. Beside this as mentioned above the desk is responsible to determine deposit and loan pool rates (FTP) in main currencies for all tenors in order to ensure fair profit sharing among business lines and realistic pricing in products.

## Derivatives Desk

Derivatives desk continued to offer very competitive pricing of derivative products, which helped provide an excellent service to both corporate and private clients who need such products. This desk aims to price and trade all kinds of derivative instruments such as forwards, futures and

options. Derivatives desk keeps a volatility book within the pre-defined and closely monitored risk metrics and makes prices in both currency and stock derivatives in local markets.

## Sales Desk

In addition to conventional products, Sales desk offers clients and branch network a wide range of derivatives and capital protected savings products. The desk's innovative approach allowed a steady expansion in desk's client base and trade volumes; as a result Finansbank tops the league tables in derivative sales in Turkish banking sector.

## Research Desk

Research Desk had crucial input in the success of both the sales desk and the Treasury. Apart from daily and weekly reports published in both English and Turkish, the research effort supported marketing activities by attending client conferences and provided support for the positioning of the Core Treasury.

## Collateral Management and Risk Control

Collateral Management and Risk Control desk calculates the exposure of the corporate / private clients and counterparties of Finansbank with respect to their derivative deals, conducts the process of collateralization regarding this issue, it also provides support to the Sales Departments so as not to exceed the derivative limits of customers.

Treasury department provides liquidity for Finansbank Group exchange traded funds listed on the Istanbul Stock Exchange (ISE) as well as creation-redemption and underlying asset pricing. Finansbank Treasury also provides liquidity for IST30 Exchange traded fund, the first ETF based on an ISE index and creates arbitrage opportunities for cash and futures markets. The department prices derivatives for capital protected funds issued by Finansbank Group.

# INTERNATIONAL RELATIONS

The warranty agreement that had been signed with European Investment Fund within the scope of micro and SME loans is one of the firsts in Turkey that International Division had achieved as a consequence of successful correspondent relations...

## Banking Relations and Structured Funding Unit

Within 2010, Banking Relations and Structured Funding Team continued to further strengthen its ties with its relationship banks across various products, i.e. trade, funding, international payments and treasury.

Disbursements under the Euro100 million, 7 years EIB facility which was signed in 2008 continued in 2010. The funds were used to lend to SMEs and commercial customers for their investment needs.

In March 2010, we signed two guarantee agreements with the European Investment Fund (EIF) under the Competitiveness and Innovation Framework Programme (CIP) having a maturity of 5 years for micro credits and 10 years for SME credits; totalling TL 255 million (c. Euro122 Million). The purpose of the cooperation is to provide to Turkish SMEs with enhanced access to finance. Finansbank is the first and still the only Turkish bank which has signed such guarantee agreements with EIF.

In October, we attended the SIBOS meetings in Amsterdam where we shared the same stand with NBG, demonstrating the Group synergy to our international correspondents. We had many bilateral meetings with our relationship banks during this four days event.

In November, we successfully closed Finansbank's highest syndicated borrowing from the international markets, amounting to USD 333 million and Euro 352 million, attracting commitments from 29 international banks in 15 countries. The Facility has a maturity of 1 year and the proceeds of the loan will be used for our customers' general trade finance activities.

## The Financial Institutions & Credit Management Unit (FI)

The Financial Institutions and Credit Management Unit (FI) continued to assess and manage the risks of all domestic and international banks in accordance with the Bank's risk policies and NBG's Group credit policies in 2010. During the year, limit allocation methodology prepared with NBG Risk Management Group for FIs was continued to be implemented and relevant credit limit/risk reports were also prepared accordingly. Also, when assigning the credit limits, Finansbank's rating system was used and these limits were verified to be in proper ratio with registered capital amount ceilings.

# HUMAN RESOURCES

Being aware of the fact that the most important asset is its employees and differentiating service quality, Finansbank Human Resources lays a bridge between professional and social life...

Finansbank Human Resources Department continued to increasingly contribute to the success by developing practices in line with the bank strategies and policies in 2010.

By the end of 2010, the number of employees rose to 11,734 growing by 16%. Finansbank provided service in 502 branches in all over Turkey, Human Resources Department perpetuated its activities for developing employee engagement to increase its quality of service.

Recruitment policies were implemented in parallel with the business objectives and 3,164 new members joined the Finansbank family. Applicants with the experience and qualities determined based on the job requirements were contacted through media and university relations and other channels and a portfolio was prepared accordingly. Activities to improve the bank's image and to increase its preferability were successfully fulfilled. Besides company activities and sponsorship actions, with the Finans Up ([www.finansup.com](http://www.finansup.com)) project and HR marketing activities were carried out in universities for the target audience in order to engage new employees who will comply with the dynamic nature of the bank and the changing world and thus make difference, as part of talent acquisition efforts. Finansbank Human Resources utilizes different tools that go beyond the traditional employment process during the interactive recruitment process and measures the efficiency of these tools. After the employment starts, the aptness of a new employee to the bank and to the position is monitored and evaluated, and sound and lasting relations between the bank and the employee are supported.

After recruiting and engaging the employees that best fit to the position into the Finansbank family, Human Resources Department organizes training

activities to develop the human resources and increase the human resources' added value utilizing its performance consultancy approach. The goals of the training are set and the development of the employees after the training is measured with the training activities designed in compliance with the bank's values, and the effect of the training on the realization of company objectives is evaluated.

11 days of training is conducted per employee with the participation of 94% of the employees in 2010. The objective of training activities was to reinforce the reflection of the efficiency and applicability on the work outputs through various methods. During these training activities trainees are encouraged to closely follow up technology, the domestic and international developments and to adapt to these developments rapidly. Besides position-specific professional, managerial, personal, social and cultural development trainings within the programs, it is aimed to internalize the corporate culture. In-company trainers are utilized and knowledge is transferred within the corporation, and thus new acquisitions are provided for the employees who act as in-company trainers. Our Bank is one of the corporations that provide the most training in the sector through such activities and it becomes a subject for the benchmark studies with its improvement portal.

In today's competitive banking sector Finansbank aims at a sound infrastructure and implementation through instructions given to employees and directors as part of the objective and performance management approach that directly reflects on the success of Finansbank and generates synergy by setting a common goal. Skills of the human resource are developed in the trainings so that they draw an analogy with the performance management and also efforts continue to develop skills that correspond with the

<p>values of Finansbank. These trainings and efforts enable individual performance to match up with the corporate performance. Monitoring process and performance management that is diversified through the application of 360 degree feedback system is designed to create maximum benefit.</p> <p>Through the close monitoring of the sector in terms of the salary system and the internal balance analysis, the salaries of the employees were determined in a fair way in 2010. Vested benefits, additional wages and premium models allocated to certain tasks and titles constitute the total income package. Through the sound design and implementation of objective and performance management, employee engagement and motivation are improved and this implementation forms a basis for rewarding system. Since the corporate and individual performance is rewarded, employee's income depends on the added value s/he provides and this system ensures and encourages simultaneous employee and corporation benefits.</p> <p>Employees who are placed on the right position, developed through training and rewarded by the evaluation of performance, continue with self-development by taking horizontal or vertical step in their careers.</p> <p>Although it is a support function, Human Resources Department controls the size of the personnel costs, budget and expenditure that it manages in the bank balance and supports sound management of objectives. Human Resources Department has managed personnel costs that constitute 40-45% of the whole expenditure of the bank.</p> <p>A number of activities are being carried out to enhance the quality of the in-company life and to support corporate infrastructure. The major ones are employee proposal system, documentation system, appreciation</p>	<p>and recognition system, systemic HR applications and definitions as well as legal actions and actions related to the entity.</p> <p>The potential problems that the employees might face are aimed to be eliminated through in-situ intervention with the field and branch visits. Internal audits influence the quality of service positively by eliminating problems that might occur both on the opening day of new branches and problems that might occur in the existing branches.</p> <p>In-company communication activities lay a bridge between professional and social lives. Social activities, clubs, tournaments, meetings, events serve for this purpose and internal communication platform facilitates access to all these activities, enabling the bank maintain its leading position in this field. By the end of 2010, 33% of the employees became a member of the FinClub with an increase by 47% in a year, which indicates that FinClub has positive effect on employee satisfaction and engagement.</p> <p>Business evaluation project that continued in 2010 marked a first in the sector and the project team that consists of the HR personnel conducted business analysis and business evaluation of all the positions in the bank. A common language was formed for the HR functions to take actions on the same direction, to eliminate conflicts and gaps among roles and responsibilities and to support corporate culture and values through business strategies. Human Resources provide more strategic support to the business branches by reinforcing or leading the projects launched in the bank.</p> <p>Finansbank Human Resources, carrying out all its activities to develop Finansbank, supported the Improvement Project, the infrastructure of which has been set up in 2010 by allocating all its sources.</p>	<p>Efforts focused on developing functional and managerial skills, and the ground for training activities driven by the values which will guide the realization of the new vision and the mission of Finansbank have been formed in this year.</p> <p>Researches and surveys on the employee engagement and corporate culture that shape both HR and banking practices illustrated a picture of the current situation and helped to define the main input that steers development activities. In addition, the HR department led the benchmarking studies on the sector and monitored the market closely, implemented improvement actions and innovations simultaneously. All the activities were analyzed and reported, and strategic decision support mechanism was developed. Also, support for the affiliate companies on the HR functions has been growing.</p>
--	--	--



# INFORMATION TECHNOLOGIES

Finansbank Information Technologies department continued to provide the Bank with the required infrastructure for a competitive edge in the industry, by means of its products and investments in creative and state-of-the art banking technology...

In 2010 Finansbank Information Technologies Department organization has been restructured. Core banking has divided as front office, core banking and project office-business analysis departments separately in order to be aligned with the vision of the Bank and meet the IT needs of Bank's departments effectively. Infrastructure and Security - Audit departments remain the same.

During 2010, newly introduced loan and mortgage products, as well as several high-end loyalty programs have extended the Bank's product portfolio. Besides, many new products and services have been launched in Alternative Delivery Channels.

Top-up Credit project addressed customer needs like limit extension and long term Bank-customer relationship has been established. By this platform, for the first time, Telesales team has been enabled to start and complete the loan application process during the call. Also new mortgage products have been delivered for banking customers. These new credit products and channels contributed to the increase in market share. Risk based pricing structure for consumer banking has been implemented. This new structure enabled branches to offer prices based on risk and profitability of their customers.

A new business card for SME customers has been launched. This new card product helped customers in managing their cash flow, via offering several payment plans and created an alternative product for cheque users.

Mobile Banking project introduced a new service channel for Finansbank customers and enabled them to do their banking transactions using their mobile phones. New technologies have been implemented and three versions were developed including Java application, wap site and iPhone application to support different kinds of mobile phones.

New technologies and many projects have been implemented for Call Center channel; IVR flows have been redesigned according to customer segmentation and multiple flows generated accordingly. Based on gsm numbers it is possible to welcome customers with their names. In addition; speech recognition technology has been implemented for Banking transactions as well as credit card transactions.

New CRM projects have been developed in line with our Bank's objective for knowing our customers better and establishing longer business relations with them. With Potential Customer Management project, new CoreCRM platform has created and potential customer management system that running on this structure was implemented. It's Integrated with campaign management system and CAS (Card Application System). Therefore, potential customer life cycle within customer life cycle process was completed.

FINCAS (Document and forms automation system) project has provided a document storing and sharing solution for corporate and commercial customers credit proposal documents between branches and headquarters.

In line with the information security policy, "Information Security Training" was taken online by all employees.

With the Process Improvement Project, all IT processes are being re-engineered, modelled and published in a central repository according to the COBIT and ITIL frameworks. Related KPIs, KRIs are also being defined for the processes for IT Governance and IT Risk Management.

With the implementation of Data Leakage/Loss Prevention (DLP) Project, an infrastructure was established to prevent critical information and data from leaking out of the bank with no control.



With this project, any potential data and information leakage attempt including abuse, intentional, unintentional ones is being monitored, prevented and reported realtime, and necessary actions is being taken accordingly. With the client side implementation of this project, any data and information leakage originated by end users will also be under control. This project also makes considerable contribution in making employees security aware of information security.

In 2010, more functionality and capacity was added to our Disaster Recovery Center. New features, including very critical data or applications like EBS, Real Time Market Data, Turkish Derivatives Exchange connection for Treasury Processes; Campaign Server, ADSL POS infrastructure for Card Payment Systems; Multisite Call Center and many new functionalities for Call Center were implemented. For existing features, functions and hardware, additional capacity has been added as well. Disaster Recovery functionality of the Bank was tested with 120 scenarios within 2010 Business Continuity Test with %99 success rate. In addition to systems and functionalities tested by the past years; End of Day Operations of Core Finans and Card Payment Systems were performed successfully and Call Center was activated in DRC mode in Ankara for the first time.

The Bank's Information Technology Department has 536 full time employees. The most important factors that enable us to achieve high standards is our advanced technology and highly-qualified, well-trained engineers and technicians. The Research and Development team is located on the campus of Scientific and Technological Research Council of Turkey (TUBITAK). Support teams are working within Finansbank. We are the only banking technology company accredited to be in this zone, exchanging know-how with government institutions and benefiting

from technology incentives for our research projects.

Finansbank undertook a series of technological upgrade initiatives enabling its systems and network infrastructure to serve more branch, ATM and POS connections with the highest quality of service. The network was strengthened, system and storage capacities were increased, and software facilities were updated to their latest versions

## FINANCIAL HIGHLIGHTS FOR THE YEAR 2010

Key Financial Highlights	2010 TL Million	2009 TL Million	Yoy. %
Total loans	25,836	19,119	35.1
Total securities	7,504	5,635	33.2
Total assets	38,087	29,318	29.9
Customer deposits	23,552	18,768	25.5
Shareholders equity	5,208	3,627	43.6
Profitability	2010 TL Million	2009 TL Million	Yoy. %
Profit before tax and provisions	1,394	1,388	0.4
Provisions	260	797	-67.3
Profit before taxes from continuing operations	1,134	591	91.9
Provision for taxes on income from continuing operations (-)	219	128	71.3
Net Income from continuing operations	915	463	97.6
Profit before taxes from discontinued operations	-	197	-
Provisions for taxes on income from discontinued operations (-)	-	10	-
Income from discontinued operations	-	187	-
NET PROFIT	915	650	40.7

- Excluding the gain from the disposal of subsidiary at the amount of TL 187 million in 2009, in 2010, Finansbank's net income from continuing operations were up 98% was realised as TL 915 million. The Capital Adequacy Ratio (CAR) realized at 16.68% for the year-end 2010.
- Total loans increased by 35%, when compared to 2009 and recorded as TL 25.8 billion.
- Customer deposits increased by 25% in 2010 compared to 2009 and recorded as TL 23.6 billion.
- Net interest income reached to TL 2,254 million.
- Net fees and commissions increased by 7% and realized as TL 594 million.
- During 2010, 1,627 new personnel has been employed and the total number of personnel reached to almost 12,000 and the number of branches stood at 502.

## AMENDMENTS TO THE ARTICLES OF INCORPORATION, SHARE CAPITAL AND SHAREHOLDERS

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

Based on a resolution adopted by its Annual General Meeting of Shareholders on 16 April 2010, the following provisions of Finansbank's Articles of Incorporation were amended as follows:

Article 4 purpose and subject;  
 Article 5 the Bank's Head-office and branches;  
 Article 7 regarding the Bank's share capital;  
 Article 9 regarding transfer of shares;  
 Article 12 regarding calling General Assembly to a meeting;  
 Article 14 regarding General Assembly Meeting and Resolution Quorum;  
 Article 15 regarding method of vote casting at the General Assembly meetings;  
 Article 16 regarding management and the minutes of General Assembly meetings;  
 Article 17 regarding formation and functions of the Board of Directors;  
 Article 18 regarding taking oath and making statement of assets of members of the Board;  
 Article 19 regarding distribution of duties, meetings and resolutions of the Board of Directors;  
 Article 20 regarding representation of the Bank;  
 Article 21 regarding term of office and remuneration of the Board of Directors;  
 Article 22 regarding formation, powers and supervision of the Credit Committee;  
 Article 23 regarding Credit Committee members taking oath and making statements of their assets;  
 Article 24 regarding resolutions of the Credit Committee;  
 Article 25 regarding appointment of Bank's General Manager and Vice General Manager;  
 Article 26 regarding requirements from General Managers and Vice General Manager;  
 Article 27 regarding statement of assets of General Managers and Vice General Manager;  
 Article 28 regarding quantity, quality, terms of office, principal duties and powers, and remuneration of auditors;  
 Article 36 regarding annual reports and accounts;  
 Article 37 regarding delivery of articles of association;  
 Article 38 regarding references to provisions of law.

# MANAGEMENT AND CORPORATE GOVERNANCE

## Board of Directors, Managers and Auditors

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

- (1) Demetrios Lefakis, resigned from his Board of Directors and Audit Committee Delegate duty as of December 21, 2010, the approval process with the appointment of Michael Oratis ended on December 21, 2010.
- (2) Christos Alexis Komninos was appointed instead. The process of the appointment of Mr.Komninos ended on December 21, 2010.
- (3) Elçin Yanık resigned as of January 12, 2011.

# BOARD OF DIRECTORS, EXECUTIVE VICE PRESIDENTS AND AUDITORS

## BOARD OF DIRECTORS

### Dr. Ömer A. Aras Chairman of the Board of Directors

Dr. Aras graduated from the Academy of Economic and Commercial Sciences, Department of Economics, in 1975. He received an MBA in 1978 and a PhD in Business Administration in 1981 from Syracuse University. Over the next three years, he was a faculty member at the Business Administration Department of Ohio State University, and worked as a consultant. Between 1984 and 1987, he served as Credit Marketing Manager and Credit Committee Member at Citibank, and worked as the Head of Yapı Kredi Securities. Dr. Aras participated in the founding of Finansbank in 1987, and served as Assistant General Manager for two years and as General Manager for six years and as an Executive Board Member of Finansbank and Vice Chairman of Fiba Holding from 1989 to 2006. Between 2003 and 2007 he held the Board Member position in TUSIAD (Turkish Industrialists' Businessmen's Association). Mr. Aras served as Vice Chairman of Finansbank A.Ş. and Group CEO of Finansbank Group of Financial Companies (FinansLeasing, FinansInvest and Finans Portfolio A.Ş.) between 2006 (November) - 2010 (April). Dr. Aras was appointed as Chairman in April 2010.

### Sinan Şahinbaş Vice Chairman of the Board of Directors

Mr. Şahinbaş graduated from TED Ankara College in 1984, and from Istanbul Technical University, Engineering Faculty in 1988. He completed his graduate degree in Civil Engineering at George Washington University. He then received Masters degrees in International Relations from Istanbul University and in Finance from Yeditepe University. He began his professional career at Finansbank in 1990. He worked in Treasury, Corporate Banking and Credit Departments till 1997. In 1997 he worked for the foundation of representative offices of Finansbank (Suisse) SA ve Finansbank

(Holland) NV in Turkey. He was transferred to Garanti Bank in 1997 as Department Head in charge of the design of a risk management system for new subsidiaries, in the same year Mr. Şahinbaş was promoted to Executive Vice President of Garanti Bank (Holland) N.V. After a year, Mr. Şahinbaş moved back to Finansbank (Holland) N.V. and became General Manager in 1999. In 2001, Mr. Şahinbaş became Senior Executive Vice President at Finansbank and was promoted as General Manager in October 2003. After serving as General Manager for 7 years, Mr. Şahinbaş became Vice Chairman in April 2010.

### Prof. Dr. Mustafa Aysan Board Member and Head of Audit Committee

Prof. Aysan graduated from Istanbul University, Economics Department. He received his MBA degree from Harvard University in 1959 and became a professor in 1974. He has taught in various Turkish and international universities between 1968 and 2000. Prof. Aysan served as Head of the Committee for the Restructuring of State Economic Enterprises from 1964 to 1968, as Head of the Budget Committee of Turkish Republic Advisory Council in 1981 and as the Minister of Transportation from 1982 to 1983. Prof. Aysan is currently a Member of the Board of Directors and Head of Audit Committee of Finansbank.

### Yener Dinçmen Member of the Board of Directors

Mr. Dinçmen graduated from Ankara University, Faculty of Political Science - Economics Department and had his Masters degree in Economics from New York University. In 1972, he started working in Turkish Treasury and served as Advisor to Economic Affairs in the Turkish Embassy in Washington between 1975 and 1980. He served in various capacities for the State, including Advisor to the Prime Minister, Undersecretary of the Treasury, Senior Assistant General Manager at the Treasury, Economics

and Commerce Advisor for the Turkish Embassy in Washington, Treasury and International Commerce Advisor, Permanent Turkish Representative to the UN Office in Geneva, Undersecretary of Customs. He became Undersecretary of the Treasury in 1999. Mr. Dinçmen has been a Board Member at Finansbank between the years 2001 and 2010.

### Anthimos Thomopoulos Member of the Board of Directors

Mr. Thomopoulos, 45, is the Group Chief Financial Officer and Chief Operating Officer of the National Bank of Greece, the largest banking Group of Greece. He has also served as Group Risk Director of National Bank of Greece. Before joining NBG, Mr Thomopoulos was a senior corporate finance partner of KPMG in London and Athens, specializing in Banking and Finance industry. In this capacity, he served as advisor to large North American and European financial institutions on strategy, M&A and post-M&A integration. He serves as country representative to the European Banking Federation (EBF) for Greece as a member of the Senior Committee on Global Banking Issues of the EBF. Thomopoulos, is a UK qualified accountant (ICAEW) and CFA charterholder with postgraduate studies in Computer Science and Finance. Thomopoulos was appointed as a Member of the Board of Directors of Finansbank on 9th of November 2006.

### Dimitrios Anagnostopoulos Member of the Board of Directors

Born in 1959, Mr. Dimitrios Anagnostopoulos graduated from the Industrial School of Thessaloniki in 1983. He received his MBA from California State University Northridge and worked as an Analyst in "HELP U SELL" Real Estate Agency in Los Angeles, California from 1984 to 1986. He continued his career as Assistant to the Group Finance Manager in Delta Dairy S.A from 1987 to 1990. In 1990 he started his banking career in Citibank in Athens which was going to last for seventeen years.

He started as Assistant Manager in Credit Risk for large Corporates. In 1993 he became Vice President and Group manager of local Corporates and in 1998 Assistant General Manager in charge of the International Group. In 2000 he was appointed Assistant General Manager in the Retail Bank for Consumer & SME Banking. Mr. Anagnostopoulos left Citibank to join NBG in 2007 and was appointed as Coordinator to Finansbank. He became AGM for Credits in 2008 and was appointed as Finansbank Group Chief Risk Officer and Board Member responsible for Risk, in October 2009. In NBG Group, Mr. Anagnostopoulos is also in charge of the Risk areas in South Africa and Egypt. Mr. Dimitri Anagnostopoulos is married and has three children.

#### **Demetrios Lefakis** **Board Member and Audit** **Committee Member**

Mr. Lefakis graduated from Athens College in 1979 and John's Hopkins University in 1983. He then received Masters degrees both in International Relations and International Economy, Focusing on Latin America Relations. He worked as International Economist at Klayman Gurley Law Office in Washington between 1984-85 and as Vice Research Manager at C.Itoh&Company Inc. Between 1985-86 In 1986 Lefakis joined to Citi Group and he worked at different offices and departments till 2006. In 2006 he transferred to National Bank of Greece as the Head of Risk Committee and the Member of the Board of Directors. Lefakis was appointed as a Member of the Board of Directors and Audit Committee and the Chairman of the Risk Management Committee of Finansbank in July 2007. Mr. Lefakis resigned from his Board of Directors and Audit Committee Delegate duty as of December 21, 2010

#### **Paul Mylonas** **Board Member and Audit** **Committee Member**

Mr. Paul Mylonas had a B.Sc in Applied Mathematics - Economics department in Brown University and a PhD and MA in Economics in Princeton University.

From 1985 to 1987, he was visiting Assistant Professor at the Department of Economics in Boston University. He worked at the International Monetary Fund between 1987-1995. There, as a senior economist, he was the desk officer for Poland in the European Department. He also worked in the Fund's Policy Development and Review Department. From 1995 - 2000, he held the position of senior economist in the Economics Department of the OECD where he worked in the Money and Finance Division, and was head of the Greek and Spanish desks. He also served as the OECD representative on the G-10 Secretariat during 1999-2000. Mr. Mylonas is currently Chief Economist of the Group, Chief of Strategy, and Head of Investor Relations at the National Bank of Greece. He is Secretary of the Executive Committee and a member of the ALCO Committee of the Bank. Mr. Mylonas was appointed as a Finansbank Board Member in April 2010.

#### **Agis Leopoulos** **Member of the Board of Directors**

Born 1968, Mr. Leopoulos had a B.Sc in International Trade and Development Department in London School of Economics and Political Science at University of London where he also had a MA in Social Science and Administration. Mr. Leopoulos worked at European Commission between 1992-1995 where he held certain responsibilities and between 1995-1998 he worked in Banque Nationale de Grece in France successively as Associate Manager and Head of Greek Corporate Department. Mr. Leopoulos started working in NBG Group in 1999 and till 2000 he was the Head of Investor Relations and Advisor to Management and in 2000 he was appointed as Head of Management Office and Investor Relations. Mr. Lepoulos currently works in NBG as the General Manager responsible for Foreign Affairs and has been serving as a Board Member since April 4, 2010. He was appointed as a Finansbank Board Member in April 2010.

#### **Mustafa Hamdi Gurtin** **Member of the Board of Directors**

Born 1951, Mr. Gurtin studied Statistics and Economy at Middle-East Technical University, Ankara and completed a master of Economy at Vanderbilt University, USA. He worked in Central Bank of Republic of Turkey for 19 years and then worked as the Investment General Manager at Garanti Bank. Following this position, Gurtin became a Dışbank Board Member responsible for Risk and then worked as the General Manager and Chairman of Black Sea Trade & Development Bank in Greece. In April 2010, Gurtin was appointed as Finansbank Board Member.

#### **Edward Nassim** **Member of the Board of Directors**

Mr. Nassim graduated from London University Imperial College in 1968. He received his MBA degree from Harvard University in 1976. He began to work at IFC after his graduation. He worked as the Vice President of IFC till December 2007. Nassim was appointed as a Member of the Board of Directors and Audit Committee of Finansbank on April 17, 2007. Nassim functions as Member of the Board of Directors of Finansbank since January 19, 2010.

#### **Temel Güzeloğlu** **Member of the Board of Directors** **and General Manager**

Born in 1969, Mr. Güzeloğlu has BA degrees from the Electrical and Electronics Engineering; and Physics Departments of the Bosphorus University. Güzeloğlu was later entitled to an MA degree from the Northeastern University, Boston-Massachusetts Electrical and Computer Engineering and an MBA from Bilgi University, Istanbul. Güzeloglu worked as the Executive Vice President of Finansbank responsible for Consumer Banking till August 2008. He then served as Executive Vice President responsible for Retail Banking and Member of Management Committee of Finansbank in August 2008. Mr. Guzeloglu was appointed as General Manager in April 2010.

## MANAGEMENT & EXECUTIVE VICE PRESIDENTS

**Temel Güzeloğlu**  
Member of the Board of Directors  
and General Manager

**Adnan Menderes Yayla**  
Executive Vice President

Born in Ankara in 1963, Yayla graduated from the Economics Department of the Faculty of Political Science of the Ankara University in 1985. He did his MBA at the University of Illinois at Urbana-Champaign from 1992-1994. He worked for the Ministry of Finance as an Assistant Auditor and Auditor from 1985-1995; for the Privatization Administration as a Project Valuation Division Chief from 1995-1996; for Price Waterhouse Coopers as a Manager, a Senior Manager, and a Partner in their Istanbul and London offices from 1996-2000; and for the Türk Dış Ticaret Bankası (Fortis) as the Executive Vice President in charge of the Financial Comptrolling Group and Risk Management from 2000-2008. He joined Finansbank on 20 May 2008 as an Executive Vice President and the Group CFO. He has been a Member of Management Committee of Finansbank and the Group CFO since August 2008.

**Ahmet Erzençin**  
Head of Compliance

1962-born Erzençin received his bachelor's degree from the Public Administration Department of the Middle East Technical University, Ankara, Turkey. After working for the Pamukbank from 1988-1993, he joined Finansbank as the Regulations Manager in October 1993. He was appointed Head of the Operations Group in 1996 to oversee the operations of the branches and the headquarters. With the establishment of the Operations Center (FOMER) in 2001, he served as its Group Manager until the end of 2005. Early 2006, he supervised the establishment of the Compliance Division where he is currently the Head.

**Bülent Yurdalan**  
Head of Audit

Born in 1958, Mr. Yurdalan graduated from Eskişehir Economic and Commercial Sciences Academy - Business Administration Department in 1980. After an employment of 5 years at Citibank-Turkey, Yurdalan joined Finansbank in 1988 and was assigned to top level positions at the Credits, Audit, Treasury Operations, and External Relations Departments of the Bank; and at some Fiba Group banks. Yurdalan was appointed as the Head of Internal Audit Division in 2003. He was assigned as the Head of Retail Credits in February 2011.

**Erkin Aydın**  
Coordinator

Erkin Aydın graduated from the School of Engineering of Boğaziçi University with a Bachelor of Science degree in Civil Engineering in 1997 and received his MBA degree from the University of Michigan Business School in 2003. Starting his career as a Business Development Associate and Project Engineer with Guy F. Atkinson Construction in the USA in 1998, Aydın went on to work for Clark Construction Group as a Project Manager in California. In 2002, he joined McKinsey & Company in Istanbul where he successively filled the posts of Associate, Engagement Manager, and Associate Partner. Throughout his tenure with McKinsey & Company, he consulted to leading financial services institutions in Turkey and Western and Eastern Europe in areas of marketing, growth strategy, sales effectiveness, operational efficiency, organization strategy and mergers and acquisitions. He started working for Finansbank in 2008 as Head of Mortgage and Consumer Loans, assuming further responsibility for the management and marketing of all consumer banking products and segments as of July 2008 and ultimately for SME Banking Marketing in February 2009. Aydın was assigned as the Retail Marketing Coordinator in February 2010.

**Filiz Şafak**  
Executive Vice President

Born in 1960, Mrs. Şafak has a BA in Mechanical Engineering from Istanbul Technical University; and in Business Administration from Anatolian University. After working as a mechanical engineer in a private construction company between the years of 1982-1986, She was appointed to a position in banking for the first time at İktisat Bank in 1987. Şafak transferred to Sümerbank in 1998 in the capacity of Executive Vice President. Şafak joined Finansbank in 1999. She worked as the Credits Department Coordinator till 2007. Currently, she works as the Executive Vice President Responsible for Credits at Finansbank.

**Hakan Alp**  
Executive Vice President

Mr. Hakan Alp was born in 1968. He graduated from Ankara University, Faculty of Political Sciences with a degree in International Relations in 1989. He worked for Board of Audit between 1991 and 1997 at Garanti Bank where he also served as Senior Vice President in charge of Training and Development between 1997 and 1999. He started to work for Humanitas Doğu Human Resources Management and served as Executive Vice President in charge of Training / Executive Development / Finance and Administration / Operation between 2000 and 2003. He held the position of an Executive Vice President in charge of Human Resources from 2003 to 2005 at Tansaş Retail Chain. He worked as Executive Vice President, Human Resources Department at Süttaş between 2005-2006. In 2007, he became Senior Vice President in charge of Human Resources at Finansbank. He was assigned as Executive Vice President in charge of Human Resources as of June 2010.



### Hakan Şenüal Executive Vice President

1970-born Şenüal graduated from the Finance Department of the Istanbul University in 1992. He worked first for Tan Menkul Değerler and next for Facto Finans. Appointed Finansbank's Nuruosmaniye, Istanbul Branch Manager in 1994, Şenüal served as a manager at various levels in Finansbank's Commercial and Corporate businesses until 2005. Promoted to Group Director, Sales and Strategy in 2005, Şenüal has been serving as the Deputy CEO, Executive Vice President since August 2008.

### Köksal Çoban Executive Vice President

1967-born Çoban received his BA from the Business Administration Department of the Middle East Technical University, Ankara, Turkey in 1990. Receiving a master's degree in finance from the City University, Çoban worked for Türk Eximbank and Demirbank A.Ş. between 1995 and 1997. Appointed the International Markets Director with Finansbank the same year, he served as Finansbank's International Markets Group Chief from 1998-2000. Assuming a number of managerial posts in the Treasury Department thereafter, Çoban has been the Finansbank Executive Vice President in charge of Treasury since August 2008.

### Kubilay Güler Executive Vice President

Born in 1959, Mr. Güler graduated from the Middle East Technical University, Political Science Department in 1983. Until joining Citibank as a full member of the team which has established retail banking operations for Citibank in Turkey, he worked in various positions in many Turkish banks between the years of 1985 - 1995. Güler joined the Plastic Cards and Alternative Distribution Channels Department of Finansbank in 1999; and was promoted in 2004 as Executive Vice President responsible for

Alternative Distribution Channels. In June 2005, he was assigned to the position of Executive Vice President responsible for Alternative Distribution Channels and Operations.

### Kunter Kutluay Card Payment Systems Coordinator

Born in Istanbul in 1970, Kutluay graduated from the Turkish Education Association's (TED) Ankara College in 1988. He received his bachelor's degree from the Electronics Engineering Department of Bilkent University, Ankara, Turkey and master's degree from the Business Administration Faculty of the same university. He worked for Toshiba, General Electric, and Microsoft as a sales manager and for McKinsey&Company as a consultant. He worked on analysis and data mining technologies at the Kratis firm where he was a founding partner. Following an assignment with the Fortis Bank as the Portfolio Analysis Director, he joined Finansbank in 2006 as the Marketing and Credit Analysis Group Chief. Kutluay has served as Finansbank's Retail Loans (Credits) Coordinator between 2008-2011. In February 2011, Kutluay was appointed as Card Payment Systems Coordinator. He is married with a daughter.

### Levent Yörük Executive Vice President

1961 born Yörük graduated from the Business Administration Department of the Turkish Military Academy in 1982. He studied Business Administration at Boğaziçi University in 1995, Sales and Marketing at Toronto University in 1992, and Finance at Johns Hopkins University in 2001/2002. He served as a military officer in the Turkish Land Forces Command between 1982 - 1991 and worked for American Life Insurance PLC as the Sales Unit Manager between 1992 - 1996. Between 1996 - 2001, he worked for Citibank NA Turkey successively as the Sales Manager, Regional Sales Director, and Turkey Sales Director. Between 2001 - 2007, he was appointed as the Operations Director with Citigroup-

CitiFinancial in USA. Starting his career in Finansbank as the Retail Banking Alternative Sales Channels Senior Vice President in August 2007, Yörük was assigned as the Executive Vice President in charge of Alternative Sales Channels and Call Center in 2010.

### Mehmet Kürşad Demirkol Executive Vice President

Mr. Demirkol was born in 1973. He graduated from the Bilkent University, Department of Electrical and Electronics Engineering in 1995 with rank 1 among the graduates. He received his M.Sc. and Ph. D. degrees from Stanford University. He worked as Associate Application Engineer at Oracle - Redwood from 1996 to 1997 and as Research Assistant at the Stanford University from 1997 to 1999. He served as Senior Associate at Atlanta and Istanbul offices of McKinsey&Company between 1999 and 2003. He held the position of the Group Head, Business Development and Strategy Department at Finansbank between 2004 and 2005 and worked as VP of IT and Card Operations at Finansbank Russia in 2005. He served as Business Development and Marketing Director at Memorial Healthcare Group from 2005 to 2007. In 2007, he started to work as Head of Information Technologies at Vakıfbank. He was assigned as Chief Information Officer of the bank in the same year. Additionally, he undertook the post of Chief Operation Officer, in charge of Operations and ADC in 2008. Mr. Demirkol has been working at Finansbank as Executive Vice President, in charge of Information Technologies and Process Management since August 2010.

### Metin Karabiber Executive Vice President

He was born in 1961 in Adana. He graduated from Çukurova University, Department of Industrial Engineering in 1982. Karabiber has began his banking career in Interbank in 1985 as a Marketing Specialist. Then he worked as a Branch Manager in İktisat Bank (1990-1995), Demirbank (1995-1997),



Finansbank (1997-1998) and as an Executive Vice President in Sümerbank (1998-1999). He served as Regional Manager at Fortis Bank from 1999 to 2003. He held the position of Executive Vice President Retail and SME Group between 2003 and 2010 at the same bank. Mr. Karabiber, has been working at Finansbank as Executive Vice President, in charge of Corporate and Commercial Banking since October 2010.

#### **Murat Şakar** Executive Vice President

Born in 1969, Mr. Şakar is a graduate of the German High School; and İstanbul Technical University - Industrial Engineering Department. Şakar has gained business experience at Rehau Polimeri Kimya Sanayi A.Ş. in the capacity of "Business Unit Manager" (2002-2005), and at Arçelik A.Ş. as Purchasing Manager. Since March 2005, Şakar has undertaken the management of all purchasing and construction activities of Finansbank as the Coordinator of Purchasing and Technical Services. In August 2008 Şakar was appointed as Executive Vice President responsible for Purchasing and Technical Services of Finansbank.

#### **Oya Güvercinci** Head of Risk Management

Born in 1957, Mrs. Güvercinci is a graduate of the Marmara University - Chemical Engineering Department. Güvercinci has worked at the branches of Ziraat Bank and later of Impexbank between the years of 1984 - 1987. She joined Finansbank in 1987 in the capacity of Private Banking Portfolio Manager.. Güvercinci has rendered services as Branch Manager also. In 1994, Güvercinci formed the Quality and Change Group and was appointed as Head of Risk Management in 2001.

#### **Özlem Cinemre** Executive Vice President

Born in 1964, Mrs. Cinemre graduated from the Bosphorus University Business

Administration Department in 1988. She started her career in the same year at the International Division of Finansbank; and in 1997 she was appointed as the Executive Vice President responsible for Financial Institutions. Currently Cinemre is in charge of the Correspondent Banking, Structured Funding, Financial Institutions, Credit Management Groups, Trade Finance, Cash Management and International Relations as an Executive Vice President.

#### **Saruhan Doğan** Executive Vice President

Mr. Dogan is a graduate of the Galatasaray High School in 1986; and İstanbul University - Economics Department in 1990. He received an MSc in Economics degree from London School of Economics and Political Science in 1992. Doğan started to his professional career at Citibank Treasury Department. He worked as Economist and Treasury Marketing Department Head at Citibank between the years 1992 and 1997. After working as the Head of Treasury Sales Department at TEB between May 1997 and July 1998 and; as the Head of Treasury Research and Sales Group at Alternatifbank, between 1998 and 2004, he was appointed to Finansbank as the Senior Vice President of Treasury Department and the Chief Economist in 2004. In 2007 Doğan joined to Deutsche Bank-Turkey as the Executive Vice President responsible for Treasury. He was then appointed to Finansbank as the Executive Vice President responsible for Investment Banking on the 9th of October, 2009.

#### **Tunç Erdal** Executive Vice President

Mr. Erdal was born in 1970. He graduated from the Department of Industrial Engineering, Middle East Technical University in 1992. His career life started in 1993 at the Marketing Department of Ege Leasing A.Ş. He worked as Dealer and Senior Dealer at the Treasury Department, Alternatifbank between 1996 and 1998. He served as

Vice President, Head of Fixed Income and Liquidity at the Treasury Department of the same bank from 1998 to 2003. He held the position of Investment Manager, Department of Private Banking at Banque de Commerce et de Placements, Genève between 2003-2005. Mr. Erdal joined Finansbank family in 2005 and he undertook the post of Senior Vice President in charge of Treasury Research and Sales , Treasury Department. Mr. Erdal has been serving as Executive Vice President in charge of Private Banking at Finansbank since August 2010.

---

## AUDITORS

### Ahmet Cihat Kumuşoğlu Auditor

Born in Istanbul in 1956, Kumuşoğlu finished the Ankara Atatürk High School in 1974 and the Faculty of Political Science of the Ankara University in 1979. After an internship as a Budget Comptroller with the Budget General Directorate, he passed an examination in 1980 to become an Assistant Accounting Specialist and a qualification test to be promoted to Accounting Specialist as which he was officially appointed on 8 June 1984. He became a Chief Accounting Specialist on 11 February 1991. He studied in the United Kingdom during his assignment with the Board of Accounting Specialists. He resigned as a Chief Accounting Specialist in 1991 and started working as a Sworn Financial Advisor. He has attended numerous seminars abroad on international tax matters.

### Sedat Eratarlar Auditor

Mr. Eratarlar completed his high school education at Istanbul High School for Boys and graduated from the Economics and Public Finance Faculty of the Political Sciences Department of Istanbul University in 1975. Starting his career at the Ministry of Finance following his graduation, Eratarlar was appointed assistant fiscal inspector to the Board of Fiscal Inspection in 1975 and promoted to Fiscal Inspector after 3 years of service. During his service at the Ministry, he focused on the fields of Value Added Tax and State Economic Enterprises. Hired by Arthur Andersen Ltd. in 1981 as Tax Manager, Eratarlar took his place as a founding member of Erdikler-Eratarlar Y.M.M A.Ş., an Arthur Andersen-member tax consulting company in Turkey, in 1990. Eratarlar, who resigned from Arthur Andersen in 2001, founded the company named Eratarlar Yönetim Danışmanlığı Şirketi and currently provides consulting services to various businesses both local and international.

Eratarlar holds board memberships in many companies and he is a member of TURMOB, DEİK and Tax Council.

## EXECUTIVE COMMITTEES OF FINANSBANK

### Credit Committee

The mission of the Credit Committee is to examine, evaluate, and approve the loan limits that fall under the authority of the Board of Directors and the Credit Committee in keeping with the Bank's loan strategies and the relevant legislation; to keep the quality of the Bank's loan portfolio under control; and to take part in and manage the release process of loans within the framework of the risk/return relationship. The members of the Credit Committee are as follows:

Chairman of the Board of Directors:	Dr. Ömer A. Aras
Vice Chairman of the Board of Directors:	Sinan Şahinbaş
Member of the Board of Directors:	Dimitrios Anagnostopoulos
Member of the Board of Directors and General Manager:	Temel Güzeloğlu

### Audit Committee

The Audit Committee has been established;

- to monitor, on behalf of the Board of Directors, the effectiveness and adequacy of the internal systems of the Bank and the functioning of these systems together with accounting and reporting systems in accordance with laws and applicable regulations and the integrity and dependability of generated information from those systems,
- to make the necessary preliminary evaluations required for selection of the independent external audit firms and rating, evaluation and outsourcing organizations by the Board of Directors
- to regularly monitor the operations of such organizations selected by the Board of Directors with whom contracts are settled,
- to ensure that the internal audit activities of subsidiaries subject to consolidation as per regulations based on the related law are carried out on a consolidated basis and coordination with the internal audit activities of the Bank. The members of the Audit Committee are as follows:

Board Member and Head of Audit Committee:	Prof. Dr. Mustafa A. Aysan
Board Member and Audit Committee Member:	Paul Mylonas

### Board Risk Committee

Risk Committee defines risk management policies and strategies, reviews all types of risks bank is exposed to, monitors the implementation of risk management strategies and brings the important risk issues to the attention of the Board. The members of the Risk Committee are as follows:

Chairman of the Board of Directors:	Dr. Ömer A. Aras
Vice Chairman of the Board of Directors:	Sinan Şahinbaş
Member of the Board of Directors:	Michael Oratis
Member of the Board of Directors:	Dimitrios Anagnostopoulos

### Asset / Liability Committee

Asset / Liability Committee propose Asset / Liability Management procedures and policies to Board of Directors which are compatible with prevailing laws and regulations.

