

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 30 JUNE 2010**

**CONVENIENCE TRANSLATION OF
THE INDEPENDENT AUDITOR'S REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Eurobank Tekfen A.Ş.:

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

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Eurobank Tekfen A.Ş. and its consolidated subsidiaries at 30 June 2010 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional Paragraph for Convenience Translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Z. Alper Önder, SMMM
Partner

Istanbul, 7 September 2010

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I. OF SECTION THREE**

**THE CONSOLIDATED FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 30 JUNE 2010**

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The consolidated year end financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** GENERAL INFORMATION ABOUT THE GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER EXPLANATIONS
- **Section Seven** EXPLANATION ON REVIEW REPORT

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investment in Associates	Joint Ventures
1. EFG Finansal Kiralama A.Ş.	-	-
2. EFG İstanbul Menkul Değerler A.Ş.	-	-

The accompanying consolidated six months financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been reviewed.

7 September 2010

Mehmet N. ERTEN
Chairman of the
Board of Directors

Mehmet G. SÖNMEZ
Member of the Board of
Directors and
General Manager

A.İdil KURAL
Vice President and
Group Head of Financial
Control and Planning

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

O. Reha YOLALAN
Head of Audit Committee

Piergiorgio PRADELLI
Member of the Audit Committee

Paula HADJISOTIRIOU
Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname / Title : Ahmet CİĞA / Manager
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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2010

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

SECTION ONE

GENERAL INFORMATION

I. PARENT BANK'S FOUNDATION DATE, START-UP STATUTE, HISTORY ABOUT THE CHANGES IN THIS MENTIONED STATUTE:

Tekfen Yatırım ve Finansman Bankası A.Ş. was established as an "investment bank" with the permission of the Council of Ministers No. 88/13253 on 26 August 1988 and authorised to conduct finance investment and foreign trade activities. Banking operations commenced on 7 August 1989.

Bank Ekspres A.Ş. ("Bank Ekspres") was established with the permission of the Council of Ministers in decision No. 91/2316 on 22 September 1991; "The Decree of Establishment Permission" was published in the Official Gazette numbered 21017 and dated 10 October 1991. The Articles of Association was published in the Trade Registry Gazette numbered 2969 and dated 18 February 1992. The Turkish Savings Deposit and Insurance Fund ("SDIF") took over the management of Bank Ekspres A.Ş. due to the poor fiscal structure of the bank on 23 October 1998.

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2.983.800.000 shares with a nominal value of Kr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57,69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency's ("BRSA") decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank's name was changed to Tekfenbank Anonim Şirketi (the "Bank"), which had two main shareholders: Tekfen Holding A.Ş. with 57,30% and TST International S.A. with 40,62%.

EFG Eurobank Ergasias S.A. ("Eurobank EFG") and Tekfen Holding A.Ş. ("Tekfen Group") signed an agreement as of 8 May 2006, that anticipated Eurobank EFG to purchase Tekfen Group's 70% share in Tekfenbank and Tekfen Leasing which is fully owned by Tekfenbank; where Tekfen Group retained its strategic partnership by keeping all remaining shares. On 23 February 2007, the sale of Tekfenbank A.Ş. to Eurobank EFG Holding (Luxembourg) S.A. ("Eurobank EFG Holding") was approved by the BRSA and the sale was completed after the share transfer on 16 March 2007.

According to the decision taken in the Extraordinary General Assembly Meeting held on 5 December 2007 the name of Tekfenbank A.Ş. was changed to Eurobank Tekfen A.Ş. ("The Bank") and registered to Turkish Trade Registry on 11 January 2008.