Asset / Liability Committee is responsible for executing the policies and managing structural interest rate risk within the limits defined by Board of Directors. The committee meets twice a month; reviews the critical risk issues and determines the strategies for asset / liability management. The members of the Asset / Liability Committee are as follows:

Member of the Board of Directors and General Manager:	Temel Güzeloğlu
Financial Control and Planning Executive Vice President:	Adnan Menderes Yayla
Treasury Executive Vice President:	Köksal Çoban
International Relations Executive Vice President:	Özlem Cinemre
Chief Risk Officer:	M. Oya Güvercinci

### Corporate Credit Policies Committee

Corporate Credit Policies Committee is responsible for defining corporate credit policies, continuously controlling quality of bank's non-retail credit portfolio and granting loans in a perspective that would maximize bank's profitability in a risk-return framework. The members of the Corporate Credit Policies Committee are as follows:

Vice Chairman of the Board of Directors:	Sinan Şahinbaş
Member of the Board of Directors:	Dimitrios Anagnostopoulos
Member of the Board of Directors and General Manager:	Temel Güzeloğlu
Chief Risk Officer:	M. Oya Güvercinci
Credits Executive Vice President:	Filiz Şafak
Commercial Banking Executive Vice President:	Metin Karabiber
Corporate Banking Senior Vice President:	Ömür Tan
Corporate Banking Vice President:	Gamze Dedeoğlu Aydınalp
Credit Risk Manager:	A. Kıvanç Eren

### Retail Credit Policies Committee

Corporate Credit Policies Committee is responsible for defining corporate credit policies, continuously controlling quality of bank's retail credits and credit cards portfolio and managing portfolio in a perspective that would maximize bank's profitability in a risk-return framework. The members of the Retail Credit Policies Committee are as follows:

Member of the Board of Directors:	Dimitrios Anagnostopoulos
Member of the Board of Directors and General Manager:	Temel Güzeloğlu
Chief Risk Officer:	M. Oya Güvercinci
Card Payment Systems Executive Vice President:	Elçin Yanık Aslan (*)
Retail Marketing Coordinator:	Erkin Aydın
Retail Credits Coordinator:	Kunter Kutluay
Credit Risk Manager:	A. Kıvanç Eren

### Operational Risk Management Committee

Operational Risk Management Committee defines operational risk policies, reviews operational risk issues of the bank and defines the necessary actions to minimize operational risks. The members of the Operational Risk Management Committee are as follows:

Member of the Board of Directors:	Dimitrios Anagnostopoulos
Chief Risk Officer:	M. Oya Güvercinci
Operations Executive Vice President:	Kubilay Güler
Head of Compliance:	Ahmet Erzen
Retail Marketing Coordinator:	Erkin Aydın
Card Payment Systems Executive Vice President:	Elçin Yanık Aslan (*)
Head of Internal Control:	Gülşen Özten
Senior Operational Risk Manager:	İsmail Akın
IBTECH Chief Information Security Officer:	Argun Derviş

(\*) Elçin Yanık resigned as of January 12, 2011.

## INFORMATION ABOUT THE PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMMITTEE MEMBERS TO RELATED MEETINGS

---

18 Board Meetings were held in 2010 and all Board Members, excluding exceptional cases, participated in the meetings.

5 Audit Committee Meetings were held in 2010 and the committee members were present in them excluding exceptional cases.

Members of the Risk Committee participated in monthly meetings excluding exceptional cases.

All members of the Operational Risk Management Committee participated in the committee's monthly meetings in 2010, excluding exceptions.

Members of the Asset-Liability Committee were present in related meetings excluding exceptional cases.

All members of the Corporate Credit Policies Committee and Personal Credit Policies Committee took part in the meetings held in 2010, excluding exceptional cases.

# ABSTRACT OF THE BOARD OF DIRECTORS' REPORT PRESENTED TO THE GENERAL MEETING OF SHAREHOLDERS

Esteemed Shareholders;

Welcome to the 2010 Regular Meeting of the General Assembly

We respectfully greet our partners, their representatives and our guests who honor our meeting. Today, we are going to present the Report of the Board of Directors, the Report of the Auditors and the Statement of Income regarding the 2010 fiscal period to your evaluation and approval.

2010 was a year of recovery for our country after the financial crisis. Domestic demand that recovered rapidly thanks to the strong banking sector and low rate of household indebtedness is the most notable drive leading Turkey's way to growth again. In addition, the base effect of the economic recession occurred in 2009 allowed the growth to be 8% in 2010. Despite the strong progress in economic activity, inflationist pressures were not felt and the official year-end inflation target was achieved. Thanks to this inflation view the Central Bank both did not need to increase interest rates and also found the opportunity to launch a policy package that covers reduction of the policy interest in the last months of 2010 and increase in the required reserve ratio. A year-on-year substantial decrease in volatility was observed in 2010. TL that was traded on the range between 1.40-1.60 against USD during the large part of the year gained value against USD by 3% in 2010 compared to the previous year. Benchmark bond yield fluctuated in a narrower range of 7-10% in 2010 following a decrease of 800 points in 2009.

As to the 2010 financial figures of banking sector in our country, total assets of the sector increased by 20.8% year on year and became TL 1.007,6 billion as of December 2010. Total credits rose to TL 525.9 billion increasing by 33.9% which amounts to TL 133.3 billion. Capital adequacy ratio of the sector was 18.9% as of December 2010. Shareholders' equity increased by 21.1% reaching TL 134.3 billion. Profitability of the sector increased 8.7% period on period and rose to TL 21,931 million.

In the light of these developments, Finansbank focused on the banking activities in 2010 and increased its credit portfolio to TL 25,836 million. Finansbank's total assets rose to TL 38,087 million by 30% increase. In parallel with the growth in assets, its TL deposit continues to increase in a balanced way. The amount of the total customer's deposit rose to TL 23,552 million with an increase of 25%.

Net interest income rose to TL 2,254 million, net fees and commission income rose to TL 594 million with an increase of 7%. Pre-tax and pre-provisions profit amounted to TL 1,394 million and net profit of continuing operations increased by 98% and rose to TL 915 million. Total shareholder's equity of Finansbank grew by 44% and became TL 5,208 million and capital adequacy ratio became 16.68% in the end of 2010. Branch network expanded with 41 new branches and the number of branches reached 502 and the number of employees reached 11,734.

Dear Shareholders,

Our Balance and Financial Statement is presented to your evaluation and approval in our Activity Report that includes all our activities in 2010.

We'd like to express our gratitude to the Turkish public that did not deny our bank its confidence and to the authorized bodies of the State of Turkey that gave us their constant support, thank our staff whose dedicated efforts and outstanding contributions to our success we hold beyond all praise, and once more greet with respect our esteemed shareholders and their proxies who honored our General Assembly.

**FINANSBANK A.Ş. BOARD OF DIRECTORS**

# INFORMATION ON THE PROCEDURES FOR STAFF RECRUITMENT AND PROMOTION

Finansbank Human Resources policy was developed and approved based on the bank's strategic objectives and business plan. Human Resources Policy plays a role in increasing the bank performance and contributes to the sustainable development of the bank by engaging talents into the bank, training and developing these talents and holding them within the body of the bank. Human resources policy is divided into four main areas:

- **Human resources planning and recruitment:** To become a preferable employer, to engage talented individuals and recruit them in the best suitable positions in line with the requirements of the bank,
- **Performance management:** To match the goals of the employees with those of the banks and to manage employee performance,
- **Talent and development management:** To develop technical and managerial knowledge and skills of the employees and keep employees' with good potential within the bank and to contribute to the development of the employees,
- **Engagement and award:** Developing policies to increase employees' engagement into the corporation and enhance their contribution to the objectives of Finansbank.

All the HR operations are planned in line with the business objectives of the bank and the recruitment budget is prepared based on the position and norms as part of the employment process and this plan is implemented during the year. During the recruitment process, applicants are subjected to talent and skill tests, talent inventory and foreign language tests based on the requirement of the position.

The successful applicants are required to have knowledge, skills, competencies that are defined based on the position and deemed necessary to become a member of the Finansbank family and the aptness

to the values of Finansbank. One by one, group or panel interviews are made with the applicants and the eligibility of the applicant for the position is determined.

83 job advertisements were published in newspapers and HR portals (yenibiris.com) served as sources for accessing the applicants during the growth plan in 2010. A total of 199,164 applications were received and 3,164 of the applicants were recruited. Through the recruitment advertisements for assistant inspector, trainee manager, branch sales and operations staff, call center and direct sales representatives 104,380 applications were received. As a result of the intensive applications in 2009 and 2010, the bank was awarded by Yenibiris.com as "the Company with the Most Job Applications Made"), an indicator of a sound management. 43,597 applicants were invited to the examination and 22,533 of them participated. The results of the examination are analyzed in accordance with the examination norms and the efficiency of the recruitment examinations utilized was evaluated. 13,512 applicants were interviewed in groups or individually.

The recruited personnel who are given professional and personal development opportunities are also provided with vertical (promotion) and horizontal (job enrichment: assignment, change of position, assign as representative, temporary assignment) new career opportunities taking their performance and preferences into consideration. The needs for the senior positions are primarily met within the bank. 66% of the need for the authorized personnel and superior titles are met within the bank. The practice of career newsletter continued in 2010 to inform personnel on the career opportunities, to respond to the personnel's demands on transition to different departments and affiliates and to meet the demands of branches with experienced bank employees.

Employees' performances, experience, profile, norms of the position and certificate requirements are taken into account. 1,875 employees were

promoted, the positions of 749 employees were changed and 1,580 employees were appointed in 2010.

536 interns were accepted to enhance the bank brand image besides the university and media relations, with the intention of acquiring talent, providing students with the opportunity of getting familiar with the sector, informing them about Finansbank and including them in the potential recruitment process by evaluating them during the internship.

The importance of integral performance management, in other words the relation between the banks objectives and each employee's individual performance was taken into account and training and development activities continued without slowing down in 2010. 162,984 employees participated (annual increase: 49%) in the trainings and a training of 849.291 man-hours (annual increase: 55%) and 11 days on average was given in 2010.

Disemployments are also closely monitored as with all other HR functions, reasons for disemployments are analyzed and detected and the process is modified accordingly to avoid such losses. Movement, retention and vintage analysis, exit interviews, inventory, research and survey studies are defined as the decision support systems for improvement in this area.

Other main areas of Human Resources lifecycle defined and implemented in Finansbank include performance and income management, rewarding management, appreciation and recognition systems management, competency and talent management, trainee manager pool, researches on employee engagement and corporate culture, benchmarking, personnel costs budget management, affiliate management, personal and payroll actions, quality and systemic studies, in-company communications activities, grading, projects, reporting and strategic decision support processes.

## TRANSACTIONS OF FINANSBANK WITH THE RISK GROUP THAT INVOLVES FINANSBANK

Regardless of any relations between the parties, Finansbank's relations with the companies in the risk group that involves Finansbank and with those companies under the control of the Bank:

The bank conducts every kind of banking transaction with the companies in the risk group that involves Finansbank in accordance with Banking Law and prevailing market conditions and within the framework of bank-client relations.

**In addition to the structure of the relations, the type, amount and ratio of each transaction to the total transaction volume; the amount of main items and their ratio to total items volume; the pricing policy and other factors:**

The policy and other terms regarding transactions the Bank conducts with companies in the risk group that involves the Bank are determined and implemented based on prevailing market conditions. As of December 31, 2010 the ratio of cash loans granted by the Bank to the companies of the risk group to total loans is 0.3%, while the ratio of deposits obtained from companies of the risk group to total deposits is 2.2%. In addition, the ratio of derivative transactions performed with the risk group to total derivative transactions is 3.9%.

**Transactions such as the purchase and sale of real-estate and other assets and services; agency contracts, leasing contracts; transfer of data obtained from research and development activities; license contracts, financing (including credits and cash or in-kind capital contributions), guarantees and collaterals; management contracts, etc:**

Risk group that involves the Bank enters into leasing contracts with Finans Finansal Kiralama A.Ş. and the net leasing payables incurred from these contracts amounts to TL 23 by December 31, 2010. The Bank directs a certain amount of its funds to Finans Portföy Yönetimi A.Ş. in certain periods

The Bank entered into a contract with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. for research, development, and consultancy services.

The Bank receives cash transportation service from its 33.3% owned affiliate, Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.



# CORPORATE GOVERNANCE COMPLIANCE REPORT

## 1- Statement of Compliance with Corporate Governance Principles

As detailed here-below, Finansbank has complied throughout the financial year 01.01.2010-31.12.2010 with the principles set out in the Corporate Governance Principles published by the Capital Markets Board ("CMB").

Finansbank has set up a Corporate Governance Committee responsible for monitoring whether the Corporate Governance Principles are complied with, describing the problems that may arise due to noncompliance and offering corrective actions to the Board of Directors. The Committee consists of Mustafa Aydın Aysan, Agis Leopoulos, Mustafa Hamdi Gürtin and Paul Mylonas. Additionally, the Committee coordinates the operations of the Investor Relations Department.

## PART I - SHAREHOLDERS

## 2- Shareholder Relations Department

Finansbank established a Shareholder Relations Department with a view to protecting the rights of our shareholders and ensuring effective communication between the Board of Directors and shareholders by acting in line with Article 1.1.2 of Part I of the Corporate Governance Principles published by the Capital Markets Board in July 2003. The Shareholder Relations Department, being accountable to Corporate Governance Committee, is managed by Ms. Esra Karaman. The contact details for the Shareholder Relations Department are as follows:

E-mail: investor.relations@finansbank.com.tr

Phone number: +90 212 318 50 00

Approximately 150 applications and inquiries were received by the Shareholder Relations Department during the financial year involved.

## 3- Shareholders' Rights to Access Information

Finansbank informs the public of the developments affecting the exercise of ownership rights such as capital increase by publishing such material events in mass media and by sending Statements of Material Events to the Istanbul Stock Exchange. 75 inquiries were received from the shareholders during the financial year involved.

Appointment of an external auditor is not required under our Bank's Articles of Incorporation. Finansbank is audited by the internal auditors appointed by our Bank's Annual General Meeting and by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the Banking Act.

## 4- Information on Annual General Meetings

Annual General Meeting was held on 16.04.2010 with an attendance rate of 95%. Our shareholders were duly informed of the Annual General Meeting by announcing the Meeting in the Turkish Trade Registry Gazette and the dailies Güneş and Hürses and by sending a Statement of Material Events to the Istanbul Stock Exchange. Additionally, a letter of invitation was sent to each registered shareholder by registered mail with return receipt requested.

The Board of Director's calls for a General Meeting, the agenda items and the proxy form to be used were published in the Turkish Trade Registry Gazette and two mass-circulation dailies.

No other General Meeting was held during the financial year.

Our shareholders are requested to receive their admission cards, which are issued in such numbers corresponding to the number of registered shares held by each shareholder, from our Head-Office not later than one week prior to the date of the meeting.

Shareholders were entitled to ask questions and receive answers to their questions during the General Meeting. No motion was made by any shareholder during the General Meeting. Our shareholders are entitled to access the minutes of all previous General Meetings via our corporate website.

A notice of invitation to the Annual General Meeting that will be held in 2011 and relevant information will be published for our shareholders in the Turkish Trade Registry Gazette, two mass circulation dailies and on our corporate website. The minutes of Annual General Meeting, the Register of Shareholders, agenda items and announcements will be available to our shareholders on our corporate website following the said General Meeting.

## 5- Voting Rights and Minority Rights

No voting privilege is granted under our Bank's Articles of Incorporation. Also, no cumulative voting procedure has been adopted.

## 6- Dividend Distribution Policy and Deadline for Dividend Distribution

Pursuant to our Bank's Articles of Incorporation, 10% of the distributable profit remaining after the statutory reserve and first dividend are deducted is distributed to the founding shareholders as cash dividend.

Pursuant to Decision No. 2/53 adopted by the Capital Markets Board on 18.01.2007, information on distribution of profit policy has been disclosed during the Ordinary General Meeting held on 16.04.2010. Profit distribution in our Bank is determined in line with the effective legal regulations and our Bank's Articles of Incorporation. 5% of the net profit remaining after the legal and financial obligations are deducted is saved for the legal reserves, 5% of

the net profit remaining after the legal and financial obligations are deducted is saved for the legal reserves, 5% of the capital remaining after the legal and financial obligations are deducted is distributed to founding shareholders.

Upon Board of Directors' proposition, the General Meeting may decide to save the whole amount of distributable profit remaining after the legal reserves, shareholders' first profit share, profit that will be paid to founding shareholders and profit on sales of subsidiaries and real estate that has to kept as per legal obligations are deducted.

After the General Meeting; in line with the growth strategies of the Bank and by considering the shareholders' first profit share that will be distributed at the rate of 5%, it has been disclosed that the Board of Directors decided to increase capital by issuing bonus shares.

## 7- Transfer of Shares

Finansbank's Articles of Incorporation do not prohibit shareholders from transferring their shares. However, share transfer is subject to the approval of BRSA pursuant to the Banking Act.

## PART II - DISCLOSURE AND TRANSPARENCY

### 8- Corporate Disclosure Policy

In accordance with CMB's Communiqué (Serial VIII, No. 54) Regarding the Procedures for the Disclosure of Material Events, and within the framework of its Disclosure Policy, Finansbank discloses publicly all material events regarding Finansbank through CMB, ISE and Public Disclosure Platform (PDP) and also sends corporate news releases to media outlets.

In addition to the means of disclosure explained above, our Bank's Investor Relations Department holds an informative meeting following each disclosure of quarterly profit and balance

sheet. This information is also shared with domestic and foreign investors in their visits to the bank or through phone or e-mail.

General-purpose disclosures, other than those legally required to be made and related to Finansbank's products, services and strategies are made by our Communications Department in coordination with the operations of the other related departments. All media inquiries communicated to Finansbank are classified and coordinated by the Communications Department depending on their contents and strategies of our Bank and responded to by the related departments or the Communications Department in accordance with our Bank's goals and strategies.

### 9- Disclosure of Material Events

Our Bank is listed on both ISE and London Stock Exchange ("LSE"). In 2010, 63 disclosures were made to ISE and PDP whereas 20 disclosures were made to LSE.

Our Bank has not been sanctioned for failing to disclose any material event in a timely manner.

### 10- Corporate Website and Its Content

Our Bank's internet address is [www.finansbank.com.tr](http://www.finansbank.com.tr) that contains information on our current shareholders and corporate management structure, Articles of Incorporation, Annual Reports, periodical financial statements and reports, the material events regarding our Bank, agendas of General Meetings, shareholders attended General Meetings, minutes of General Meetings, a proxy form, information requests and answers provided under FAQ section.

### 11- Disclosure of Ultimate Controlling Natural Person Shareholder(s)

There is no ultimate controlling natural person shareholder.

### 12- Disclosure of Insiders

Pursuant to Article 73 of the Banking Act, our Bank's shareholders, directors, executives, employees and their representatives may not disclose to any party, other than those legally authorized, any confidential information they may, while performing their duties, have obtained with regard to our Bank or our Bank's clients. This rule also applies to the suppliers of our Bank and their employees and survives the term of office of any person mentioned above.

Based on the above-mentioned comprehensive rule stipulated under the Banking Act, we do not feel the need to disclose the names of the persons who have access to insider information.

Further, our Bank has a Finansbank Employee Code of Conduct approved by our Board of Directors and communicated to our employees and this Code, which defines insider information, prohibits:

- the employees of our Bank having access to insider information from using such insider information in their own or others' interest in or off the stock exchange before it is disclosed publicly, and
- our Bank's employees who, as a result of their positions in our Bank, have access to undisclosed information concerning our Bank and our Bank's corporate clients, which, when disclosed, may affect the market value of the shares / securities of our Bank or our Bank's corporate clients, from trading in or entering into any business transaction with regard to the said shares / securities and also trading in same via their family members or any third party by using such undisclosed information.

Additionally, within the frame of CMB's Communiqué (Serial VIII, No. 54) Regarding the Procedures for the Disclosure of Material Events, a list of persons who have access to insider information has been prepared and they have been informed upon signing a document regarding their responsibilities. This list is continuously updated and preserved. In line with the same Communiqué, "Disclosure of Material Events Procedure" has been prepared and issued on 08.07.2009

## PART III - STAKEHOLDERS

### 13- Informing Stakeholders

We inform the stakeholders of our Bank of all issues concerning them during General Meetings and via the statements of material events we furnish to CMB, ISE, PDP, our corporate website and the media.

### 14- Involving Stakeholders in the Management Process

Our Bank has not devised a model to ensure that our stakeholders are involved in our Bank's management process.

### 15- Human Resources Policy

Our Bank's Human Resources Policy is to draw highly qualified employees to the Bank and place them at suitable positions; support their professional, administrative, personal and social development; to build staff with a high level of fidelity, motivation and harmony with Finansbank values so as to own human resources that will help our Bank achieve its goals and make a difference.

Human Resources Policy has been developed and approved in line with strategic goals and business plan of our Bank. This policy enhances increasing bank's performance, drawing, developing and preserving new talents and hence sustaining an ongoing development.

The Human Resources Policy is based on 4 main branches.

**Human Resources Planning and Recruitment:** Drawing talented persons to bank and placing them at most suitable positions with the aim of being a desirable employer.

**Performance Management:** Managing performance by harmonizing goals of employees with those of the Bank.

**Talent and Development Management:** Developing technical and manager skills of employees, preserving promising employees in the Bank and focusing on their development.

**Fidelity and Awarding:** Developing policies for increasing employees' fidelity to the Bank and increasing their motivation for reaching our Bank's goals.

No discrimination complaint has been received from our Bank's employees.

### 16- Relations with Clients and Suppliers

With a view to serve its clients in the best manner possible, Finansbank divided its client-focused operations into three main groups: Corporate and Commercial Banking, SME Banking and Retail Banking.

Our Corporate and Commercial Banking Departments offer financial solutions tailored to meet the cash and operating capital needs of our clients under any economic condition by taking into account the past business performance and future projections of each client.

Finansbank's SME Banking Department offers tailor-made solutions, with a wide range of products and services, addressing all types of financial needs of our clients and also develops support programs and solutions meeting our clients' information needs.

Our Retail Banking Department helped Finansbank rank among the banks offering the best quality product-service in the retail banking segment by meeting our clients' needs and expectations with "customer oriented" approach.

We established "Customer Solution Center", a special department that deals with all kinds of problems, questions and suggestions of our client. Additionally, "Customer Experience and Corporate Brand Management Group" is responsible for monitoring the quality of our services provided to our clients and conducting mystery shopper activities and satisfaction surveys. Besides, the "Contact Us" page on our corporate website which is open to everyone enabled a centralized management of all complaints. This practice is closely associated with the attention our Bank pays to our products, services and compliance issues. This reporting line also reflects Finansbank's trust in its employees and corporate identity.

### 17- Social Responsibility

At Finansbank, we all believe that we must protect the environment, on and off our premises, in order to hand over our future to next generations in a healthy and protected manner. We aim at including the notion of sustainability in our policies and procedures with its environmental, economic and social aspects. We do our best to develop an understanding, in everything we do, in all our relations with stakeholders borrowing from or making investment with our Bank, our business strategies and decision making processes, which will inherit a habitable planet to next generation through supporting sustainable development model.

In the light of this understanding, we set up a Social Responsibility Committee. In parallel with the studies of this Committee, Compliance Department carries out some activities in terms of compliance with national and

international legislation. We established Social and Environmental Management System (SEMS) Policy. We conduct our investment projects and funding operations in line with Environment, Occupational Health and Safety Guidelines of our shareholder International Finance Corporation (IFC), and the local environmental laws and regulations. Investors of crediting operations are required to submit a Environmental Impact Evaluation (EIE) Report along with other necessary permissions and documents. Reports for 19 investment projects have been issued by our Bank in 2010 for this aim.

Social responsibility is and always will be of particular concern to Finansbank. This is reflected in our sponsorships for several foundations and organizations, especially in the field of education and health.

## PART IV- BOARD OF DIRECTORS

### 18- Board Structure and Composition; Independent Board Members

Finansbank's Board of Directors is composed of 11 members as named below:

**Ömer A. ARAS**

Chairman and Group CEO

**Sinan ŞAHİNBAŞ**

Vice Chairman

**Prof. Dr. Mustafa Aydın AYSAN**

Member and Audit Committee Chairman

**\*Yener DİNÇMEN**

Member of the BoD and Corporate Governance Committee

**Anthimos THOMOPOULOS**

Member

**\*\*Demetrios LEFAKIS**

Member

**Dimitrios ANAGNOSTOPOULOS**

Member of the BoD and Risk Committee

**Paul MYLONAS**

Member of BoD and Audit Committee

**Agis LEPOULOS**

Member

**Mustafa Hamdi GÜRTİN**

Member

**Edward NASSIM**

Member

**Temel GÜZELOĞLU**

Member and General Manager

\* Christos Alexis Komninos was appointed instead. The process of the appointment of Mr.Komninos ended on December 21, 2010.

\*\* Demetrios Lefakis, resigned from his Board of Directors and Audit Committee Delegate duty as of December 21, 2010, the approval process with the appointment of Michael Oratis ended.

The personal profiles of our Board members are provided in the Annual Report.

It is acknowledged that, within the restrictions stated in the Banking Act, the members of the Board may also hold professional positions outside our Bank provided that no such position prevents them from fulfilling their respective responsibilities in the Bank and causes any conflict of interest.

### 19- Qualifications of Board Members

The qualifications of our Board members meet the requirements set out in the related provisions of the Banking Act and comply with the Board membership criteria stipulated under Articles 3.1.1, 3.1.2 and 3.1.5 of Section IV of CMB's Corporate Governance Principles.

### 20- Our Bank's Mission, Vision and Strategic Goals

**Our Vision:**

To help build individual and commercial financial plans that will catalyze Turkey's success.

**Our Mission:**

To build life-long and successful partnerships with all our stakeholders through understanding and best fulfilling their needs.

Our Bank's vision and mission are declared publicly on our corporate website.

Our Board of Directors approve the corporate strategic goals set by our management and monitors the progress, operations and performance towards these goals.

### 21- Risk Management and Internal Control Mechanism

In accordance with the Regulation on Internal Control Systems in Banks, our Board of Directors set up an Audit Committee, the current members of which are Prof Dr. Mustafa Aydın AYSAN and Paul MYLONAS. The Internal Control Center, Internal Audit Department and Compliance Department report to the Audit Committee. At Finansbank, the Risk Management Department was set up at the end of 2001 as an organization independent of all our executive departments. The Risk Management Department is responsible for measuring possible banking risks, formulating risk management policies, and ensuring that our Bank is run in a manner that the risks taken by our Bank remain within the limits of the risks our Bank may wish to take in line with its strategic goals. Our Bank aims to conform its Risk Management operations to the Basel II regulations in addition to the related legal requirements in force in Turkey. Risk Management Department reports to Risk Management Committee which was established in 2007. Ömer A. ARAS, Sinan ŞAHİNBAŞ, Dimitrios ANAGNOSTOPOULOS and Michael ORATIS were appointed as committee members.

## 22- Powers and Responsibilities of Board Members and Executives

The powers and responsibilities of our Board members and executives are regulated under the Banking Act and other related banking regulations and utmost care is taken to comply with the Banking Act and other related banking regulations while performing the said powers and responsibilities.

The amounts paid to executives are determined in line with the prevailing market conditions on the basis of their qualifications and contributions to the success of our Bank.

Executives perform their duties in compliance with the legislations, Articles of Incorporation, bank's in-house regulations and policies. Necessary control mechanisms are run in order to assure compliance.

Executives perform their duties in a just, transparent, accountable and responsible manner, and ensure that the bank's business is being performed within the frame of our mission, vision, goals, strategies and policies.

## 23- Rules of Procedure of the Board of Directors

18 Board of Directors meetings were held in 2010.

Finansbank's Board of Directors regularly meets on a monthly basis, and 12 times a year in any case, and also holds special meetings as may be needed. Documents containing the agenda for each meeting are furnished to each Board member prior to the meeting involved. No dissenting opinion has been voiced during the Board meetings held previously.

The agenda of each Board meeting is determined on the basis of input and suggestions from Board members and General Directorate. Discussions on risk and monthly reports and

assessment and approval/nonapproval of applications for loans, the amounts of which exceed the authority limits of the Credit Committee and require the approval of the Board, are also included in the agenda of each Board meeting.

Our Board set up a secretariat which is in charge of informing, communicating with Board members and compliance of meetings and resolutions with the laws and regulations.

No Board member has preferential voting rights.

## 24- Restrictions on Doing Business and Competing with the Bank

The General Meeting granted permission to Board members regarding issues of doing business and competing with our Bank described in Articles 334 and 335 of the Turkish Code of Commerce.

## 25- Code of Ethics

Finansbank has adopted the code of ethics as stipulated under the Banking Act. Finansbank Employee Code of Conduct and Finansbank Code of Ethics for Financial Professionals approved by Board of Directors have been communicated to our staff members as a leaflet and within intranet system.

## 26- Number, Structure and Independence of Committees Set Up by Our Board of Directors

There are four committees under Our Board of Directors: Corporate Governance Committee, Audit Committee, Risk Management Committee and Credit Committee.

As of 31.12.2010;

The members of the Corporate Governance Committee are Mustafa Aydın Aysan, Agis Leopoulos, Mustafa Hamdi Gürtin and Paul Mylonas (Yener Dinçmen resigned from duty).

The members of the Audit Committee are Mustafa Aydın Aysan and Paul Mylonas (Demetrios Lefakis, Edward Nassim and Mustafa Hamdi Gürtin resigned from duty)

The members of the Risk Management Committee are Ömer Aras, Sinan Şahinbaş, and Dimitrios Anagnostopoulos (Demetrios Lefakis resigned from duty)

The members of the Credit Committee are Ömer Aras, Sinan Şahinbaş, Dimitrios Anagnostopoulos and Temel Güzeloglu. The reserve members of this Committee are Mustafa Aydın Aysan and Agis Leopoulos (Demetrios Lefakis resigned from duty)

The members of the Remuneration Committee are Sinan Şahinbaş and Agis Leopoulos.

The Credit Committee meets on a weekly, Risk Management Committee meets on a monthly, Audit Committee and Corporate Governance Committee meet on a quarterly basis. Remuneration Committee meets at least three times per year.

## 27- Financial Benefits Granted to Board Members

During the General Meeting held on 16.04.2010, it was decided that each member of the Board of Directors be paid a net honorarium amount of TRY 2,000 per month. In 2010, a total honorarium amount of TRY 12.419.209,28 was paid to the Board members based on their performance.

Credits granted to Board members and managers are limited in Article 50 of the Banking Act to a certain extent. No credits can be granted to Board members and managers outside these limits.

The honorariums paid to the Board members are fixed by our General Meeting of Shareholders.

# INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS/ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES

Only the following services are outsourced to which the provisions in the sixth paragraph of Article 5; in Articles 10 and 11; and in the first paragraph of Article 12 of the "Regulation on the Services Banks May Outsource and the Authorization of the Suppliers" are applicable.

## Supplier

CMC İletişim Bilgisayar Reklam Ve Danışmanlık Hizmetleri San. Tic. A.Ş.  
Siemens Sanayi Ve Tic. A.Ş.  
Adecco Hizmet Ve Danışmanlık A.Ş.  
Akbasım Matbaacılık Ve Tic.Ltd.Şti.  
Aktif İletişim Ve Kurye Hiz. A.Ş.  
Artekey Teknoloji Araştırma Sistemleri Ticaret Limited Şirketi  
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.  
Bantaş Nakit Ve Kıymetli Mal Taşıma Ve Güvenlik Hizmetleri A.Ş.

Bilin Yazılım Ve Bilişim Danışmanlığı Ltd.Şti.  
Chordiant Software Int.Gmbh  
C/S Enformasyon Teknolojileri Ltd. Şti.  
Eastern Networks Çözümleri Tic. A.Ş.  
E-Kart Elektronik Kart Sistemleri San.ve T.A.Ş.  
Ekspertim Yönetim Ve Bilişim Sistemleri Danışmanlık Eğitim Ve Tic. A.Ş.  
Erk Armored Güvenlik Hizmetleri A.Ş.

Est Elektronik Sanal Tic.Bilişim Hizm.A.Ş.  
Etchbase Yazılım Ve Bil. Teknolojileri Anonim Şirketi  
Experian-Scorex Srl  
Fair Isaac Services Limited  
Fonoklik (Phonoclick) İletişim Hizmetleri Ve Ticaret A.Ş.  
Infoline Rehberlik Ve Çağrı Merkezi Hizmetleri A.Ş.  
Ingenico Ödeme Sistem Çözümleri A.Ş.  
Inviso Destek Hizmetleri A.Ş.  
İki Nokta Bilişim Teknolojileri San. Ve Tic. A.Ş.  
Komtaş Bilgi Yönetimi Danışmanlık Tic.A.Ş.  
Kurye Net Motorlu Kuryecilik Ve Dağıtım Hiz. A.Ş.  
Manadigital Interaktif Reklam Hizmetleri Tic.ve San.A.Ş.  
Mavi Kurye Dağıtım Ve Lojistik Hiz. Ltd.Şti.  
Netlab Uluslararası Bilgi İşlem Haberleşme Hizmetleri San. Ve Tic. A.Ş.  
Ph Danışmanlık Eğitim Reklam San.ve Tic. Ltd. Şti  
Plastkart Plastik Kart Akıllı Kart İletişim Sistemleri San. Ve Tic. A.Ş.  
Pozitron Bilgisayar Otomasyon Ve İnternet Hizmetleri Tic. Ltd. Şti.  
Profera Danışmanlık Org. İnsan Kaynakları Bilişim San. Ve Tic. A.Ş.  
Provus Bilişim Hizmetleri A.Ş.  
Securverdi Güvenlik Hizmetleri A.Ş.

Sh İletişim Hizmetleri Tic. A.Ş.(Speechouse)  
Sonoklik İletişim Hizmetleri Ve Ticaret A.Ş.  
Support Yazılım İnternet Donanım Danışmanlık Ticaret Ltd.Şti.

Türk Post Dağıtım Hizmetleri Nakliye Ve San. Tic. A.Ş.  
Verifone Elektronik Ve Danışmanlık Ltd. Şti  
V.R.P. Veri Raporlama Programlama Bilişim Yaz. Ve Dan. Hiz. Tic. A.Ş.

Wincor Nixdorf Bilgisayar Sistemleri A.Ş.  
Yaz Bilgi Sistemleri Ve Tic. A.Ş.  
Zip Dağıtım Araştırma Ve Danışmanlık Hizmetleri Ltd.Şti.  
Sfs-Man  
Rm Arşiv Yönetim Hizmetleri A.Ş.  
Tns Piyasa Araştırma Danışmanlık Ve Tic.A.Ş.  
Nielsen Araştırma Hizmetleri Ltd. Şti.  
Millward Brown Pazar Araştırmaları Tic.Ltd.Şti.  
Ipsos Kmg Araştırma Ve Danışmanlık Hiz. A.Ş.

## Service Outsourced

Outsource call center  
Outsource call center  
HR outsource staff payrolling  
Printing of checks  
Courier  
Cash management software buying and maintenance  
Software for credit card systems  
Transportation and safekeeping of cash and negotiable instrument  
HR software and consultancy  
Chordiant purchasing and maintenance  
E-Sequestration software purchasing and maintenance  
SWIFT licence and maintenance  
Card supplier and card personalization  
Oracle software and consultancy  
Transportation and safekeeping of cash and negotiable instruments  
Software and software maintenance  
Legal follow-up system and expertise application  
Experion Scorex software and maintenance  
Fair Isaac system maintenance  
Software and software maintenance  
Data updating service  
POS software and support  
Audit service for credit allocation  
Geo-Coding Service (DSS)  
Know Your Customer  
Courier  
Web service  
Courier  
Web service  
E-Mail delivery service  
Card supplier and card personalization  
Mobile banking software  
HR outsource staff payrolling  
Statement printing and delivery  
Transportation and safekeeping of cash and negotiable instruments  
Speech recognition software  
IVN calls  
E-isoft 9000 Quality Management software and maintenance  
Courier  
POS software and support  
E-learning software support and financial planning application and Veripark - Customer information system  
ATM hardware, software and maintenance  
PGP Desktop Professional with WDE Perpetual Licence  
Courier (Moto-courier)  
E-performance.com service  
Archive services  
Consultancy  
Consultancy  
Consultancy  
Consultancy



# SUMMARY OF 2010 AUDIT REPORT

## TO THE GENERAL MEETING OF FİNANSBANK

COMPANY NAME	: FİNANSBANK A.Ş.
HEAD-OFFICE	: İSTANBUL
REG. CAPITAL	: TL 6,000,000,000.-
PAID UP CAPITAL	: TL 2,205,000,000.-
FIELD OF BUSINESS	: BANKING
AUDITORS	: H.Sedat Eratalar – Ahmet Cihat Kumuşoğlu
Number of Board of Directors Meeting attended and number of Audit Board meetings held	18 Board of Directors meetings; and 5 Audit Board meetings.
Scope, date and results of audits performed on the Bank's accounts, books and documents	Based on the audit we performed on the Bank's accounts, books and documents, we are of the opinion that records of the Bank comply with the provisions of the Turkish Code of Commerce (TCC) and other relative laws and regulations.
Number and results of counts performed at the cash register of the Bank	All the procedures as required under Sub-paragraph 3, Paragraph 1 of Article 353 of TCC were fulfilled.
Dates and results of audits performed as per Sub-paragraph 4, Paragraph 1 of Article 353 of TCC	Based on the audit we performed as per Sub-paragraph 4, Paragraph 1 of Article 353 of TCC, the statutory papers presented to us are safekept at the Bank in compliance with the Bank's related records.
Complaints and frauds reported and actions taken to address them	No complaint or fraud were reported.

We have audited the accounts and transactions of FİNANSBANK A.Ş. for the period of 01.01.2010 - 31.12.2010 in accordance with TCC, the Bank's Articles of Incorporation, other related laws and regulations and generally accepted accounting principles and standards.

In our opinion, the balance sheet prepared as at 31.12.2010 enclosed herewith and the contents of which are acceptable to us, reflects fairly and accurately the financial position of the Bank, as at the said date, of its income statement for the period 01.01.2010 - 31.12.2010 and of the results of its operations for the year then ended and are in compliance with the related laws and the Bank's Articles of Incorporation.

  
Sedat ERATALAR  
Auditor

  
Ahmet Cihat KUMUŞOĞLU  
Auditor

## DISTRIBUTION OF PROFIT

Dear Shareholders;

Seeking your approval, we kindly request:

1. that, as mentioned in Item 4 of the agenda of our General Meeting of Shareholders, the net profit of TL 914,675,472.- which was calculated on the basis of our Bank's 2010 balance sheet by deducting the taxes payable, be distributed as follows in accordance with Article 33 of our Bank's Articles of Association:

TL 45,733,774.-	as first statutory reserve
TL 110,250,000.-	as first dividend to shareholders
TL 75,869,170.-	to the holders of founder shares (redeemed shares)
TL 7,586,917.-	as second statutory reserve
TL 980,178.-	as real estate sales income fund
TL 674,255,433.-	as general reserve
<b>Total</b>	<b>TL 914,675,472.-</b>

2. that amount of TL 110,250,000.-, which was set aside as first dividend to be distributed to shareholders in the form of no par shares of 5% for each share with a value of 10.- Kurus until 30 June 2011 and the registered shares to be distributed to shareholders in accordance with Capital Markets Regulations on central registry.



Mehmet Ömer Arif Aras  
Chairman of the Board  
for and on behalf of the Board of Directors



## AUDIT COMMITTEE'S EVALUATION ON THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ASSESSMENT OF THEIR ACTIVITIES IN THE ACCOUNTING PERIOD

The Audit Committee is established within the frame of Banking Law No. 5411 (Law) and Regulation on Internal Systems of Banks (Regulation). Internal Audit, Internal Control and Compliance Departments which are included in the internal systems report to the Audit Committee.

Risk Management Department is also included in the internal systems and this Department reports to the Risk Management Committee established within the Board of Directors.

On behalf of the BoD, the Audit Committee and Risk Management Committee are authorized and responsible for carrying out the following:

- to follow and provide the sufficiency and effectiveness of the internal systems of the Bank in accordance with the Law, Regulation and internal policies,
- to assess the availability of methods, tools and procedures required for identifying, measuring, monitoring and controlling the risks related to the operations of the Bank,
- to monitor the operation of accounting and reporting systems and the integrity of the information created,
- carry out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors,
- to monitor regularly the activities of the institutions selected by the Board of Directors,
- to ensure that the internal audit activities of the partnerships subject to consolidation are carried out in a consolidated manner and coordinated according to the

arrangements that enter into force, The Committees regularly inform the BoD about their activities with monthly reports.

The activities carried out in 2010 are summarized as follows.

- Monthly meetings were held with the managers of the units reporting to the Audit Committee and their activities were evaluated. 39 decisions were taken in these meetings; 28 of these decisions have been put into effect and 11 decisions are in the implementation phase.
- Monthly reports prepared by the Risk Management Department reporting to the Risk Management Committee were regularly reviewed by the Audit Committee.
- Five meetings were held with the auditors carrying out the independent audit activities at the Bank and their evaluations were taken. No major findings were identified and the independent auditors did not make any negative evaluations.
- The results of the independent audit activities between 01.01.2009 and 31.12.2009 and the relevant report were evaluated.
- The results of the Audit Made by KPMG According to the Law No. 2577 of the Central Bank of Greece (Evaluation of the Internal Control Systems) were evaluated.
- According to the Regulation on Bank Information Systems and Banking Processes Audit to be Performed by External Audit Institutions published in the Official Gazette dated January 13th, 2010 with no. 27461, the Board of Directors of the Bank is required to submit a management statement

to independent auditor regarding the internal controls on the information systems and banking processes. This requirement will be in effect as of the audit period of 2011 and the first management statement will be submitted in December, 2012. Regarding this statement, it was decided that a simulation study should be carried out in 2011.

- The audit engagement of 2010 carried out by the independent audit institution at the Bank pursuant to the "Regulation on Bank Information Systems and Banking Processes Audit to be Performed by External Audit Institutions" regarding the evaluation of the efficiency, adequacy and compliance of the control mechanism implemented and designed for processes and systems related to information systems of the Bank and financial data production was completed. The results of the recommendations implemented as suggested in the report will be monitored, necessary improvements will be made and the progress on the process will be discussed in the meeting of the Committee.
- Finansbank Basel II Program has been designed to comply with the requirements of the Basel II and CRD (Capital Requirements Directive), while also significantly enhancing the risk management capabilities of the Bank and thereby delivering substantial business benefits across the organization. The scope of the Program focuses on Finansbank as well as its subsidiaries. The Program covers the period from January 2007 to June 2012, consisting of 62 interdependent projects focusing on the implementation of risk-related software as well as engagements on strategy, policy and model developments.

Out of these 62 projects, 38 projects have been completed as of the end of 2010 and 7 projects are still in progress. With the implementation of these projects, it was ensured that Finansbank become compliant with the advanced methods for market risk as of 2008 and also with the advanced methods of Basel II for operational risk as of the end of 2010. It is targeted that by the end of 2011, the Bank will become compliant with the basic internal rating method for corporate portfolio and also with the advanced methods for consumer loan portfolios by the end of 2012.