The name of the consolidated subsidiary Tekfen Finansal Kiralama A.Ş. was changed to EFG Finansal Kiralama A.Ş. following the change in the name of the Parent Bank with the decision taken in Extraordinary General Assembly Meeting of the Company held on 29 January 2008 and registered to Turkish Trade Registry on 4 February 2008.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2010

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

II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:

Based on the approval notice of the BRSA dated 23 February 2007; at 16 March 2007, 2.630.678.980 registered shares out of the 2.880.538.208 registered shares and 700.000 bonus shares owned by Tekfen Holding A.Ş., and 869.321.020 registered shares of the 2.031.010.000 registered shares owned by TST International Finance S.A. have been transferred to Eurobank EFG Holding.

In accordance with the authorization of BRSA dated 21 October 2008; 23,23% of Eurobank Tekfen A.Ş. shares owned by TST International Finance SA have been transferred to Tekfen Holding A.Ş.. After this share transfer, 70% of the Parent Bank's capital is owned by Eurobank EFG Holding and 29,24% by Tekfen Holding A.Ş. as of 30 June 2010.

Eurobank EFG Group is a European banking organization with total assets of EUR85,9 billion. The Group employs more than 23.000 people and offers its products and services both through its network of 1.600 branches, points of sale and alternative distribution channels. Eurobank EFG Group has an established presence in Greece, Bulgaria, Serbia, Romania, Turkey, Poland, Ukraine, United Kingdom, Luxemburg and South Cyprus. Eurobank EFG is a member of the EFG Bank European Financial Group, an international banking group that has presence across 40 countries. EFG Bank European Financial Group is controlled by Latsis Family and is the third largest Swiss-based banking group.

Tekfen Group, which was established in 1956 as an engineering company, is composed of many companies and subsidiaries operating in domestic and foreign markets, which are gathered under the name Tekfen Holding A.Ş.. Tekfen Group companies mainly operate in the construction and commitment services, banking and financial services, business centers and housing construction, international investment advisory services and intermediary services sectors. These companies are grouped under six main categories, namely, "Contracting Group", "Agricultural Industry Group", "Real Estate Development Group", "Banking Group", "Investment and Services Group" and "International Investment and Trading Group".

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2010

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

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman	Undergraduate
Board of Directors Members:	Prof.Dr.Nikolaos Karamouzis	Vice Chairman	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Evangelos Kavvalos	Member	Graduate
	Paula Hadjisotiriou	Member	Undergraduate
	Georgios Marinos	Member	Graduate
	Ass.Prof.Osman Reha Yolalan	Member	PhD
	Dr. Ahmet İpekçi	Member	PhD
	Aikaterini Delikoura	Member	Graduate
	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
General Manager:	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
Vice General Managers:	Bülent Nur Özkan	Senior Vice General Manager	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Ahmet Türkselçi	Human Resources	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate and Structured Finance	Graduate
	Fedon Hacaki	Loans	Graduate
	Ayşe İdil Kural	Financial Controlling and Planning	Undergraduate
	Cihan Vural	Internal Control and Audit	Undergraduate
	Şebnem Dönbekci	Retail Banking	Graduate
	Soner Ersoy	Information Technology	Undergraduate
	Zeliha Deniz Veral	Transaction Banking	Undergraduate
	Neşe Atabey	Medium and Small Scale Commercial Banking	Undergraduate
Auditors:	Dr.Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
	Hakan Dündar	Auditor	Graduate
Audit Committee:	Ass.Prof.Osman Reha Yolalan	Head of Audit Committee	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Paula Hadjisotiriou	Member	Undergraduate

(*) Board of directors' member, B.Elif Bilgi Zapparoli, has resigned from her duties as of 25 June 2010.

There is no share of the above individuals in the Bank.

**CONVENIENCE TRANSLATION OF PUBLICLY
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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2010

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

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Eurobank EFG Holding (Luxembourg) S.A.	266.000	70,00%	70,00%	-
Tekfen Holding A.Ş.	111.128	29,24%	29,24%	-
Total	377.128	99,24%	99,24%	-

Based on the Principal Agreement, the Parent Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding (Luxembourg), Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between the fifth and tenth anniversary of the signing of this agreement, any shareholder from Tekfen Group is entitled to sell the shares of the Bank then held to shareholders from EFG Group in one transaction by exercising the put option with the exercise price determined as described in the agreement.

On the other hand, at any time between seventh and tenth anniversary of the signing of this agreement, shareholders from the EFG Group have the right to purchase the shares of the Bank then held by shareholders from Tekfen Group in one transaction by exercising the call option with the exercise price determined as described in the agreement.

V. INFORMATION ON THE PARENT BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 30 June 2010, the Parent Bank has 47 branches operating in Turkey (31 December 2009: 42). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 June 2010, the Group has 908 (31 December 2009: 828) employees.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

**CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 30 JUNE 2010 AND 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET	ASSETS	Note (Section Five)	(30/06/2010)			(31/12/2009)		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	102.831	75.023	177.854	82.100	82.366	164.466
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	168.319	5.374	173.693	134.080	442	134.522
2.1	Trading Financial Assets		168.319	5.374	173.693	134.080	442	134.522
2.1.1	Government Debt Securities		158.273	17	158.290	128.512	44	128.556
2.1.2	Share Certificates					1.148		1.148
2.1.3	Trading Derivative Financial Assets		3.753	5.357	9.110	1.202	398	1.600
2.1.4	Other Marketable Securities		6.293		6.293	3.218		3.218
2.2	Financial Assets Designated at Fair Value through Profit or Loss							
2.2.1	Government Debt Securities							
2.2.2	Share Certificates							
2.2.3	Loans							
2.2.4	Other Marketable Securities							
III.	BANKS	I-c	538.514	244.893	783.407	374.353	201.792	576.145
IV.	MONEY MARKETS					25.005		25.005
4.1	Interbank Money Market Placements					25.005		25.005
4.2	Receivables from Istanbul Stock Exchange Money Market							
4.3	Receivables from Reverse Repurchase Agreements							
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	235.075	113.740	348.815	321.587	128.652	450.239
5.1	Share Certificates		2.972		2.972	2.972		2.972
5.2	Government Debt Securities		232.103	113.740	345.843	318.615	128.652	447.267
5.3	Other Marketable Securities							
VI.	LOANS	I-e	1.018.046	454.740	1.472.786	918.054	347.967	1.266.021
6.1	Loans		930.340	454.740	1.385.080	841.529	347.967	1.189.496
6.1.1	Loans to Bank's Risk Group		49		49	101	131	232
6.1.2	Government Debt Securities							
6.1.3	Other		930.291	454.740	1.385.031	841.428	347.836	1.189.264
6.2	Loans under Follow-up		187.854		187.854	163.653		163.653
6.3	Specific Provisions (-)		100.148		100.148	87.128		87.128
VII.	FACTORING RECEIVABLES	I-e	69.557	5.885	75.442	75.733	7.618	83.351
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	947.322		947.322	993.301		993.301
8.1	Government Debt Securities		947.322		947.322	993.301		993.301
8.2	Other Marketable Securities							
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11.2	Unconsolidated							
11.2.1	Financial Joint Ventures							
11.2.2	Non-Financial Joint Ventures							
XII.	LEASE RECEIVABLES (Net)	I-j	14.220	165.811	180.031	9.154	173.925	183.079
12.1	Financial Lease Receivables		18.242	203.467	221.709	12.229	218.389	230.618
12.2	Operational Lease Receivables							
12.3	Other							
12.4	Unearned Income (-)		4.022	37.656	41.678	3.075	44.464	47.539
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k						
13.1	Fair Value Hedge							
13.2	Cash Flow Hedge							
13.3	Foreign Net Investment Hedge							
XIV.	PROPERTY AND EQUIPMENT (Net)		28.719		28.719	41.986		41.986
XV.	INTANGIBLE ASSETS (Net)		68.909		68.909	68.122		68.122
15.1	Goodwill		63.973		63.973	63.973		63.973
15.2	Other		4.936		4.936	4.149		4.149
XVI.	INVESTMENT PROPERTY (Net)	I-l						
XVII.	TAX ASSET	I-m	22.199		22.199	26.233		26.233
17.1	Current Tax Asset		701		701	5.224		5.224
17.2	Deferred Tax Asset		21.498		21.498	21.009		21.009
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	3.638		3.638	2.141		2.141
18.1	Held for Resale		3.638		3.638	2.141		2.141
18.2	Discontinued Operations							
XIX.	OTHER ASSETS	I-o	58.398	8.265	66.663	29.294	870	30.164
	TOTAL ASSETS		3.275.747	1.073.731	4.349.478	3.101.143	943.632	4.044.775