- With the resolution adopted by the Committee on July 22nd, 2009 and approved by the BoD on July 30th, 2009, the engagements on integrating the activities of the Internal Audit Units of Bank's subsidiaries with the activities of Internal Audit Department of Finansbank were continued in 2010. This project mainly focuses on increasing the efficiency and sufficiency of the risk management and internal control systems of the subsidiaries so that the Internal Audit Department of the Bank monitors these systems in order to evaluate them more effectively. Within this

project, progress has been achieved for following a common methodology in all internal audit units and for ensuring integration and monitoring of the planning and audit activities.

- The Risk Evaluation Report of the Bank prepared by the Internal Audit Department was completed in the first quarter of 2011 and reviewed by the Committee. This report was submitted to the Banking Regulation and Supervision Agency following its approval by the BoD together with the Internal Audit Plan.
- The members of the Internal Audit Department were encouraged by the Committee in increasing their professional competency levels and the number of CIAs at the Department increased to 12 in 2010. There are 5 Certified Information System Auditors (CISA), 8 Certified Fraud Examiners (CFE), 1 Certified Governance, Risk, Compliance Professional (CGRCP), 1 Certified Internal Control Management Professional (CICMP) and 1 Certified Integrated Risk Management Professional (CIRMP), and the total number of certified members at the Department is 17.

- Information reports on internal systems presented to the Audit Committee by Internal Control Department are regularly examined and action plans are determined.
- Quarterly/annual activity reports presented by the Internal Control Department, Internal Audit Department and Compliance Department are evaluated by the Audit Committee.
- In parallel with IFC standards, integration of the Social and Environmental Responsibility Policy with the processes of our bank is monitored by the Compliance Department. No problems have been encountered so far.
- The engagements of the Compliance Department carried out for the coordination of the compliance of subsidiaries are evaluated. Activities are deemed to be at expected levels.
- As for Anti Money Laundering (AML) issues, MANTAS system was used in 2010 in order to ensure the systematic detection and evaluation of suspicious transactions.

Respectfully yours,



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



Paul Mylonas  
Member of the Board of Directors and  
of the Audit Committee

## DISCLOSURE ABOUT FINANSBANK'S FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Finansbank continued its growth in 2010 at a faster pace. Over the recent years, the Bank aimed at growing its loan portfolio, which increased to TL 25.8 billion, by focusing on banking operations and expanding its client base. With the addition of 41 new branches, the number of the Bank's branches reached 502.

### Assets:

In 2010, Finansbank continued its client and sales-focused operations and maintained its loan growth, specifically in the retail-loan and SME-loan segments. The amount of loans in 2010 increased by 35% and stood at TL 25,836 million. Finansbank grew its total asset size by 30% to TL 38,087 million. By the end of 2010 the market shares for mortgage, credit cards and auto loans and consumer loan reached 10.51%, 14.12%, 4.17% and 5.60%, respectively.

### Liabilities:

In line with growth in its assets, the total amount of the Bank's customer deposits increased to TL 23,552 million with an increase of 25%, as at the end of 2010.

### Profitability:

Parallel to positive developments in its balance sheet, the Bank's annual net interest income increased to TL 2,254 million and net fees and commissions reached to TL 594 million with an increase of 7%. The Bank's profit before tax and provisions increased to TL 1,394 million and net profit was realized as TL 915 million.

Finansbank's total equity capital increased by 44% and reached TL 5,208 million, while the Bank's CAR was realized as 16.68% by the end of 2010.

### Solvency:

With its robust capital structure and strong equity, Finansbank enjoys a sound financial structure. Finansbank increases the value of its capital in

banking activities with a 20.7% ROE, as at the end of 2010. Based on its funding structure, Finansbank has a vast deposit base and is capable of funding the loans it extends with long-term international funding. The Bank creates some funding advantage by using such various funding resources and also minimizes the risks arising from differences in maturities.

The strong financial structure of Finansbank, which has a significant place in Turkey's financial markets, is also confirmed by the high ratings assigned to the Bank by major independent rating agencies.

## RISK MANAGEMENT POLICIES

Risk Management is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of Risk Management is to provide business lines appropriate capital allocation (economic capital) for risks they are exposed to and increase value-added by maximizing risk adjusted return on capital.

### Organizational Structure

The risk management governance at the Bank starts with the Board of Directors. Board Risk Committee, Asset Liability Committee (ALCO), Corporate and Retail Credit Policy Committees (CPC), Operational Risk Management Committee (ORMC) and the Risk Management Department are the important bodies of the risk management structure.

Board of Directors determines the general risk policy and the risk appetite of the Bank. Risk Committee defines risk policies and strategies, reviews all types of risks Bank is exposed to in its monthly meetings, monitors the implementation of the riskmanagement strategies and brings the important risk issues to the attention of the Board. The ALCO, meeting bi-weekly, is responsible to monitor and manage the structural asset liability mismatch of the Bank, as well as to monitor and control the liquidity risk, foreign currency exchange risk. CPC meet monthly and are responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies regarding the credit risk management processes such as loan approval, limit setting, rating, monitoring and problem management. ORMC also meets monthly and is responsible for reviewing operational risk issues of the Bank and defining the necessary actions to be taken to minimize these risks.

Risk Management Department, working independently from the executive functions and reporting to the Board of Directors, is organized under four groups

as market, credit and operational risk, each having responsibility of identifying, measuring, monitoring, controlling and managing the relevant risks and model validation, responsible for assessing the predictive ability of risk estimates & the use of ratings in credit processes.

### Market Risk Management

Market risk is the risk of potential loss arising from the adverse effects of interest rates, exchange rates and equity price volatility inherent in the Bank's trading portfolio.

Finansbank calculates the regulatory capital requirement for market risk using the standardized method within the framework of BRSA guidelines. Besides, parallel to the best practices in the world, Value at Risk (VaR) is measured daily. VaR, which is a measure of the maximum potential loss on the trading portfolio, is calculated using the historical simulation method with 99%-confidence level and 1-day holding period. In order to manage the market risk efficiently and to be consistent with the risk appetite, position limits for asset classes, an overall "Bank Risk Tolerance" and VaR limits for each risk factor are determined. Limit monitoring is done daily by the Market Risk Management Group. VaR results are supported by regular stress tests and scenario analysis.

While the value-at-risk approach provides a forecast for possible losses under "normal" market conditions, it cannot predict contingent losses under extreme conditions. Hence, VaR approach is complemented by stress tests in order to incorporate possible extreme market movements. Stress tests are intended to simulate the impacts of crises, extreme market conditions and major changes in correlations and volatilities.

The Bank uses backtesting to verify the predictive power of the value-at-risk calculations. In backtesting, theoretical gains/losses calculated by VAR on positions at the close of each business day is compared with the actual gains/

losses arising on these positions on the next business day. The assumption of the VaR model is reviewed and revised if such a need occurs as a result of the backtesting procedure.

### Interest Rate Risk in Banking Book

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, it's ensured that this risk stays within the pre-defined limits. ALCO aims to protect the economic value of equity, while sustaining a stable earnings profile. Duration/GAP analysis, which rely on calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk.

The bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins, so as to calculate their impact on net economic value. Beside Basel standard interest rate shock scenario, 2001 crisis, May 2004 and June 2006 scenarios are also simulated.

### Liquidity Risk

Liquidity Risk is defined as the current or prospective risk to earnings and capital arising from a bank's inability to meet its liabilities -because of its balance sheet structure or market movements- when they are due. Finansbank aims to control its 'cash and available funding sources/ deposits' ratio within limits. Besides early warning indicators, stress levels and actions planned under different stress levels are defined in its 'Contingency Plan'.

### Credit Risk Management

Credit risk is the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk management begins with the approval process. Each request for financing is assessed by the non-profit independent allocation units. The total

limit amount which is imposed on debtors individually or as a group is determined according to the size of the loan by the assessment of these different allocation parties. Beside total limit, product base limits are also exist.

The principles behind Finansbank's management of its loan portfolio are compliant to globally accepted techniques. Finansbank has formed internal scoring and rating systems by using statistical methods to follow the creditworthiness of customers. These systems classify customers according to their default risk from highest to lowest degree. Internal scoring systems are used effectively to allocate loans, to monitor loan portfolio quality, and to take the necessary actions. Finansbank has chosen scoring and rating methodologies for corporate customers, various application scorecards for different type of retail loans to assess the creditworthiness of the customers. Finansbank also uses behavioral scorings for the existing customers for the measurement of probability of default and limit management. The predictive powers of these ratings/scorecards are monitored regularly on the basis of the globally accepted techniques and methodologies.

Credit strategies and policies are determined by Credit Policies Committees. These policies and strategies are complaint to NBS applications and credit risk is managed by these strategies and policies. The desired portfolio quality is measured regularly via risk metrics which are in line with the Bank's risk appetite defined in its Risk Management Strategies and portfolio performance is monitored by the Credit Policies Committees on a monthly basis. The necessary actions are taken according to the early warning indicators.

At the beginning of each year Finansbank designates monthly Credit Performance Indicators for each product and segment. The performance of the portfolios, targeted and realization levels and trends are monitored monthly by Credit Policies

Committees, Risk Committee and Board of Directors. The necessary actions are taken promptly in order to keep portfolio quality in line with the predefined risk appetite.

### Operational Risk Management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk is managed based on a framework for identifying, measuring, monitoring and managing all risks within the scope of the definition of operational risk. Activity-based operational risks are identified through Risk Control Self Assessment and categorized by cause, event and effect categories as proposed by Basel II and action has been taken for severe risks. Operational loss data collection, which started on January 2005, continues to enable Finansbank to be compliant with Basel II Advanced Approaches. While loss data is accumulated to provide meaningful statistical data, business processes, where improvements are required, are defined based on the results. Operational Risk Management Committee defines necessary improvement actions. In order to improve operational risk management processes, a new software was implemented.

Business Continuity Management Plan, prepared in order to minimize losses due to business disruption, has been implemented. Comprehensive annual test of Disaster Recovery Center was completed with participation of business units and IT.

### Model Validation

Model Validation Unit is responsible for assessing the predictive ability of Finansbank's risk estimates & the use of ratings in credit processes. Main goal is to attain the maximum benefit from the employment of these models while staying in compliance with regulatory

requirements. During 2010, initial validations of Credit Cards, Retail Loans, and SME application and behavioral scorecards were completed. Also the performances of existing scorecards were monitored. Moreover the models of Treasury Control Unit and Market Risk Management were examined and results were reported. Implementation of the IT and database infrastructure for the periodic monitoring of the scorecard performances are going on.

### Basel II Program

Finansbank Basel II Program has been designed to move Finansbank to compliance with the requirements of the Basel II & CRD, while also significantly enhancing the risk management capabilities of the Bank and thereby delivering substantial business benefits across the organization. The scope of the Program is focused on Finansbank and its subsidiaries, and has linkages to other major projects undertaken by the Bank and the NBS Group. The Program covers the period from January 2007 to mid-2012, consisting of 62 interdependent projects. Some of the projects within the program focus on implementation of risk-related software as well as risk strategy, policy revision, and model developments. Out of these 62 projects, as of December 2010, 38 projects are completed and 7 projects are still in execution. As the outcome of these projects, Finansbank has become Basel II advanced approaches compliant by 2008 in market risk and by 2010 in operational risk. The Bank aims to be compliant to FIRB in corporate portfolio in credit risk by the end of 2011 and to advanced approaches by 2012 in retail portfolios in credit risk.

## SUMMARY OF THE SELECTED FINANCIAL DATA PERTAINING TO FINANCIAL YEARS BETWEEN 2006-2010

### Five-year Summary of Financial Data (Million TL)

	2006	2007	2008	2009	2010
Total Assets	17,895	20,882	26,573	29,318	38,087
Total Deposits	11,462	12,958	15,939	20,268	24,431
Total Loans	11,042	14,174	17,878	19,119	25,836
Shareholders' Equity	2,155	2,626	2,840	3,627	5,208
Net Profit	741	553	363	650	915

## CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH REPORT OF INDEPENDENT AUDITORS

---

**FİNANSBANK ANONİM ŞİRKETİ**

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

*Translated into English from the  
Original Turkish Report*



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

## **FİNANSBANK ANONİM ŞİRKETİ**

### **INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR JANUARY 1 – DECEMBER 31, 2010

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

#### **Board of Director's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

#### **Independent Auditor's Opinion**

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

#### **Additional paragraph for English translation:**

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

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

Hasan Kılıç  
Partner

Istanbul, February 10, 2011

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

The Bank's;  
Address of the head office : Büyükdere Cad. No:129, 34394 Mecidiyeköy / İSTANBUL  
Phone number : (0 212) 318 50 00  
Facsimile number : (0 212) 318 58 50  
Web page : [www.finansbank.com.tr](http://www.finansbank.com.tr)  
E-mail address : name.surname@finansbank.com.tr

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

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

**Ömer A. Aras**

Vice Chairman of the Board  
of Directors

**Mustafa A. Aysan**

Member of Board of Directors  
and Chairman of the Audit  
Committee

**Paul Mylonas**

Member of the Board of Directors  
and of the Audit Committee

**Temel Güzeloğlu**

General Manager and  
Member of the Board of  
Directors

**Adnan Menderes Yayla**

Executive Vice President  
Responsible of Financial  
Control and Planning

**Gökhan Yücel**

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

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

Name-Surname/Title : Gökhan Yücel  
Senior Vice President Responsible of Financial Statutory Reporting and Treasury Control

Phone Number : (0 212) 318 55 65  
Facsimile Number : (0 212) 318 55 78

**SECTION ONE**  
GENERAL INFORMATION

I.	Explanatory note on the establishment date, nature of activities and history of the Bank	1
II.	Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year if any, and information about the controlling group of the Bank	1
III.	Information about the chairman and members of board of directors, members of audit committee, general managers and executive vice presidents; any changes, and the information about the Bank shares they hold	2
IV.	Information about the persons and institutions that have qualified shares	3
V.	Explanations on the Bank's services and activities	3

**SECTION TWO**  
UNCONSOLIDATED FINANCIAL STATEMENTS

I.	Balance sheet (Statement of Financial Position)	5
II.	Statement of off-balance sheet items	7
III.	Income statement	8
IV.	Statement of profit and loss accounted for under equity	9
V.	Statement of changes in shareholders' equity	10
VI.	Cash flow statement	12
VII.	Statement of profit distribution	13

**SECTION THREE**  
ACCOUNTING POLICIES

I.	Basis of presentation	14
II.	Strategy for use of financial instruments and foreign currency transactions	15
III.	Information on associates and subsidiaries	16
IV.	Explanations on forwards, option contracts and derivative instruments	16
V.	Interest income and expenses	17
VI.	Fees and commission income and expense	17
VII.	Explanation on financial assets	17
VIII.	Impairment of financial assets	19
IX.	Netting of financial instruments	19
X.	Sales and repurchase agreements and lending of securities	20
XI.	Assets held for sale and discontinued operations	20
XII.	Goodwill and other intangible assets	20
XIII.	Tangible assets	21
XIV.	Leasing transactions	21
XV.	Provisions and contingent liabilities	22
XVI.	Obligations of the Bank concerning employee benefits	22
XVII.	Taxation	22
XVIII.	Additional explanations on borrowings	23
XIX.	Share issues	23
XX.	Confirmed bills of exchange and acceptances	23
XXI.	Government incentives	23
XXII.	Segment reporting	24
XXIII.	Explanations on other matters	25

**SECTION FOUR**  
INFORMATION ON FINANCIAL STRUCTURE

I.	Explanations related to capital adequacy ratio	26
II.	Information on credit risk	29
III.	Information on market risk	33
IV.	Explanations related to operational risk	34
V.	Explanations related to foreign currency exchange rate risk	34
VI.	Explanations related to interest rate risk	37
VII.	Explanations related to liquidity risk	40
VIII.	Explanations related to presentation of financial assets and liabilities at their fair value	43
IX.	Explanations related to transactions carried out on behalf of others and fiduciary transactions	44

**SECTION FIVE**  
EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I.	Explanations and disclosures related to assets	45
II.	Explanations and disclosures related to liabilities	61
III.	Explanations and disclosures related to off-balance sheet items	70
IV.	Explanations and disclosures related to the income statement	74
V.	Explanations and disclosures related with statement of changes in shareholders' equity	80
VI.	Explanations and disclosures related to cash flow statement	81
VII.	Explanations and disclosures related to the Bank's risk group	83
VIII.	Explanations on the Bank's domestic, foreign and off-shore banking branches and foreign representatives	85

**SECTION SIX**  
OTHER EXPLANATIONS AND DISCLOSURES

I.	Other explanations related to the Bank's operations	86
----	---	----

**SECTION SEVEN**  
INDEPENDENT AUDITOR'S REPORT

I.	Explanations on the independent auditor's report	86
II.	Explanations and disclosures prepared by independent auditor	86

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

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

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

**SECTION ONE**

**GENERAL INFORMATION**

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

Finansbank Anonim Şirketi (the Bank) was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990 and its Global Depository Receipts (GDRs) have been listed on the London Stock Exchange since 1998.

**II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the Bank's Group**

As of December 31, 2010, 77.22% of the Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5% by International Finance Corporation ("IFC").

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

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

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

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

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

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

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

<sup>(2)</sup> Yener Dinçmen resigned from his Board Member duty as of December 21, 2010. Appointment of Christos Alexis Komninos instead is still in process.

<sup>(3)</sup> Elçin Yanık resigned from her Assistant Managing Director duty as of January 12, 2011.

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

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

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

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

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

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

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

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

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

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF DECEMBER 31, 2010 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – ASSETS**

		Audited 31.12.2010			Audited 31.12.2009			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,146,431	1,247,952	2,394,383	1,012,861	779,520	1,792,381
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,303,876	153,948	1,457,824	2,030,662	53,237	2,083,899
2.1	Financial assets held for trading		252,271	153,948	406,219	380,081	53,237	433,318
2.1.1	Public sector debt securities		9,776	4,163	13,939	9,839	925	10,764
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		242,495	149,785	392,280	370,242	52,312	422,554
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		1,051,605	-	1,051,605	1,650,581	-	1,650,581
2.2.1	Public sector debt securities		74,654	-	74,654	78,452	-	78,452
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		976,951	-	976,951	1,572,129	-	1,572,129
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	7,255	184,248	191,503	10,005	1,147,028	1,157,033
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.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	6,548,167	867,655	7,415,822	4,953,215	592,540	5,545,755
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		6,427,633	602,273	7,029,906	4,873,092	338,804	5,211,896
5.3	Other securities		120,534	265,382	385,916	80,123	253,736	333,859
VI.	LOANS AND RECEIVABLES	(5)	22,416,755	2,442,390	24,859,145	15,504,071	2,042,351	17,546,422
6.1	Loans and receivables		22,184,432	2,442,390	24,626,822	15,398,109	2,042,351	17,440,460
6.1.1	Loans to risk group of the Bank		36,477	36,831	73,308	5,874	30,632	36,506
6.1.2.	Public sector debt securities		-	-	-	-	-	-
6.1.3.	Other		22,147,955	2,405,559	24,553,514	15,392,235	2,011,719	17,403,954
6.2	Non-performing loans		1,757,762	-	1,757,762	1,454,726	-	1,454,726
6.3	Specific provisions (-)		1,525,439	-	1,525,439	1,348,764	-	1,348,764
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(7)	5,769	-	5,769	6,016	-	6,016
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		5,769	-	5,769	6,016	-	6,016
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		5,769	-	5,769	6,016	-	6,016
X.	INVESTMENT IN SUBSIDIARIES (Net)	(8)	377,044	-	377,044	237,574	-	237,574
10.1	Unconsolidated financial investments		362,058	-	362,058	222,588	-	222,588
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(9)	2,800	-	2,800	800	-	800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		2,800	-	2,800	800	-	800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	800	-	800
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(11)	28,648	-	28,648	-	2,417	2,417
13.1	Fair value hedge		28,648	-	28,648	-	2,417	2,417
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	362,201	39	362,240	373,488	19	373,507
XV.	INTANGIBLE ASSETS (Net)	(13)	98,571	-	98,571	62,404	-	62,404
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		98,571	-	98,571	62,404	-	62,404
XVI.	INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSETS	(15)	-	-	-	50,499	-	50,499
17.1	Current tax assets		-	-	-	50,499	-	50,499
17.2	Deferred tax assets		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	428,806	464,648	893,454	369,666	89,257	458,923
TOTAL ASSETS			32,726,323	5,360,880	38,087,203	24,611,261	4,706,369	29,317,630

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



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

**FİNANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF DECEMBER 31, 2010 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – LIABILITIES AND EQUITY**

		Audited 31.12.2010			Audited 31.12.2009			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	18,286,960	6,143,717	24,430,677	13,008,433	7,259,129	20,267,562
1.1	Deposits from risk group of the Bank		381,915	166,102	548,017	282,756	1,241,032	1,523,788
1.2	Other		17,905,045	5,977,615	23,882,660	12,725,677	6,018,097	18,743,774
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	333,765	140,499	474,264	229,234	37,321	266,555
III.	FUNDS BORROWED	(3)	370,877	3,120,048	3,490,925	349,207	1,700,158	2,049,365
IV.	MONEY MARKET BORROWINGS		814,118	309,882	1,124,000	19,126	-	19,126
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	814,118	309,882	1,124,000	19,126	-	19,126
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		849,103	36,356	885,459	565,228	160,385	725,613
VIII.	OTHER LIABILITIES	(5)	466,524	11,297	477,821	313,380	3,226	316,606
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(6)	-	23	23	-	4,738	4,738
10.1	Financial lease payables		-	253	253	-	5,251	5,251
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses ( - )		-	230	230	-	513	513
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	319,785	7,000	326,785	-	2,693	2,693
11.1	Fair value hedge		250,240	7,000	257,240	-	2,693	2,693
11.2	Cash flow hedge		69,545	-	69,545	-	-	-
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(8)	485,904	31,215	517,119	449,162	32,704	481,866
12.1	General provisions		234,593	31,215	265,808	166,747	32,704	199,451
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		72,224	-	72,224	63,701	-	63,701
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		179,087	-	179,087	218,714	-	218,714
XIII.	TAX LIABILITY	(9)	141,256	-	141,256	83,168	-	83,168
13.1	Current tax liability		65,583	-	65,583	-	-	-
13.2	Deferred tax liability		75,673	-	75,673	83,168	-	83,168
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	1,010,383	1,010,383	-	1,473,260	1,473,260
XVI.	SHAREHOLDERS' EQUITY		5,198,286	10,205	5,208,491	3,586,123	40,955	3,627,078
16.1	Paid-in capital	(12)	2,205,000	-	2,205,000	1,575,000	-	1,575,000
16.2	Capital reserves		234,273	10,205	244,478	83,927	40,955	124,882
16.2.1	Share premium	(13)	665	-	665	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(14)	252,095	10,205	262,300	83,927	40,955	124,882
16.2.4	Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	-	-	-
16.2.8	Hedging funds (effective portion)		(21,176)	-	(21,176)	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		1,844,339	-	1,844,339	1,277,082	-	1,277,082
16.3.1	Legal reserves		182,424	-	182,424	149,918	-	149,918
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,661,915	-	1,661,915	1,127,164	-	1,127,164
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		914,674	-	914,674	650,114	-	650,114
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current year income/ (loss)		914,674	-	914,674	650,114	-	650,114
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			27,266,578	10,820,625	38,087,203	18,603,061	10,714,569	29,317,630

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

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

**AS OF DECEMBER 31, 2010**

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

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

		Audited 31.12.2010			Audited 31.12.2009		
		Section 5 Part III	TL	FC	TL	FC	TOTAL
<b>A.</b>	<b>OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>						
			<b>40,631,370</b>	<b>32,911,955</b>	<b>73,543,325</b>	<b>26,773,041</b>	<b>19,977,056</b>
<b>I.</b>	<b>GUARANTEES</b>	<b>(1), (2), (3),(4)</b>	<b>2,970,060</b>	<b>3,065,622</b>	<b>6,035,682</b>	<b>2,239,078</b>	<b>2,951,914</b>
1.1.	Letters of guarantee		2,967,436	1,587,549	4,554,985	2,239,000	1,706,226
1.1.1.	Guarantees subject to State Tender Law		181,832	14,443	196,275	94,304	16,130
1.1.2.	Guarantees given for foreign trade operations		2,292,413	1,573,106	3,865,519	1,756,064	1,690,096
1.1.3.	Other letters of guarantee		493,191	-	493,191	388,632	-
1.2.	Bank loans		2,483	719,055	721,538	-	664,139
1.2.1.	Import letter of acceptance		2,483	719,055	721,538	-	664,139
1.2.2.	Other bank acceptances		-	-	-	-	-
1.3.	Letters of credit		141	722,709	722,850	78	539,845
1.3.1.	Documentary letters of credit		141	697,409	697,550	78	496,789
1.3.2.	Other letters of credit		-	25,300	25,300	-	43,056
1.4.	Prefinancing given as guarantee		-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-
1.6.	Securities issue purchase guarantees		-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-
1.8.	Other guarantees		-	36,309	36,309	-	41,704
1.9.	Other collaterals		-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>		<b>14,538,605</b>	<b>510,390</b>	<b>15,048,995</b>	<b>10,712,786</b>	<b>1,100,436</b>
2.1.	Irrevocable commitments		14,538,605	510,390	15,048,995	10,712,786	1,100,436
2.1.1.	Forward asset purchase commitments		193,664	504,197	697,861	435,640	1,082,526
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		5,187	-	5,187	2,250	2,250
2.1.4.	Loan granting commitments		1,876,601	-	1,876,601	1,726,856	1,726,856
2.1.5.	Securities underwriting commitments		-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-
2.1.7.	Payment commitment for checks		673,661	-	673,661	556,793	556,793
2.1.8.	Tax and fund liabilities from export commitments		5,141	-	5,141	5,297	5,297
2.1.9.	Commitments for credit card expenditure limits		11,705,737	-	11,705,737	7,764,698	7,764,698
2.1.10.	Commitments for promotions related with credit cards and banking activities		25,298	-	25,298	21,074	21,074
2.1.11.	Receivables from short sale commitments		-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-
2.1.13.	Other irrevocable commitments		53,316	6,193	59,509	200,178	17,910
2.2.	Revocable commitments		-	-	-	-	-
2.2.1.	Revocable loan granting commitments		-	-	-	-	-
2.2.2.	Other revocable commitments		-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(5)</b>	<b>23,122,705</b>	<b>29,335,943</b>	<b>52,458,648</b>	<b>13,821,177</b>	<b>15,924,706</b>
3.1.	Derivative financial instruments for hedging purposes		6,138,670	4,126,450	10,265,120	-	144,480
3.1.1.	Fair value hedge		4,828,794	4,126,450	8,955,244	-	144,480
3.1.2.	Cash flow hedge		1,309,876	-	1,309,876	-	-
3.1.3.	Hedge of net investment in foreign operations		-	-	-	-	-
3.2.	Held for trading transactions		16,984,035	25,209,493	42,193,528	13,821,177	15,780,226
3.2.1.	Forward foreign currency buy/sell transactions		693,384	1,139,058	1,832,442	331,042	500,375
3.2.1.1.	Forward foreign currency transactions-buy		321,497	590,854	912,351	126,393	287,420
3.2.1.2.	Forward foreign currency transactions-sell		371,887	548,204	920,091	204,649	212,955
3.2.2.	Swap transactions related to foreign currency. and interest rates		10,455,312	16,027,137	26,482,449	10,755,114	11,144,917
3.2.2.1.	Foreign currency swap-buy		4,216,018	5,773,181	9,989,199	2,281,147	7,281,113
3.2.2.2.	Foreign currency swap-sell		4,204,144	5,854,110	10,058,254	7,648,449	2,607,602
3.2.2.3.	Interest rate swaps-buy		1,017,575	2,130,353	3,147,928	412,759	628,101
3.2.2.4.	Interest rate swaps-sell		1,017,575	2,269,493	3,287,068	412,759	628,101
3.2.3.	Foreign currency, interest rate and securities options		5,828,545	7,649,636	13,478,181	2,735,021	3,825,276
3.2.3.1.	Foreign currency options-buy		2,977,137	3,765,395	6,742,532	1,307,931	1,811,640
3.2.3.2.	Foreign currency options-sell		2,835,408	3,884,241	6,719,649	1,413,806	1,712,496
3.2.3.3.	Interest rate options-buy		-	-	-	-	150,570
3.2.3.4.	Interest rate options-sell		-	-	-	-	150,570
3.2.3.5.	Securities options-buy		8,000	-	8,000	6,642	6,642
3.2.3.6.	Securities options-sell		8,000	-	8,000	6,642	6,642
3.2.4.	Foreign currency futures		6,794	368,280	375,074	-	274,612
3.2.4.1.	Foreign currency futures-buy		3,397	184,140	187,537	-	137,306
3.2.4.2.	Foreign currency futures-sell		3,397	184,140	187,537	-	137,306
3.2.5.	Interest rate futures		-	25,382	25,382	-	35,046
3.2.5.1.	Interest rate futures-buy		-	12,691	12,691	-	17,523
3.2.5.2.	Interest rate futures-sell		-	12,691	12,691	-	17,523
3.2.6.	Other		-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>71,048,792</b>	<b>17,540,203</b>	<b>88,588,995</b>	<b>55,581,802</b>	<b>20,132,808</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>2,049,039</b>	<b>1,038,800</b>	<b>3,087,839</b>	<b>2,889,919</b>	<b>1,084,443</b>
4.1.	Assets under management		-	-	-	-	-
4.2.	Investment securities held in custody		803,002	659,386	1,462,388	1,980,007	853,205
4.3.	Checks received for collection		997,200	156,295	1,153,495	691,184	105,815
4.4.	Commercial notes received for collection		248,824	216,750	465,574	217,205	119,220
4.5.	Other assets received for collection		-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-
4.7.	Other items under custody		10	6,369	6,379	1,520	6,203
4.8.	Custodians		3	-	3	3	3
<b>V.</b>	<b>PLEDGED ITEMS</b>		<b>68,999,753</b>	<b>16,501,403</b>	<b>85,501,156</b>	<b>52,691,883</b>	<b>19,048,365</b>
5.1.	Marketable securities		282,255	189,201	471,456	246,832	212,766
5.2.	Guarantee notes		88,338	55,700	144,038	94,036	59,206
5.3.	Commodity		20,737	-	20,737	19,864	19,864
5.4.	Warranty		-	-	-	-	-
5.5.	Properties		30,516,561	6,003,909	36,520,470	23,328,456	8,493,260
5.6.	Other pledged items		38,091,862	10,252,593	48,344,455	29,002,695	10,283,133
5.7.	Pledged items-depository		-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>			<b>111,680,162</b>	<b>50,452,158</b>	<b>162,132,320</b>	<b>82,354,843</b>	<b>40,109,864</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>			<b>111,680,162</b>	<b>50,452,158</b>	<b>162,132,320</b>	<b>82,354,843</b>	<b>40,109,864</b>

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**III. INCOME STATEMENT**

			Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
		<b>Section 5</b>		
		<b>Part IV</b>		
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>3,792,561</b>	<b>3,895,997</b>
1.1	Interest on loans		3,336,163	3,265,317
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		36,095	54,229
1.4	Interest received from money market placements		8,914	3,694
1.5	Interest received from marketable securities portfolio		410,519	570,932
1.5.1	Held-for-trading financial assets		4,068	7,257
1.5.2	Financial assets at fair value through profit and loss		11,794	18,110
1.5.3	Available-for-sale financial assets		394,657	442,861
1.5.4	Investments held-to-maturity		-	102,704
1.6	Finance lease income		-	-
1.7	Other interest income		870	1,825
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	<b>1,538,137</b>	<b>1,635,378</b>
2.1	Interest on deposits		1,350,286	1,339,296
2.2	Interest on funds borrowed		136,317	213,069
2.3	Interest on money market borrowings		51,250	81,637
2.4	Interest on securities issued		-	-
2.5	Other interest expense		284	1,376
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>2,254,424</b>	<b>2,260,619</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>593,616</b>	<b>553,211</b>
4.1	Fees and commissions received		662,442	619,273
4.1.1	Non-cash loans		41,827	48,963
4.1.2	Other		620,615	570,310
4.2	Fees and commissions paid		68,826	66,062
4.2.1	Non-cash loans		580	205
4.2.2	Other		68,246	65,857
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>40,368</b>	<b>6,436</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	(4)	<b>(264,304)</b>	<b>(376,271)</b>
6.1	Securities trading gains/ (losses)		378,535	326,237
6.2	Gains / (losses) from financial derivative transactions		(677,328)	(760,708)
6.2	Foreign exchange gains/ (losses)		34,489	58,200
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>145,949</b>	<b>106,468</b>
<b>VIII.</b>	<b>NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2,770,053</b>	<b>2,550,463</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>260,469</b>	<b>797,269</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(7)	<b>1,375,855</b>	<b>1,162,458</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>1,133,729</b>	<b>590,736</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>GAIN / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	(8)	<b>1,133,729</b>	<b>590,736</b>
<b>XVI.</b>	<b>TAX CHARGE FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(219,055)</b>	<b>(127,857)</b>
16.1	Current income tax charge		(237,352)	(103,778)
16.2	Deferred tax charge / benefit		18,297	(24,079)
<b>XVII.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(10)	<b>914,674</b>	<b>462,879</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	<b>197,090</b>
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	197,090
18.3	Income on other discontinued operations		-	-
<b>XIX.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
<b>XX.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	(8)	-	<b>197,090</b>
<b>XXI.</b>	<b>TAX CHARGE FOR DISCONTINUED OPERATIONS (±)</b>	(9)	-	<b>(9,855)</b>
21.1	Current income tax charge		-	(9,855)
21.2	Deferred tax charge / benefit		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(10)	-	<b>187,235</b>
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>914,674</b>	<b>650,114</b>
23.1	Group's profit/loss		914,674	650,114
23.2	Minority shares		-	-
	Earnings per share		0.05429	0.03921

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

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

		Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
I.	Additions to marketable securities revaluation differences for available for sale financial assets	271,757	197,891
II.	Tangible assets revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Foreign exchange differences for foreign currency transactions	-	-
V.	Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	(26,129)	-
VI.	Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII.	The effect of corrections of errors and changes in accounting policies	-	-
VIII.	Other profit loss items accounted for under equity as per Turkish Accounting Standards	-	-
IX.	Deferred tax of valuation differences	(10,802)	(31,755)
X.	Total Net Profit/Loss accounted for under equity (I+II+...+IX)	234,826	166,136
XI.	Profit/Loss	(118,584)	(2,039)
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(118,243)	(2,039)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(341)	-
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	Other	-	-
XII.	Total Profit/Loss accounted for in the period (X±XI)	116,242	164,097

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

Audited	Section V Note 5	Effect of inflation Accounting on		Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributa ble to the Parent Sharehol ders	Minority Shares	Total Equity
		Paid-in Capital	Capital and Other Capital Reserves																
<b>I. Prior Period - 01.01.-31.12.2009</b>																			
<b>II. Beginning Balance</b>		<b>1,500,000</b>	-	-	-	<b>129,090</b>	-	<b>887,296</b>	-	-	<b>362,648</b>	<b>(39,215)</b>	-	-	-	-	<b>2,839,819</b>	-	<b>2,839,819</b>
<b>2.1. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2.2. The effects of changes in accounting policies</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		<b>1,500,000</b>	-	-	-	<b>129,090</b>	-	<b>887,296</b>	-	-	<b>362,648</b>	<b>(39,215)</b>	-	-	-	-	<b>2,839,819</b>	-	<b>2,839,819</b>
<b>IV. Changes in period</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Increase/Decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Marketable securities valuation differences</b>	(1)	-	-	-	-	-	-	-	-	-	-	<b>164,097</b>	-	-	-	-	<b>164,097</b>	-	<b>164,097</b>
<b>VI. Hedging funds (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>6.1. Cash-flow hedge</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>6.2. Hedge of net investment in foreign operations</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Bonus shares obtained from associates, subsidiaries and entities under common control</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Foreign exchange differences</b>	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The disposal of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. The reclassification of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. The effect of change in associate's equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Capital increase</b>	(5)	<b>75,000</b>	-	-	-	-	-	<b>(75,000)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>14.1. Cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>14.2. Internal sources</b>		<b>75,000</b>	-	-	-	-	-	<b>(75,000)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Share issue</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX. Period net income/(loss)</b>		-	-	-	-	-	-	-	-	<b>650,114</b>	-	-	-	-	-	-	<b>650,114</b>	-	<b>650,114</b>
<b>XX. Profit distribution</b>		-	-	-	-	<b>20,828</b>	-	<b>314,868</b>	-	-	<b>(362,648)</b>	-	-	-	-	-	<b>(26,952)</b>	-	<b>(26,952)</b>
<b>20.1. Dividends distributed</b>	(3)	-	-	-	-	-	-	-	-	-	<b>(26,952)</b>	-	-	-	-	-	<b>(26,952)</b>	-	<b>(26,952)</b>
<b>20.2. Transfers to reserves</b>		-	-	-	-	<b>20,828</b>	-	<b>314,868</b>	-	-	<b>(335,696)</b>	-	-	-	-	-	-	-	-
<b>20.3. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance (III+IV+V+.....+ XVIII+XIX+XX)</b>		<b>1,575,000</b>	-	-	-	<b>149,918</b>	-	<b>1,127,164</b>	-	<b>650,114</b>	-	<b>124,882</b>	-	-	-	-	<b>3,627,078</b>	-	<b>3,627,078</b>

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

Audited	Section V Note 5	Effect of inflation Accounting on										Current Year Net	Prior Year Net	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributabl e to the Parent Shareholde rs	Minority Shares	Total Equity
		Paid-in Capital	Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Income/ (Loss)	Income/ (Loss)	Fund									
I	Current Period – 01.01.-31.12.2010	1,575,000	-	-	-	149,918	-	1,127,164	-	-	650,114	124,882	-	-	-	-	3,627,078	-	3,627,078		
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
II.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	137,418	-	-	-	-	137,418	-	137,418		
III.	Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.	Hedging funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)	-	(21,176)		
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)	-	(21,176)		
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	2,689	-	2,689	-	2,689		
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XI.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XII.	Capital increase	(5)	630,000	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	547,143	-	547,143		
12.1	Cash	-	547,143	-	-	-	-	-	-	-	-	-	-	-	-	-	547,143	-	547,143		
12.2	Internal sources	-	82,857	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	-	-	-		
XIII.	Share premium	-	-	665	-	-	-	-	-	-	-	-	-	-	-	-	665	-	665		
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	914,674	-	-	-	-	-	-	-	914,674	-	914,674		
XVIII.	Profit distribution	-	-	-	-	32,506	-	617,608	-	(650,114)	-	-	-	-	-	-	-	-	-		
18.1	Dividends distributed	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18.2	Transfers to reserves	-	-	-	-	32,506	-	617,608	-	(650,114)	-	-	-	-	-	-	-	-	-		
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Closing Balance																					
(I+II+III+.....+XVI+XVII+XVIII)		2,205,000	-	665	-	182,424	-	1,661,915	-	914,674	-	262,300	-	2,689	(21,176)	-	5,208,491	-	5,208,491		

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**CASH FLOWS STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**VI. CASH FLOWS STATEMENT**

	Section VI Note 5	Audited 01.01-31.12.2010	Audited 01.01-31.12.2009
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>2,085,485</b>	<b>1,612,428</b>
1.1.1 Interest received (+)		3,900,394	4,048,131
1.1.2 Interest paid (-)		(1,502,996)	(1,654,090)
1.1.3 Dividend received (+)		156	1,330
1.1.4 Fees and commissions received (+)		662,442	619,273
1.1.5 Other income (+)		114,541	105,101
1.1.6 Collections from previously written off loans (+)		504,310	307,921
1.1.7 Payments to personnel and service suppliers (-)		(1,091,607)	(945,745)
1.1.8 Taxes paid (-)		(248,043)	(189,659)
1.1.9 Others (+/-)		(253,712)	(679,834)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(516,479)</b>	<b>228,874</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(3,175)	6,632
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		571,802	824,064
1.2.3 Net (increase) decrease in due from banks (+/-)		(4,322)	2,183
1.2.4 Net (increase) decrease in loans (+/-)		(7,357,075)	(2,723,682)
1.2.5 Net (increase) decrease in other assets (+/-)		(443,743)	117,672
1.2.6 Net increase (decrease) in bank deposits (+/-)		(640,052)	535,197
1.2.7 Net increase (decrease) in other deposits (+/-)		4,445,196	3,749,610
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1,492,816	(1,997,872)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		1,422,074	(284,930)
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>1,569,006</b>	<b>1,841,302</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(1,990,903)</b>	<b>(810,494)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,063)	(30,800)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		2,101	399,018
2.3 Fixed assets purchases (-)		(69,836)	(77,042)
2.4 Fixed assets sales (+)		8,560	1,895
2.5 Cash paid for purchase of financial assets available for sale (-)		(22,515,765)	(11,719,156)
2.6 Cash obtained from disposal of financial assets available for sale (+)		20,652,070	10,653,362
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Others (+/-)		(64,970)	(37,771)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>23,764</b>	<b>(19,181)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(495,755)	-
3.3 Capital increase (+)		547,143	-
3.4 Dividends paid (-)		(22,909)	-
3.5 Payments for finance leases (-)		(4,715)	(19,181)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>36,930</b>	<b>(5,616)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(361,203)</b>	<b>1,006,011</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>2,940,939</b>	<b>1,934,928</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>2,579,736</b>	<b>2,940,939</b>

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

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

**FINANSBANK ANONİM ŞİRKETİ  
STATEMENT OF PROFIT DISTRIBUTION  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**VII. STATEMENT OF PROFIT DISTRIBUTION**

	<b>Audited 31.12.2010(*)</b>	<b>Audited 31.12.2009</b>
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	1,133,729	787,826
1.2 TAXES AND DUTIES PAYABLE (-)	219,055	137,712
1.2.1 Corporate tax (Income tax)	237,352	113,633
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(18,297)	24,079
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>914,674</b>	<b>650,114</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	32,506
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]</b>	<b>914,674</b>	<b>617,608</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	78,750
1.6.1 To owners of ordinary shares	-	78,750(**)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	538,858
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.05429	0.03921
3.2 TO OWNERS OF ORDINARY SHARES ( % )	5.42%	3.92%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	0.005
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	5%
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-

(\*) The Bank did not resolve a decision regarding profit distribution of 2010 as of the issue date of this report.

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

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



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

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

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

**1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents**

The Turkish Banking Law No 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of December 31, 2010 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

**2. Classifications**

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

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

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

**Explanation for Convenience Translation to English**

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

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

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

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

**1. Strategy for the use of financial instruments**

The major funding sources of the Bank are customer deposits and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad are generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

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

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

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

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

**2. Foreign currency transactions**

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

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

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

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

The net foreign exchange gain included in the income statement as of December 31, 2010 is TL 34,489 (December 31, 2009 –TL 58,200).

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

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

**III. Information on associates and subsidiaries**

Associates and subsidiaries are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement” in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision.

**IV. Explanations on forward, option contracts and derivative instruments**

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

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

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

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

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

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

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

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

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

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

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

**V. Interest income and expenses**

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected. According to the article 4 of “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside” dated March 6, 2010, the Bank classifies loans which are not overdue into non-performing loans, where the same borrower has overdue loans. The Bank does not provide any specific provision for these loans which are not overdue, in line with the above mentioned regulation.

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

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

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

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

**VII. Financial assets**

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as “Financial Assets at Fair Value through Profit or Loss”, “Investment Securities Available-For-Sale”, “Investment Securities Held-To-Maturity”, and “Loans And Other Receivables”. The classification of the financial assets is determined at the initial inception of the related financial assets.