The accompanying explanations and notes form an integral part of these financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 30 JUNE 2010 AND 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I.	BALANCE SHEET	Note (Section Five)	(30/06/2010)			(31/12/2009)		
			TL	FC	Total	TL	FC	Total
	LIABILITIES							
I.	DEPOSITS	II-a	1.297.178	565.017	1.862.195	1.050.057	730.193	1.780.250
1.1	Deposits of Bank’s Risk Group		555.534	195.643	751.177	415.774	194.532	610.306
1.2	Other		741.644	369.374	1.111.018	634.283	535.661	1.169.944
II.	TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	3.194	5.551	8.745	1.147	572	1.719
III.	BORROWINGS	II-c	722.666	327.944	1.050.610	714.797	334.207	1.049.004
IV.	MONEY MARKETS		610.005		610.005	422.371		422.371
4.1	Funds from Interbank Money Market							
4.2	Funds from Istanbul Stock Exchange Money Market				137.918	15.156		15.156
4.3	Funds Provided Under Repurchase Agreements		472.087		472.087	407.215		407.215
V.	MARKETABLE SECURITIES ISSUED (Net)							
5.1	Bills							
5.2	Asset Backed Securities							
5.3	Bonds							
VI.	FUNDS							
6.1	Borrower Funds							
6.2	Other							
VII.	MISCELLANEOUS PAYABLES		10.158	5.606	15.764	9.459	8.310	17.769
VIII.	OTHER LIABILITIES	II-d	43.822	1.000	44.822	22.372	254	22.626
IX.	FACTORING PAYABLES							
X.	LEASE PAYABLES (Net)	II-e		9	9		57	57
10.1	Financial Lease Payables			9	9		59	59
10.2	Operational Lease Payables							
10.3	Other							
10.4	Deferred Financial Lease Expenses (-)						2	2
XI.	HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f		23.429	23.429		20.306	20.306
11.1	Fair Value Hedge			23.429	23.429		20.306	20.306
11.2	Cash Flow Hedge							
11.3	Foreign Net Investment Hedge							
XII.	PROVISIONS	II-g	30.783	14.905	45.688	35.252	13.878	49.130
12.1	General Loan Loss Provision		9.768	4.824	14.592	9.718	4.518	14.236
12.2	Restructuring Provisions							
12.3	Reserve for Employee Rights		11.337		11.337	12.770		12.770
12.4	Insurance Technical Provisions (Net)							
12.5	Other Provisions		9.678	10.08	19.759	12.764	9.360	22.124
XIII.	TAX LIABILITY	II-h	6.474		6.474	6.873		6.873
13.1	Current Tax Liability		6.474		6.474	6.873		6.873
13.2	Deferred Tax Liability							
XIV.	PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	II-i						
14.1	Held for Resale							
14.2	Discontinued Operations							
XV.	SUBORDINATED LOANS	II-j	184.891		184.891	185.079		185.079
XVI.	SHAREHOLDERS' EQUITY	II-k	499.326	(2.480)	496.846	488.182	1.409	489.591
16.1	Paid-in Capital		380.000		380.000	380.000		380.000
16.2	Capital Reserves		7.078	(2.480)	4.598	15.273	1.409	16.682
16.2.1	Share Premium							
16.2.2	Share Cancellation Profits							
16.2.3	Marketable Securities Valuation Reserve		1.620	(2.480)	(860)	5.919	1.409	7.328
16.2.4	Tangible Assets Revaluation Reserve		3.824		3.824	7.787		7.787
16.2.5	Intangible Assets Revaluation Reserve							
16.2.6	Investment Property Revaluation Reserve							
16.2.7	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures							
16.2.8	Hedging Reserves (Effective portion)							
16.2.9	Value Differences of Assets Held for Resale and Discontinued Operations							
16.2.10	Other Capital Reserves		1.634		1.634	1.567		1.567
16.3	Profit Reserves		79.239		79.239	54.384		54.384
16.3.1	Legal Reserves		10.568		10.568	9.322		9.322
16.3.2	Status Reserves							
16.3.3	Extraordinary Reserves		68.671		68.671	45.062		45.062
16.3.4	Other Profit Reserves							
16.4	Income or (Loss)		33.009		33.009	38.525		38.525
16.4.1	Prior Years' Income or (Loss)		13.603		13.603	1.598		1.598
16.4.2	Current Year Income or (Loss)		19.406		19.406	36.927		36.927
16.5	Minority Shares							
	TOTAL LIABILITIES		3.408.497	940.981	4.349.478	2.935.589	1.109.186	4.044.775