**1. Financial assets at fair value through profit or loss**

**1.1. Trading securities**

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

**1.2. Financial assets at fair value through profit or loss**

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under “Financial Assets at Fair Value Through Profit or Loss” as loan, in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss. Interest on related loans is presented under “Income statement” as “Interest on Loans” and fair value differences are presented as “Securities Trading Gains (Losses).

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

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

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

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

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

**2. Investment securities available for sale**

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under “Securities value increase fund” (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

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

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

**3. Investment securities held to maturity**

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

As of October 1, 2008, due to the change of the intention, the Bank classified securities from trading portfolio and available for sale portfolio to held to maturity portfolio with the nominal values of TL 94,198 and TL 2,549,613, respectively. The intention of the Bank for holding the held to maturity portfolio has changed in 2009. As it is stated in TAS 39, paragraph 51, “while the intention or the possibility of holding the securities until the maturity changes, or when the investments become inappropriate to be classified as held to maturity; the related investments should be classified as investment securities available for sale and should be re-measured at their fair values”; the Bank classified TL 2,643,811 nominal amount of held to maturity portfolio to available for sale portfolio effective from March 31, 2009 based on the Board of Directors’ decision dated April 16, 2009. Because of this classification, the Bank will not be able to classify any financial asset as held to maturity investment in 2009 and the following two years.

**4. Loans and specific provisions**

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note “IV. Explanations on forward, option contracts and derivative instruments”, the Bank enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

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

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

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

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

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

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

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

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

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

**VIII. Impairment of financial assets**

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

**IX. Netting of financial instruments**

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

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

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

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

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

**X. Sales and repurchase agreements and lending of securities**

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 1,196,542 (December 31, 2009 - TL 19,168).

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

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

**XI. Assets held for sale and discontinued operations**

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

The Bank does not have assets held for sale.

A discontinued operation is a part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank transferred its shares of Finans Malta Holdings LTD, which the Bank used to own 100% of the shares, by selling to NBG International Holdings B.V. on February 24, 2009. The gain on sale of TL 197,090 resulting from this sale is accounted for as “Income on sale of associates, subsidiaries and entities under common control” under “Income on Discontinued Operations” in the prior period’s income statement. The tax charge amounting to TL 9,855 regarding the sale is accounted under “Tax Charge for Discontinued Operations”.

**XII. Goodwill and other intangible assets**

The Bank’s intangible assets consist of softwares and intangible rights.

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

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

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

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

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

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

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

**XIII. Tangible Assets**

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

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

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

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

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

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

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

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

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

There is no purchase commitments related to the fixed assets.

**XIV. Leasing transactions**

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

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

The Bank has no leasing transactions as lessor.



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

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

**XV. Provisions and contingent liabilities**

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

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

**XVI. Obligations of the Bank for employee benefits**

Provision for employee severance benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

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

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees’ unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

**XVII. Taxation**

**1. Corporate tax**

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

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

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

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

**2. Deferred taxes**

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

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

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

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

**XVIII. Additional explanations on borrowings**

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

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

**XIX. Share issues**

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

**XX. Confirmed bills of exchange and acceptances**

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

**XXI. Government incentives**

As of December 31, 2010, the Bank does not have any government incentives or grants.

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

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

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

**XXII. Segment reporting**

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

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

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

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

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

<b>Current Period (December 31, 2010)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
Net Interest Income	1,154,889	324,727	774,808	2,254,424
Net Fees and Commissions Income	837,937	103,003	(347,324)	593,616
Other Operating Income and Net Trading Income	38,850	61,950	(219,155)	(118,355)
Dividend Income	-	-	40,368	40,368
<b>Operating Income</b>	<b>2,031,676</b>	<b>489,680</b>	<b>248,697</b>	<b>2,770,053</b>
Other Operating Expenses	930,304	279,413	166,138	1,375,855
Provision for Loan Losses and Other Receivables	179,255	23,378	57,836	260,469
<b>Profit Before Taxes</b>	<b>922,117</b>	<b>186,889</b>	<b>24,723</b>	<b>1,133,729</b>
<b>Tax Charge</b>	-	-	-	<b>(219,055)</b>
<b>Net Profit/Loss</b>	-	-	-	<b>914,674</b>
<b>Total Assets</b>	<b>19,203,086</b>	<b>5,823,119</b>	<b>10,114,383</b>	<b>38,087,203</b>
Segment Assets	19,203,086	5,823,119	10,114,383	35,140,588
Associates, Subsidiaries and Entities Under Common Control	-	-	-	385,613
Undistributed Assets	-	-	-	2,561,002
<b>Total Liabilities</b>	<b>14,862,829</b>	<b>8,582,974</b>	<b>7,305,193</b>	<b>38,087,203</b>
Segment Liabilities	14,862,829	8,582,974	7,305,193	30,750,996
Undistributed Liabilities	-	-	-	2,127,716
Equity	-	-	-	5,208,491
<b>Other Segment Accounts</b>	-	-	-	<b>283,695</b>
Capital Expenditures	-	-	-	177,734
Depreciation and Amortization	-	-	-	104,746
Value Decrease/Increase	-	-	-	1,215

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

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

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

<b>Prior Period (December 31, 2009)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
Net Interest Income	946,764	394,241	919,614	2,260,619
Net Fees and Commissions Income	693,652	134,120	(274,561)	553,211
Other Operating Income and Net Trading Income	24,005	46,427	(340,235)	(269,803)
Dividend Income	-	-	6,436	6,436
<b>Operating Income</b>	<b>1,664,421</b>	<b>574,788</b>	<b>311,254</b>	<b>2,550,463</b>
Other Operating Expenses	664,531	234,009	263,918	1,162,458
Provision for Loan Losses and Other Receivables	307,124	135,450	354,695	797,269
<b>Profit Before Taxes</b>	<b>692,766</b>	<b>205,329</b>	<b>(307,359)</b>	<b>590,736</b>
<b>Tax Charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127,857)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,879</b>
<b>Total Assets</b>	<b>14,295,556</b>	<b>4,209,998</b>	<b>8,741,575</b>	<b>29,317,630</b>
Segment Assets	14,295,556	4,209,998	8,741,575	27,247,129
Associates, Subsidiaries and Entities Under Common Control	-	-	-	244,390
Undistributed Assets	-	-	-	1,826,111
<b>Total Liabilities</b>	<b>11,912,627</b>	<b>6,780,331</b>	<b>5,310,667</b>	<b>29,317,630</b>
Segment Liabilities	11,912,627	6,780,331	5,310,667	24,003,625
Undistributed Liabilities	-	-	-	1,686,927
Equity	-	-	-	3,627,078
<b>Other Segment Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,135</b>
Capital Expenditures	-	-	-	154,190
Depreciation and Amortization	-	-	-	89,294
Value Decrease/Increase	-	-	-	3,651

**XXIII. Explanations on other matters**

None.

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

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

**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

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

As of December 31, 2010, the Bank's unconsolidated capital adequacy ratio is 16.68% (December 31, 2009 - 17.99%).

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

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

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

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

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

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

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

**Unconsolidated capital adequacy ratio**

	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>2,903,005</b>	-	<b>153,667</b>	<b>8,981,697</b>	<b>16,849,314</b>	<b>717,866</b>	<b>208,676</b>
Cash on Hand	425,352	-	184	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the T.R Central Bank	1,207,054	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head offices and Branches	-	-	141,581	-	49,600	-	-
Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	760,287	-	-	-	-	-	-
Loans and Receivables	503,225	-	11,428	8,555,132	14,815,910	717,866	208,676
Non-performing Loans (Net)	-	-	-	-	232,323	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,440	-	-
Sundry Debtors	-	-	-	-	499,480	-	-
Accrued Interest and Income	6,430	-	474	426,565	331,208	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	385,613	-	-
Tangible Assets	-	-	-	-	272,200	-	-
Other Assets	657	-	-	-	257,540	-	-
<b>Off-Balance Sheet Items</b>	<b>403,353</b>	-	<b>1,218,011</b>	<b>243,488</b>	<b>6,276,187</b>	-	-
Non-Cash Loans and Commitments	403,353	-	51,885	243,488	6,165,237	-	-
Derivative Financial Instruments	-	-	1,166,126	-	110,950	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>3,306,358</b>	-	<b>1,371,678</b>	<b>9,225,185</b>	<b>23,125,501</b>	<b>717,866</b>	<b>208,676</b>
<b>Total Risk-Weighted Assets</b>	-	-	<b>274,336</b>	<b>4,612,593</b>	<b>23,125,501</b>	<b>1,076,799</b>	<b>417,352</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Value at Credit Risk	29,506,581	22,543,392
Value at Market Risk	1,917,300	1,358,263
Value at Operational Risk	3,805,616	3,294,672
Shareholders' Equity	5,877,201	4,893,519
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.68 %	17.99 %

VACR : Value at Credit Risk

VAMR : Value at Market Risk

VAOR : Value at Operational Risk

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

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

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

**Components of shareholders' equity items**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	2,205,000	1,575,000
Nominal Capital	2,205,000	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	-
Share Cancellation Profits	-	-
Legal Reserves	182,424	149,918
I. Legal Reserve (Turkish Commercial Code 466/1)	161,810	129,304
II. Legal Reserve (Turkish Commercial Code 466/2)	20,614	20,614
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,144,285	757,358
Reserve Allocated as per the Decision Held by the General Assembly	1,144,285	757,358
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	914,674	650,114
Current Period Profit	914,674	650,114
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	78,265	100,835
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	90,040	88,121
Prepaid Expenses (-)	118,130	97,757
Intangible Assets (-)	98,571	62,404
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
<b>Total Core Capital</b>	<b>4,736,202</b>	<b>3,354,749</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	265,808	199,451
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	2,689	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	795,361	1,326,664
Securities Value Increase Fund	118,035	56,196
Associates and Subsidiaries	59,740	18,116
Investment Securities Available for Sale	58,295	38,080
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>1,181,893</b>	<b>1,582,311</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>5,918,095</b>	<b>4,937,060</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>40,894</b>	<b>43,541</b>
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	28,687	30,244
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,207	13,297
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,877,201</b>	<b>4,893,519</b>

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

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

**II. Information on Credit Risk**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
T.R Central Bank	1,968,847	1,494,358
Financial assets held for trading	13,939	10,764
Financial assets at fair value through profit and loss	74,654	78,452
Assets on trading derivatives	392,280	422,554
Banks	191,503	1,157,033
Derivative financial assets hedging purposes	28,648	2,417
Investment securities available for sale	7,415,822	5,545,755
Loans and receivables (*)	25,603,773	19,012,589
Investments in associates, subsidiaries and entities under common control (Net)	385,613	244,390
Other assets	634,617	263,405
<b>Total</b>	<b>36,,709,696</b>	<b>28,231,717</b>
Guarantees	6,035,682	5,190,992
Commitments	15,048,995	11,813,222
<b>Total</b>	<b>21,084,677</b>	<b>17,004,214</b>
<b>Total credit risk exposure</b>	<b>57,794,373</b>	<b>45,235,931</b>

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

**Credit Rating System**

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

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

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

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

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

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

Credit quality per class of financial assets are shown below;

<b>Current Period</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired (*)</b>	<b>Total</b>
T.R. Central Bank	1,968,847	-	1,968,847
Financial assets held for trading	13,939	-	13,939
Financial assets at fair value through profit and loss	74,654	-	74,654
Banks	191,503	-	191,503
Assets on trading derivatives	392,280	-	392,280
Derivative financial assets hedging purposes	28,648	-	28,648
Investment securities available for sale	7,415,822	-	7,415,822
<b>Loans and receivables(**)</b>	<b>24,718,340</b>	<b>885,433</b>	<b>25,603,773</b>
Corporate / commercial loans	9,570,401	62,648	9,633,049
Consumer loans	9,439,674	138,993	9,578,667
Credit cards	5,708,265	683,792	6,392,057
Investments in associates, subsidiaries and entities under common control (net)	385,613	-	385,613
Other assets	634,617	-	634,617
<b>Total</b>	<b>35,824,263</b>	<b>885,433</b>	<b>36,709,696</b>

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

(\*\*) The loans amounting to TL 976,951 are presented as “Loans at Fair Value Through Profit and Loss” in the financial statements.

As of December 31, 2010, for the loans and receivables past due but not impaired, the Bank has collaterals amounting TL 799,218 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2009 – TL 809,914).

<b>Prior Period</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired (*)</b>	<b>Total</b>
T.R. Central Bank	1,494,358	-	1,494,358
Financial assets held for trading	10,764	-	10,764
Financial assets at fair value through profit and loss	78,452	-	78,452
Banks	1,157,033	-	1,157,033
Assets on trading derivatives	422,554	-	422,554
Derivative financial assets hedging purposes	2,417	-	2,417
Investment securities available for sale	5,545,755	-	5,545,755
<b>Loans and receivables(**)</b>	<b>18,226,381</b>	<b>786,208</b>	<b>19,012,589</b>
Corporate / commercial loans	7,197,773	67,998	7,265,771
Consumer loans	7,232,265	138,321	7,370,586
Credit cards	3,796,343	579,889	4,376,232
Investments in associates, subsidiaries and entities under common control (net)	244,390	-	244,390
Other assets	263,405	-	263,405
<b>Total</b>	<b>27,445,509</b>	<b>786,208</b>	<b>28,231,717</b>

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

(\*\*) The loans amounting to TL 1,572,129 are presented as “Loans at Fair Value Through Profit / Loss” in the financial statements.

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

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

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

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

**Credit risk by types of borrowers and geographical concentration:**

	Loans to Real People and Entities <sup>(*)</sup>		Loans to Banks and Other Financial Institutions		Marketable Securities		Other Loans <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Loans according to borrowers</b>	<b>25,032,488</b>	<b>18,753,266</b>	<b>2,540,132</b>	<b>1,753,681</b>	<b>7,504,415</b>	<b>5,634,971</b>	<b>1,459,895</b>	<b>1,918,204</b>
Private Sector	9,072,590	7,048,729	538,791	211,622	149,128	209,139	403,085	355,065
Public Sector	88,515	-	1,968,847	1,494,358	7,118,498	5,301,115	-	-
Banks	-	-	32,494	47,701	236,789	124,717	979,057	1,557,818
Retail	15,871,383	11,704,537	-	-	-	-	77,753	5,321
Share Certificates	-	-	-	-	-	-	-	-
<b>Information according to geographical concentration</b>	<b>25,032,488</b>	<b>18,753,266</b>	<b>2,540,132</b>	<b>1,753,681</b>	<b>7,504,415</b>	<b>5,634,971</b>	<b>1,459,895</b>	<b>1,918,204</b>
Domestic	24,427,467	18,285,280	2,504,465	1,753,681	6,027,138	4,313,218	719,064	1,490,433
European Union Countries	-	-	34,549	-	-	-	-	-
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	605,021	467,986	-	-	1,477,277	1,321,753	740,831	427,771
USA, Canada	-	-	793	-	-	-	-	-
Other Countries	-	-	325	-	-	-	-	-

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

<sup>(\*\*)</sup> This column represents TL 191,503 (December 31, 2009 – TL 1,157,033) bank placements, TL 392,280 (December 31, 2009 - TL 422,554) derivative financial assets held for trading, TL 28,648 (December 31, 2009 - TL 2,417) derivative financial assets hedging purposes, TL 385,613 investment in associates and subsidiaries (December 31, 2009 - TL 244,390), and TL 461,851 (December 31, 2009 - TL 91,810) cash guarantees given to financial institutions.

**Information according to geographical concentration**

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	34,878,377	28,147,539	6,017,122	-	914,674
European Union Countries	-	-	-	-	-
OECD Countries <sup>(*)</sup>	-	-	-	-	-
Off-shore Banking Regions	2,823,213	4,731,173	18,560	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	385,613	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>37,701,590</b>	<b>32,878,712</b>	<b>6,035,682</b>	<b>385,613</b>	<b>914,674</b>

Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	26,864,249	21,003,876	5,190,942	-	650,114
European Union Countries	-	-	-	-	-
OECD Countries <sup>(*)</sup>	-	-	-	-	-
Off-shore Banking Regions	2,208,991	4,686,676	50	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	244,390	-
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>29,073,240</b>	<b>25,690,552</b>	<b>5,190,992</b>	<b>244,390</b>	<b>650,114</b>

<sup>(\*)</sup> Includes OECD countries other than EU countries, USA and Canada.

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

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

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

**Sectoral Distribution of Cash Loans**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>99,941</b>	<b>0.43</b>	<b>110,086</b>	<b>4.51</b>	<b>98,878</b>	<b>0.58</b>	<b>115,575</b>	<b>5.66</b>
Farming and Raising Livestock	51,811	0.22	17,042	0.70	36,371	0.21	18,577	0.91
Forestry	43,604	0.19	88,323	3.62	55,498	0.33	90,802	4.45
Fishing	4,526	0.02	4,721	0.19	7,009	0.04	6,196	0.30
<b>Manufacturing</b>	<b>993,997</b>	<b>4.29</b>	<b>1,070,838</b>	<b>43.85</b>	<b>775,627</b>	<b>4.58</b>	<b>834,581</b>	<b>40.87</b>
Mining	43,538	0.19	43,142	1.77	33,512	0.20	25,684	1.26
Production	925,295	3.99	1,027,696	42.08	715,628	4.22	801,198	39.23
Electric, Gas and Water	25,164	0.11	-	-	26,487	0.16	7,699	0.38
<b>Construction</b>	<b>317,569</b>	<b>1.37</b>	<b>54,878</b>	<b>2.25</b>	<b>271,766</b>	<b>1.60</b>	<b>122,637</b>	<b>6.00</b>
<b>Services</b>	<b>1,988,166</b>	<b>8.58</b>	<b>1,107,452</b>	<b>45.35</b>	<b>1,260,294</b>	<b>7.44</b>	<b>919,396</b>	<b>45.00</b>
Wholesale and Retail Trade	1,216,027	5.25	412,611	16.89	839,324	4.95	377,506	18.48
Hotel, Food and Beverage								
Services	34,937	0.15	240,521	9.85	26,847	0.16	202,641	9.92
Transportation and								
Telecommunication	79,983	0.35	199,244	8.16	78,965	0.47	267,713	13.11
Financial Institutions	532,608	2.30	91,018	3.73	188,074	1.11	47,452	2.32
Real Estate and Renting								
Services	2,967	0.01	1,005	0.04	38,924	0.23	278	0.01
Self-employment Services	68,934	0.30	35,952	1.47	45,531	0.27	14,971	0.73
Education Services	14,630	0.06	9,198	0.38	14,741	0.09	-	-
Health and Social Services	38,080	0.16	117,903	4.83	27,888	0.16	8,835	0.43
<b>Other</b>	<b>19,761,710<sup>(*)</sup></b>	<b>85.33</b>	<b>99,136</b>	<b>4.04</b>	<b>14,563,673<sup>(*)</sup></b>	<b>85.82</b>	<b>50,162</b>	<b>2.47</b>
<b>Total</b>	<b>23,161,383</b>	<b>100.00</b>	<b>2,442,390</b>	<b>100.00</b>	<b>16,970,238</b>	<b>100.00</b>	<b>2,042,351</b>	<b>100.00</b>

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

### **III. Information on Market Risk**

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

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

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

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

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

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

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

**1. Information on market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	105,286
(II) Capital Obligation against Specific Risks – Standard Method	17,005
(III) Capital Obligation against Currency Risk – Standard Method	15,423
(IV) Capital Obligation against Commodity Risks - Standard Method	14,367
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,303
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	153,384
<b>(IX) Value-At-Market Risk (12.5 x VIII) or (12.5 x VII)</b>	<b>1,917,300</b>

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

	<b>Current Period</b>			<b>Prior Period</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	1,179,608	1,302,025	993,725	1,291,198	1,525,000	977,700
Common Share Risk	203,004	247,438	163,738	196,946	434,625	116,375
Currency Risk	148,345	306,450	14,638	127,676	196,875	59,250
Commodity Risk	14,966	179,588	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	35,943	70,738	15,175	44,093	82,838	5,350
<b>Total Value at Risk</b>	<b>1,581,866</b>	<b>2,106,239</b>	<b>1,187,276</b>	<b>1,659,913</b>	<b>2,239,338</b>	<b>1,158,675</b>

**IV. Explanations related to Operational Risk**

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years (2009, 2008 and 2007) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2010, the value at operational risk is amounting to TL 3,805,616 (December 31, 2009 - TL 3,294,672).

**V. Explanations related to Foreign Currency Exchange Rate Risk**

**1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily**

As of December 31, 2010, the net foreign currency exposure of the Bank is TL 422,094 short position (December 31, 2009 –TL 13,342 long) resulting from on balance sheet short position amounting to TL 4,152,684 (December 31, 2009 –TL 4,852,040 short) and off balance sheet long position amounting to TL 3,730,590 (December 31, 2009 –TL 4,865,382 long). The long off balance sheet position amounting to TL 3,747,117 (December 31, 2009 – TL 4,673,511) is related with the FC/TL swap transactions entered into with banks and customers. The Bank makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

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

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

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

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with “Regulations on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

**3. Bank’s spot foreign Exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate at the date of the balance sheet TL 1.5460

Euro purchase rate at the date of the balance sheet TL 2.0491

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2010	TL 1.5460	TL 2.0491
December 30, 2010	TL 1.5567	TL 2.0437
December 29, 2010	TL 1.5416	TL 2.0406
December 28, 2010	TL 1.5403	TL 2.0260
December 27, 2010	TL 1.5392	TL 2.0204
December 24, 2010	TL 1.5446	TL 2.0225

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

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for December 2010 are TL 1.5131 and TL 1.9993; respectively.

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

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

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

**5. Information on the foreign currency exchange rate risk (thousand TLs)**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	78,747	1,136,691	196	32,318	1,247,952
Due From Banks	45,196	134,250	777	4,025	184,248
Financial Assets at Fair Value through Profit/Loss <sup>(4)</sup>	6,166	138,206	-	-	144,372
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	85,055	782,600	-	-	867,655
Loans and Receivables <sup>(2)</sup>	1,453,135	2,060,445	101,496	93,329	3,708,405
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	39	39
Intangible Assets	-	-	-	-	-
Other Assets <sup>(3)</sup>	74,578	389,234	-	1	463,813
<b>Total Assets</b>	<b>1,742,877</b>	<b>4,641,426</b>	<b>102,469</b>	<b>129,712</b>	<b>6,616,484</b>
<b>Liabilities</b>					
Bank Deposits	143,299	222,855	112	18,734	385,000
Foreign Currency Deposits	2,244,430	3,430,973	608	82,706	5,758,717
Money Market Borrowings	48,609	261,273	-	-	309,882
Funds Borrowed	1,010,391	3,120,040	-	-	4,130,431
Securities Issued	-	-	-	-	-
Sundry Creditors	16,129	19,845	1	381	36,356
Derivative Fin. Liabilities for Hedging Purposes	779	6,221	-	-	7,000
Other Liabilities <sup>(5)</sup>	5,951	135,786	-	45	141,782
<b>Total Liabilities</b>	<b>3,469,588</b>	<b>7,196,993</b>	<b>721</b>	<b>101,866</b>	<b>10,769,168</b>
<b>Net Balance Sheet Position</b>	<b>(1,726,711)</b>	<b>(2,555,567)</b>	<b>101,748</b>	<b>27,846</b>	<b>(4,152,684)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,524,949</b>	<b>2,329,951</b>	<b>(105,196)</b>	<b>(19,114)</b>	<b>3,730,590</b>
Financial Derivative Assets	3,619,417	12,267,859	31,888	796,631	16,715,795
Financial Derivative Liabilities	2,094,468	9,937,908	137,084	815,745	12,985,205
Non-Cash Loans <sup>(1)</sup>	768,047	2,055,034	1,520	241,021	3,065,622
<b>Prior Period</b>					
Total Assets	2,008,792	3,478,102	120,502	173,044	5,780,440
Total Liabilities	2,211,437	8,348,385	2,655	70,003	10,632,480
<b>Net Balance Sheet Position</b>	<b>(202,645)</b>	<b>(4,870,283)</b>	<b>117,847</b>	<b>103,041</b>	<b>(4,852,040)</b>
<b>Net Off-Balance Sheet Position</b>	<b>262,557</b>	<b>4,826,302</b>	<b>(118,870)</b>	<b>(104,607)</b>	<b>4,865,382</b>
Financial Derivative Assets	776,998	9,947,743	142,718	68,848	10,936,307
Financial Derivative Liabilities	514,441	5,121,441	261,588	173,455	6,070,925
Non-Cash Loans <sup>(1)</sup>	886,871	1,796,917	4,092	264,034	2,951,914

<sup>(1)</sup> Does not affect net off balance sheet position.

<sup>(2)</sup> Includes foreign currency-indexed loans amounting to TL 1,266,015 (December 31, 2009 – TL 1,080,361) that are classified as TL on the balance sheet.

<sup>(3)</sup> Does not include the prepaid expenses amounting to TL 835 (December 31, 2009 – TL 44) that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No. 26085 dated February 19, 2006.

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

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

**6. Foreign Currency Sensitivity**

The Bank is mainly exposed to EUR and USD currencies.

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

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

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

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

Change in Currency Rate in %		Net Effect on Profit or Loss	Net Effect on Equity <sup>(*)</sup>	Net Effect on Profit or Loss	Net Effect on Equity <sup>(*)</sup>
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(5,794)	(6,471)	(4,250)	(1,261)
	10% decrease	5,794	6,471	4,250	1,261
EUR	10% increase	(41,876)	(41,737)	(8,222)	(7,934)
	10% decrease	41,876	41,737	8,222	7,934

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

**VI. Explanations related to Interest Rate Risk**

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

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

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

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

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

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

As of the reporting date; 1% increase in interest rates would decrease the Bank's net profit by TL 84,789 (December 31, 2009– TL 59,828), 1% decrease in interest rates would increase the Bank's net profit by TL 93,047 (December 31, 2009 – TL 59,132), when all the other variables are assumed to be constant.



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

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

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

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

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing <sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	2,394,383	2,394,383
Due from Banks	-	-	4,322	-	-	187,181	191,503
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	127,893	163,654	127,804	269,756	622,135	175,230	1,486,472
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,091,722	522,390	2,128,227	2,522,191	1,030,969	120,323	7,415,822
Loans and Receivables	6,912,599	2,797,910	6,870,101	6,800,339	1,341,823	136,373	24,859,145
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	447,538	-	-	-	-	1,292,340	1,739,878
<b>Total Assets</b>	<b>8,579,752</b>	<b>3,483,954</b>	<b>9,130,454</b>	<b>9,592,286</b>	<b>2,994,927</b>	<b>4,305,830</b>	<b>38,087,203</b>
<b>Liabilities</b>							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	15,025,151	5,937,152	371,419	27,177	-	2,190,944	23,551,843
Funds Borrowed	131,408	2,276,102	1,849,645	182,760	61,393	-	4,501,308
Money Market Borrowings	1,123,958	42	-	-	-	-	1,124,000
Securities Issued	-	-	-	-	-	-	-
Sundry Creditors	15,076	-	-	-	-	870,383	885,459
Other Liabilities <sup>(*)</sup>	18,483	49,925	173,280	348,923	49,385	6,505,763	7,145,759
<b>Total Liabilities</b>	<b>17,079,947</b>	<b>8,352,242</b>	<b>2,396,591</b>	<b>558,860</b>	<b>110,778</b>	<b>9,588,785</b>	<b>38,087,203</b>
On Balance Sheet Long Position	-	-	6,733,863	9,033,426	2,884,149	-	18,651,438
On Balance Sheet Short Position	(8,500,195)	(4,868,288)	-	-	-	(5,282,955)	(18,651,438)
Off-Balance Sheet Long Position	34,550	79,703	-	-	-	-	114,253
Off-Balance Sheet Short Position	-	-	(147,163)	(315,453)	(45,913)	-	(508,529)
<b>Total Position</b>	<b>(8,465,645)</b>	<b>(4,788,585)</b>	<b>6,586,700</b>	<b>8,717,973</b>	<b>2,838,236</b>	<b>(5,282,955)</b>	<b>(394,276)</b>

<sup>(\*)</sup> "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 445,916, tangible assets amounting to TL 362,240, intangible assets amounting to TL 98,571, associates, subsidiaries and entities under common control amounting to TL 385,613 TL. "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,208,491, other liabilities amounting to TL 477,821, provisions amounting to TL 517,119, tax liability amounting to TL 141,256, and trading derivative financial liabilities amounting to TL 161,076.

<sup>(\*\*)</sup> This line also includes hedging purpose derivatives amounting to TL 28,648.

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

<b>Current Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R Central Bank	-	-	-	-
Due from Banks	-	-	-	8.58
Financial Assets at Fair Value Through Profit/Loss	5.87	7.51	-	13.41
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Other Receivables	4.96	4.20	5.23	17.19 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.54
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	1.81	2.96	-	11.18

<sup>(\*)</sup> The yield of loans is 12.81 % excluding credit cards.

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

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

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

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing <sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,494,097	-	-	-	-	298,284	1,792,381
Due from Banks	1,077,924	-	-	-	-	79,109	1,157,033
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	35,217	220,326	238,613	605,885	896,761	89,514	2,086,316
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	919,560	1,197,036	1,666,420	1,381,677	306,790	74,272	5,545,755
Loans and Receivables	5,022,919	2,336,308	5,143,934	4,690,170	353,091	-	17,546,422
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	-	-	-	-	-	1,189,723	1,189,723
<b>Total Assets</b>	<b>8,549,717</b>	<b>3,753,670</b>	<b>7,048,967</b>	<b>6,677,732</b>	<b>1,556,642</b>	<b>1,730,902</b>	<b>29,317,630</b>
<b>Liabilities</b>							
Bank Deposits	1,432,499	16,369	204	-	-	50,589	1,499,661
Other Deposits	12,644,046	4,002,280	192,638	33,657	-	1,895,280	18,767,901
Money Market Borrowings	19,042	84	-	-	-	-	19,126
Sundry Creditors	-	-	-	-	-	725,613	725,613
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	44,786	861,393	1,494,999	632,094	-	489,353	3,522,625
Other Liabilities <sup>(*)</sup>	21,569	39,972	53,653	90,711	27,972	4,548,827	4,782,704
<b>Total Liabilities</b>	<b>14,161,942</b>	<b>4,920,098</b>	<b>1,741,494</b>	<b>756,462</b>	<b>27,972</b>	<b>7,709,662</b>	<b>29,317,630</b>
On Balance Sheet Long Position	-	-	5,307,473	5,921,270	1,528,670	-	12,757,413
On Balance Sheet Short Position	(5,612,225)	(1,166,428)	-	-	-	(5,978,760)	(12,757,413)
Off-Balance Sheet Long Position	13,831	122,836	7,935	-	-	-	144,602
Off-Balance Sheet Short Position	-	-	-	(18,264)	(20,019)	-	(38,283)
<b>Total Position</b>	<b>(5,598,394)</b>	<b>(1,043,592)</b>	<b>5,315,408</b>	<b>5,903,006</b>	<b>1,508,651</b>	<b>(5,978,760)</b>	<b>106,319</b>

<sup>(\*)</sup>“Other Assets” in “Non Interest Bearing” column include other assets amounting to TL 458,923, tangible assets amounting to TL 373,507, intangible assets amounting to TL 62,404, associates and subsidiaries amounting to TL 244,390 and current tax asset amounting TL 50,499 and “Other Liabilities” in the “Non Interest Bearing” column include shareholders’ equity amounting to TL 3,627,078, other liabilities amounting to TL 316,606, provisions amounting to TL 481,866, tax liability amounting to TL 83,168 and trading derivative financial liabilities amounting to TL 40,109.

<sup>(\*\*)</sup> This account also includes derivative financial assets hedging purposes.

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

<b>Prior Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	5.20
Due from Banks	0.25	0.48	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans and Receivables	6.24	5.97	5.16	20.60 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.23	1.31	-	9.57
Other Deposits	2.67	2.70	0.90	9.54
Money Market Borrowings	-	-	-	6.24
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	2.88	2.93	-	11.87

<sup>(\*)</sup> The yield of loans is 16.65 % excluding credit cards.

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

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

**VI. Explanations related to Liquidity Risk**

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

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Bank. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of “Liquidity Emergency Action Plan” early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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

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

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

- 4. Evaluation of the Bank’s cash flows and their resources**

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

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

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

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

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

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated<sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	2,394,383	-	-	-	-	-	-	2,394,383
Due from Banks	187,181	-	-	4,322	-	-	-	191,503
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	-	129,293	78,294	223,260	433,474	622,151	-	1,486,472
Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	120,323	3,431	85,538	121,656	4,253,637	2,831,237	-	7,415,822
Loans and Receivables	-	6,828,109	2,715,395	6,751,929	7,019,973	1,407,366	136,373	24,859,145
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	-	648,410	-	-	126,914	-	964,554	1,739,878
<b>Total Assets</b>	<b>2,701,887</b>	<b>7,609,243</b>	<b>2,879,227</b>	<b>7,101,167</b>	<b>11,833,998</b>	<b>4,860,754</b>	<b>1,100,927</b>	<b>38,087,203</b>
<b>Liabilities</b>								
Bank Deposits	21,695	765,871	89,021	2,247	-	-	-	878,834
Other Deposits	2,190,944	15,025,151	5,937,152	371,419	27,177	-	-	23,551,843
Funds Borrowed	-	94,810	761,157	2,158,157	1,211,188	275,996	-	4,501,308
Money Market Borrowings	-	1,123,958	42	-	-	-	-	1,124,000
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	885,459	-	-	-	-	-	885,459
Other Liabilities <sup>(*)</sup>	-	498,770	57,505	229,580	537,742	54,027	5,768,135	7,145,759
<b>Total Liability</b>	<b>2,212,639</b>	<b>18,394,019</b>	<b>6,844,877</b>	<b>2,761,403</b>	<b>1,776,107</b>	<b>330,023</b>	<b>5,768,135</b>	<b>38,087,203</b>
<b>Liquidity Gap</b>	<b>489,248</b>	<b>(10,784,776)</b>	<b>(3,965,650)</b>	<b>4,339,794</b>	<b>10,057,891</b>	<b>4,530,731</b>	<b>(4,667,208)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	451,665	7,856,175	2,387,469	7,405,634	8,847,786	1,590,843	778,058	29,317,630
Total Liabilities	1,945,869	14,094,809	4,316,742	2,058,609	2,460,610	282,365	4,158,626	29,317,630
<b>Net Liquidity Gap</b>	<b>(1,494,204)</b>	<b>(6,238,634)</b>	<b>(1,929,273)</b>	<b>5,347,025</b>	<b>6,387,176</b>	<b>1,308,478</b>	<b>(3,380,568)</b>	<b>-</b>

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

Unallocated other liabilities column includes shareholders' equity amounting to TL 5,208,491, unallocated provisions amounting to TL 483,971 and deferred tax liability amounting to TL 75,673.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

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

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

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

**6. Analysis of financial liabilities by remaining contractual maturities**

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

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>	<b>Carrying Amount</b>
Bank deposits	21,695	767,111	89,379	2,352	-	-	880,537	878,834
Other deposits	2,190,944	15,061,437	5,986,898	382,488	26,619	-	23,648,386	23,551,843
Money market borrowings	-	1,124,364	43	-	-	-	1,124,407	1,124,000
Funds borrowed	-	94,964	774,298	2,237,298	1,331,935	312,301	4,750,796	4,501,308

<b>Prior Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>	<b>Carrying Amount</b>
Bank deposits	50,589	317,814	16,616	1,128,191	-	-	1,513,210	1,499,661
Other deposits	1,895,280	12,675,945	4,040,727	195,554	33,668	-	18,841,174	18,767,901
Money market borrowings	-	19,053	85	-	-	-	19,138	19,126
Funds borrowed	-	45,599	293,050	747,092	2,518,669	301,064	3,905,474	3,522,625

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

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Forward Contracts Buy <sup>(*)</sup>	969,502	172,198	296,332	171,211	-	1,609,243
Forward Contracts Sell <sup>(**)</sup>	275,349	172,052	302,402	171,257	-	921,060
Swap Contracts Buy <sup>(*)</sup>	3,467,472	1,747,996	3,115,234	8,076,872	1,361,739	17,769,313
Swap Contracts Sell <sup>(*)</sup>	3,432,322	1,756,441	3,191,887	8,894,245	1,703,361	18,978,256
Futures Buy	-	178,297	21,931	-	-	200,228
Futures Sell	-	178,297	21,931	-	-	200,228
Options Buy	2,194,466	1,160,999	3,281,938	113,129	-	6,750,532
Options Sell	2,197,480	1,144,743	3,271,865	113,561	-	6,727,649
<b>Total</b>	<b>12,536,591</b>	<b>6,511,023</b>	<b>13,503,520</b>	<b>17,540,275</b>	<b>3,065,100</b>	<b>53,156,509</b>

<sup>(\*)</sup> This line also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Forward Contracts Buy <sup>(*)</sup>	1,006,987	75,926	84,410	5,792	-	1,173,115
Forward Contracts Sell <sup>(**)</sup>	1,007,493	79,027	84,742	5,206	-	1,176,468
Swap Contracts Buy <sup>(*)</sup>	2,496,171	1,204,726	2,312,939	4,107,772	553,752	10,675,360
Swap Contracts Sell <sup>(*)</sup>	2,473,814	1,120,860	2,215,493	4,715,771	843,213	11,369,151
Futures Buy	38,743	107,165	8,921	-	-	154,829
Futures Sell	38,743	107,165	8,921	-	-	154,829
Options Buy	2,291,919	300,682	684,182	-	-	3,276,783
Options Sell	2,295,260	302,904	685,350	-	-	3,283,514
<b>Total</b>	<b>11,649,130</b>	<b>3,298,455</b>	<b>6,084,958</b>	<b>8,834,541</b>	<b>1,396,965</b>	<b>31,264,049</b>

<sup>(\*)</sup> This line also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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

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

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

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

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

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

The fair value of funds borrowed, is determined based on discounted cash flows using the current market interest rates.

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>33,952,942</b>	<b>26,335,526</b>	<b>34,011,694</b>	<b>26,280,947</b>
Due From Banks	191,503	1,157,033	191,503	1,157,033
Financial Assets at Fair Value Through Profit/Loss	88,593	89,216	88,593	89,216
Assets on Trading Derivatives	392,280	422,554	392,280	422,554
Investment Securities Available for Sale	7,415,822	5,545,755	7,415,822	5,545,755
Loans and Receivables	25,836,096	19,118,551	25,894,848	19,063,972
Derivative Financial Assets Hedging Purposes	28,648	2,417	28,648	2,417
<b>Financial Liabilities</b>	<b>31,742,489</b>	<b>24,804,174</b>	<b>31,737,006</b>	<b>24,786,217</b>
Bank Deposits	878,834	1,499,661	878,420	1,499,342
Other Deposits	23,551,843	18,767,901	23,549,910	18,772,829
Derivative Financial Liabilities Held for Trading	474,264	266,555	474,264	266,555
Funds Borrowed	4,501,308	3,522,625	4,498,172	3,500,059
Money Market Borrowings	1,124,000	19,126	1,124,000	19,126
Sundry Creditors	885,455	725,613	885,455	725,613
Derivative Financial Liabilities for Hedging Purposes	326,785	2,693	326,785	2,693

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

The classification of fair value calculation is as follows:

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

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

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

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

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

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>7,280,429</b>	<b>1,621,865</b>	-	<b>8,902,294</b>
Financial Assets at Fair Value through Profit/Loss	88,593	-	-	<b>88,593</b>
Assets on Trading Derivatives	1,488	390,792	-	<b>392,280</b>
Investment Securities Available for Sale	7,190,348	225,474	-	<b>7,415,822</b>
Loans and Receivables	-	976,951	-	<b>976,951</b>
Derivative Financial Assets Hedging Purposes	-	28,648	-	<b>28,648</b>
<b>Financial Liabilities</b>	<b>2,753</b>	<b>798,296</b>	-	<b>801,049</b>
Liabilities on Trading Derivatives	2,753	471,511	-	<b>474,264</b>
Derivative Financial Liabilities for Hedging Purposes	-	326,785	-	<b>326,785</b>

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>5,378,686</b>	<b>2,253,385</b>	-	<b>7,632,071</b>
Financial Assets at Fair Value through Profit/Loss	89,216	-	-	<b>89,216</b>
Assets on Trading Derivatives	3,298	419,256	-	<b>422,554</b>
Investment Securities Available for Sale	5,286,172	259,583	-	<b>5,545,755</b>
Loans and Receivables	-	1,572,129	-	<b>1,572,129</b>
Derivative Financial Assets Hedging Purposes	-	2,417	-	<b>2,417</b>
<b>Financial Liabilities</b>	<b>1,402</b>	<b>267,846</b>	-	<b>269,248</b>
Liabilities on Trading Derivatives	1,402	265,153	-	<b>266,555</b>
Derivative Financial Liabilities for Hedging Purposes	-	2,693	-	<b>2,693</b>

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

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

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

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

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

**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS**

**1.a) Cash and balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	222,979	177,028	168,903	126,837
T.R. Central Bank	923,452	1,045,395	842,286	652,072
Others	-	25,529	1,672	611
<b>Total</b>	<b>1,146,431</b>	<b>1,247,952</b>	<b>1,012,861</b>	<b>779,520</b>

**b) Balances with the Central Bank of Turkey**

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

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

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

**2. Further information on financial assets at fair value through profit/loss**

**a) Trading securities given as collateral or blocked**

None (December 31, 2009 – None).

**b) Trading securities subject to repurchase agreements**

None (December 31, 2009 – None).

**c) Assets on trading derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	13,823	-	2,712	-
Swap Transactions	228,564	39,662	363,496	36,512
Futures Transactions	-	1,488	-	3,298
Options	108	105,945	165	12,502
Other	-	2,690	3,869	-
<b>Total</b>	<b>242,495</b>	<b>149,785</b>	<b>370,242</b>	<b>52,312</b>



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

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

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

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	7,242	27	9,992	8,411
Foreign	13	184,221	13	1,138,617
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>7,255</b>	<b>184,248</b>	<b>10,005</b>	<b>1,147,028</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	46,091	817,157	-	-
USA and Canada	84,998	230,419	49,600	49,296
OECD Countries <sup>(*)</sup>	2,945	2,536	-	-
Off-shore Banking Regions	-	38,886	-	-
Other	600	336	-	-
<b>Total</b>	<b>134,634</b>	<b>1,089,334</b>	<b>49,600</b>	<b>49,296</b>

<sup>(\*)</sup> Includes OECD countries other than the EU countries, USA and Canada.

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

**4. Information on investment securities available for sale**

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

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

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

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

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

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

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

**c) Investment securities available for sale**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt securities</b>	<b>7,295,504</b>	<b>5,471,484</b>
Quoted on a stock exchange <sup>(*)</sup>	7,032,244	5,221,417
Unquoted on a stock exchange	263,260	250,067
<b>Share certificates</b>	<b>120,971</b>	<b>75,017</b>
Quoted on a stock exchange <sup>(**)</sup>	120,971	75,017
Unquoted on a stock exchange	-	-
<b>Impairment provision(-)</b>	<b>(653)</b>	<b>(746)</b>
<b>Total</b>	<b>7,415,822</b>	<b>5,545,755</b>

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

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

**5. Information related to loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(*)</sup>	42,042	-	38,638	-
<b>Total</b>	<b>42,042</b>	<b>-</b>	<b>38,638</b>	<b>-</b>

<sup>(\*)</sup>Includes the advances given to the bank personnel.

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

<b>Cash Loans<sup>(*)</sup></b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Non-specialized Loans</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>
Discount Notes	171,528	-	423	-
Export Loans	767,555	55,684	106,422	2,496
Import Loans	-	-	-	-
Loans Given to Financial Sector	542,224	-	-	-
International Loans	35,667	-	-	-
Retail Loans	9,153,182	-	294,815	130,670
Credit Cards	6,211,031	-	134,658	46,368
Precious Metals Loans	-	-	-	-
Other	7,383,381	135,108	341,976	90,585
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

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

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

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

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

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

<b>Cash Loans (*)</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Short-term Loans</b>	<b>12,300,407</b>	<b>-</b>	<b>134,658</b>	<b>46,368</b>
Non-specialized Loans	12,300,407	-	134,658	46,368
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>11,964,161</b>	<b>190,792</b>	<b>743,636</b>	<b>223,751</b>
Non-specialized Loans	11,964,161	190,792	743,636	223,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>24,264,568</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

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

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

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

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

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

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

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

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

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

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

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

**f) Loans according to borrowers<sup>(\*)</sup>**

	Current Period	Prior Period
Public	88,515	-
Private	25,515,258	19,012,589
<b>Total</b>	<b>25,603,773</b>	<b>19,012,589</b>

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

**g) Domestic and foreign loans<sup>(\*)</sup>**

	Current Period	Prior Period
Domestic Loans	25,568,106	18,980,968
Foreign Loans	35,667	31,621
<b>Total</b>	<b>25,603,773</b>	<b>19,012,589</b>

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

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

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	44,247	5,874
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>44,247</b>	<b>5,874</b>

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

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

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

**i) Specific provisions for loans**

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	1,202	17,909	70,904
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,202	17,909	70,904

**j.2) Movement of non-performing loans**

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

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

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

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

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

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

None. (December 31, 2009 - None)

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

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

**k) Liquidation policies for uncollectible loans and other receivables:**

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

**l) Explanations on write-off policy:**

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

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

None (December 31, 2009 – None).

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

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

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

**7. Investments in associates (Net) :**

**7.1. Investments in associates:**

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
433	431	-	490	-	356	747	-
21,011	15,865	6,792	912	-	1,465	1,067	-
138,216	132,761	2,953	5,908	-	4,321	3,713	-

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

**7.2. Movements of investments in associates**

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

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

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



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

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

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

**7.3. Sectoral distribution of associates**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	5,769	6,016
<b>Total</b>	<b>5,769</b>	<b>6,016</b>

**7.4. Quoted Associates**

None. (December 31, 2009 - None)

**7.5. Valuation methods of investments in associates**

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

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

As explained in detail in Section 5, footnote 7.2, decrease in associates amounting to TL 247 occurred due to capital decrease of Gelişen Bilgi Teknolojileri A.Ş. (December 31, 2009 – None).

**7.7. Investments in associates acquired during the current period**

The Bank does not have investments in associates acquired as of December 31, 2010. The Bank has participated in to the capital of Garanti Fonu İşletme ve Araştırma A.Ş. in 2009 with TL 2,000 as explained in section 5, footnote 7.2.

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

**a) Information on the unconsolidated subsidiaries**

					Bank's Share – If Different, Voting Rights (%)		Bank's Risk Group Share (%)	
Title			Address (City/Country)					
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş			Istanbul/Turkey		99.91%		99.91%	
Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	
(*)	21,458	20,379	17,454	-	-	1,752	1,452	-

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

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

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

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

**b) Information on the consolidated subsidiaries:**

**b.1) Information on the consolidated subsidiaries**

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

<sup>(\*)</sup> The share of the Bank is 10.01%, the remaining 60.27% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**9. Investments in entities under common control:**

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

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

**10. Information on leasing receivables (Net)**

None (December 31, 2009 - None).

**11. Information on hedging purpose derivatives**

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

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

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

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

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

**12. Information on tangible assets:**

	<b>Land and Buildings</b>	<b>Fixed Assets Under Finance Lease</b>	<b>Vehicles</b>	<b>Other Tangible Fixed Assets</b>	<b>Total</b>
<b>Prior Period End</b>					
Cost	71,360	306,885	1,241	457,197	836,683
Accumulated Depreciation (-)	4,564	178,917	1,146	278,549	463,176
<b>Net Book Value</b>	<b>66,796</b>	<b>127,968</b>	<b>95</b>	<b>178,648</b>	<b>373,507</b>
<b>Current Period End</b>					
<b>Cost at the Beginning of the Period</b>	<b>71,360</b>	<b>306,885</b>	<b>1,241</b>	<b>457,197</b>	<b>836,683</b>
Additions	2,419	-	431	66,986	69,836
Disposals (-)	5,319	4,055	458	1,870	11,702
Impairment (-)/(increase)	(566)	-	-	-	(566)
<b>Current Period Cost</b>	<b>69,026</b>	<b>302,830</b>	<b>1,214</b>	<b>522,313</b>	<b>895,383</b>
<b>Accumulated Depreciation at the Beginning of the Period</b>	<b>4,564</b>	<b>178,917</b>	<b>1,146</b>	<b>278,549</b>	<b>463,176</b>
Disposals (-)	653	1,987	303	1,116	4,059
Depreciation (-)	1,281	26,140	60	46,545	74,026
<b>Current Period Accumulated depreciation (-)</b>	<b>5,192</b>	<b>203,070</b>	<b>903</b>	<b>323,978</b>	<b>533,143</b>
<b>Net Book Value-End of the Period</b>	<b>63,834</b>	<b>99,760</b>	<b>311</b>	<b>198,335</b>	<b>362,240</b>

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

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

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

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

None (December 31, 2009- None)

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

None (December 31, 2009- None)

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

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

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

**13. Information on intangible assets**

	<b>Rights</b>	<b>Goodwill</b>	<b>Total</b>
<b>Prior Period End</b>			
Cost	143,018	-	143,018
Accumulated Amortization (-)	80,614	-	80,614
<b>Net Book Value</b>	<b>62,404</b>	<b>-</b>	<b>62,404</b>
<b>Current Period End</b>			
<b>Cost at the Beginning of the Period</b>	<b>143,018</b>	<b>-</b>	<b>143,018</b>
Additions	64,970	-	64,970
Disposals (-)	-	-	-
Impairment (-)	-	-	-
<b>Current Period Cost</b>	<b>207,988</b>	<b>-</b>	<b>207,988</b>
<b>Acc. Amort. at the Beginning of the Period</b>	<b>80,614</b>	<b>-</b>	<b>80,614</b>
Disposals (-)	-	-	-
Amortization charge (-)	28,803	-	28,803
<b>Current Period Accumulated Amortization (-)</b>	<b>109,417</b>	<b>-</b>	<b>109,417</b>
<b>Net Book Value-End of the Period</b>	<b>98,571</b>	<b>-</b>	<b>98,571</b>

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

None (December 31, 2009- None).

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

None (December 31, 2009- None).

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

None (December 31, 2009- None).

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

None (December 31, 2009- None).

**e) Amount of purchase commitments for intangible fixed assets:**

None (December 31, 2009- None).

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

None (December 31, 2009- None).

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

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

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

None (December 31, 2009-None).

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

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

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

**i) Information on goodwill:**

None (December 31, 2009-None).

**Movements on goodwill in the current period:** None (December 31, 2009- None).

**14. Information on investment property:**

None (December 31, 2009- None).

**15. Information on tax asset**

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

As of December 31, 2010, the Bank has TL 237,352 current tax liabilities (December 31, 2009- TL 113,633) and TL 171,769 prepaid taxes (December 31, 2009- TL 164,132) which are netted-off in the accompanying financial statements.

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

None (December 31, 2009- None).

**17. Information on other assets**

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

	<b>Current Period</b>	<b>Prior Period</b>
Collateral Given for Derivative Transactions	461,851	91,810
Assets Held for Resale (net)	126,914	89,660
Cheques Receivables from Other Banks	107,964	86,907
Other Prepaid Expenses	94,988	83,029
Sundry Debtors	37,636	62,457
Prepaid Rent Expenses	16,317	13,756
Advances Given	7,004	3,440
Prepaid Agency Commissions	6,825	972
Other	33,955	26,892
<b>Total</b>	<b>893,454</b>	<b>458,923</b>

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

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

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

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

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

**18. Accrued interest and income**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	1,506	-	7,910	-
Trading Securities	179	21	153	46
Fin. Assets at Fair Value through Profit or Loss	4,763	-	10,527	-
Assets on Trading Derivatives	242,495	149,785	370,242	52,312
Banks	234	88	309	256
Investments Securities Available for Sale	212,090	37,666	200,896	51,073
Loans and Receivables	383,989	11,683	339,191	20,711
Derivative Financial Instruments Held for Hedging Purposes	28,648	-	-	2,417
Other Accruals	-	-	1,917	-
<b>Total</b>	<b>873,904</b>	<b>199,243</b>	<b>931,145</b>	<b>126,815</b>

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

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

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

**SECTION FIVE**

**II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES**

**1. Information on maturity structure of deposits**

**Current Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulat ed Deposit Accounts	Total
<b>Saving Deposits</b>	<b>536,016</b>	-	<b>2,364,956</b>	<b>7,187,597</b>	<b>391,409</b>	<b>76,414</b>	<b>578</b>	<b>17,464</b>	<b>10,574,434</b>
<b>Foreign Currency Deposits</b>	<b>742,863</b>	-	<b>1,655,260</b>	<b>2,881,865</b>	<b>323,061</b>	<b>97,259</b>	<b>27,704</b>	<b>6,274</b>	<b>5,734,286</b>
Residents in Turkey	719,772	-	1,613,733	2,751,876	312,103	61,016	27,704	6,241	5,492,445
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
<b>Public Sector Deposits</b>	<b>95,468</b>	-	<b>4,119</b>	<b>156,406</b>	<b>76</b>	-	-	-	<b>256,069</b>
<b>Commercial Deposits</b>	<b>791,666</b>	-	<b>1,448,001</b>	<b>3,462,470</b>	<b>464,583</b>	<b>89,611</b>	-	-	<b>6,256,331</b>
<b>Other Ins. Deposits</b>	<b>12,807</b>	-	<b>32,172</b>	<b>558,049</b>	<b>101,454</b>	<b>1,810</b>	-	-	<b>706,292</b>
<b>Precious Metal Deposits</b>	<b>12,124</b>	-	<b>12,307</b>	-	-	-	-	-	<b>24,431</b>
<b>Bank Deposits</b>	<b>21,695</b>	-	<b>245,036</b>	<b>436,324</b>	<b>171,673</b>	<b>4,106</b>	-	-	<b>878,834</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,212,639</b>	-	<b>5,761,851</b>	<b>14,682,711</b>	<b>1,452,256</b>	<b>269,200</b>	<b>28,282</b>	<b>23,738</b>	<b>24,430,677</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
<b>Saving Deposits</b>	<b>392,954</b>	-	<b>2,146,539</b>	<b>5,553,446</b>	<b>64,748</b>	<b>39,117</b>	<b>110</b>	<b>17,516</b>	<b>8,214,430</b>
<b>Foreign Currency Deposits</b>	<b>765,137</b>	-	<b>1,837,552</b>	<b>2,965,308</b>	<b>140,842</b>	<b>145,498</b>	<b>7,561</b>	<b>8,936</b>	<b>5,870,834</b>
Residents in Turkey	727,045	-	1,801,627	2,746,545	136,158	138,009	7,561	8,907	5,565,852
Residents Abroad	38,092	-	35,925	218,763	4,684	7,489	-	29	304,982
<b>Public Sector Deposits</b>	<b>75,052</b>	-	<b>3,804</b>	<b>281,138</b>	<b>88</b>	-	-	-	<b>360,082</b>
<b>Commercial Deposits</b>	<b>647,370</b>	-	<b>740,336</b>	<b>2,443,110</b>	<b>222,857</b>	<b>7,928</b>	-	-	<b>4,061,601</b>
<b>Other Ins. Deposits</b>	<b>14,767</b>	-	<b>25,748</b>	<b>127,091</b>	<b>93,321</b>	<b>27</b>	-	-	<b>260,954</b>
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	<b>50,589</b>	-	<b>183,861</b>	<b>142,819</b>	-	-	<b>1,122,392</b>	-	<b>1,499,661</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,690	-	96,791	-	-	-	-	-	99,481
Foreign Banks	17,785	-	87,070	142,819	-	-	1,122,392	-	1,370,066
Participation Banks	30,114	-	-	-	-	-	-	-	30,114
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,945,869</b>	-	<b>4,937,840</b>	<b>11,512,912</b>	<b>521,856</b>	<b>192,570</b>	<b>1,130,063</b>	<b>26,452</b>	<b>20,267,562</b>



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

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

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

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

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

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

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

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	11,423	33,984
<b>Total</b>	<b>11,423</b>	<b>33,984</b>

**2. Information on trading purpose derivatives**

**a) Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	22,897	-	7,245	-
Swaps	310,760	36,332	220,449	23,124
Futures	-	2,753	-	1,402
Options	108	98,978	60	12,795
Other	-	2,436	1,480	-
<b>Total</b>	<b>333,765</b>	<b>140,499</b>	<b>229,234</b>	<b>37,321</b>

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

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

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

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	70,861	87,789	49,194	104,310
Foreign Bank, Institutions and Funds	300,016	3,032,259	300,013	1,595,848
<b>Total</b>	<b>370,877</b>	<b>3,120,048</b>	<b>349,207</b>	<b>1,700,158</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	70,861	1,035,335	49,194	675,556
Medium and Long-Term	300,016	2,084,713	300,013	1,024,602
<b>Total</b>	<b>370,877</b>	<b>3,120,048</b>	<b>349,207</b>	<b>1,700,158</b>

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

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's.

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

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

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

As of December 31, 2010, the Bank's liabilities comprise; 64% deposits (December 31, 2009 – 69%), 12% funds borrowed (December 31, 2009 – 12%) and 3% funds provided under repurchase agreements (December 31, 2009 – 0.07%).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>807,415</b>	-	<b>12,984</b>	-
Financial institutions and organizations	790,285	-	-	-
Other institutions and organizations	5,736	-	3,705	-
Real persons	11,394	-	9,279	-
<b>From foreign transactions</b>	<b>6,703</b>	<b>309,882</b>	<b>6,142</b>	-
Financial institutions and organizations	-	309,882	-	-
Other institutions and organizations	6,703	-	6,139	-
Real persons	-	-	3	-
<b>Total</b>	<b>814,118</b>	<b>309,882</b>	<b>19,126</b>	-

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

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

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

- 5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet**

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2009 - does not exceed).

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

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

- 6.1. Changes in agreements and further commitments arising**

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

- 6.2. Financial Lease Payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	207	19	4,983	4,497
Between 1-4 years	46	4	268	241
More than 4 years	-	-	-	-
<b>Total</b>	<b>253</b>	<b>23</b>	<b>5,251</b>	<b>4,738</b>

- 6.3. Information on operational lease**

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

- 6.4. Information on "Sale -and- lease back" agreements**

The Bank does not have any sale and lease back transactions in the current period (December 31, 2009- None).

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

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

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

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

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

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

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

**8. Information on provisions**

**8.1. Information on general provisions**

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

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

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

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

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

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

**8.4 Information on employee termination benefits and unused vacation accrual**

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2010, TL 25,086 (December 31, 2009 - TL 19,686) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2010, the Bank accrued TL 13,990 (December 31, 2009 – TL 10,529), for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2010, TL 33,148 (December 31, 2009- TL 33,486) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

**8.4.1. Movement of employee termination benefits**

	Current Period 01.01-31.12.2010	Previous Period 01.01-31.12.2009
As of January 1	19,686	16,645
Service Cost	4,638	2,774
Interest Cost	2,764	2,087
Amortization of Unrecognized Gains/Losses	4,567	1,126
Paid during the period	(6,569)	(2,946)
<b>Total</b>	<b>25,086</b>	<b>19,686</b>

**8.5. Information on other provisions**

**8.5.1. Information on free reserves for possible loan losses**

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

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

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

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

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

**8.5.2 Information on other provisions**

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

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	15,147	11,805
Other Provisions	17,744	50,780
<b>Total</b>	<b>32,891</b>	<b>62,585</b>

**9. Taxation**

**9.1. Current taxes**

**9.1.1. Current tax liability**

As of December 31, 2010, the Bank has current tax liability of TL 237,352 (December 31, 2009 - TL 113,633) and advance taxes of TL 171,769 (December 31, 2009 - TL 164,132). The current tax liability and advance taxes are presented in net in the accompanying financial statements.

**9.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	65,583	-
Banking and Insurance Transaction Tax (BITT)	21,061	16,565
Taxation on Securities Income	17,026	14,331
Taxation on Real Estates Income	1,028	745
Other	11,935	12,834
<b>Total</b>	<b>116,633</b>	<b>44,475</b>

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

**9.1.3. Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	4,405	3,457
Social Security Premiums - Employer Share	4,735	3,726
Unemployment Insurance - Employee Share	309	243
Unemployment Insurance - Employer Share	619	485
<b>Total</b>	<b>10,068</b>	<b>7,911</b>

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

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

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

**9.1.4. Information on deferred tax liabilities**

Deferred tax liability amounting to TL 75,673 has been disclosed in the accompanying financial statements (December 31, 2009 - TL 83,168).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other. As of December 31, 2010 the Bank has presented the net amount of deferred tax asset TL 46,994 (December 31, 2009 –TL 26,815) and deferred tax liability of TL 122,667 (December 31, 2009 –TL 109,983) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 34,079 (December 31, 2009 –TL 23,277 deferred tax liability ) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec. 31, 2010	Dec. 31, 2009	Dec.31, 2010	Dec.31, 2009
Reserve for Employee Benefits	72,224	63,701	14,445	12,740
The differences between carrying and taxable amounts of financial assets	147,597	58,571	29,519	11,714
Other	15,150	11,805	3,030	2,361
<b>Deferred Tax Asset</b>			<b>46,994</b>	<b>26,815</b>
The differences between carrying and taxable amounts of tangible assets	(85,998)	(68,251)	(17,200)	(13,650)
The differences between carrying and taxable amounts of financial assets	(456,987)	(443,298)	(91,397)	(88,660)
Other	(70,350)	(38,365)	(14,070)	(7,673)
<b>Deferred Tax Liability</b>			<b>(122,667)</b>	<b>(109,983)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(75,673)</b>	<b>(83,168)</b>
	Current Period		Prior Period	
	01.01-31.12.2010		01.01-31.12.2009	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(83,168)		(27,334)	
Deferred Tax (Charge) / Benefit	18,297		(24,079)	
Deferred Tax Items accounted for under the equity	(10,802)		(31,755)	
<b>Deferred Tax Asset/ (Liability) as of Dec. 31, 2010 (Net)</b>	<b>(75,673)</b>		<b>(83,168)</b>	

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

None. (December 31, 2009 – None)

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

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

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

**11. Information on subordinated loans**

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

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

**12. Information on shareholder's equity**

**12.1. Paid-in capital**

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

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

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

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

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

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

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

None (December 31, 2009 – None).

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

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

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

The Bank does not have any capital commitment, all of the capital is fully paid-in.

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

None (December 31, 2009- None).

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

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

**13. Common stock issue premiums, shares and equity instruments**

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

**14. Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Associates, Subsidiaries and Entities under Common Control</b>	<b>132,756</b>	-	<b>40,258</b>	-
Valuation Difference	132,756	-	40,258	-
Foreign Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>119,339</b>	<b>10,205</b>	<b>43,669</b>	<b>40,955</b>
Valuation Difference	119,339	10,205	43,669	40,955
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>252,095</b>	<b>10,205</b>	<b>83,927</b>	<b>40,955</b>

**15. Accrued interest and expenses**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	98,355	11,470	67,381	9,626
Derivative Financial Liabilities Held for Trading	333,765	140,499	229,234	37,321
Funds Borrowed	1,344	21,169	1,350	18,841
Money Market Borrowings	505	182	10	-
Derivative Financial Liabilities Held for Hedging Purposes	319,785	7,000	-	2,693
Other Accruals	31,951	16	16,811	3
<b>Total</b>	<b>785,705</b>	<b>180,336</b>	<b>314,786</b>	<b>68,484</b>



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

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

**SECTION FIVE**

**III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS**

**1. Information related to off-balance sheet contingencies**

**1.1. Type and amount of irrevocable commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee in FC	1,587,549	1,706,226
Letters of Guarantee in TL	2,967,436	2,239,000
Letters of Credit	722,850	539,923
Bank Loans	721,538	664,139
Other Guarantees	36,309	41,704
<b>Total</b>	<b>6,035,682</b>	<b>5,190,992</b>

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

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

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

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

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash Loans</b>	<b>360,270</b>	<b>409,874</b>
Less Than or Equal to One Year with Original Maturity	33,954	31,711
More Than One Year with Original Maturity	326,316	378,163
<b>Other Non-Cash Loans</b>	<b>5,675,412</b>	<b>4,781,118</b>
<b>Total</b>	<b>6,035,682</b>	<b>5,190,992</b>

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

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

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

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>40,653</b>	<b>1.37</b>	<b>40,086</b>	<b>1.32</b>	<b>52,066</b>	<b>2.33</b>	<b>73,805</b>	<b>2.54</b>
Farming and Raising Livestock	8,038	0.27	17,072	0.56	11,595	0.52	21,952	0.75
Forestry	32,136	1.08	21,906	0.72	40,064	1.79	51,775	1.78
Fishing	479	0.02	1,108	0.04	407	0.02	78	0.00
<b>Manufacturing</b>	<b>532,675</b>	<b>17.94</b>	<b>1,510,731</b>	<b>49.87</b>	<b>381,022</b>	<b>17.01</b>	<b>1,427,235</b>	<b>49.04</b>
Mining and Quarrying	29,259	0.99	29,691	0.98	17,479	0.78	31,608	1.09
Production	493,786	16.63	1,440,143	47.54	356,534	15.92	1,364,315	46.88
Electricity, gas and water	9,630	0.32	40,897	1.35	7,009	0.31	31,312	1.08
<b>Construction</b>	<b>609,769</b>	<b>20.53</b>	<b>428,401</b>	<b>14.14</b>	<b>495,233</b>	<b>22.12</b>	<b>391,914</b>	<b>13.47</b>
<b>Services</b>	<b>1,504,363</b>	<b>50.65</b>	<b>952,094</b>	<b>31.43</b>	<b>1,043,170</b>	<b>46.58</b>	<b>770,881</b>	<b>26.49</b>
Wholesale and Retail Trade	947,724	31.91	517,521	17.08	673,698	30.09	505,724	17.38
Hotel, Food and Beverage Services	19,334	0.65	7,703	0.25	8,993	0.40	6,287	0.22
Transportation&Communication	59,724	2.01	65,323	2.16	56,221	2.51	43,896	1.51
Financial Institutions	310,366	10.45	315,626	10.42	203,678	9.10	146,672	5.04
Real Estate and Renting Services	8,492	0.29	603	0.02	1,428	0.06	396	0.01
Self Employment Services	148,569	5.00	43,239	1.43	89,625	4.00	65,917	2.27
Educational Services	2,667	0.09	92	0.00	1,366	0.06	88	0.00
Health and Social Services	7,487	0.25	1,987	0.07	8,161	0.36	1,901	0.07
<b>Other (*)</b>	<b>282,600</b>	<b>9.51</b>	<b>98,001</b>	<b>3.24</b>	<b>267,587</b>	<b>11.96</b>	<b>246,375</b>	<b>8.47</b>
<b>Total</b>	<b>2,970,060</b>	<b>100.00</b>	<b>3,029,313</b>	<b>100.00</b>	<b>2,239,078</b>	<b>100.00</b>	<b>2,910,210</b>	<b>100.00</b>

(\*) Does not include "Other Guarantees" amounting to TL 36,309 (December 31, 2009- TL 41,704).

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

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

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

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

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

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

**5. Information on derivative financial instruments**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>36,431,011</b>	<b>28,701,663</b>
Forward transactions <sup>(*)</sup>	2,530,303	2,349,583
Swap transactions	20,047,453	19,818,311
Futures transactions	375,074	274,612
Option transactions	13,478,181	6,259,157
<b>Interest Related Derivative Transactions (II)</b>	<b>6,460,378</b>	<b>2,417,906</b>
Forward rate transactions	-	-
Interest rate swap transactions	6,434,996	2,081,720
Interest option transactions	-	301,140
Futures interest transactions	25,382	35,046
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>42,891,389</b>	<b>31,119,569</b>
<b>Types of hedging transactions</b>		
Fair value hedges	8,955,244	144,480
Cash flow hedges	1,309,876	-
Net investment hedges	-	-
<b>B.Total Hedging Related Derivatives</b>	<b>10,265,120</b>	<b>144,480</b>
<b>Total Derivative Transactions (A+B)</b>	<b>53,156,509</b>	<b>31,264,049</b>

<sup>(\*)</sup> This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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

	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
TL	388,533	498,515	5,888,531	10,705,451	2,985,137	2,843,408	3,397	3,397
USD	368,915	482,100	9,633,611	7,328,889	2,069,610	2,070,336	195,723	195,723
EURO	350,882	150,472	2,158,073	710,303	1,109,354	1,232,585	1,108	1,108
Other	152,990	137,896	89,098	233,613	586,431	581,320	-	-
<b>Total</b>	<b>1,261,320</b>	<b>1,268,983</b>	<b>17,769,313</b>	<b>18,978,256</b>	<b>6,750,532</b>	<b>6,727,649</b>	<b>200,228</b>	<b>200,228</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments accounted for under Commitments

	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Prior Period</b>								
TL	335,301	431,381	2,693,906	8,061,208	1,314,573	1,420,448	-	-
USD	514,570	591,657	7,669,657	2,812,092	1,608,687	1,562,863	154,829	154,829
EURO	166,937	119,586	283,560	124,259	326,501	270,596	-	-
Other	156,307	33,844	28,237	371,592	27,022	29,607	-	-
<b>Total</b>	<b>1,173,115</b>	<b>1,176,468</b>	<b>10,675,360</b>	<b>11,369,151</b>	<b>3,276,783</b>	<b>3,283,514</b>	<b>154,829</b>	<b>154,829</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

<sup>(\*\*)</sup> This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of December 31, 2010, the Bank has no derivative transactions for hedge of net investment.

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

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

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

**6. Information on contingent liabilities and assets**

None. (December 31, 2009 – None)

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

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

**8. Information on the Bank's rating by international rating institutions**

MOODY's October 2010		FITCH December 2010		CI November 2010	
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-term TL	BBB-	Financial strength at local	BBB+
Financial Strength	C-	Short-term TL	F3	market	
		Long-term National	AAA	Support	3
		Individual	C		
		Support	3T		

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

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

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

**SECTION FIVE**

**IV. EXPLANATIONS ON DISCLOSURES RELATED TO THE INCOME STATEMENT**

**1. a) Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	1,754,800	49,551	1,795,146	83,098
Medium and Long-Term Loans	1,389,885	59,840	1,271,407	82,433
Non-Performing Loans	82,087	-	33,231	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3,226,772</b>	<b>109,391</b>	<b>3,099,784</b>	<b>165,533</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	29,059	-	45,792	95
Domestic Banks	4,167	36	1,509	60
Foreign Banks	1,417	1,416	2,257	4,516
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>34,643</b>	<b>1,452</b>	<b>49,558</b>	<b>4,671</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	3,832	236	6,952	305
Financial Assets at FVTPL	11,794	-	18,110	-
Investment Securities Available for Sale	349,692	44,965	405,494	37,367
Investment Securities Held to Maturity	-	-	102,704	-
<b>Total</b>	<b>365,318</b>	<b>45,201</b>	<b>533,260</b>	<b>37,672</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,642	15

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	5,481	1,248	9,248	2,488
Foreign Banks	35,852	93,736	38,650	162,683
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>41,333</b>	<b>94,984</b>	<b>47,898</b>	<b>165,171</b>

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

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

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

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	20,745	15,649

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

None. (December 31, 2009 – None)

**d) Information on maturity structure of interest expenses on deposits**

Current Period		Time Deposits					Accumulated	
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Deposit Account	Total
New Turkish Lira								
Bank Deposits	-	22,265	2,807	1,412	68	-	-	26,552
Saving Deposits	4	206,040	550,590	15,407	4,461	1,115	-	777,617
Public Sector Deposits	-	319	3,858	9	-	-	-	4,186
Commercial Deposits	20	85,823	226,954	16,581	2,499	-	-	331,877
Other Deposits	-	4,897	39,899	11,472	282	-	-	56,550
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	24	319,344	824,108	44,881	7,310	1,115	-	1,196,782
Foreign Currency								
Foreign Currency Deposits	29	45,727	76,065	6,987	4,131	826	187	133,952
Bank Deposits	137	729	16,176	2,440	-	-	-	19,482
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	70	-	-	-	-	-	70
Total	166	46,526	92,241	9,427	4,131	826	187	153,504
Grand Total	190	365,870	916,349	54,308	11,441	1,941	187	1,350,286

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

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

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

**Information on maturity structure of interest expense on deposits**

Prior Period	Time Deposits						Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	51	18,353	3,184	-	-	1,514	-	23,102
Saving Deposits	103	278,936	575,222	16,215	3,249	1,644	-	875,369
Public Sector Deposits	34	373	2,347	39	-	-	-	2,793
Commercial Deposits	24	85,130	121,004	13,246	255	44	-	219,703
Other Deposits	2	6,460	31,340	4,629	1,622	-	-	44,053
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	214	389,252	733,097	34,129	5,126	3,202	-	1,165,020
Foreign Currency								
Foreign Currency Deposits	31	65,823	85,873	10,910	5,675	353	417	169,082
Bank Deposits	378	372	460	-	-	3,984	-	5,194
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	409	66,195	86,333	10,910	5,675	4,337	417	174,276
Grand Total	623	455,447	819,430	45,039	10,801	7,539	417	1,339,296

**e) Information on interest expense on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements <sup>(*)</sup>	50,539	378	81,627	10

<sup>(\*)</sup> Disclosed in "Interest on Money Market Transactions".

**f) Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	245	1,344

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

None. (December 31, 2009 – None)

**3. Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	1,330
Other <sup>(*)</sup>	40,368	5,106
<b>Total</b>	<b>40,368</b>	<b>6,436</b>

<sup>(\*)</sup> Includes dividend income amounting to TL 5,750 received from Finans Emeklilik ve Hayat A.Ş., dividend income amounting to TL 34,462 received from Finans Yatırım Menkul Değerler A.Ş. and dividend income amounting to TL 155 received from Gelişen Bilgi Teknolojileri A.Ş. as bonus shares. Dividend income in prior period amounting to TL 5,106 represents the bonus shares received from Finans Finansal Kiralama A.Ş.

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Trading Income</b>	<b>5,578,500</b>	<b>6,736,787</b>
Gains on Capital Market Operations	407,708	364,577
Derivative Financial Instruments	1,376,196	1,600,047
Foreign Exchange Gains	3,794,596	4,772,163
<b>Trading Loss (-)</b>	<b>5,842,804</b>	<b>7,113,058</b>
Losses on Capital Market Operations	29,173	38,340
Derivative Financial Instruments	2,053,524	2,360,755
Foreign Exchange Losses	3,760,107	4,713,963
<b>Net Trading Income/Loss</b>	<b>(264,304)</b>	<b>(376,271)</b>

**5. Information on other operating income**

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

**6. Provision for losses on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>181,537</b>	<b>700,776</b>
Loans and Receivables in Group III	14,478	37,318
Loans and Receivables in Group IV	28,023	233,466
Loans and Receivables in Group V	139,036	429,992
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>66,357</b>	<b>38,599</b>
<b>Provision Expenses for Possible Losses</b>	<b>-</b>	<b>49,029</b>
<b>Impairment Losses on Securities</b>	<b>73</b>	<b>-</b>
Financial assets at fair value through profit or loss	73	-
Investment securities available for sale	-	-
<b>Impairment Losses on Associates, Subsidiaries and</b>		
<b>Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>12,502</b>	<b>8,865</b>
<b>Total</b>	<b>260,469</b>	<b>797,269</b>



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

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

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

**7. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	590,558	507,265
Reserve for employee termination benefits	5,400	3,041
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	1,048
Depreciation charge of tangible assets	74,026	68,984
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	28,803	18,705
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,215	2,603
Depreciation on assets to be disposed	1,917	1,605
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	509,573	438,480
Operational lease related expenses	97,278	87,422
Repair and maintenance expenses	44,562	31,019
Advertisement expenses	72,512	60,432
Other expenses	295,221	259,607
Losses on sales of assets	1,110	131
Other	163,253	120,596
<b>Total</b>	<b>1,375,855</b>	<b>1,162,458</b>

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

For the period ended at December 31, 2010, net interest income of TL 2,254,424 (December 31, 2009 – TL 2,260,619), net fees and commission income of TL 593,616 (December 31, 2009 – TL 553,211) and other operating income of TL 145,949 (December 31, 2009 – TL 106,468) constitute an important part of the income.

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

**9. Explanations on tax provision for continued and discontinued operations**

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

As of December 31, 2010, the Bank recorded tax charge of TL 237,352 (December 31, 2009 – TL 103,778) and a deferred tax benefit of TL 18,297 (December 31, 2009 – TL 24,079 deferred tax charge).

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

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

None. (December 31, 2009 – None)

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

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

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

In the current period, there is no profit of the Bank from discontinued operations (December 31, 2009 – TL 187,235), whereas the net profit of the Bank from continued operations is TL 914,674 (December 31, 2009 – 462,879).

**11. Explanations on net income/loss for the period**

**11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period**

None. (December 31, 2009 – None)

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

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

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

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

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

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

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

**SECTION FIVE**

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

**1. Changes resulting from valuation of available for sale securities**

Net increase of TL 137,418 (December 31, 2009 – TL 164,097 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders’ equity.

**2. Explanations on foreign exchange differences**

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

**3. Explanations on dividend**

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

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

**2009 profit distribution table:**

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

<sup>(\*)</sup>Distributed as bonus shares.

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

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

**3.3. Transfers to legal reserves**

	<b>Current Period</b>	<b>Prior Period</b>
Amount Transferred to Reserves from Retained Earnings	32,506	20,828

**4. Issuance of share certificates**

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

None (December 31, 2009- None).

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

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

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

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

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

**SECTION FIVE**

**VI. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT**

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

“Other items” amounting to TL 253,712 (December 31, 2009 – TL 679,834) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 68,826 (December 31, 2009 – TL 66,062), net trading income/loss by TL 436,254 (December 31, 2009 – TL 201,103 net trading income/loss) and other operating expenses amounting to TL 621,140 (December 31, 2009 – TL 412,669).

“Other items” in changes in operating assets amounting to TL 443,743 (December 31, 2009- TL 117,672) consist of the increase in collaterals given by TL 370,041 (December 31, 2009- TL 228,270 decrease) and the increase in other assets by TL 73,702 (December 31, 2009- TL 110,598 increase).

“Other items” in changes in operating liabilities amounting to TL 1,422,074 (December 31, 2009 - TL 284,930) consist of the increase in money market borrowings by TL 1,104,874 (December 31, 2009 - TL 322,667 decrease) and the increase in sundry debtors and other liabilities by TL 317,200 (December 31, 2009- TL 37,737 increase).

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>January 1, 2010</b>	<b>January 1, 2009</b>
<b>Cash</b>	<b>298,023</b>	<b>224,766</b>
Cash in TL	168,903	100,557
Cash in Foreign Currencies	126,837	121,325
Other	2,283	2,884
<b>Cash Equivalents</b>	<b>2,642,916</b>	<b>1,710,162</b>
Balances with the T.R. Central Bank	1,494,358	1,349,821
Banks	1,157,033	385,514
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	-	(2,183)
Less: Accruals	(8,475)	(22,990)
<b>Cash and Cash Equivalents</b>	<b>2,940,939</b>	<b>1,934,928</b>

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>December 31, 2010</b>	<b>December 31, 2009</b>
<b>Cash</b>	<b>425,536</b>	<b>298,023</b>
Cash in TL	222,979	168,903
Cash in Foreign Currencies	177,028	126,837
Other	25,529	2,283
<b>Cash Equivalents</b>	<b>2,154,200</b>	<b>2,642,916</b>
Balances with the T.R. Central Bank	1,968,847	1,494,358
Banks	191,503	1,157,033
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(1,828)	(8,475)
<b>Cash and Cash Equivalents</b>	<b>2,579,736</b>	<b>2,940,939</b>

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

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

**5. Additional information**

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

None.

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

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

**SECTION FIVE**

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

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

- 1.1.** As of December 31, 2010, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 548,017 (December 31, 2009- TL 1,523,788), TL 73,308 (December 31, 2009- TL 36,506) and TL 94,712 (December 31, 2009- TL 49,112), respectively.

**Current Period**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	5,874	14,627	-	11,745	30,632	22,740
Balance at the End of the Period	44,247	45,916	-	48,794	29,061	2
Interest and Commission Income	2,642	51	30	55	1,962	-

**Prior Period**

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Cash	Non-Cash	Cash		Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	5,308	-	-	40,355	3,256
Balance at the End of the Period	5,874	14,627	-	11,745	30,632	22,740
Interest and Commission Income	15	44	-	79	2,941	229

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

<sup>(\*\*)</sup> Includes the loans given to the Bank's indirect subsidiaries.

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

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	349,531	76,320	1,116,699	529,562	57,558	136,456
Balance at the End of the Period	447,922	349,531	1,707	1,116,699	98,388	57,558
Interest on deposits	20,745	15,649	14,327	2,893	3,045	17,899

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

<sup>(\*\*)</sup> Includes the deposits taken to the Bank's indirect subsidiaries.

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

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

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

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

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	1,151	105,265	70,407	273,419	748,943
End of the Period	-	-	817,073	105,265	246,559	273,419
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-

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

<sup>(\*\*)</sup> Includes the derivative transactions between the Bank's indirect subsidiaries.

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

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

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

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

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2010, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2009- 0.2%), the deposits represented 2.2% of the Bank's total deposits (December 31, 2009- 7.5%) and derivative transactions represented 3.9% of the Bank's total derivative transactions (December 31, 2009- 2.5%).

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

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

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

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

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2010, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 23 (December 31, 2009 - TL 4,738) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

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

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

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

**VIII. Explanations on the Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives**

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

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



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

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

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

**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

**I. Other explanations related to the Bank's operations**

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

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

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

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

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

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

**3. Other matters**

None.

**SECTION SEVEN**

**INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on the Independent Auditor's Report**

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

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

None (December 31, 2009 – None).

**FİNANSBANK ANONİM ŞİRKETİ  
AND ITS FINANCIAL SUBSIDIARIES**

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

*Translated into English from the  
Original Turkish Report*

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

## **FİNANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES**

### **INDEPENDENT AUDITOR’S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2010**

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

#### **Board of Director’s Responsibility for the Financial Statements**

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

#### **Auditor’s Responsibility**

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

#### **Independent Auditor’s Opinion**

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

#### **Additional paragraph for English translation:**

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

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

Hasan Kılıç  
Partner

Istanbul, February 10, 2011

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

The Bank's;

Address of the head office : Büyükdere Cad. No:129, 34394 Mecidiyeköy / İSTANBUL  
Phone number : (0 212) 318 50 00  
Facsimile number : (0 212) 318 58 50  
Web page : [www.finansbank.com.tr](http://www.finansbank.com.tr)  
E-mail address : name.surname@finansbank.com.tr

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

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

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

**Subsidiaries**

- 1- Finans Finansal Kiralama Anonim Şirketi
- 2- Finans Yatırım Menkul Değerler Anonim Şirketi
- 3- Finans Yatırım Ortaklığı Anonim Şirketi
- 4- Finans Portföy Yönetimi Anonim Şirketi
- 5- Finans Emeklilik ve Hayat Anonim Şirketi
- 6- Finans Tüketici Finansmanı Anonim Şirketi
- 7- Finans Faktoring Hizmetleri Anonim Şirketi

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

<b>Ömer A. Aras</b>	<b>Mustafa A. Aysan</b>	<b>Paul Mylonas</b>
Chairman of the Board of Directors	Member of Board of Directors and Chairman of the Audit Committee	Member of the Board of Directors and of the Audit Committee
<b>Temel Güzeloğlu</b>	<b>Adnan Menderes Yayla</b>	<b>Gökhan Yücel</b>
Managing Director and Member of the Board of Directors	Executive Vice President Responsible of Financial Control and Planning	Senior Vice President Responsible of Financial-Legal Reporting and Treasury Control

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

Name-Surname/Title : Gökhan Yücel  
Senior Vice President Responsible of Financial Reporting and Treasury Control

Phone Number : (0 212) 318 55 65  
Facsimile Number : (0 212) 318 55 78

## INDEX

### **SECTION ONE**

#### **GENERAL INFORMATION ABOUT THE PARENT BANK**

I.	Explanatory note on the establishment date, nature of activities and history of the Parent Bank	1
II.	Information about the Parent Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year if any, and information about the controlling group of the Parent Bank	1
III.	Information about the chairman and members of board of directors, members of audit committee, general managers and executive vice presidents; any changes, and the information about the Parent Bank shares they hold	2
IV.	Information about the persons and institutions that have qualified shares	3
V.	Explanations on the Parent Bank's services and activities	3

### **SECTION TWO**

#### **CONSOLIDATED FINANCIAL STATEMENTS**

I.	Consolidated balance sheet (Statement of Financial Position)	5
II.	Consolidated statements of off-balance sheet items	7
III.	Consolidated income statement	8
IV.	Consolidated statement of profit and loss accounted for under equity	9
V.	Consolidated statement of changes in shareholders' equity	10
VI.	Consolidated cash flows statement	12
VII.	Statement of profit distribution	13

### **SECTION THREE**

#### **ACCOUNTING POLICIES**

I.	Basis of presentation	14
II.	Strategy for use of financial instruments and foreign currency transactions	15
III.	Information on associates and subsidiaries	16
IV.	Explanations on forwards, option contracts and derivative instruments	17
V.	Interest income and expense	17
VI.	Fees and commission income and expense	18
VII.	Explanation on financial assets	18
VIII.	Impairment of financial assets	20
IX.	Netting of financial instruments	20
X.	Sales and repurchase agreements and lending of securities	21
XI.	Assets held for sale and discontinued operations	21
XII.	Goodwill and other intangible assets	21
XIII.	Tangible assets	21
XIV.	Leasing transactions	22
XV.	Factoring receivables	22
XVI.	Provisions and contingent liabilities	23
XVII.	Obligations of the Group concerning employee benefits	23
XVIII.	Taxation	23
XIX.	Additional explanations on borrowings	24
XX.	Share issues	24
XXI.	Confirmed bills of exchange and acceptances	24
XXII.	Government incentives	24
XXIII.	Segment reporting	25
XXIV.	Explanation on other matters	26

### **SECTION FOUR**

#### **INFORMATION ON GROUP'S FINANCIAL STRUCTURE**

I.	Explanations related to consolidated capital adequacy ratio	27
II.	Explanations related to consolidated credit risk	30
III.	Explanations related to consolidated market risk	35
IV.	Explanations related to operational risk	36
IV.	Explanations related to consolidated foreign currency exchange rate risk	36
VI.	Explanations related to consolidated interest rate risk	38
VII.	Explanations related to consolidated liquidity risk	41
VIII.	Explanation related to presentation of financial assets and liabilities at their fair value	44
IX.	Explanations related to transactions made on behalf of others and fiduciary transactions	45

### **SECTION FIVE**

#### **EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS**

I.	Explanations and disclosures related to consolidated assets	46
II.	Explanations and disclosures related to consolidated liabilities	63
III.	Explanations and disclosures related to consolidated off-balance sheet items	71
IV.	Explanations and disclosures related to consolidated the income statement	75
V.	Explanation and disclosures related with consolidated statement of changes in shareholders' equity	81
VI.	Explanations and disclosures related to consolidated cash flow statement	82
VII.	Explanations and disclosures related to the Group's risk group	84
VIII.	Explanations and disclosures related to domestic, foreign and off-shore banking branches and foreign representatives of the Group	86

### **SECTION SIX**

#### **OTHER EXPLANATIONS AND DISCLOSURES**

I.	Other explanations related to the Group's operations	87
----	--	----

### **SECTION SEVEN**

#### **INDEPENDENT AUDITOR'S REPORT**

I.	Explanations on the Independent Auditor's Report	87
II.	Explanations and disclosures prepared by Independent Auditor	87

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

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

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

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE PARENT BANK**

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

Finansbank Anonim Şirketi (the Bank and/or the Parent Bank) was incorporated in Istanbul on September 23, 1987. The Parent Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990 and its Global Depository Receipts (GDRs) have been listed on the London Stock Exchange since 1998.

**II. Information about the Parent Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Parent Bank**

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

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

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

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

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

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

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

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

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

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

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

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



## **SECTION TWO**

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2010**

**(STATEMENT OF FINANCIAL POSITION)**

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

**I. CONSOLIDATED BALANCE SHEET – ASSETS**

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2010**  
**(STATEMENT OF FINANCIAL POSITION)**

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

**I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY**

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

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

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

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

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED**

**DECEMBER 31, 2010 (STATEMENT OF INCOME/LOSS)**

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

**III. CONSOLIDATED INCOME STATEMENT**

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

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

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

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

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

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

	Audited 01 .01 - 31.12.2010	Audited 01. 01 - 31.12.2009
<b>ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR</b>		
<b>I. AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>176,893</b>	<b>139,953</b>
<b>II. TANGIBLE ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	<b>-</b>	<b>-</b>
<b>PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW</b>		
<b>V. HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)</b>	<b>(26,129)</b>	<b>-</b>
<b>PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF</b>		
<b>NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR</b>		
<b>VALUE DIFFERENCES)</b>	<b>-</b>	<b>-</b>
<b>VI. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING</b>		
<b>POLICIES</b>	<b>-</b>	<b>-</b>
<b>VII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH</b>		
<b>ACCOUNTING STANDARDS</b>	<b>-</b>	<b>-</b>
<b>VIII. DEFERRED TAX OF VALUATION DIFFERENCES</b>	<b>(6,858)</b>	<b>(27,707)</b>
<b>IX. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)</b>	<b>143,906</b>	<b>112,246</b>
<b>XI. PROFIT/LOSS</b>	<b>(118,583)</b>	<b>(27,698)</b>
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(118,242)	(27,698)
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to		
11.2 Income Statement	(341)	-
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)</b>	<b>25,323</b>	<b>84,548</b>

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributa ble to the Parent Sharehol ders	Minority Shares	Total Equity
<b>Prior period – 01.01.-31.12.2009</b>																			
<b>I. Beginning balance</b>		1,500,000	-	-	-	143,864	-	935,255	-	-	563,952	(6,801)	-	-	-	-	3,136,270	128,308	3,264,578
<b>II. Corrections according to TAS 8</b>																			
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New balance (I+II)</b>		1,500,000	-	-	-	143,864	-	935,255	-	-	563,952	(6,801)	-	-	-	-	3,136,270	128,308	3,264,578
Changes in period																			
<b>IV. Increase/decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Marketable securities valuation differences</b>	(1)	-	-	-	-	-	-	-	-	-	-	84,548	-	-	-	-	84,548	-	84,548
<b>VI. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Bonus shares obtained from associates, subsidiaries and entities under common control</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Foreign exchange differences</b>	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The disposal of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. The reclassification of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. The effect of change in associates' equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Capital increase</b>	(5)	75,000	-	-	-	-	-	(75,000)	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		75,000	-	-	-	-	-	(75,000)	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Share issue</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192	192
<b>XIX. Period net income/(loss)</b>		-	-	-	-	-	-	-	553,856	-	-	-	-	-	-	-	553,856	17,840	571,696
<b>XX. Profit distribution</b>		-	-	-	-	24,187	-	358,065	-	-	(409,204)	-	-	-	-	-	(26,952)	-	(26,952)
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(26,952)	-	-	-	-	-	(26,952)	-	(26,952)
20.2 Transfers to reserves		-	-	-	-	24,187	-	358,065	-	-	(382,252)	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>																			
<b>(III+IV+V+.....+ XVIII+XIX+XX)</b>		1,575,000	-	-	-	168,051	-	1,218,320	-	553,856	154,748	77,747	-	-	-	-	3,747,722	146,340	3,894,062

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
<b>I. Current period – 01.01.-31.12.2010</b>		<b>1,575,000</b>	-	-	-	<b>168,051</b>	-	<b>1,218,320</b>	-	-	<b>708,604</b>	<b>77,747</b>	-	-	-	-	<b>3,747,722</b>	<b>146,340</b>	<b>3,894,062</b>
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable securities valuation differences</b>	(1)	-	-	-	-	-	-	-	-	-	-	<b>46,499</b>	-	-	-	-	<b>46,499</b>	-	<b>46,499</b>
<b>IV. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)	-	(21,176)
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(21,176)	-	(21,176)	-	(21,176)
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus shares obtained from associates, subsidiaries and entities under common control</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign exchange differences</b>	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. The disposal of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. The reclassification of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The effect of change in associates' equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital increase</b>	(5)	<b>630,000</b>	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	<b>547,143</b>	-	<b>547,143</b>
12.1 Cash		547,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	547,143	-	547,143
12.2 Internal sources		82,857	-	-	-	-	-	(82,857)	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share premium</b>		-	-	-	<b>665</b>	-	-	-	-	-	-	-	-	-	-	-	<b>665</b>	-	<b>665</b>
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	(1,013)	-	-	-	-	-	(1,013)	(17,290)	(18,303)
<b>XVII. Period net income/(loss)</b>		-	-	-	-	-	-	-	-	<b>922,922</b>	-	-	-	-	-	-	<b>922,922</b>	<b>14,655</b>	<b>937,577</b>
<b>XVIII. Profit distribution</b>	(3)	-	-	-	-	<b>36,134</b>	-	<b>656,776</b>	-	-	(692,910)	-	-	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	36,134	-	656,776	-	-	(692,910)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>																			
<b>(I+II+III+..... +XVI+XVII+XVIII)</b>		<b>2,205,000</b>	-	-	<b>665</b>	<b>204,185</b>	-	<b>1,792,239</b>	-	<b>922,922</b>	<b>14,681</b>	<b>124,246</b>	-	-	(21,176)	-	<b>5,242,762</b>	<b>143,705</b>	<b>5,386,467</b>

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



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

**FİNANSBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOWS STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**VI. CONSOLIDATED CASH FLOWS STATEMENT**

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**

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

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

(\*\*) The Parent Bank did not resolve a decision regarding profit distribution of 2010 as of the issue date of this report.

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

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

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

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

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of presentation**

**1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents**

The Turkish Banking Law No 5411 is published in the Official Gazette No 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

**2. Classifications**

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

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

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

**Explanation for Convenience Translation to English**

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

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

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

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

**1. Strategy for the use of financial instruments**

The major funding sources of the Parent Bank are customer deposits and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad generally bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return and sufficient collaterals. The Parent Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

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

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

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

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

**2. Foreign currency transactions**

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

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

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

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

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

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

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

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

**2.3. Foreign subsidiaries**

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

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

**III. Information on associates and subsidiaries**

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

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

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

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

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2010.

**1. Subsidiaries**

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

**2. Associates and entities under common control**

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

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

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

**IV. Explanations on forwards, option contracts and derivative instruments**

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

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

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

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

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

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

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

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

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

**V. Interest income and expenses**

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest accruals of non-performing loans are cancelled and not recorded as interest income until collected. According to the article 4 of “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside” dated March 6, 2010, the Parent Bank classifies loans which are not overdue into non-performing loans, where the same borrower has overdue loans. The Parent Bank does not provide any specific provision for these loans which are not overdue, in line with the above mentioned regulation.

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

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

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

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

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

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

**VII. Financial assets**

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

**1. Financial assets at fair value through profit or loss**

**1.1. Trading securities**

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

**1.2. Financial assets at fair value through profit or loss**

The Parent Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan, in order to be in compliance with the balance sheet presentation. The Parent Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses).

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

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

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

**2. Investment securities available for sale**

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

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

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

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

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

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

**3. Investment securities held to maturity**

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

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

**4. Loans and specific provisions**

The Group initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note “IV. Explanations on forward, option contracts and derivative instruments”, the Group enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

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

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

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



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

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

provisions are accounted for in the current year income statement. The effects of this change are explained in detail in Section 5, Part I, Footnote 5.

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

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

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

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

**VIII. Impairment of financial assets**

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

**IX. Netting of financial instruments**

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

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

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

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

**X. Sales and repurchase agreements and lending of securities**

Securities sold under repurchase agreements are recorded on the balance sheet in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Group Management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

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

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

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

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

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

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

**XI. Assets held for sale and discontinued operations**

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

The Group does not have assets held for sale.

A discontinued operation is a part of the Group’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Parent Bank has transferred its shares of Finans Malta Holdings LTD, which the Parent Bank used to own 100% of the shares, by selling to NBG International Holdings B.V. on February 24, 2009. The gain on sale of TL 43,324 resulting from this sale is accounted for as “Income on sale of associates, subsidiaries and entities under common control” under “Income on Discontinued Operations” in the prior period income statement. The income of the subsidiary until the sale date is accounted for as “Other Income on Discontinued Operations” under “Income on Discontinued Operations” and expense is accounted for as “Other Expenses on Discontinued Operations” under “Expense on Discontinued Operations”. The total of TL 10,978 that consists of the tax charge amounting to TL 9,855 regarding the sale and deferred tax charge of the subsidiary until the sale date amounting to TL 1,123 is accounted under “Tax Charge for Discontinued Operations”.

**XII. Goodwill and other intangible assets**

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

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

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

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

The difference between the acquisition cost of the subsidiaries and the net assets of the subsidiaries less impairment, if any, is represented as goodwill for acquisition of subsidiaries on before July 1, 2009. An assessment for impairment is conducted for each balance sheet date, if there are any instances and changes indicating that the carrying amount of the goodwill would not be realized.

**XIII. Tangible Assets**

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

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

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

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

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

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

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

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

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

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

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

**XIV. Leasing transactions**

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

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

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

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

**XV. Factoring Receivables**

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

**XVI. Provisions and contingent liabilities**

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

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

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

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

**XVII. Obligations of the Group for employee benefits**

Provision for employee severance benefits of the Group has been accounted for in accordance with TAS 19 “Employee Benefits”.

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

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

The Group does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees’ unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the Group employees are members.

**XVIII. Taxation**

**1. Corporate tax**

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

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

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

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

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

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

**2. Deferred taxes**

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

**XIX. Additional explanations on borrowings**

The Group generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the effective interest rate method.

The Group has not issued convertible bonds. There are no debt instruments directly issued by the Group. The funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

**XX. Share issues**

In the current year, the share capital of the Parent Bank has been increased by TL 630,000 of which TL 82,857 portion of the increase incorporated from extraordinary reserves and the remaining TL 547,143 is to be met with cash, (2009 – TL 75,000 bonus shares).

**XXI. Confirmed bills of exchange and acceptances**

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

**XXII. Government incentives**

The Group has various numerous investment incentive certificates in relation to its investment expenditures from its leasing company. The related certificates allow the Group to use 100% and 40% of investment incentives over its investment expenditures. Tax deduction by 19.8% should be made on the amount of investment incentive deduction pursuant to investment incentive certificates obtained prior to April 24, 2003. No deduction is made on investment expenses after this date without incentive certificates.

Upon the Constitutional Court's resolution no: 2009/144 published in the Official Gazette on January 8, 2010, the expression of "solely for the periods related to 2006, 2007 and 2008" in the Provisional Article No: 69 of Income Tax Law No: 193, and 5th Article of the Law No: 6009 that came into effect by being published in the Official Gazette No.27659 dated August 1, 2010 have been annulled. The new resolution enables to continue to benefit from investment incentive deduction that is not deducted due to insufficient earnings and that passes on next periods without period limitation, however proposes that the deduction amount will not exceed 25% of the taxable income of the period. Moreover, the effective corporate tax rate for investment incentive deduction beneficiaries, will be adopted as 20%, rather than 30%.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**XXIII. Segment reporting**

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad financial lease operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher, and multi-national firms operating in Turkey. The firms that have annual revenue between TL 10,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenues between TL 2,000 and TL 10,000. The Parent Bank offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Parent Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, SME and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Parent Bank.

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Group</b>
Net Interest Income	1,154,889	410,086	791,934	2,356,909
Net Fees and Commissions Income	837,937	106,664	(272,313)	672,288
Other Operating Income and Net Trading Income	38,850	66,020	(210,441)	(105,571)
Dividend Income	-	-	326	326
<b>Operating Income</b>	<b>2,031,676</b>	<b>582,770</b>	<b>309,506</b>	<b>2,923,952</b>
Other Operating Expenses	930,304	309,275	234,209	1,473,788
Provision for Loan Losses and Other Receivables	179,255	35,998	59,486	274,739
<b>Profit Before Taxes</b>	<b>922,117</b>	<b>237,497</b>	<b>15,811</b>	<b>1,175,425</b>
<b>Tax Charge</b>	-	-	-	<b>(237,848)</b>
<b>Net Profit/Loss</b>	-	-	-	<b>937,577</b>
<b>Total Assets</b>	<b>19,203,086</b>	<b>6,855,200</b>	<b>10,414,940</b>	<b>39,253,924</b>
Segment Assets	19,203,086	6,855,200	10,414,940	36,473,226
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	23,555
Undistributed Assets	-	-	-	2,757,143
<b>Total Liabilities</b>	<b>14,862,829</b>	<b>8,164,499</b>	<b>8,525,637</b>	<b>39,253,925</b>
Segment Liabilities	14,862,829	8,164,499	8,525,637	31,552,965
Undistributed Liabilities	-	-	-	2,314,493
Equity	-	-	-	5,386,467
<b>Other Segment Accounts</b>	-	-	-	<b>292,406</b>
Capital Expenditures	-	-	-	182,724
Depreciation and Amortization	-	-	-	108,467
Value Decrease/ (Increase)	-	-	-	1,215

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

<b>Prior Period</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Group (*)</b>
Net Interest Income	946,764	480,887	935,040	2,362,691
Net Fees and Commissions Income	693,652	135,316	(212,485)	616,483
Other Operating Income and Net Trading Income	24,005	49,987	(321,989)	(247,997)
Dividend Income	-	-	1,481	1,481
<b>Operating Income</b>	<b>1,664,421</b>	<b>666,190</b>	<b>402,047</b>	<b>2,732,658</b>
Other Operating Expenses	664,531	258,045	328,903	1,251,479
Provision for Loan Losses and Other Receivables	307,124	173,726	354,801	835,651
<b>Profit Before Taxes</b>	<b>692,766</b>	<b>234,419</b>	<b>(281,657)</b>	<b>645,528</b>
<b>Tax Charge</b>				<b>(121,209)</b>
<b>Net Profit/Loss</b>				<b>524,319</b>
<b>Total Assets</b>	<b>14,295,556</b>	<b>4,222,455</b>	<b>9,776,624</b>	<b>30,271,843</b>
Segment Assets	14,295,556	4,222,455	9,776,624	28,294,635
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	21,802
Undistributed Assets	-	-	-	1,955,406
<b>Total Liabilities</b>	<b>11,912,627</b>	<b>6,443,409</b>	<b>6,217,921</b>	<b>30,271,843</b>
Segment Liabilities	11,912,627	6,443,409	6,217,921	24,573,957
Undistributed Liabilities	-	-	-	1,803,824
Equity	-	-	-	3,894,062
<b>Other Segment Accounts</b>	-	-	-	<b>253,483</b>
Capital Expenditures	-	-	-	157,302
Depreciation and Amortization	-	-	-	92,530
Value Decrease/ (Increase)	-	-	-	3,651

(\*) Total operations include only the Group's continuing operations.

**XXIV. Explanations on other matters**

None.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**SECTION FOUR**

**INFORMATION ON GROUP'S FINANCIAL STRUCTURE**

**I. Explanations Related to Consolidated Capital Adequacy Ratio**

As of December 31, 2010, the Group's consolidated capital adequacy ratio is 17.33% (December 31, 2009 - 18.86%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazettes No. 26669, No. 26824 and No. 27320, dated October 10, 2007, March 22, 2008 and August 15, 2009, respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted again and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".



**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**Consolidated and unconsolidated capital adequacy ratio:**

	Risk Weight													
	Parent Bank							Consolidated						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>														
<b>Balance Sheet Items (Net)</b>	<b>2,903,005</b>	-	<b>153,667</b>	<b>8,981,697</b>	<b>16,849,314</b>	<b>717,866</b>	<b>208,676</b>	<b>2,938,483</b>	-	<b>525,691</b>	<b>9,142,883</b>	<b>17,501,313</b>	<b>717,866</b>	<b>208,676</b>
Cash on Hand	425,352	-	184	-	-	-	-	429,289	-	184	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	1,207,054	-	-	-	-	-	-	1,207,054	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	141,581	-	49,600	-	-	-	-	508,628	-	49,600	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase	-	-	-	-	-	-	-	-	-	4,977	-	-	-	-
Reserve Deposits	760,287	-	-	-	-	-	-	760,287	-	-	-	-	-	-
Loans and Receivables	503,225	-	11,428	8,555,132	14,815,910	717,866	208,676	503,225	-	11,428	8,555,132	14,807,717	717,866	208,676
Non-performing Loans (Net)	-	-	-	-	232,323	-	-	-	-	-	-	232,323	-	-
Lease Receivables	-	-	-	-	-	-	-	1,494	-	-	159,393	648,538	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,440	-	-	-	-	-	-	5,440	-	-
Sundry Debtors	-	-	-	-	499,480	-	-	-	-	-	-	514,191	-	-
Accrued Interest and Income	6,430	-	474	426,565	331,208	-	-	6,455	-	474	428,358	339,117	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	385,613	-	-	-	-	-	-	23,555	-	-
Tangible Assets (Net)	-	-	-	-	272,200	-	-	-	-	-	-	286,406	-	-
Other Assets (*)	657	-	-	-	257,540	-	-	30,679	-	-	-	594,426	-	-
<b>Off-Balance Sheet Items</b>	<b>403,353</b>	-	<b>1,218,011</b>	<b>243,488</b>	<b>6,276,187</b>	-	-	<b>403,353</b>	-	<b>1,218,011</b>	<b>243,488</b>	<b>6,273,023</b>	-	-
Non-Cash Loans and Commitments	403,353	-	51,885	243,488	6,165,237	-	-	403,353	-	51,885	243,488	6,162,050	-	-
Derivative Financial Instruments	-	-	1,166,126	-	110,950	-	-	-	-	1,166,126	-	110,973	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>3,306,358</b>	-	<b>1,371,678</b>	<b>9,225,185</b>	<b>23,125,501</b>	<b>717,866</b>	<b>208,676</b>	<b>3,341,836</b>	-	<b>1,743,702</b>	<b>9,386,371</b>	<b>23,774,336</b>	<b>717,866</b>	<b>208,676</b>
<b>Total Risk Weighted Assets</b>	-	-	<b>274,336</b>	<b>4,612,593</b>	<b>23,125,501</b>	<b>1,076,799</b>	<b>417,352</b>	-	-	<b>348,740</b>	<b>4,693,186</b>	<b>23,774,336</b>	<b>1,076,799</b>	<b>417,352</b>

(\*) Also includes factoring receivables.

**Summary information related to consolidated and unconsolidated capital adequacy ratio:**

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	29,506,581	22,543,392	30,310,413	23,343,038
Value at Market Risk	1,917,300	1,358,263	1,959,813	1,399,088
Value at Operational Risk	3,805,616	3,294,672	4,195,873	3,318,833
Shareholders' Equity	5,877,201	4,893,519	6,320,171	5,293,615
Shareholders' Equity/(VACR+VAMR+VAOR)x100	16.68%	17.99%	17.33%	18.86%
VACR	: Value at Credit Risk			
VAMR	: Value at Market Risk			
VAOR	: Value at Operational Risk			

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**Components of consolidated shareholders' equity items:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	2,205,000	1,575,000
Nominal Capital	2,205,000	1,575,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	665	-
Share Cancellation Profits	-	-
Legal Reserves	204,185	168,051
I. Legal Reserve (Turkish Commercial Code 466/1)	179,723	144,089
II. Legal Reserve (Turkish Commercial Code 466/2)	24,462	23,962
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,274,609	848,514
Reserve Allocated as per the Decision Held by the General Assembly	1,274,609	848,514
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	937,603	708,604
Current Period Profit	922,922	553,856
Prior Periods Profit	14,681	154,748
Free Reserves for Possible Losses (up to 25% of Core Capital)	78,265	100,835
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	517,630	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Minority Interest	143,705	146,340
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	91,617	89,392
Prepaid Expenses (-)	123,121	102,046
Intangible Assets (-)	101,160	65,457
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Consolidation Goodwill (Net) (-)	8,969	8,969
<b>Total Core Capital</b>	<b>5,036,795</b>	<b>3,651,286</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	265,808	199,451
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,002,551	1,451,433
Securities Value Increase Fund	55,911	34,986
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	55,911	34,986
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Minority Shares	-	-
<b>Total Supplementary Capital</b>	<b>1,324,270</b>	<b>1,685,870</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>6,361,065</b>	<b>5,337,156</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>40,894</b>	<b>43,541</b>
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	28,687	30,244
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	12,207	13,297
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,320,171</b>	<b>5,293,615</b>

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**II. Information on Credit Risk**

Credit risk represents the risk generating from the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Total credit limit given to a risk group is determined considering the credit amount by different credit granting departments regarding legal limitations. Besides the total limit, product based limits are determined as well.

The credibilities of the debtors are assessed periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's procedures.

The Parent Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans and receivables.

The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations. The Parent Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the non-performing loans.

The restructured and rescheduled loans are monitored by the Parent Bank in line with the Parent Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Parent Bank's current internal rating system besides the follow up method determined in the related regulation.

The Parent Bank created a Basel II program and realized infrastructure development and modeling for measuring default probability, amount and loss in case of default, which are also called as credit risk parameters. In this context, infrastructure and modeling works for default probability are completed and started to be used in decision processes. Infrastructure work for default amounts and losses in case of default parameters are completed and modeling will start after collection of sufficient data. On the other hand, the Parent Bank has established necessary infrastructure to calculate capital adequacy ratio in respect of Basel II Standard Method.

As of December 31, 2010, the receivables of the Group from its top 100 cash loan customers are 15% in the total cash loans (December 31, 2009 – 11%).

As of December 31, 2010, the receivables of the Group from its top 100 non-cash loan customers are 45% in the total non-cash loans (December 31, 2009 – 52%).

The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 18% as of December 31, 2010 (December 31, 2009 – 16%).

As of December 31, 2010, the general loan loss provision related with the credit risk taken by the Group is TL 265,808 (December 31, 2009 – TL 199,451).

Provision for probable risks in the Group's loan portfolio amounted to TL 78,265 as of December 31, 2010 (December 31, 2009 – TL 100, 835).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

The table below shows the maximum credit risk sensitivity of the financial statements.

	<b>Current Period</b>	<b>Prior Period</b>
T.R Central Bank	1,968,847	1,494,358
Financial assets held for trading	112,869	68,630
Financial assets at fair value through profit/loss	74,654	78,452
Assets on trading derivatives	392,295	422,869
Banks	559,178	1,321,487
Money Market Placements	4,977	14,351
Derivative financial assets hedging purposes	28,648	2,417
Investment securities available for sale	7,244,785	5,411,309
Factoring receivables	222,025	37,046
Loans and receivables (*)	25,595,803	19,025,310
Investments in associates, subsidiaries and entities under common control (Net)	23,555	21,802
Lease receivables	818,301	895,457
Other assets	650,331	91,810
<b>Total</b>	<b>37,696,268</b>	<b>28,885,298</b>
Guarantees	6,035,682	5,217,941
Commitments	15,045,808	11,813,222
<b>Total</b>	<b>21,081,490</b>	<b>17,031,163</b>
<b>Total credit risk exposure</b>	<b>58,777,758</b>	<b>45,916,461</b>

(\*) The loans and receivables amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are presented as “Loans at Fair Value through Profit / Loss” in the financial statements.

**Credit Rating System**

The Parent Bank aims to manage its loan portfolio based on international best practices. In this respect, the Parent Bank has formed internal scoring and rating systems, based on statistical methods to monitor the credibility of its clients. These systems classify the customers according to their default risk from highest to lowest score or rating. Internal scoring systems are used to improve the efficiency of the loan granting process, to monitor loan portfolio quality effectively and to assist in the determination of the actions required. As of December 31, 2010 the Parent Bank uses rating and scoring systems for corporate customers, application scoring systems for consumer loans in order to assess the creditworthiness of a customer applying for a loan, and behavioral scoring systems for existing customers in order to calculate the default probability in a certain period of time. These systems are revised periodically based on international best practices and methodologies and calibrated if necessary.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	<b>Current Period (%)</b>	<b>Prior Period (%)</b>
Debtor has a very strong financial structure	7	3
Debtor has a good financial structure	59	53
Debtor has a medium financial structure	21	32
Debtor has a financial structure which needs attention in medium term	9	6
Not graded	4	6
<b>Total</b>	<b>100</b>	<b>100</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

Credit quality per class of financial assets is shown below;

<b>Current Period</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>	<b>Total</b>
T.R. Central Bank	1,968,847	-	1,968,847
Financial assets held for trading	112,869	-	112,869
Financial assets at fair value through profit/loss	74,654	-	74,654
Banks	559,178	-	559,178
Assets on trading derivatives	392,295	-	392,295
Money market placements	4,977	-	4,977
Derivative financial assets hedging purposes	28,648	-	28,648
Investment securities available for sale	7,244,785	-	7,244,785
Factoring receivables	222,025	-	222,025
<b>Loans and receivables<sup>(**)</sup></b>	<b>24,710,370</b>	<b>885,433<sup>(*)</sup></b>	<b>25,595,803</b>
Corporate / commercial loans	9,562,431	62,648	9,625,079
Consumer loans	9,439,674	138,993	9,578,667
Credit cards	5,708,265	683,792	6,392,057
Investments in associates, subsidiaries and entities under common control (net)	23,555	-	23,555
Lease receivables	806,584	11,717 <sup>(***)</sup>	818,301
Other assets	650,331	-	650,331
<b>Total</b>	<b>36,799,118</b>	<b>897,150</b>	<b>37,696,268</b>

(\*) Balances represent the overdue installments. The principle amounts of "Corporate / Commercial Loans" and "Consumer Loans" are TL 260,388 and TL 919,108; respectively.

(\*\*) The loans and receivables amounting to TL 976,951 (December 31, 2009 - 1,572,129) are presented as "Loans at Fair Value through Profit / Loss" in the consolidated financial statements.

(\*\*\*) Balances represent the overdue installments. The total principle amount of the "Lease Receivables" is TL 48,318.

As of December 31, 2010, for the loans and receivables past due but not impaired, the Group has collaterals amounting TL 820,232 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2009 – TL 839,464).

<b>Prior Period</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>	<b>Total</b>
T.R. Central Bank	1,494,358	-	1,494,358
Financial assets held for trading	68,630	-	68,630
Financial assets at fair value through profit/loss	78,452	-	78,452
Banks	1,321,487	-	1,321,487
Assets on trading derivatives	422,869	-	422,869
Money market placements	14,351	-	14,351
Derivative financial assets hedging purposes	2,417	-	2,417
Investment securities available for sale (net)	5,411,309	-	5,411,309
Factoring receivables	37,046	-	37,046
<b>Loans and receivables<sup>(**)</sup></b>	<b>18,239,102</b>	<b>786,208<sup>(*)</sup></b>	<b>19,025,310</b>
Corporate / commercial loans	7,210,494	67,998	7,278,492
Consumer loans	7,232,265	138,321	7,370,586
Credit cards	3,796,343	579,889	4,376,232
Investments in associates, subsidiaries and entities under common control (net)	21,802	-	21,802
Lease receivables (net)	872,196	23,261 <sup>(***)</sup>	895,457
Other assets	272,476	-	272,476
<b>Total</b>	<b>28,256,495</b>	<b>809,469</b>	<b>29,065,964</b>

(\*) Balances represent the overdue installments. The principle amounts of "Corporate / Commercial Loans" and "Consumer Loans" are TL 274,860 and TL 856,841; respectively.

(\*\*) The loans and receivables amounting to TL 1,572,129 are presented as "Loans at Fair Value through Profit / Loss" in the consolidated financial statements

(\*\*\*) Balances represent the overdue installments. The principle amounts of the "Lease Receivables" are TL 94,301.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Information related to financial assets whose maturity or terms of agreement are revised is given in section 5, Part 1, footnote 5.

**Credit risk by types of borrowers and geographical concentration:**

	Loans to Real People and Entities(*)		Loans to Banks and Other Financial Institutions		Marketable Securities		Other Loans (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Loans according to borrowers</b>	<b>25,024,518</b>	<b>18,771,859</b>	<b>2,540,132</b>	<b>1,747,809</b>	<b>7,432,308</b>	<b>5,558,391</b>	<b>2,510,830</b>	<b>2,807,239</b>
Private Sector	9,060,986	7,067,322	538,791	205,750	122,656	74,272	1,020,546	961,937
Public Sector	88,515	-	1,968,847	1,494,358	7,217,928	5,359,402	333	339
Banks	-	-	32,494	47,701	91,724	124,717	1,346,754	1,735,855
Retail	15,875,017	11,704,537	-	-	-	-	143,197	109,078
Share Certificates	-	-	-	-	-	-	-	-
<b>Information according to geographical concentration</b>	<b>25,024,518</b>	<b>18,771,859</b>	<b>2,540,132</b>	<b>1,747,809</b>	<b>7,432,308</b>	<b>5,558,391</b>	<b>2,510,830</b>	<b>2,807,239</b>
Domestic	24,419,497	18,303,873	2,504,465	1,747,809	6,126,568	4,371,505	1,761,888	2,377,886
European Union Countries	-	-	34,549	-	-	-	9,956	1,581
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	605,021	467,986	-	-	1,305,740	1,186,886	732,634	427,772
USA, Canada	-	-	793	-	-	-	-	-
Other Countries	-	-	325	-	-	-	6,352	-

(\*)The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit / Loss” in the financial statements.

(\*\*) This column represents TL 559,178 (December 31, 2009 – TL 1,321,487) bank placements, TL 392,265 (December 31, 2009 - TL 422,869) derivative financial assets held for trading, TL 28,648 (December 31, 2009 - TL 2,417) derivative financial assets hedging purposes, TL 222,025 (December 31, 2009 – TL 37,046) factoring receivables, TL 818,301 (December 31, 2009 – TL 895,457) lease receivables, TL 23,555 (December 31, 2009 - TL 21,802) investment in associates, subsidiaries and entities under common control, and TL 461,851 (December 31, 2009- TL 91,810) cash guarantees given to financial institutions.

**Information according to geographical concentration**

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	36,570,142	29,136,284	6,017,122	-	922,922
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	2,660,227	4,731,173	18,560	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	23,555	14,655
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>39,230,369</b>	<b>33,867,457</b>	<b>6,035,682</b>	<b>23,555</b>	<b>937,577</b>

(\*)Includes OECD countries other than EU countries, USA and Canada.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

<b>Prior Period</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Non-Cash Loans</b>	<b>Capital Investments</b>	<b>Net Profit</b>
Domestic	28,032,457	21,691,105	5,217,891	-	553,856
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	2,217,584	4,686,676	50	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	21,802	17,840
Unallocated Assets/Liabilities	-	-	-	-	-
<b>Total</b>	<b>30,250,041</b>	<b>26,377,781</b>	<b>5,217,941</b>	<b>21,802</b>	<b>571,696</b>

(\*) Includes OECD countries other than EU countries, USA and Canada.

**Sectoral Distribution of Cash Loans**

	<b>Current Period</b>				<b>Prior Period</b>			
	<b>TL</b>	<b>%</b>	<b>FC</b>	<b>%</b>	<b>TL</b>	<b>%</b>	<b>FC</b>	<b>%</b>
<b>Agricultural</b>	<b>99,941</b>	<b>0.43</b>	<b>110,086</b>	<b>4.52</b>	<b>98,878</b>	<b>0.58</b>	<b>115,575</b>	<b>5.66</b>
Farming and Raising Livestock	51,811	0.22	17,042	0.70	36,371	0.21	18,577	0.91
Forestry	43,604	0.19	88,323	3.63	55,498	0.33	90,802	4.45
Fishing	4,526	0.02	4,721	0.19	7,009	0.04	6,196	0.30
<b>Manufacturing</b>	<b>993,997</b>	<b>4.29</b>	<b>1,070,838</b>	<b>43.98</b>	<b>775,627</b>	<b>4.57</b>	<b>834,581</b>	<b>40.86</b>
Mining	43,538	0.19	43,142	1.77	33,512	0.20	25,684	1.26
Production	925,295	3.99	1,027,696	42.21	715,628	4.21	801,198	39.23
Electric, Gas and Water	25,164	0.11	-	0.00	26,487	0.16	7,699	0.37
<b>Construction</b>	<b>317,569</b>	<b>1.37</b>	<b>54,878</b>	<b>2.25</b>	<b>271,766</b>	<b>1.60</b>	<b>122,637</b>	<b>6.00</b>
<b>Services</b>	<b>1,951,689</b>	<b>8.43</b>	<b>1,099,682</b>	<b>45.17</b>	<b>1,254,422</b>	<b>7.39</b>	<b>919,396</b>	<b>45.02</b>
Wholesale and Retail Trade	1,216,027	5.25	412,611	16.95	839,324	4.94	377,506	18.48
Hotel, Food and Beverage Services	34,937	0.15	240,521	9.88	26,847	0.16	202,641	9.92
Transportation and Telecommunication	79,983	0.35	199,244	8.18	78,965	0.46	267,713	13.11
Financial Institutions	496,131	2.14	83,248	3.42	182,202	1.07	47,452	2.32
Real Estate and Renting Services	2,967	0.01	1,005	0.04	38,924	0.23	278	0.01
Self-employment Services	68,934	0.30	35,952	1.48	45,531	0.27	14,971	0.73
Education Services	14,630	0.06	9,198	0.38	14,741	0.09	-	-
Health and Social Services	38,080	0.16	117,903	4.84	27,888	0.16	8,835	0.43
<b>Other</b>	<b>19,797,987(*)</b>	<b>85.48</b>	<b>99,136</b>	<b>4.07</b>	<b>14,582,266(*)</b>	<b>85.86</b>	<b>50,162</b>	<b>2.46</b>
<b>Total</b>	<b>23,161,183</b>	<b>100.00</b>	<b>2,434,620</b>	<b>100.00</b>	<b>16,982,959</b>	<b>100.00</b>	<b>2,042,351</b>	<b>100.00</b>

(\*) Includes consumer loans, installment loans and credit cards amounting to TL 19,339,365 (December 31, 2009 - TL 14,487,876).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**III . Information on Consolidated Market Risk**

The Group has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

Based on the proposal of High Level Risk Committee, the Board of Directors of the Parent Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Parent Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Parent Bank requires risk management group and the top management of the Group to take necessary actions in order to identify, measure, control and manage the risks that the Group is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with ‘Historical Simulation’ method. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Parent Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

**1. Information on consolidated market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	106,470
(II) Capital Obligation against Specific Risks - Standard Method	18,430
(III) Capital Obligation against Currency Risk - Standard Method	16,215
(IV) Capital Obligation against Commodity Risks – Standard Method	14,367
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	1,303
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	156,785
<b>(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)</b>	<b>1,959,813</b>

**2. Average market risk table calculated at the end of the months during the period**

	<b>Current Period</b>			<b>Prior Period</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	1,201,947	1,278,200	1,143,250	1,255,578	1,394,363	1,037,300
Common Share Risk	238,934	283,050	189,263	224,803	447,338	133,813
Currency Risk	194,691	329,875	111,188	126,466	147,950	88,263
Commodity Risk	44,897	179,588	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	27,194	58,263	15,350	34,459	64,738	17,300
<b>Total Value at Risk</b>	<b>1,707,663</b>	<b>2,128,976</b>	<b>1,459,051</b>	<b>1,641,306</b>	<b>2,054,389</b>	<b>1,276,676</b>



**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**IV. Explanations Related to the Operational Risk**

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years (2009, 2008 and 2007) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2010, the value at operational risk is amounting to TL 4,195,873 (December 31, 2009 - TL 3,318,833).

**V. Explanations related to Consolidated Foreign Currency Exchange Rate Risk**

**1. Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Parent Bank sets limits for positions that are monitored daily**

As of December 31, 2010, the net foreign currency exposure of the Group is TL 431,810 short (December 31, 2009 –TL 18,465 short) resulting from on balance sheet short position amounting to TL 4,162,400 (December 31, 2009 – TL 4,883,847) and long off balance sheet position amounting to TL 3,730,590 (December 31, 2009 – TL 4,865,382). The long off balance sheet position amounting to TL 3,747,117 (December 31, 2009 - TL 4,673,511) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions to decrease foreign currency position risk. The Group also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with “Regulations on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

**2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

The Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

The Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Parent Bank used to own 100% of the shares, on February 24, 2009 to NBG International Holdings B.V. The Parent Bank has ceased the hedge of net investment as of December 31, 2009.

**3. The Parent Bank’s spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate in the balance sheet date	TL 1.5460
Euro purchase rate in the balance sheet date	TL 2.0491

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2010	TL 1.5460	TL 2.0491
December 30, 2010	TL 1.5567	TL 2.0437
December 29, 2010	TL 1.5416	TL 2.0406
December 28, 2010	TL 1.5403	TL 2.0260
December 25, 2010	TL 1.5392	TL 2.0204
December 24, 2010	TL 1.5446	TL 2.0225

**4. The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for the last thirty days**

The arithmetical average of the Parent Bank’s US Dollar and Euro purchase rates for December 2010 are TL 1.5131 and TL 1.9993; respectively.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**5. Information on the consolidated foreign currency exchange rate risk of the Group**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	78,763	1,136,699	196	32,321	1,247,979
Due From Banks	280,165	195,657	777	4,213	480,812
Financial Assets at Fair Value through Profit/Loss <sup>(4)</sup>	6,181	138,206	-	-	144,387
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	85,055	611,063	-	-	696,118
Loans and Receivables <sup>(2)</sup>	1,443,447	2,041,939	101,496	93,329	3,680,211
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	39	39
Intangible Assets	-	-	-	-	-
Other Assets <sup>(3)</sup>	641,266	633,297	-	8,086	1,282,649
<b>Total Assets</b>	<b>2,534,877</b>	<b>4,756,861</b>	<b>102,469</b>	<b>137,988</b>	<b>7,532,195</b>
<b>Liabilities</b>					
Bank Deposits	143,299	222,855	112	18,734	385,000
Foreign Currency Deposits	2,143,293	3,380,209	608	82,617	5,606,727
Money Market Borrowings	48,609	261,273	-	-	309,882
Funds Provided from Other Financial Institutions <sup>(6)</sup>	1,842,740	3,267,336	-	-	5,110,076
Securities Issued	-	-	-	-	-
Sundry Creditors	88,181	26,515	965	7,318	122,979
Derivative Fin. Liabilities for Hedging Purposes	779	6,221	-	-	7,000
Other Liabilities <sup>(5)</sup>	15,840	137,046	-	45	152,931
<b>Total Liabilities</b>	<b>4,282,741</b>	<b>7,301,455</b>	<b>1,685</b>	<b>108,714</b>	<b>11,694,595</b>
<b>Net Balance Sheet Position</b>	<b>(1,747,864)</b>	<b>(2,544,594)</b>	<b>100,784</b>	<b>29,274</b>	<b>(4,162,400)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,524,949</b>	<b>2,329,951</b>	<b>(105,196)</b>	<b>(19,114)</b>	<b>3,730,590</b>
Financial Derivative Assets	3,660,565	12,267,859	31,888	796,631	16,756,943
Financial Derivative Liabilities	2,135,616	9,937,908	137,084	815,745	13,026,353
Non-Cash Loans <sup>(1)</sup>	768,047	2,055,034	1,520	241,021	3,065,622
<b>Prior Period</b>					
Total Assets	2,616,253	3,595,505	120,622	180,319	6,512,699
Total Liabilities	2,849,409	8,469,384	2,556	75,197	11,396,546
<b>Net Balance Sheet Position</b>	<b>(233,156)</b>	<b>(4,873,879)</b>	<b>118,066</b>	<b>105,122</b>	<b>(4,883,847)</b>
<b>Net Off-Balance Sheet Position</b>	<b>262,557</b>	<b>4,826,302</b>	<b>(118,870)</b>	<b>(104,607)</b>	<b>4,865,382</b>
Financial Derivative Assets	780,366	9,947,743	142,718	68,848	10,939,675
Financial Derivative Liabilities	517,809	5,121,441	261,588	173,455	6,074,293
Non-Cash Loans <sup>(1)</sup>	886,871	1,796,917	4,092	264,034	2,951,914

(1) Does not affect net off balance sheet position.

(2) Includes foreign currency indexed loans amounting to TL 1,245,591 (December 31, 2009 – TL 1,080,361) that are classified as TL on the balance sheet.

(3) Does not include the prepaid expenses amounting to TL 835 (December 31, 2009 – TL 44) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006, yet includes FC indexed factoring receivables amounting to TL 49,716 (December 31, 2009 – None).

(4) Does not include foreign exchange income accruals amounting to TL 9,576 (December 31, 2009 – TL 6,246).

(5) Foreign exchange expense accruals amounting to TL 10,037 (December 31, 2009 – TL 8,430) on derivative transactions and the general loan loss provisions amounting to TL 31,215 (December 31, 2009 – TL 32,704) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

(6) Includes FC indexed borrowed funds that are disclosed in TL in balance sheet amounting to TL 1,658 (December 31, 2009 – None).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**6. Foreign Currency Sensitivity**

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

Change in Currency Rate in %		Net Effect on Profit or Loss	Net Effect on Equity(*)	Net Effect on Profit or Loss	Net Effect on Equity(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(6,672)	(7,349)	(4,537)	(2,237)
	10% decrease	6,672	7,349	4,537	2,237
EUR	10% increase	(43,568)	(43,430)	(10,663)	(10,375)
	10% decrease	43,568	43,430	10,663	10,375

(\*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

**VI. Explanations related to Consolidated Interest Rate Risk**

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

The assets and liabilities of the Parent Bank carry a positive interest yield, assets and liabilities are repriced within an average of 6 months. Consequently the Parent Bank carries limited interest rate risk.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

The Parent Bank's sensitivity of interest income and expenses are analyzed against the changes in interest rates. In this analysis, it was assumed that the year-end balances remained same during the year.

During the interest rate sensitivity calculation, the difference between interest gains/losses calculated by using current market interest rates and interest gains/losses calculated by using shock applied interest rates is considered as the effect of the interest shock on the income accounts.

In interest rate sensitivity calculation, maturity of the fixed rate assets and liabilities and repricing terms of the variable interest rate assets and liabilities are considered.

As of the reporting date, 1% increase in interest rates would decrease the Parent Bank's net profit by TL 85,763 (December 31, 2009 – TL 63,462), 1% decrease in interest rates would increase the Parent Bank's net profit by TL 93,983 (December 31, 2009 – TL 62,731), when all the other variables are assumed to be constant.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	3,841	-	-	-	-	2,394,479	2,398,320
Due from Banks	56,851	303,244	4,322	-	-	194,761	559,178
Financial Assets at Fair Value Through Profit/Loss(**)	127,908	179,663	157,506	300,788	627,020	192,532	1,585,417
Money Market Placements	4,977	-	-	-	-	-	4,977
Investment Securities Available for Sale	1,092,085	416,653	2,128,227	2,456,528	1,030,969	120,323	7,244,785
Loans and Receivables	6,918,850	2,791,409	6,862,344	6,800,376	1,341,823	136,373	24,851,175
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (*)	592,118	171,391	335,486	379,314	9,555	1,122,208	2,610,072
<b>Total Assets</b>	<b>8,796,630</b>	<b>3,862,360</b>	<b>9,487,885</b>	<b>9,937,006</b>	<b>3,009,367</b>	<b>4,160,676</b>	<b>39,253,924</b>
<b>Liabilities</b>							
Bank Deposits	765,871	89,021	2,247	-	-	21,695	878,834
Other Deposits	14,727,414	5,816,977	371,419	27,177	-	2,188,513	23,131,500
Money Market Borrowings	1,183,465	42	-	-	-	-	1,183,507
Sundry Creditors	20,297	-	-	-	-	969,749	990,046
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1,176,044	2,270,184	1,954,092	187,766	73,285	174	5,661,545
Other Liabilities (*)	133,815	53,644	194,926	203,122	55,166	6,767,819	7,408,492
<b>Total Liabilities</b>	<b>18,006,906</b>	<b>8,229,868</b>	<b>2,522,684</b>	<b>418,065</b>	<b>128,451</b>	<b>9,947,950</b>	<b>39,253,924</b>
On Balance Sheet Long Position	-	-	6,965,201	9,518,941	2,880,916	-	19,365,058
On Balance Sheet Short Position	(9,210,276)	(4,367,508)	-	-	-	(5,787,274)	(19,365,058)
Off-Balance Sheet Long Position	34,550	79,703	-	-	-	-	114,253
Off-Balance Sheet Short Position	-	-	(147,163)	(315,453)	(45,913)	-	(508,529)
<b>Total Position</b>	<b>(9,175,726)</b>	<b>(4,287,805)</b>	<b>6,818,038</b>	<b>9,203,488</b>	<b>2,835,003</b>	<b>(5,787,274)</b>	<b>(394,276)</b>

(\*) "Other Assets" in "Non Interest Bearing" column include, other assets amounting to TL 580,479, tangible assets amounting to TL 378,023, intangible assets amounting to TL 110,129, associates, subsidiaries and entities under common control amounting to TL 23,555, tax assets amounting to TL 30,022; and "Other Liabilities" in the "Non Interest Bearing" column includes shareholders' equity amounting to TL 5,386,467, other liabilities amounting to TL 497,487, provisions amounting to TL 578,096, tax liability amounting to TL 144,693 and part of trading derivative financial liabilities amounting to TL 161,076.

(\*\*) This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

**Average interest rates applied to monetary financial instruments**

Current Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	3.75	3.53	-	9.27
Financial Assets at Fair Value Through Profit/Loss	5.86	7.51	-	9.63
Money Market Placements	-	-	-	7.20
Investment Securities Available for Sale	5.05	7.51	-	9.37
Loans and Receivables	4.96	4.20	5.23	17.19 <sup>(*)</sup>
Investment Securities Held for Trading	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	2.44	1.84	-	7.81
Other Deposits	2.96	2.94	0.90	8.87
Money Market Borrowings	-	-	-	6.57
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	2.07	2.88	-	10.14

(\*) The yield of loans is 12.81% excluding credit cards.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items**  
*(Based on repricing dates)*

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank	1,495,859	-	-	-	-	298,347	1,794,206
Due from Banks	1,160,264	26,243	-	-	-	134,980	1,321,487
Financial Assets at Fair Value Through Profit/Loss(**)	55,126	238,457	244,249	613,336	896,761	96,568	2,144,497
Money Market Placements	14,351	-	-	-	-	-	14,351
Investment Securities Available for Sale	919,984	1,197,036	1,666,420	1,246,807	306,790	74,272	5,411,309
Loans and Other Receivables	5,035,640	2,336,308	5,143,934	4,690,170	353,091	-	17,559,143
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (*)	158,211	87,472	286,587	400,043	190	1,094,347	2,026,850
<b>Total Assets</b>	<b>8,839,435</b>	<b>3,885,516</b>	<b>7,341,190</b>	<b>6,950,356</b>	<b>1,556,832</b>	<b>1,698,514</b>	<b>30,271,843</b>
<b>Liabilities</b>							
Bank Deposits	1,432,499	16,369	204	-	-	50,589	1,499,661
Other Deposits	12,337,075	3,971,499	192,638	33,657	-	1,893,703	18,428,572
Money Market Borrowings	37,092	84	-	-	-	-	37,176
Sundry Creditors	-	-	-	-	-	789,584	789,584
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	964,287	933,621	1,523,391	499,731	-	489,501	4,410,531
Other Liabilities (*)	20,959	38,588	55,812	90,931	24,152	4,875,877	5,106,319
<b>Total Liabilities</b>	<b>14,791,912</b>	<b>4,960,161</b>	<b>1,772,045</b>	<b>624,319</b>	<b>24,152</b>	<b>8,099,254</b>	<b>30,271,843</b>
On Balance Sheet Long Position	-	-	5,569,145	6,326,037	1,532,680	-	13,427,862
On Balance Sheet Short Position	(5,952,477)	(1,074,645)	-	-	-	(6,400,740)	(13,427,862)
Off-Balance Sheet Long Position	12,843	122,836	7,935	-	-	-	143,614
Off-Balance Sheet Short Position	-	-	-	(18,264)	(20,019)	-	(38,283)
<b>Total Position</b>	<b>(5,939,634)</b>	<b>(951,809)</b>	<b>5,577,080</b>	<b>6,307,773</b>	<b>1,512,661</b>	<b>(6,400,740)</b>	<b>105,331</b>

(\*)“Other Assets” in “Non Interest Bearing” column include, other assets amounting to TL 531,311, tangible assets amounting to TL 387,568, intangible assets amounting to TL 74,426, associates and subsidiaries amounting to TL 21,802, tax asset amounting to TL 79,240 and “Other Liabilities” in the “Non Interest Bearing” column includes shareholders’ equity amounting to TL 3,894,062, other liabilities amounting to TL 329,314, provisions amounting to TL 525,002, tax liability amounting to TL 87,390 and part of trading derivative financial liabilities amounting to TL 40,109.

(\*\*)This account also includes derivative financial assets hedging purposes amounting to TL 2,417.

**Average interest rates applied to monetary financial instruments**

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R.Central Bank	-	-	-	5.20
Due from Banks	0.43	0.50	-	9.43
Financial Assets at Fair Value Through Profit/Loss	-	9.96	-	13.99
Money Markets Placements	-	-	-	6.00
Investment Securities Available for Sale	5.62	6.53	-	10.91
Loans and Receivables	6.24	5.97	5.16	20.60 <sup>(*)</sup>
Lease Receivables	7.90	8.80	-	15.50
Investment Securities Held to Maturity	9.44	8.41	-	26.03
<b>Liabilities</b>				
Bank Deposits	2.23	1.31	-	9.57
Other Deposits	2.67	2.70	0.90	9.54
Money Market Borrowings	-	-	-	6.24
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	3.22	2.95	-	11.87

(\*) The yield of loans is 16.65% excluding credit cards

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**VII. Explanations Related to Consolidated Liquidity Risk**

- 1. The sources of the current liquidity risk of the Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Group diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Group. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of “Liquidity Emergency Action Plan” early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

- 2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any**

Group’s payments, assets and liabilities match with the interest rates.

- 3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

In order to meet urgent liquidity needs 6% (December 31, 2009 – 6%) of the balance sheet is allocated as cash balances.

- 4. Evaluation of the Group’s cash flows and their resources**

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollar and Euro.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**5. Presentation of assets and liabilities according to their remaining maturities**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated<sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank	2,394,479	3,841	-	-	-	-	-	2,398,320
Due from Banks	194,761	56,851	303,244	4,322	-	-	-	559,178
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	-	147,808	103,844	242,196	464,534	627,035	-	1,585,417
Money Market Placements	-	4,977	-	-	-	-	-	4,977
Investment Securities Available for Sale	120,323	3,931	6,136	121,656	4,161,502	2,831,237	-	7,244,785
Loans and Receivables	-	6,834,359	2,708,894	6,744,210	7,019,973	1,407,366	136,373	24,851,175
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	801	896,491	178,099	339,018	545,510	15,325	634,828	2,610,072
<b>Total Assets</b>	<b>2,710,364</b>	<b>7,948,258</b>	<b>3,300,217</b>	<b>7,451,402</b>	<b>12,191,519</b>	<b>4,880,963</b>	<b>771,201</b>	<b>39,253,924</b>
<b>Liabilities</b>								
Bank Deposits	21,695	765,871	89,021	2,247	-	-	-	878,834
Other Deposits	2,188,513	14,727,414	5,816,977	371,419	27,177	-	-	23,131,500
Funds Provided from Other Financial Institutions	-	168,852	794,656	2,711,047	1,699,103	287,887	-	5,661,545
Money Market Borrowings	-	1,183,465	42	-	-	-	-	1,183,507
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	5,948	905,782	-	-	-	78,316	-	990,046
Other Liabilities <sup>(*)</sup>	9,377	394,494	64,835	256,820	553,171	60,736	6,069,059	7,408,492
<b>Total Liabilities</b>	<b>2,225,533</b>	<b>18,145,878</b>	<b>6,765,531</b>	<b>3,341,533</b>	<b>2,279,451</b>	<b>426,939</b>	<b>6,069,059</b>	<b>39,253,924</b>
<b>Liquidity Gap</b>	<b>484,831</b>	<b>(10,197,620)</b>	<b>(3,465,314)</b>	<b>4,109,869</b>	<b>9,912,068</b>	<b>4,454,024</b>	<b>(5,292,858)</b>	
<b>Prior Period</b>								
Total Assets	508,381	8,217,683	2,514,401	7,683,048	9,161,869	1,600,619	585,842	30,271,843
Total Liabilities	1,949,455	13,957,725	4,345,927	2,319,937	2,901,989	330,873	4,465,937	30,271,843
<b>Net Liquidity Gap</b>	<b>(1,441,074)</b>	<b>(5,740,042)</b>	<b>(1,831,526)</b>	<b>5,363,111</b>	<b>6,259,880</b>	<b>1,269,746</b>	<b>(3,880,095)</b>	<b>-</b>

(\*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to TL 5,386,467, unallocated provisions amounting to TL 537,899 and tax liability of TL 144,693.

(\*\*)This line also includes derivative financial assets hedging purposes amounting to TL 28,648.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**6. Analysis of financial liabilities by remaining contractual maturities:**

The table below shows the Group's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,695	767,111	89,379	2,352	-	-	880,537	878,834
Other deposits	2,188,513	14,756,720	5,865,837	381,888	27,219	-	23,220,177	23,131,500
Money market borrowings	-	1,184,150	43	-	-	-	1,184,193	1,183,507
Funds provided from other financial institutions	-	170,618	895,351	2,830,643	1,765,664	324,608	5,986,884	5,661,545

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	50,589	317,814	16,616	1,128,191	-	-	1,513,210	1,499,661
Other deposits	1,893,703	12,369,400	4,009,520	195,554	33,668	-	18,501,845	18,428,572
Money market borrowings	-	37,144	85	-	-	-	37,229	37,176
Funds provided from other financial institutions	-	220,530	350,453	1,002,630	2,966,649	301,064	4,841,326	4,410,531

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy(**)	969,502	172,198	296,332	171,211	-	1,609,243
Forward Contracts Sell(**)	275,349	172,052	302,402	171,257	-	921,060
Swap Contracts Buy(*)	3,467,472	1,747,996	3,115,234	8,118,020	1,361,739	17,810,461
Swap Contracts Sell(*)	3,432,322	1,756,441	3,191,887	8,935,393	1,703,361	19,019,404
Futures Buy	-	178,297	21,931	-	-	200,228
Futures Sell	-	178,297	21,931	-	-	200,228
Options Buy	2,194,466	1,160,999	3,281,938	113,129	-	6,750,532
Options Sell	2,197,480	1,144,743	3,271,865	113,561	-	6,727,649
<b>Total</b>	<b>12,536,591</b>	<b>6,511,023</b>	<b>13,503,520</b>	<b>17,622,571</b>	<b>3,065,100</b>	<b>53,238,805</b>

(\*) This line also includes hedging purpose derivatives.

(\*\*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy(**)	1,006,987	75,926	84,410	5,792	-	1,173,115
Forward Contracts Sell(**)	1,007,493	79,027	84,742	5,206	-	1,176,468
Swap Contracts Buy(*)	2,497,282	1,204,744	2,313,213	4,109,737	553,752	10,678,728
Swap Contracts Sell(*)	2,474,399	1,120,917	2,216,218	4,717,772	843,213	11,372,519
Futures Buy	38,743	107,165	8,921	-	-	154,829
Futures Sell	38,743	107,165	8,921	-	-	154,829
Options Buy	2,291,919	300,682	684,182	-	-	3,276,783
Options Sell	2,295,260	302,904	685,350	-	-	3,283,514
<b>Total</b>	<b>11,650,826</b>	<b>3,298,530</b>	<b>6,085,957</b>	<b>8,838,507</b>	<b>1,396,965</b>	<b>31,270,785</b>

(\*) This line also includes hedging purpose derivatives.

(\*\*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.



**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**VIII. Explanations related to presentation of financial assets and liabilities at their fair value**

The fair value of the loans and lease receivables is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>35,285,858</b>	<b>27,383,290</b>	<b>35,374,998</b>	<b>27,363,717</b>
Financial Assets at Fair Value Through Profit/Loss(*)	187,523	147,082	187,523	147,082
Due From Banks	559,178	1,321,487	559,178	1,321,487
Assets on Trading Derivatives	392,295	422,869	392,295	422,869
Money Market Placements	4,977	14,351	4,977	14,351
Investment Securities Available for Sale	7,244,785	5,411,309	7,244,785	5,411,309
Loans and Receivables	25,828,126	19,131,272	25,886,878	19,076,693
Factoring Receivables	222,025	37,046	222,025	37,046
Lease Receivables	818,301	895,457	848,689	930,463
Derivative Financial Assets Hedging Purposes	28,648	2,417	28,648	2,417
<b>Financial Liabilities</b>	<b>32,647,181</b>	<b>25,436,075</b>	<b>32,644,931</b>	<b>25,422,087</b>
Bank Deposits	878,834	1,499,661	878,420	1,499,342
Other Deposits	23,131,500	18,428,572	23,129,567	18,433,500
Derivative Financial Liabilities Held for Trading	474,964	267,858	474,964	267,858
Funds Provided from other Financial Institutions	5,661,545	4,410,531	5,661,642	4,391,934
Money Market Borrowings	1,183,507	37,176	1,183,507	37,176
Derivative Financial Liabilities for Hedging Purposes	326,785	2,693	326,785	2,693
Sundry Creditors	990,046	789,584	990,046	789,584

(\*) Does not include trading derivatives and loan amounts.

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

The classification of fair value calculation is as follows:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

In the table below presented the fair value classification of the financial instruments that are recorded at fair value at the financial statements.

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>7,208,322</b>	<b>1,621,880</b>		<b>8,830,202</b>
Financial Assets at Fair Value through Profit/Loss	187,523	-	-	187,523
Assets on Trading Derivatives	1,488	390,807	-	392,295
Investment Securities Available for Sale	7,019,311	225,474	-	7,244,785
Loans and Receivables	-	976,951	-	976,951
Derivative Financial Assets Hedging Purposes	-	28,648	-	28,648
<b>Financial Liabilities</b>	<b>2,753</b>	<b>798,996</b>	-	<b>801,749</b>
Liabilities on Trading Derivatives	2,753	472,211	-	474,964
Derivative Financial Liabilities for Hedging Purposes	-	326,785	-	326,785

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>5,436,972</b>	<b>2,118,834</b>	-	<b>7,555,806</b>
Financial Assets at Fair Value through Profit/Loss	147,082	-	-	147,082
Assets on Trading Derivatives	3,298	419,571	-	422,869
Investment Securities Available for Sale	5,286,592	124,717	-	5,411,309
Loans and Receivables	-	1,572,129	-	1,572,129
Derivative Financial Assets Hedging Purposes	-	2,417	-	2,417
<b>Financial Liabilities</b>	<b>1,402</b>	<b>269,149</b>	-	<b>270,551</b>
Liabilities on Trading Derivatives	1,402	266,456	-	267,858
Derivative Financial Liabilities for Hedging Purposes	-	2,693	-	2,693

**IX. Explanations Related To Transactions Carried on Behalf of Others and Fiduciary Transactions**

The Parent Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Parent Bank does not involve in fiduciary activities.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION FIVE**

**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS**

**1.a) Cash and balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	223,045	177,056	168,939	126,865
T.R. Central Bank	923,452	1,045,395	842,286	652,072
Others	3,844	25,528	3,433	611
<b>Total</b>	<b>1,150,341</b>	<b>1,247,979</b>	<b>1,014,658</b>	<b>779,548</b>

**b) Balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	923,452	285,108	842,286	210,818
Restricted Time Deposits	-	760,287	-	441,254
<b>Total</b>	<b>923,452</b>	<b>1,045,395</b>	<b>842,286</b>	<b>652,072</b>

The compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira and foreign currency liabilities are 5.5% (December 31, 2009 – 5%) and 11% (December 31, 2009 – 9%) respectively.

As effective from October 1, 2010, interest payment for reserve deposits has been annulled by the Central Bank of Turkey in accordance with the “Legislation on Amendment to the Notification on Reserve Deposits” No.2010/9, dated September 23, 2010.

**2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)**

**a) Trading securities given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities (*)	10,716	-	5,260	-
Other	-	-	-	-
<b>Total</b>	<b>10,716</b>	<b>-</b>	<b>5,260</b>	<b>-</b>

(\*) Government bonds given as collateral are classified under Held-for-Trading Financial Assets in the financial statements.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**b) Trading securities subject to repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds (*)	2,876	-	-	-
Treasury Bills (*)	13,339	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>16,215</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*)Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

**c) Assets on trading derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	13,823	-	2,712	-
Swap Transactions	228,564	39,677	363,496	36,827
Futures Transactions	-	1,488	-	3,298
Options	108	105,945	165	12,502
Other	-	2,690	3,869	-
<b>Total</b>	<b>242,495</b>	<b>149,800</b>	<b>370,242</b>	<b>52,627</b>

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	61,172	24,149	35,674	8,829
Foreign	17,194	456,663	81,312	1,195,672
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>78,366</b>	<b>480,812</b>	<b>116,986</b>	<b>1,204,501</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	185,116	870,328	-	-
USA and Canada	84,998	230,419	49,600	49,296
OECD Countries (*)	2,954	2,545	-	-
Off-shore Banking Regions	150,589	104,159	-	-
Other	600	20,237	-	-
<b>Total</b>	<b>424,257</b>	<b>1,227,688</b>	<b>49,600</b>	<b>49,296</b>

(\*) Includes OECD countries other than the EU countries USA and Canada.

(\*\*) Includes blocked placements at foreign banks amounting to TL 49,600 (December 31, 2009 - TL 49,296) for the syndication and securitization loans received.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**c) Information on receivables from reverse repurchase agreements:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>4,977</b>	-	<b>14,351</b>	-
T.R Central Bank	152	-	-	-
Banks	-	-	13,286	-
Intermediary Institutions	4,825	-	314	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	751	-
<b>Foreign Transactions</b>	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
<b>Total</b>	<b>4,977</b>	-	<b>14,351</b>	-

**4. Information on investment securities available for sale**

**a) Investment securities available-for-sale given as collateral or blocked:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	329,900	-	273,797	7,339
Other	-	-	-	-
<b>Total</b>	<b>329,900</b>	-	<b>273,797</b>	<b>7,339</b>

**b) Investment securities available for sale subject to repurchase agreements:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	824,370	372,172	19,168	-
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>824,370</b>	<b>372,172</b>	<b>19,168</b>	-

**c) Investment securities available for sale**

	Current Period	Prior Period
<b>Debt securities</b>	<b>7,124,105</b>	<b>5,336,670</b>
Quoted on a stock exchange(*)	7,032,381	5,221,470
Unquoted on a stock exchange	91,724	115,200
<b>Share certificates</b>	<b>121,333</b>	<b>75,384</b>
Quoted on a stock exchange(**)	120,971	75,017
Unquoted on a stock exchange	362	367
<b>Impairment provision(-)</b>	<b>(653)</b>	<b>(745)</b>
<b>Total</b>	<b>7,244,785</b>	<b>5,411,309</b>

(\*)The Eurobond Portfolio amounting to TL 192,007 (December 31, 2009 – TL 250,655) which has been accounted for as investment securities available for sale has been designated to the fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(\*\*) Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 113,339 (December 31, 2009 – TL 71,239).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**5. Information related to loans**

**a) Information on all types of loans and advances given to shareholders and employees of the Group**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	42,042	-	38,638	-
<b>Total</b>	<b>42,042</b>	<b>-</b>	<b>38,638</b>	<b>-</b>

(\*) Includes the advances given to the bank personnel.

**b) Information on the first and second group loans and other receivables including rescheduled or restructured loans**

Cash Loans(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Non-specialized Loans</b>	<b>24,447,390</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>
Discount Notes	171,528	-	423	-
Export Loans	767,555	55,684	106,422	2,496
Import Loans	-	-	-	-
Loans Given to Financial Sector	542,224	-	-	-
International Loans	35,667	-	-	-
Retail Loans	9,153,182	-	294,815	130,670
Credit Cards	6,211,031	-	134,658	46,368
Precious Metals Loans	-	-	-	-
Other	7,375,411	135,108	341,976	90,585
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24,256,598</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

(\*)The loans amounting to TL976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit/Loss” in the financial statements.

**c) Loans according to their maturity structure:**

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Short-term Loans</b>	<b>12,292,401</b>	<b>-</b>	<b>134,658</b>	<b>46,368</b>
Non-specialized Loans	12,292,401	-	134,658	46,368
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>11,964,197</b>	<b>190,792</b>	<b>743,636</b>	<b>223,751</b>
Non-specialized Loans	11,964,197	190,792	743,636	223,751
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>24,256,598</b>	<b>190,792</b>	<b>878,294</b>	<b>270,119</b>

(\*)The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit/Loss” in the financial statements.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Consumer Loans-TL</b>	<b>132,477</b>	<b>8,408,351</b>	<b>8,540,828</b>	<b>404,779</b>
Housing Loans	1,968	5,794,997	5,796,965	364,850
Automobile Loans	1,573	216,043	217,616	5,241
Personal Need Loans	124,864	2,397,311	2,522,175	34,688
Other	4,072	-	4,072	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>205,768</b>	<b>205,768</b>	<b>78,601</b>
Housing Loans	-	188,129	188,129	74,351
Automobile Loans	-	1,876	1,876	367
Personal Need Loans	-	15,763	15,763	3,883
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>6,104,855</b>	<b>9,559</b>	<b>6,114,414</b>	<b>152,088</b>
Installment	2,963,375	9,559	2,972,934	73,955
Non- Installment	3,141,480	-	3,141,480	78,133
<b>Individual Credit Cards-FC</b>	<b>2,398</b>	<b>-</b>	<b>2,398</b>	<b>30</b>
Installment	-	-	-	-
Non- Installment	2,398	-	2,398	30
<b>Personnel Loans-TL</b>	<b>3,063</b>	<b>14,733</b>	<b>17,796</b>	<b>115</b>
Housing Loans	30	1,131	1,161	3
Automobile Loans	-	229	229	1
Personal Need Loans	3,033	13,373	16,406	111
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	17	17	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>23,741</b>	<b>-</b>	<b>23,741</b>	<b>-</b>
Installment	11,828	-	11,828	-
Non-Installment	11,913	-	11,913	-
<b>Personnel Credit Cards-FC</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>-</b>
With Installment	-	-	-	-
Without Installment	45	-	45	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>321,092</b>	<b>-</b>	<b>321,092</b>	<b>9,671</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,587,671</b>	<b>8,638,428</b>	<b>15,226,099</b>	<b>645,284</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**e) Information on commercial loans with installments and corporate credit cards**

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Commercial Loans with Installment Facility</b>				
<b>- TL</b>	<b>247,191</b>	<b>2,345,785</b>	<b>2,592,976</b>	<b>50,620</b>
Real Estate Loans	48	161,653	161,701	7,600
Automobile Loans	6,429	299,470	305,899	8,121
Personal Need Loans	240,714	1,884,662	2,125,376	34,899
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	<b>27,010</b>	<b>523,088</b>	<b>550,098</b>	<b>27,625</b>
Real Estate Loans	-	16,218	16,218	1,804
Automobile Loans	172	49,755	49,927	2,246
Personal Need Loans	26,838	457,115	483,953	23,575
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards -TL</b>	<b>96,459</b>	<b>106</b>	<b>96,565</b>	<b>2,393</b>
Installment	29,381	106	29,487	731
Non-Installment	67,078	-	67,078	1,662
<b>Corporate Credit Cards -FC</b>	<b>378</b>	<b>-</b>	<b>378</b>	<b>5</b>
With Installment	-	-	-	-
Without Installment	378	-	378	5
<b>Deposit Accounts-TL (Legal Entities)</b>	<b>150,123</b>	<b>-</b>	<b>150,123</b>	<b>55</b>
<b>Deposit Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>521,161</b>	<b>2,868,979</b>	<b>3,390,140</b>	<b>80,698</b>

**f) Loans according to borrowers (\*)**

	Current Period	Prior Period
Public	88,515	-
Private	25,507,288	19,025,310
<b>Total</b>	<b>25,595,803</b>	<b>19,025,310</b>

(\*) The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit/Loss” in the financial statements.

**g) Domestic and foreign loans (\*)**

	Current Period	Prior Period
Domestic Loans	25,560,136	18,993,689
Foreign Loans	35,667	31,621
<b>Total</b>	<b>25,595,803</b>	<b>19,025,310</b>

(\*) The loans amounting to TL 976,951 (December 31, 2009 – TL 1,572,129) are disclosed as “Loans at Fair Value through Profit/Loss” in the financial statements.

**h) Loans granted to subsidiaries and associates**

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.



**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**i) Specific provisions for loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions</b>		
Loans and Receivables with Limited Collectability	121,658	251,500
Loans and Receivables with Doubtful Collectability	235,475	436,193
Uncollectible Loans and Receivables	1,168,306	661,071
<b>Total</b>	<b>1,525,439</b>	<b>1,348,764</b>

**j) Non-performing loans (NPLs) (Net)**

**j.1) Non-performing loans and other receivables restructured or rescheduled:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	2,818	6,193	39,008
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,818	6,193	39,008
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	1,202	17,909	70,904
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1,202	17,909	70,904

**j.2) Movement of non-performing loans**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Prior Period End Balance</b>	<b>301,379</b>	<b>481,107</b>	<b>672,240</b>
Additions (+)	812,208	-	-
Transfers from Other Categories of Non-performing Loans (+)	-	704,749	715,891
Transfers to Other Categories of Non-performing Loans (-)	704,749	715,891	-
Collections (-)	190,601	121,578	192,131
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>4,862</b>
Corporate and Commercial Loans	-	-	2,660
Consumer Loans	-	-	284
Credit Cards	-	-	1,918
Others	-	-	-
<b>Current Period End Balance</b>	<b>218,237</b>	<b>348,387</b>	<b>1,191,138</b>
Specific Provision (-) <sup>(*)</sup>	(121,658)	(235,475)	(1,168,306)
<b>Net Balances on Balance Sheet</b>	<b>96,579</b>	<b>112,912</b>	<b>22,832</b>

<sup>(\*)</sup> The Bank provided 100% specific provision for non-performing loans in the 3<sup>rd</sup> Group, other than the not overdue loans which must be classified under non-performing accounts as per the communiqué requiring to classify all loans of the same borrower having non performing loans into non performing loans.loans stated above, without taking into consideration the collaterals obtained for these loans. However, in the current year the Bank provided 50% specific provision for the credit cards in the 3<sup>rd</sup> and 4<sup>th</sup> Group and retail loans in the 3<sup>rd</sup> Group in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves".

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**j.3) Information on foreign currency non-performing loans and other receivables**

None (December 31, 2009 – None).

**j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>96,579</b>	<b>112,912</b>	<b>22,832</b>
Loans to Real Persons and Legal Entities (Gross)	218,237	347,516	1,183,789
Specific provision (-)	(121,658)	(234,604)	(1,160,957)
Loans to Real Persons and Legal Entities (Net)	96,579	112,912	22,832
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	871	7,349
Specific provision (-)	-	(871)	(7,349)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>49,879</b>	<b>44,914</b>	<b>11,169</b>
Loans to Real Persons and Legal Entities (Gross)	301,379	473,758	672,240
Specific provision (-)	(251,500)	(428,844)	(661,071)
Loans to Real Persons and Legal Entities (Net)	49,879	44,914	11,169
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	7,349	-
Specific provision (-)	-	(7,349)	-
Other Loans and Receivables (Net)	-	-	-

**k) Liquidation policies for uncollectible loans and other receivables:**

For the unrecoverable non performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures does not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

**l) Explanations on write-off policy:**

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the “Provisioning Decree” and with no collateral that are deemed as uncollectible are written off by the Board of Directors’ decision, in accordance with the laws and regulations.

**6. Information on factoring receivables**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-Term	196,442	16,309	35,465	1,581
Medium and Long-Term	9,274	-	-	-
<b>Total</b>	<b>205,716</b>	<b>16,309</b>	<b>35,465</b>	<b>1,581</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**7. Information on investment securities held-to-maturity**

The group does not have any investment securities held to maturity as of December 31, 2010 (December 31, 2009 – None).

**8. Investments in associates (Net)**

**8.1. Investments in associates**

<b>Description</b>	<b>Address (City/ Country)</b>	<b>Bank's Share-If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
Gelişen Bilgi Teknolojileri A.Ş. <sup>(*)</sup>	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM) <sup>(*)</sup>	Istanbul/Turkey	9.23%	9.23%
Garanti Fonu İşletme ve Araştırma A.Ş. <sup>(*)</sup>	Istanbul/Turkey	2.00%	2.00%

<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value</b>
433	431	-	490	-	356	747	-
22,011	15,865	6,792	912	-	1,465	1,067	-
138,216	132,761	2,953	5,908	-	4,321	3,713	-

(\*) Current period information is obtained from financial statements as of December 31, 2010; prior period profit and loss information is obtained from financial statements as of December 31, 2009.

**8.2. Movements of investments in associates that are subject to consolidation scope**

**Movements of investments in associates**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of Period</b>	<b>6,016</b>	<b>4,016</b>
<b>Movements During the Period</b>	<b>(247)</b>	<b>2,000</b>
Acquisitions	-	2,000 <sup>(*)</sup>
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales (-)	(247) <sup>(**)</sup>	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at the End of the Period</b>	<b>5,769</b>	<b>6,016</b>
<b>Capital Commitments</b>	<b>2,000</b>	<b>2,250</b>
<b>Share Percentage at the End of the Period</b>	<b>-</b>	<b>-</b>

(\*) The Parent Bank participated in the capital of Garanti Fonu İşletme ve Araştırma A.Ş. with an amount of TL 2,000 in the prior period.

(\*\*) The amount represents the Parent Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**8.3. Sector information and the related carrying amounts on associates that are not included in consolidation**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	5,769	6,016
<b>Total</b>	<b>5,769</b>	<b>6,016</b>

**8.4. Quoted associates that are not included in consolidation**

None (December 31, 2009 – None).

**8.5. Valuation methods of investments in associates those are not included in consolidation**

	Current Period	Prior Period
Valued at Cost	5,769	6,016
Valued at Fair Value	-	-
Valued at Equity Method	-	-
<b>Total</b>	<b>5,769</b>	<b>6,016</b>

**8.6. Investments in associates, that are not included in consolidation, sold during the current period**

As explained in section 5, footnote 8.2, decrease in investment in associates amounting to TL 247 occurred due to capital decrease of Gelişen Bilgi Teknolojileri A.Ş. (December 31, 2009 – None).

**8.7. Investments in associates, that are not included in consolidation, acquired during the current period**

The Bank does not have investments in associates acquired as of December 31, 2010. The Bank has participated in to the capital of Garanti Fonu İşletme ve Araştırma A.Ş. in 2009 with TL 2,000 as explained in section 5 footnote 8.2.

**9. Investments in subsidiaries (Net)**

**a) Information on the Parent Bank's unconsolidated subsidiaries**

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş	Istanbul/Turkey	99.91%	99.91%

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	21,458	20,379	17,454	-	-	1,752	1,452	-

(\*) Current period information is obtained from financial statements as of December 31, 2010.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**b) Information on the consolidated subsidiaries:**

**b.1) Information on the consolidated subsidiaries**

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	70.28 (*)	70.28 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(\*)The share of the Parent Bank is 10.01% whereas the remaining 60.27% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (***)
1. (*)	208,276	109,305	12,132	11,025	452	15,430	13,069	-
2. (**)	1,310,476	377,184	885	21,695	-	27,809	41,229	342,700
3. (**)	19,978	19,715	65	-	-	223	3,002	18,720
4. (*)	19,484	17,738	428	1,426	11	7,403	6,444	-
5. (*)	108,364	46,695	2,092	7,751	4,261	9,493	4,600	-
6. (*)	3,072	2,956	228	284	-	(1,302)	(955)	-
7. (*)	266,144	11,952	786	17,323	-	3,252	(1,333)	-

(\*) Current period information represents December 31, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures as per the financial statements prepared in accordance with BRSA regulations.

(\*\*) Current period information represents September 30, 2010 figures, and prior period profit/loss amounts represent December 31, 2009 figures prepared in accordance with CMB's Communiqué No: XI/29 accounting principles.

(\*\*\*)Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

**b.2) Movement of investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>222,588</b>	<b>350,156</b>
<b>Movements during the period</b>	<b>139,470</b>	<b>(127,568)</b>
Purchases	1,063 <sup>(6)</sup>	20,000 <sup>(2)</sup>
Bonus Shares Received	42,901 <sup>(4)</sup>	5,106 <sup>(3)</sup>
Dividends from Current Year Profit	-	-
Sales	(1,858) <sup>(5)</sup>	(201,928) <sup>(1)</sup>
Revaluation Increase	97,364	49,254
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>362,058</b>	<b>222,588</b>
<b>Capital Commitments</b>	<b>3,188</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>-</b>	<b>-</b>

(1) In the prior period, the Parent Bank disposed its subsidiary Finans Malta Holdings Ltd., of which the Parent Bank used to own 100% of the shares, for EUR 185 million in cash on February 24, 2009 to NBG International Holdings B.V. The gain of TL 197,090 resulting from the disposal is accounted for as "Income on sale of associates, subsidiaries and entities under common control" under the "Income on Discontinued Operations" in the income statement.

(2) Purchases in the prior period include the participation in Finans Faktoring Hizmetleri A.Ş. amounting to TL 10,000 and the participation into the capital of Finans Emeklilik ve Hayat A.Ş. amounting to TL 10,000.

(3) The prior period amount includes bonus shares received from the Parent Bank's subsidiaries Finans Finansal Kiralama A.Ş. amounting to TL 5,106.

(4) Purchases in the current period include bonus shares received from the Parent Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 5,750 and Finans Yatırım Menkul Değerler A.Ş. amounting to TL 37,151.

(5) Disposal in the current period amount include disposal of the shares of the Parent Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. The Parent Bank had sales profit amounting to TL 806.

(6) Purchases in the current period include the participation into the capital of the Parent Bank's subsidiary, Finans Emeklilik ve Hayat A.Ş. amounting to TL 1,063.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**b.3) Sectoral distribution of the consolidated subsidiaries:**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	36,812	30,000
Factoring Companies	10,000	10,000
Leasing Companies	213,737	117,438
Finance Companies	5,000	5,000
Other Subsidiaries	96,509	60,150
<b>Total</b>	<b>362,058</b>	<b>222,588</b>

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

**b.4) Quoted subsidiaries within the context of consolidation:**

	<b>Current Period</b>	<b>Prior Period</b>
Quoted on Domestic Stock Exchanges	227,524	132,018
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>227,524</b>	<b>132,018</b>

**10. Investments in entities under common control:**

	<b>The Parent Bank's Share</b>	<b>The Group's Share</b>	<b>Current Assets</b>	<b>Fixed Assets</b>	<b>Long Term Debt</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33%	33%	8,473	7,012	3,390	2,371	(1,171)

(\*) Current period information represents December 31, 2010 figures prepared in compliance with IFRS.

**11. Information on financial lease receivables (Net):**

**11.1. Maturity analysis of financial lease receivables**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 year	441,275	394,205	502,688	444,066
Between 1-4 years	430,707	390,555	481,504	429,950
Over 4 years	35,808	33,541	23,189	21,441
<b>Total</b>	<b>907,790</b>	<b>818,301</b>	<b>1,007,381</b>	<b>895,457</b>

Financial lease receivables include non performing financial lease receivables amounting to TL 122,552 (December 31, 2009 – TL 128,659) and specific provisions amounting to TL 65,665 (December 31, 2009 – TL 62,963).

Changes in non performing financial lease receivables provision as of December 31, 2010 and 2009 are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
End of prior period	62,963	24,702
Provided provision / (cancellation), Net	16,313	43,545
Collections	(3,751)	(5,266)
Written off	(9,860)	(18)
<b>Provision at the end of the period</b>	<b>65,665</b>	<b>62,963</b>

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**11.2. Information on net investments in financial leases**

	Current Period	Prior Period
Gross Financial Lease Investments	907,790	1,007,381
Unearned Finance Income (-)	89,489	111,924
Cancelled Leasing Agreements (-)	-	-
<b>Net Investment on Leases</b>	<b>818,301</b>	<b>895,457</b>

**11.3. Information of financial lease contracts of the Parent Bank**

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

**12. Information on hedging purpose derivatives:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	28,648	-	-	2,417
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>28,648</b>	<b>-</b>	<b>-</b>	<b>2,417</b>

(\*)Derivative financial instruments for hedging purposes include swaps. TL 28,648 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans and receivables as of December 31, 2010; whereas TL 2,417 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in available for sale investment securities as of December 31, 2009.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**13. Information on tangible assets**

	<b>Land and Buildings</b>	<b>Fixed Assets under Finance Lease</b>	<b>Vehicles</b>	<b>Other Fixed Assets</b>	<b>Total</b>
<b>Prior Period End</b>					
Cost	68,254	328,504	1,502	476,124	874,384
Accumulated Depreciation (-)	4,564	187,149	1,287	293,816	486,816
<b>Net Book Value</b>	<b>63,690</b>	<b>141,355</b>	<b>215</b>	<b>182,308</b>	<b>387,568</b>
<b>Current Period End</b>					
<b>Cost at the Beginning of the Period</b>	<b>68,254</b>	<b>328,504</b>	<b>1,502</b>	<b>476,124</b>	<b>874,384</b>
Additions	2,419	-	474	70,835	73,728
Disposals (-)	5,319	4,100	558	1,930	11,907
Impairment (-) / (increase)	(566)	-	-	-	(566)
<b>Current Period Cost</b>	<b>65,920</b>	<b>324,404</b>	<b>1,418</b>	<b>545,029</b>	<b>936,771</b>
<b>Accumulated Depreciation at the Beginning of the Period</b>	<b>4,564</b>	<b>187,149</b>	<b>1,287</b>	<b>293,816</b>	<b>486,816</b>
Disposals (-)	653	2,031	393	1,175	4,252
Depreciation amount	1,281	26,702	91	48,110	76,184
<b>Accumulated Depreciation at the End of the Period (-)</b>	<b>5,192</b>	<b>211,820</b>	<b>985</b>	<b>340,751</b>	<b>558,748</b>
<b>Net Book Value at the End of the Period</b>	<b>60,728</b>	<b>112,584</b>	<b>433</b>	<b>204,278</b>	<b>378,023</b>

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements:

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are computed by the licensed valuation companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 566 has been reversed. (December 31, 2009 - TL 1,048 impairment loss has been recorded).

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:

None (December 31, 2009 - None)

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:

None (December 31, 2009 - None)



**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**14. Information on intangible assets**

	<b>Rights</b>	<b>Goodwill</b>	<b>Total</b>
<b>Prior Period End</b>			
Cost	150,283	19,209	169,492
Accumulated Amortization (-)	84,826	10,240	95,066
<b>Net Book Value</b>	<b>65,457</b>	<b>8,969</b>	<b>74,426</b>
<b>Current Period End</b>			
Cost at the Beginning of the Period	150,283	19,209	169,492
Additions	66,069	-	66,069
Disposals (-)	-	-	-
Impairment (-)	-	-	-
<b>Current Period Cost</b>	<b>216,352</b>	<b>19,209</b>	<b>235,561</b>
Acc. Amort. at the Beginning of the Period	84,826	10,240	95,066
Disposals (-)	-	-	-
Amortization charge	30,366	-	30,366
<b>Current Period Accumulated Amortization (-)</b>	<b>115,192</b>	<b>10,240</b>	<b>125,432</b>
<b>Net Book Value-End of the Period</b>	<b>101,160</b>	<b>8,969</b>	<b>110,129</b>

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2009 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2009 - None).
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2009 - None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2009 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2009 - None).
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2009 - None).
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**

Amount of total research expenses recorded in income statement within the period is TL 4,151 (December 31, 2009 – TL 15,313).

- h) **Positive or negative consolidation goodwill on entity basis:**

The goodwill amounting to TL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2009 – TL 8,969).

- i) **Information on goodwill:**

The details have been disclosed at explanations and disclosures related to asset section, at disclosure 14.

**15. Information on investment property**

None (December 31, 2009 - None).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**16. Information on tax asset:**

According to TAS 12, consolidated subsidiaries' deferred tax assets and liabilities are offset against each other in their separate financial statements.

Consolidated subsidiaries' deferred tax assets and liabilities have been offset in their separate financial statements and the balance of net deferred tax asset is disclosed as TL 29,408 (December 31, 2009 - TL 28,741), and the net deferred tax liability as TL 71,859 (December 31, 2009 – TL 83,062).

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 26,295 (December 31, 2009 –TL 19,437 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
Reserve for Employee Benefits	83,119	74,120	16,624	14,824
The differences between carrying and taxable amounts of financial assets	181,851	84,621	36,370	16,924
Unused investment incentive certificate	112,435	124,972	22,487	24,993
Other	20,825	18,735	4,165	3,745
<b>Deferred Tax Asset</b>			<b>79,646</b>	<b>60,486</b>
The differences between carrying and taxable amounts of tangible assets	(85,998)	(68,251)	(17,200)	(13,650)
The differences between carrying and taxable amounts of financial assets	(457,254)	(441,107)	(91,451)	(88,221)
Other	(67,230)	(64,681)	(13,446)	(12,936)
<b>Deferred Tax Liability</b>			<b>(122,097)</b>	<b>(114,807)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(42,451)</b>	<b>(54,321)</b>
	Current Period		Prior Period	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(54,321)		(27,362)	
Deferred Tax (Charge) Benefit	18,728		1,759	
Deferred Tax Items Accounted For Under the Equity	(6,858)		(27,707)	
The Effect of the Subsidiary Excluded From Consolidation (-)	-		(1,011)	
<b>Deferred Tax Asset/ (Liability) as of December 31 (Net)</b>	<b>(42,451)</b>		<b>(54,321)</b>	

**17. Information on assets held for sale and discontinued operations:**

None (December 31, 2009 – None).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**18. Information on other assets:**

**18.1. Information on prepaid expense, tax and similar items**

	<b>Current Period</b>	<b>Prior Period</b>
Collateral Given for Derivative Transactions	461,851	91,810
Assets Held for Resale (net)	126,914	89,660
Cheques Receivables from Other Banks	107,964	86,907
Other Prepaid Expenses	99,934	87,298
Advances Given on Finance Lease Transactions	96,122	60,963
Sundry Debtors	53,350	71,528
Prepaid Rent Expenses	16,364	13,777
Advances Given	7,032	3,598
Prepaid Agency Commissions	6,824	971
Other	51,662	24,799
<b>Total</b>	<b>1,028,017</b>	<b>531,311</b>

**18.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:**

Details of the other assets are described in note 18.1 section of disclosure.

**19. Accrued interest and income**

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows.

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
T.R Central Bank	1,506	-	7,910	-
Trading Securities	3,205	21	2,505	46
Fin. Assets at Fair Value through Profit or Loss	4,763	-	10,527	-
Assets on Trading Derivatives	242,495	149,800	370,242	52,627
Banks	471	479	630	311
Money Markets Placements	-	-	2	-
Investment Securities Available for Sale	212,089	29,116	200,896	40,975
Investments Securities Held to Maturity	-	-	-	-
Loans and Receivables	384,252	11,643	339,453	20,711
Derivative Financial Instruments Held for Hedging Purposes	28,648	-	-	2,417
Lease Receivables	2,322	6,554	4,379	12,769
Other Accruals	-	-	1,988	-
<b>Total</b>	<b>879,751</b>	<b>197,613</b>	<b>938,532</b>	<b>129,856</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**SECTION FIVE**

**II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES**

**1. Information on maturity structure of deposits**

**Current Period**

	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>536,016</b>	<b>-</b>	<b>2,364,956</b>	<b>7,187,597</b>	<b>391,409</b>	<b>76,414</b>	<b>578</b>	<b>17,464</b>	<b>10,574,434</b>
<b>Foreign Currency Deposits</b>	<b>741,976</b>	<b>-</b>	<b>1,519,425</b>	<b>2,866,598</b>	<b>323,061</b>	<b>97,259</b>	<b>27,704</b>	<b>6,274</b>	<b>5,582,297</b>
Residents in Turkey	718,885	-	1,477,898	2,736,609	312,103	61,016	27,704	6,241	5,340,456
Residents Abroad	23,091	-	41,527	129,989	10,958	36,243	-	33	241,841
<b>Public Sector Deposits</b>	<b>95,468</b>	<b>-</b>	<b>4,119</b>	<b>156,406</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,069</b>
<b>Commercial Deposits</b>	<b>790,122</b>	<b>-</b>	<b>1,286,099</b>	<b>3,357,562</b>	<b>464,583</b>	<b>89,611</b>	<b>-</b>	<b>-</b>	<b>5,987,977</b>
<b>Other Ins. Deposits</b>	<b>12,807</b>	<b>-</b>	<b>32,172</b>	<b>558,049</b>	<b>101,454</b>	<b>1,810</b>	<b>-</b>	<b>-</b>	<b>706,292</b>
<b>Precious Metal Deposits</b>	<b>12,124</b>	<b>-</b>	<b>12,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,431</b>
<b>Bank Deposits</b>	<b>21,695</b>	<b>-</b>	<b>245,036</b>	<b>436,324</b>	<b>171,673</b>	<b>4,106</b>	<b>-</b>	<b>-</b>	<b>878,834</b>
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,622	-	68,212	20,065	57,854	-	-	-	147,753
Foreign Banks	14,257	-	176,824	416,259	113,819	4,106	-	-	725,265
Participation Banks	5,816	-	-	-	-	-	-	-	5,816
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,210,208</b>	<b>-</b>	<b>5,464,114</b>	<b>14,562,536</b>	<b>1,452,256</b>	<b>269,200</b>	<b>28,282</b>	<b>23,738</b>	<b>24,010,334</b>

**Prior Period**

	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>392,954</b>	<b>-</b>	<b>2,146,539</b>	<b>5,553,446</b>	<b>64,748</b>	<b>39,117</b>	<b>110</b>	<b>17,516</b>	<b>8,214,430</b>
<b>Foreign Currency Deposits</b>	<b>763,060</b>	<b>-</b>	<b>1,757,664</b>	<b>2,963,642</b>	<b>140,842</b>	<b>145,498</b>	<b>7,561</b>	<b>8,936</b>	<b>5,787,203</b>
Residents in Turkey	724,968	-	1,721,739	2,744,879	136,158	138,009	7,561	8,907	5,482,221
Residents Abroad	38,092	-	35,925	218,763	4,684	7,489	-	29	304,982
<b>Public Sector Deposits</b>	<b>75,052</b>	<b>-</b>	<b>3,804</b>	<b>281,138</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,082</b>
<b>Commercial Deposits</b>	<b>647,870</b>	<b>-</b>	<b>514,757</b>	<b>2,412,491</b>	<b>222,857</b>	<b>7,928</b>	<b>-</b>	<b>-</b>	<b>3,805,903</b>
<b>Other Ins. Deposits</b>	<b>14,767</b>	<b>-</b>	<b>25,748</b>	<b>127,091</b>	<b>93,321</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>260,954</b>
<b>Precious Metal Deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bank Deposits</b>	<b>50,589</b>	<b>-</b>	<b>183,861</b>	<b>142,819</b>	<b>-</b>	<b>-</b>	<b>1,122,392</b>	<b>-</b>	<b>1,499,661</b>
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,690	-	96,791	-	-	-	-	-	99,481
Foreign Banks	17,785	-	87,070	142,819	-	-	1,122,392	-	1,370,066
Participation Banks	30,114	-	-	-	-	-	-	-	30,114
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,944,292</b>	<b>-</b>	<b>4,632,373</b>	<b>11,480,627</b>	<b>521,856</b>	<b>192,570</b>	<b>1,130,063</b>	<b>26,452</b>	<b>19,928,233</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**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		Exceeding the	
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,428,021	3,029,125	7,143,571	5,151,321
Foreign Currency Savings Deposits	629,713	689,194	2,815,867	2,981,232
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>4,057,734</b>	<b>3,718,319</b>	<b>9,959,438</b>	<b>8,132,553</b>

**1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Group is not located abroad.**

**1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	11,423	33,984
<b>Total</b>	<b>11,423</b>	<b>33,984</b>

**2. Information on trading purpose derivatives**

**a) Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	22,897	-	7,245	-
Swaps	310,760	37,032	220,449	24,427
Futures	-	2,753	-	1,402
Options	108	98,978	60	12,795
Other	-	2,436	1,480	-
<b>Total</b>	<b>333,765</b>	<b>141,199</b>	<b>229,234</b>	<b>38,624</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	215,553	95,546	109,953	121,312
Foreign Bank, Institutions and Funds	337,574	4,002,489	332,013	2,373,993
<b>Total</b>	<b>553,127</b>	<b>4,098,035</b>	<b>441,966</b>	<b>2,495,305</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	253,111	1,076,120	141,953	675,556
Medium and Long-Term	300,016	3,021,915	300,013	1,819,749
<b>Total</b>	<b>553,127</b>	<b>4,098,035</b>	<b>441,966</b>	<b>2,495,305</b>

In accordance with the Board of Directors' decision dated February 23, 2005 numbered 41, the Parent Bank obtained a securitization loan amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years from abroad on March 15, 2005 via special purpose entities (SPE's).

As of March 24, 2006, in accordance with the Board of Directors' decision dated March 20, 2006 numbered 59, the Parent Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's.

As of March 31, 2006, in accordance with the Board of Directors' decision dated March 27, 2006 numbered 68, the Parent Bank received a credit card securitization loan of TL 300,000 with fixed interest rate and 5 years maturity.

As of December 2, 2010, in accordance with the Board of Directors' decision dated November 25, 2010 numbered 240, the Parent Bank received a syndication loan amounting to USD 333 million and EUR 352 million with floating interest rate and 1 year maturity.

**c) Additional information on concentrations of the Group's liabilities**

As of December 31, 2010, the Group's liabilities comprise; 61% deposits (December 31, 2009 – 66%), 14% funds borrowed (December 31, 2009 – 15%) and 3% funds provided under repurchase agreements (December 31, 2009 – 0.06%).

**4. Information on funds provided under repurchase agreements:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>823,642</b>	-	<b>13,034</b>	-
Financial institutions and organizations	790,284	-	-	-
Other institutions and organizations	5,736	-	3,705	-
Real persons	27,622	-	9,329	-
<b>From foreign transactions</b>	<b>6,703</b>	<b>309,882</b>	<b>6,142</b>	-
Financial institutions and organizations	-	309,882	-	-
Other institutions and organizations	6,703	-	6,139	-
Real persons	-	-	3	-
<b>Total</b>	<b>830,345</b>	<b>309,882</b>	<b>19,176</b>	-

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceed 20% of the individual liability item in the consolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2009 – does not exceed).

6. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

6.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2009 – None).

6.2. Financial Lease Payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

6.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

6.4. Information on “Sale -and- lease back” agreements

The Group does not have any sale and lease back transactions in the current period (December 31, 2009 – None).

7. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	250,240	7,000	-	2,693
Cash Flow Hedge (**)	69,545	-	-	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>319,785</b>	<b>7,000</b>	<b>-</b>	<b>2,693</b>

(\*)Derivative financial instruments held for the fair value hedge purposes include swaps. As of December 31, 2010, TL 250,240 (December 31, 2009 – None) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. As of December 31, 2010, TL 7,000 (December 31, 2009 – TL 2,693) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(\*\*)TL 69,545 represents the mark to market effects of derivatives which are the hedging instruments of deposits' cash flow risk.

8. Information on provisions

8.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	187,721	116,889
Provisions for Loans and Receivables in Group II	20,179	37,585
Provisions for Non - Cash Loans	31,959	22,312
Other	25,949	22,665
<b>Total</b>	<b>265,808</b>	<b>199,451</b>

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**8.2. Provision for currency exchange gain/loss on foreign currency indexed loans**

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	8,859	12,502

(\*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

**8.3. Specific provisions for non cash loans that are not indemnified and converted into cash**

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 67,931 (December 31, 2009 - TL 55,294).

**8.4 Information on employee termination benefits and unused vacation accrual**

The Group has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2010, TL 26,826 (December 31, 2009 - TL 21,210) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2010, the Group accrued TL 16,096 (December 31, 2009 - TL 12,393) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2010, TL 40,197 (December 31, 2009 - TL 40,517) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

**8.4.1 Movement of employee termination benefits**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01-31.12.2010</b>	<b>01.01-31.12.2009</b>
As of January 1	21,210	18,524
Service cost	4,911	2,569
Interest cost	2,969	2,256
Limitations of payments and benefits	5,081	1,168
Paid during the period	(7,345)	(3,307)
<b>Total</b>	<b>26,826</b>	<b>21,210</b>

**8.5. Information on other provisions**

**8.5.1. Information on free reserves for possible loan losses**

	<b>Current Period</b>	<b>Prior Period</b>
Free Reserves for Possible Loan Losses	78,265	100,835

As of December 31, 2010 the Group has provided TL 78,265 provision (December 31, 2009 - TL 100,835) for possible losses that could arise for loans in the watch list, considering their recovery rates.

**8.5.2 Information on other provisions**

Apart from the information provided in 8.3 and 8.5.1, other provisions are presented as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	15,147	11,805
Other Provisions	19,217	51,514
<b>Total</b>	<b>34,364</b>	<b>63,319</b>



**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**9. Taxation**

**9.1. Current taxes**

**9.1.1. Current tax liability**

As of December 31, 2010, the Group has current tax liability of TL 256,573 (December 31, 2009 - TL 132,823) and advance taxes of TL 184,353 (December 31, 2009 - TL 178,994).

The corporate tax payable and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2010, after the offsetting, the corporate tax payable is disclosed as TL 72,834 (December 31, 2009 – TL 4,328) and the corporate tax asset is disclosed as TL 614 (December 31, 2009 – TL 50,499) in the accompanying consolidated financial statements.

**9.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	72,834	4,328
Banking and Insurance Transaction Tax (BITT)	21,645	16,893
Taxation on Securities Income	17,363	14,331
Taxation on Real Estates Income	1,028	779
Other	13,205	14,963
<b>Total</b>	<b>126,075</b>	<b>51,294</b>

The “Corporate Taxes Payable” balance is presented in the “Current Tax Liability” (December 31, 2009 – “Current Tax Asset”) account and other taxes are presented in the “Other Liabilities” account in the accompanying consolidated financial statements.

**9.1.3 Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	4,724	3,731
Social Security Premiums – Employer Share	5,112	4,021
Unemployment Insurance - Employee Share	331	261
Unemployment Insurance - Employer Share	671	529
<b>Total</b>	<b>10,838</b>	<b>8,542</b>

**9.2. Information on deferred tax liabilities**

Deferred tax liability amounting to TL 71,859 (December 31, 2009 - TL 83,062) has been calculated according to the related legislations. The details have been disclosed at explanations and disclosures related to asset section, at disclosure numbered 16.

**10. Information on payables related to assets held for sale**

None (December 31, 2009 – None).

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**11. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,010,383	-	1,473,260
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,010,383</b>	<b>-</b>	<b>1,473,260</b>

The Parent Bank received USD 650 million of subordinated loan during 2008 and USD 325 million of subordinated loan during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5<sup>th</sup> year. In addition, interest is paid every six months and capital payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in the current period to be used in capital increase.

**12. Information on shareholder's equity**

**12.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,205,000	1,575,000
Preferred Stock	-	-

Based on the Board of Directors' decision dated December 15, 2010, it was decided to increase the paid-in capital from TL 2,205,000 up to TL 2,460,000 by up to TL 255,000 in cash within the registered capital ceiling of TL 6,000,000. As of the reporting date, paid-in capital increase process has not been completed.

**12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital**

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,205,000	6,000,000

**12.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period**

Date of Increase	Amount of Increase	Cash	Reserves	Revaluation Fund
June 14, 2010	78,750	-	78,750	-
December 13, 2010	551,250	547,143	4,107	-

**12.4. Information on share capital increases from revaluation funds**

None (December 31, 2009 - None).

**12.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments**

The Group does not have any capital commitment; the capital is fully paid-in.

**12.6. Prior periods' indicators related with the Parent Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Parent Bank's equity**

None (December 31, 2009 - None).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**12.7. Information on the preferences given to stocks representing the capital**

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Parent Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital is distributed to shareholders as first dividend and 10% of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

**13. Common stock issue premiums, shares and equity instruments**

Due to the Parent Bank's capital increase as of December 13, 2010, common stock issue premiums amounted to TL 665 (December 31, 2009 – None).

**14. Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Associates, Subsidiaries and Entities under Common Control</b>	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>120,153</b>	<b>4,093</b>	<b>45,386</b>	<b>32,361</b>
Valuation Difference	120,153	4,093	45,386	32,361
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>120,153</b>	<b>4,093</b>	<b>45,386</b>	<b>32,361</b>

**15. Accrued interest and expenses**

The details of accrued interest and expenses allocated to the related items on the liabilities side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	96,877	11,080	65,120	9,479
Derivative Financial Liabilities Held for Trading	333,765	141,199	229,234	38,624
Funds Borrowed	1,347	23,044	1,461	22,158
Money Market Borrowings	505	182	10	-
Derivative Financial Liabilities for Hedging Purposes	319,785	7,000	-	2,693
Other Accruals	32,160	16	16,811	46
<b>Total</b>	<b>784,439</b>	<b>182,521</b>	<b>312,636</b>	<b>73,000</b>

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION FIVE**

**III. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ITEMS**

**1. Information related to consolidated off-balance sheet contingencies**

**1.1. Type and amount of irrevocable commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee in FC	1,587,549	1,706,226
Letters of Guarantee in TL	2,967,436	2,239,000
Letters of Credit	722,850	539,923
Bank Loans	721,538	664,139
Factoring Guarantees	-	26,949
Other Guarantees	36,309	41,704
<b>Total</b>	<b>6,035,682</b>	<b>5,217,941</b>

**1.2. Type and amount of possible losses from off-balance sheet items included below**

Specific provision is provided for the non-cash loans amounting to TL 67,931 (December 31, 2009 – TL 55,294) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

**1.3. Final guarantees, provisional guarantees, sureties and similar transactions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	288,152	168,784
Final Letters of Guarantee	3,282,473	2,872,818
Advance Letters of Guarantee	168,008	206,120
Letters of Guarantee Given to Customs Offices	196,275	110,434
Other Letters of Guarantee	620,077	587,070
<b>Total</b>	<b>4,554,985</b>	<b>3,945,226</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash Loans</b>	<b>360,270</b>	<b>409,874</b>
Less Than or Equal to One Year with Original Maturity	33,954	31,711
More Than One Year with Original Maturity	326,316	378,163
<b>Other Non-Cash Loans</b>	<b>5,675,412</b>	<b>4,808,067</b>
<b>Total</b>	<b>6,035,682</b>	<b>5,217,941</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**3. Information on risk concentration in sector terms in non-cash loans**

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>40,653</b>	<b>1.37</b>	<b>40,086</b>	<b>1.32</b>	<b>52,066</b>	<b>2.33</b>	<b>73,805</b>	<b>2.54</b>
Farming and Raising Livestock	8,038	0.27	17,072	0.56	11,595	0.52	21,952	0.75
Forestry	32,136	1.08	21,906	0.72	40,064	1.79	51,775	1.78
Fishing	479	0.02	1,108	0.04	407	0.02	78	0.00
<b>Manufacturing</b>	<b>532,675</b>	<b>17.93</b>	<b>1,510,731</b>	<b>49.87</b>	<b>381,022</b>	<b>17.02</b>	<b>1,427,235</b>	<b>49.05</b>
Mining and Quarrying	29,259	0.99	29,691	0.98	17,479	0.78	31,608	1.09
Production	493,786	16.63	1,440,143	47.54	356,534	15.92	1,364,315	46.88
Electricity, gas and water	9,630	0.32	40,897	1.35	7,009	0.31	31,312	1.08
<b>Construction</b>	<b>609,769</b>	<b>20.53</b>	<b>428,401</b>	<b>14.14</b>	<b>495,233</b>	<b>22.12</b>	<b>391,914</b>	<b>13.47</b>
<b>Services</b>	<b>1,504,363</b>	<b>50.65</b>	<b>952,094</b>	<b>31.43</b>	<b>1,043,170</b>	<b>46.59</b>	<b>770,881</b>	<b>26.49</b>
Wholesale and Retail Trade	947,724	31.91	517,521	17.08	673,698	30.09	505,724	17.38
Hotel, Food and Beverage Services	19,334	0.65	7,703	0.25	8,993	0.40	6,287	0.22
Transportation&Communication	59,724	2.01	65,323	2.16	56,221	2.51	43,896	1.51
Financial Institutions	310,366	10.45	315,626	10.42	203,678	9.10	146,672	5.04
Real Estate and Renting Services	8,492	0.29	603	0.02	1,428	0.06	396	0.01
Self Employment Services	148,569	5.00	43,239	1.43	89,625	4.00	65,917	2.27
Educational Services	2,667	0.09	92	0.00	1,366	0.06	88	0.00
Health and Social Services	7,487	0.25	1,987	0.07	8,161	0.36	1,901	0.07
<b>Other (*)</b>	<b>282,600</b>	<b>9.51</b>	<b>98,001</b>	<b>3.24</b>	<b>267,587</b>	<b>11.95</b>	<b>246,375</b>	<b>8.47</b>
<b>Total</b>	<b>2,970,060</b>	<b>100.00</b>	<b>3,029,313</b>	<b>100.00</b>	<b>2,239,078</b>	<b>100.00</b>	<b>2,910,210</b>	<b>100.00</b>

(\*)Does not include "Other Guarantees" amounting to TL 36,309 (December 31, 2009 - TL 41,704) and "Factoring Guarantees" amounting to TL 26,949 as of December 31, 2009.

**4. Information on non-cash loans classified in first and second groups (\*)**

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	2,838,853	1,458,624	98,233	91,462
Bills of Exchange and Acceptances	2,483	717,642	-	1,295
Letters of Credit	141	722,469	-	240
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	36,309	-	-
<b>Non-cash Loans</b>	<b>2,841,477</b>	<b>2,935,044</b>	<b>98,233</b>	<b>92,997</b>

(\*)Does not include non-cash loans amounting to TL 67,931, for which provision is provided, but which are not indemnified and not liquidated yet.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**5. Information related to derivative financial instruments**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>36,431,011</b>	<b>28,701,663</b>
Forward transactions (*)	2,530,303	2,349,583
Swap transactions	20,047,453	19,818,311
Futures transactions	375,074	274,612
Option transactions	13,478,181	6,259,157
<b>Interest Related Derivative Transactions (II)</b>	<b>6,542,674</b>	<b>2,424,642</b>
Forward rate transactions	-	-
Interest rate swap transactions	6,517,292	2,088,456
Interest option transactions	-	301,140
Futures interest transactions	25,382	35,046
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>42,973,685</b>	<b>31,126,305</b>
<b>Types of hedging transactions</b>	<b>10,265,120</b>	<b>144,480</b>
Fair value hedges	8,955,244	144,480
Cash flow hedges	1,309,876	-
Net investment hedges	-	-
<b>B. Total Hedging Related Derivatives</b>	<b>10,265,120</b>	<b>144,480</b>
<b>Total Derivative Transactions (A+B)</b>	<b>53,238,805</b>	<b>31,270,785</b>

(\*)This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31, 2010 breakdown of the Group's foreign currency forward and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	<b>Forward Buy(**)</b>	<b>Forward Sell(**)</b>	<b>Swap Buy (*)</b>	<b>Swap Sell (*)</b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
TL	388,533	498,515	5,888,531	10,705,451	2,985,137	2,843,408	3,397	3,397
USD	368,915	482,100	9,633,611	7,328,889	2,069,610	2,070,336	195,723	195,723
EURO	350,882	150,472	2,199,221	751,451	1,109,354	1,232,585	1,108	1,108
Other	152,990	137,896	89,098	233,613	586,431	581,320	-	-
<b>Total</b>	<b>1,261,320</b>	<b>1,268,983</b>	<b>17,810,461</b>	<b>19,019,404</b>	<b>6,750,532</b>	<b>6,727,649</b>	<b>200,228</b>	<b>200,228</b>
(*) This column also includes hedging purpose derivatives.								
(**)This column also includes Forward Asset Purchase Commitments accounted for under Commitments								
	<b>Forward Buy(**)</b>	<b>Forward Sell(**)</b>	<b>Swap Buy (*)</b>	<b>Swap Sell (*)</b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Prior Period</b>								
TL	335,301	431,381	2,693,906	8,061,208	1,314,573	1,420,448	-	-
USD	514,570	591,657	7,669,657	2,812,092	1,608,687	1,562,863	154,829	154,829
EURO	166,937	119,586	286,928	127,627	326,501	270,596	-	-
Other	156,307	33,844	28,237	371,592	27,022	29,607	-	-
<b>Total</b>	<b>1,173,115</b>	<b>1,176,468</b>	<b>10,678,728</b>	<b>11,372,519</b>	<b>3,276,783</b>	<b>3,283,514</b>	<b>154,829</b>	<b>154,829</b>

(\*) This column also includes hedging purpose derivatives.

(\*\*)This column also includes Forward Asset Purchase Commitments accounted for under Commitments

As of December 31, 2010, the Group has no derivatives transactions for hedge of net investment..

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**6. Information on contingent liabilities and assets**

None (December 31, 2009 – None).

**7. Information on the services in the name and account of third parties**

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

**8. Information on the Parent Bank's rating by international rating institutions**

<b>MOODY'S October 2010</b>		<b>FITCH December 2010</b>		<b>CI November 2010</b>	
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-Term TL	BBB-	Financial Strength	BBB+
Financial Strength	C-	Short-Term TL	F3	Support	3
		Long-Term National	AAA		
		Individual	C		
		Support	3T		

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**SECTION FIVE**

**IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT**

**1. a) Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	1,758,857	49,551	1,822,271	83,098
Medium and Long-Term Loans	1,389,886	57,198	1,247,201	82,433
Non-Performing Loans	82,087	-	33,231	2
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3,230,830</b>	<b>106,749</b>	<b>3,102,703</b>	<b>165,533</b>

**b) Information on interest income from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	29,059	-	45,792	95
Domestic Banks	11,530	123	1,893	60
Foreign Banks	18,476	4,990	20,977	6,040
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>59,065</b>	<b>5,113</b>	<b>68,662</b>	<b>6,195</b>

**c) Information on interest income from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	8,872	236	10,095	305
Financial Assets at FVTPL	11,794	-	18,110	-
Investment Securities Available for Sale	349,702	36,846	405,531	33,423
Investment Securities Held to Maturity	-	-	102,704	-
<b>Total</b>	<b>370,368</b>	<b>37,082</b>	<b>536,440</b>	<b>33,728</b>

**d) Information on interest income received from associates and subsidiaries**

None (December 31, 2009 – None).

**2. a) Information on interest expense related to funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	10,763	1,818	13,140	7,621
Foreign Banks	43,149	107,813	41,916	195,976
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>53,912</b>	<b>109,631</b>	<b>55,056</b>	<b>203,597</b>



**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**b) Information on interest expense paid to associates and subsidiaries**

None (December 31, 2009 – None).

**c) Information on interest expense paid to securities issued:**

None (December 31, 2009 – None).

**d) Information on maturity structure of interest expenses on deposits**

Current Period		Time Deposits					Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	22,265	2,807	1,412	68	-	-	26,552
Saving Deposits	4	206,040	550,590	15,407	4,461	1,115	-	777,617
Public Sector Deposits	-	319	3,858	9	-	-	-	4,186
Commercial Deposits	20	71,390	226,954	16,581	2,499	-	-	317,444
Other Deposits	-	4,897	39,899	11,472	282	-	-	56,550
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24</b>	<b>304,911</b>	<b>824,108</b>	<b>44,881</b>	<b>7,310</b>	<b>1,115</b>	<b>-</b>	<b>1,182,349</b>
<b>Foreign Currency</b>								
Foreign Currency								
Deposits	29	44,172	76,065	6,987	4,131	826	187	132,397
Bank Deposits	137	729	16,176	2,440	-	-	-	19,482
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	70	-	-	-	-	-	70
<b>Total</b>	<b>166</b>	<b>44,971</b>	<b>92,241</b>	<b>9,427</b>	<b>4,131</b>	<b>826</b>	<b>187</b>	<b>151,949</b>
<b>Grand Total</b>	<b>190</b>	<b>349,882</b>	<b>916,349</b>	<b>54,308</b>	<b>11,441</b>	<b>1,941</b>	<b>187</b>	<b>1,334,298</b>

Prior Period		Time Deposits					Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	51	18,353	3,184	-	-	1,514	-	23,102
Saving Deposits	103	278,936	575,222	16,215	3,249	1,644	-	875,369
Public Sector Deposits	34	373	2,347	39	-	-	-	2,793
Commercial Deposits	24	75,036	121,004	13,246	255	44	-	209,609
Other Deposits	2	6,460	31,340	4,629	1,622	-	-	44,053
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>214</b>	<b>379,158</b>	<b>733,097</b>	<b>34,129</b>	<b>5,126</b>	<b>3,202</b>	<b>-</b>	<b>1,154,926</b>
<b>Foreign Currency</b>								
Foreign Currency								
Deposits	31	65,084	85,873	10,910	5,675	353	417	168,343
Bank Deposits	378	372	460	-	-	3,984	-	5,194
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>409</b>	<b>65,456</b>	<b>86,333</b>	<b>10,910</b>	<b>5,675</b>	<b>4,337</b>	<b>417</b>	<b>173,537</b>
<b>Grand Total</b>	<b>623</b>	<b>444,614</b>	<b>819,430</b>	<b>45,039</b>	<b>10,801</b>	<b>7,539</b>	<b>417</b>	<b>1,328,463</b>

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**e) Information on interest expenses on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements(*)	50,610	378	81,627	9

(\*) Disclosed in "Interest on Money Market Transactions".

**f) Information on finance lease expenses**

None (December 31, 2009 – None).

**g) Information on interest expenses on factoring payables**

None (December 31, 2009 – None).

**3. Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	169	151
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	157	1,330
Other	-	-
<b>Total</b>	<b>326</b>	<b>1,481</b>

**4. Information on trading income/loss**

	Current Period	Prior Period
<b>Trading Income</b>	<b>5,855,041</b>	<b>7,060,511</b>
Gains on Capital Market Operations	425,723	386,642
Derivative Financial Instruments	1,376,211	1,600,464
Foreign Exchange Gains	4,053,107	5,073,405
<b>Trading Loss (-)</b>	<b>6,116,098</b>	<b>7,422,964</b>
Losses on Capital Market Operations	44,510	48,594
Derivative Financial Instruments	2,054,305	2,361,406
Foreign Exchange Losses	4,017,283	5,012,964
<b>Net Trading Income/Loss</b>	<b>(261,057)</b>	<b>(362,453)</b>

**5. Information on other operating income**

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**6. Provision for losses on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>181,537</b>	<b>700,776</b>
Loans and Receivables in Group III	14,478	37,318
Loans and Receivables in Group IV	28,023	233,466
Loans and Receivables in Group V	139,036	429,992
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>66,357</b>	<b>38,599</b>
<b>Provision Expenses for Possible Losses</b>	<b>-</b>	<b>49,029</b>
<b>Impairment Losses on Securities</b>	<b>73</b>	<b>-</b>
Financial assets at fair value through profit or loss	73	-
Investment securities available for sale	-	-
<b>Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>26,772</b>	<b>47,247</b>
<b>Total</b>	<b>274,739</b>	<b>835,651</b>

**7. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	646,971	559,289
Reserve for employee termination benefits	5,616	2,686
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	1,048
Depreciation charge of tangible assets	76,184	70,874
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	30,366	20,051
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,215	2,603
Depreciation on assets to be disposed	1,917	1,605
Impairment charge of assets held for sale and discontinued operations	-	-
<b>Other operating expenses</b>	<b>544,798</b>	<b>467,818</b>
Operational lease related expenses	99,436	88,854
Repair and maintenance expenses	45,225	31,375
Advertisement expenses	74,707	63,876
Other expenses	325,430	283,713
Losses on sales of assets	1,110	131
<b>Other</b>	<b>165,611</b>	<b>125,374</b>
<b>Total</b>	<b>1,473,788</b>	<b>1,251,479</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**8. Information on profit/loss from continued and discontinued operations before taxes**

For the period ended December 31, 2010, net interest income of TL 2,356,909 (December 31, 2009 – TL 2,362,691), net fees and commission income of TL 672,288 (December 31, 2009 – TL 616,483) and other operating income of TL 155,486 (December 31, 2009 – TL 114,456) constitute an important part of the income.

The Parent Bank sold its subsidiary Finans Malta Holdings Ltd., of which the Bank used to own 100% of the shares, for EUR 185 million in cash on February 24, 2009 to NBG International Holdings B.V. in prior period. The gain of TL 43,324 resulting from the sale is accounted for as “Income on sale of associates, subsidiaries and entities under common control” under the “Income on Discontinued Operations” in the prior period income statement.

The income / expense from discontinued operations as of December 31, 2009 are as follows:

	<b>December 31, 2009</b>
<b>Income / Expense from Discontinued Operations</b>	
Interest Income	34,796
Interest Expenses	(38,586)
<b>Net Interest Income / Expense</b>	<b>(3,790)</b>
Net Commission and Fee Income	62
Net Trading Income / Loss	19,240
Other Operating Income	-
<b>Total Operating Income</b>	<b>15,512</b>
Provisions for Losses on Loans and Other Receivables	-
Other Operating Expenses	(481)
<b>Profit / Loss from Discontinued Operations before Taxes</b>	<b>15,031</b>
Tax Charge <sup>(*)</sup>	(1,123)
<b>Net Profit / Loss from Discontinued Operations</b>	<b>13,908</b>
Gain on Sale of Discontinued Operations	43,324
Tax Charge of Gain on Sale of Discontinued Operations <sup>(*)</sup>	(9,855)
<b>Profit</b>	<b>47,377</b>

<sup>(\*)</sup> Income tax charge amounting to TL 9,855 related with the sale of subsidiary and accrued income tax until the day of sale amounting to TL 1,123 are presented under “Tax Charge for Discontinued Operations” as a total of TL 10,978 in the prior period income statement.

**9. Explanations on tax provision for continued and discontinued operations**

**9.1. Current period taxation benefit or charge and deferred tax benefit or charge**

As of December 31, 2010, the Group recorded tax charge of TL 256,576 (December 31, 2009 – TL 122,968) and a deferred tax benefit of TL 18,728 (December 31, 2009 – TL 1,759).

The Parent Bank disposed its 100% shares of its subsidiary Finans Malta Holdings Ltd. for EUR 185 million in cash to NBG International Holdings B.V. on February 24, 2009. The tax effect of this disposal amounting to TL 9,855 is accounted for under “Tax Charge for Discontinued Operations” in the accompanying financial statements for 2009.

**9.2. Explanations on operating profit/loss after taxes**

None (December 31, 2009 – None).

**10. Explanations on net profit/(loss) from continued and discontinued operations:**

In the current period, there is no profit of the Group from discontinued operations (December 31, 2009 – TL 47,377), whereas the net profit of the Group from continued operations is TL 937,577 (December 31, 2009 – TL 524,319).

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**11. Explanations on net income/loss for the period**

**11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Group's performance for the period**

None (December 31, 2009 – None).

**11.2. There is no material effect of changes in accounting estimates by the Group on income statement for the current and, for subsequent periods.**

**11.3. Profit or loss attributable to minority shares**

	<b>Current Period</b>	<b>Prior Period</b>
Profit / Loss Attributable to Minority Shares	14,655	17,840

**11.4. There are no changes in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.**

**12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement**

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded to the “Others” line under “Fees and Commissions received” account and fees and commissions given to credit cards are recorded to the “Others” line under “Fees and Commissions Paid” account by the Parent Bank.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION FIVE**

**V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**1. Changes resulting from valuation of available for sale securities**

Net increase of TL 46,499 (December 31, 2009 – TL 84,548 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders’ equity.

**2. Explanations on foreign exchange differences**

Foreign currency denominated investments in subsidiaries and borrowings used for acquiring of those subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date. There is no foreign exchange differences recorded under equity, since the Group disposed the foreign subsidiary during the year 2009.

**3. Explanations on dividend**

**3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements**

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated April 9, 2010, it was decided to distribute the 2009 profit as below.

**2009 profit distribution table:**

<b>Current year profit</b>	<b>650,114</b>
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	32,506
B - The First Dividend for Shareholders(*)	78,750
C – Profit from Disposal of Associates	147,824
D - Extraordinary Reserves	391,034

(\*): Distributed as bonus shares.

**3.2. Dividends per share proposed subsequent to the balance sheet date**

No decision is taken concerning the profit distribution by the General Assembly, as of the balance sheet date (December 31, 2009 - Profit distribution for 2009 is detailed in footnote 3.1) .

**3.3. Transfers to legal reserves**

	<b>Current Period</b>	<b>Prior Period</b>
Amount Transferred to Reserves from Retained Earnings	36,134	24,187

**4. Issuance of share certificates**

**4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital**

None (December 31, 2009 - None).

**5. Information on the other capital increase items in the statement of changes in shareholders' equity**

Capital increase amounting to TL 630,000 that is stated in Statement of Changes in Shareholder's Equity for 2010 is provided by TL 547,143 from cash and TL 82,857 from extraordinary reserves. Capital increase that is stated in Statement of Changes in Shareholder's Equity for 2009 amounting to TL 75,000 is provided from first dividend to shareholders.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION FIVE**

**VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOW STATEMENT**

**1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents**

“Other items” amounting to TL 247,359 (December 31, 2009 – TL 558,660) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 108,879 (December 31, 2009 – TL 89,824), net trading income/loss amounting to TL 462,085 (December 31, 2009 – TL 188,324 net trading income/loss) and other operating expenses amounting to TL 600,565 (December 31, 2009 – TL 280,512).

“Other items” in changes in operating assets amounting to TL 634,647 (December 31, 2009 - TL 379,636) consist of the increase in collaterals given amounting to TL 370,041 (December 31, 2009 - TL 228,490 decrease), the decrease in lease receivables amounting to TL 56,322 (December 31, 2009 – TL 289,773 decrease), the increase in factoring receivables amounting to TL 184,979 (December 31, 2009 – TL 37,033 increase) and the increase in other assets amounting to TL 135,949 (December 31, 2009 - TL 101,594 increase).

“Other items” in changes in operating liabilities amounting to TL 1,508,259 (December 31, 2009 - TL 187,156) consist of the increase in money market borrowings by TL 1,146,331 (December 31, 2009 - TL 315,231 increase) and the increase in sundry debtors and other liabilities by TL 361,928 (December 31, 2009 - TL 128,075 decrease).

**2. Information regarding the balances of cash and cash equivalents at the beginning of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>January 1, 2010</b>	<b>January 1, 2009</b>
<b>Cash</b>	<b>299,848</b>	<b>225,152</b>
Cash in TL	168,939	100,592
Cash in Foreign Currencies	126,865	121,349
Other	4,044	3,211
<b>Cash Equivalents</b>	<b>2,821,345</b>	<b>1,769,406</b>
Balances with the T.R. Central Bank	1,494,358	1,349,821
Banks	1,321,487	428,264
Money Market Placements	14,351	18,761
Less: Placements with Banks with Maturities		
Longer than 3 Months	-	(2,183)
Less: Accruals	(8,851)	(25,257)
<b>Cash and Cash Equivalents</b>	<b>3,121,193</b>	<b>1,994,558</b>

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**3. Information regarding the balances of cash and cash equivalents at the end of the period**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>December 31, 2010</b>	<b>December 31, 2009</b>
<b>Cash</b>	<b>429,473</b>	<b>299,848</b>
Cash in TL	223,045	168,939
Cash in Foreign Currencies	177,056	126,865
Other	29,372	4,044
<b>Cash Equivalents</b>	<b>2,526,224</b>	<b>2,821,345</b>
Balances with the T.R. Central Bank	1,968,847	1,494,358
Banks	559,178	1,321,487
Money Market Placements	4,977	14,351
Less: Placements with Banks with Maturities Longer than 3 Months	(4,322)	-
Less: Accruals	(2,456)	(8,851)
<b>Cash and Cash Equivalents</b>	<b>2,955,697</b>	<b>3,121,193</b>

**4. Restricted cash and cash equivalents due to legal requirements or other reasons**

Foreign bank balances include TL 49,600 (December 31, 2009 - TL 49,296) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

**5. Additional information**

**5.1. Restrictions on the Parent Bank's potential borrowings that can be used for ordinary operations or capital commitment**

None (December 31, 2009 – None).



**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION FIVE**

**VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE PARENT BANK'S RISK GROUP**

**1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

As of December 31, 2010, the Parent Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 127,671 (December 31, 2009 - TL 1,184,459), TL 29,061 (December 31, 2009 - TL 30,632) and TL 49,066 (December 31, 2009 - TL 34,870), respectively.

**Current Period**

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	385	-	11,745	30,632	22,740
Balance at the End of the Period	-	270	-	48,794	29,061	2
Interest and Commission Income	-	6	30	55	1,962	-

**Prior Period**

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	115	-	-	10,005	3,051
Balance at the End of the Period	-	385	-	11,745	30,632	22,740
Interest and Commission Income	-	6	-	79	2,941	235

(\*) As described in the Article 49 of Banking Law No 5411.

**1.2. Information on deposits held by the Parent Bank's risk group**

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Balance at the Beginning of the Period	10,199	80	1,116,699	529,562	57,561	14,973
Balance at the End of the Period	27,579	10,199	1,707	1,116,699	98,385	57,561
Interest on deposits	16,446	9	14,327	2,893	3,045	17,899

(\*) As described in the Article 49 of Banking Law No 5411.

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**1.3. Information on forward and option agreements and similar agreements made with the Parent Bank's risk group**

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	-	105,265	70,407	273,419	142,115
End of the Period	-	-	817,073	105,265	246,599	273,419
Total Income/Loss (***)	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period						
End of the Period	-	-	-	-	-	-
Total Income/Loss (***)	-	-	-	-	-	-

(\*) As described in the Article 49 of Banking Law No 5411.

(\*\*) Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

**2. Disclosures of transactions with the Parent Bank's risk group**

**2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

**2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other**

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2010, cash loans of the risk group represented 0.1% of the total cash loans (December 31, 2009 - 0.02%), the deposits represented 0.5% of the total deposits (December 31, 2009 - 5.9%) and derivative transactions with the risk group represented 3.9% of the Parent Bank's total derivative transactions (December 31, 2009 - 2.5%).

**2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts**

The Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

The Parent Bank places certain amount of its funds from time through time to Finans Portföy Yönetimi A.Ş.

The Parent Bank has signed an agreement with Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33.3% share holding, provides cash transfer services to the Parent Bank.

Information about the Parent Bank's subordinated loans obtained from NBG is explained under Section 5, Part II, Footnote 11.

The receivables, payables, income and expenses of the transactions conducted with the subsidiaries other than those stated above are eliminated in the consolidated financial statements.

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

## VIII. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES

	Number	Employees			
Domestic Branch	501	11,727			
			Country		
Foreign Representation	-	-	1- 2- 3-		
				Total Assets	Capital
Foreign Branch	-	-	1- 2- 3-	-	-
Off-shore Banking and Region Branches	1	7	1- Bahrain	4,303,887	

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

**I. OTHER EXPLANATIONS RELATED TO THE GROUP’S OPERATIONS**

**1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements**

The Parent Bank has received the approvals from the authorities, to issue banking bonds up to TL 1,000,000 and up to 1 year maturity, on January 20, 2011.

Required reserve ratios on TL liabilities set out as per “Amendment to the Communiqué on Reserve Requirements” No. 2011/2 published in the repeated Official Gazette No. 27825 dated January 24, 2011 are as follows, whereas no change is made for required reserve ratios on foreign currency liabilities of 11%.

	<b>TL Required Reserve Ratios</b>
Demand deposits, notice deposits and private current accounts	12
Deposits/participation accounts up to 1-month maturity (including 1 month)	10
Deposits/participation accounts up to 3-month maturity (including 3 months)	9
Deposits/participation accounts up to 6-month maturity (including 6 months)	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Liabilities other than deposits/participation funds	9
Special fund pools	Ratios for corresponding maturities

**2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank**

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

**3. Other matters**

None.

**SECTION SEVEN**

**INDEPENDENT AUDITOR’S REPORT**

**I. EXPLANATIONS ON THE INDEPENDENT AUDITOR’S REPORT**

The consolidated financial statements of the Group have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor’s report dated February 10, 2011 is presented preceding the financial statements.

**II. Explanations on the notes prepared by Independent Auditor**

None. (December 31, 2009 – None)