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
30 JUNE 2010 AND 31 DECEMBER 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. OFF-BALANCE SHEET		Note (Section Five)	(30/06/2010)			(31/12/2009)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		1.087.654	3.057.828	4.145.482	432.009	1.547.341	1.979.350
I.	GUARANTEES AND WARRANTIES	III-a-2-3	220.456	915.191	1.135.647	174.618	940.714	1.115.332
1.1	Letters of Guarantee		215.885	77.134	293.019	172.688	100.202	272.890
1.1.1	Guarantees Subject to State Tender Law		18.657	10.558	29.215	19.073	11.419	30.492
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		197.228	66.576	263.804	153.615	88.783	242.398
1.2	Bank Acceptances		-	30.325	30.325	-	19.590	19.590
1.2.1	Import Letter of Acceptance		-	30.325	30.325	-	19.590	19.590
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	124.487	124.487	-	98.514	98.514
1.3.1	Documentary Letters of Credit		-	124.487	124.487	-	98.514	98.514
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		4.571	1.543	6.114	1.930	1.163	3.093
1.8	Other Guarantees		-	681.702	681.702	-	721.245	721.245
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	302.505	517.382	819.887	114.357	36.912	151.269
2.1	Irrevocable Commitments		302.505	517.382	819.887	114.357	36.912	151.269
2.1.1	Asset Purchase and Sales Commitments		219.400	517.382	736.782	45.331	36.912	82.243
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4	Commitments for Loan Limits		13.163	-	13.163	9.999	-	9.999
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		54.198	-	54.198	44.462	-	44.462
2.1.8	Tax and Fund Liabilities from Export Commitments		-	1.297	1.297	-	1.479	1.479
2.1.9	Commitments for Credit Card Limits		11.543	-	11.543	8.871	-	8.871
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		904	-	904	2.215	-	2.215
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		564.693	1.625.255	2.189.948	143.034	569.715	712.749
3.1	Hedging Derivative Financial Instruments		-	188.844	188.844	-	178.476	178.476
3.1.1	Transactions for Fair Value Hedge		-	188.844	188.844	-	178.476	178.476
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		564.693	1.436.411	2.001.104	143.034	391.239	534.273
3.2.1	Forward Foreign Currency Buy/Sell Transactions		162.642	238.845	401.487	13.419	28.022	41.441
3.2.1.1	Forward Foreign Currency Transactions-Buy		137.813	62.883	200.696	9.666	11.083	20.749
3.2.1.2	Forward Foreign Currency Transactions-Sell		24.829	175.962	200.791	3.753	16.939	20.692
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		95.291	555.162	650.453	21.663	126.009	147.672
3.2.2.1	Foreign Currency Swap-Buy		95.291	17.024	112.315	-	25.151	25.151
3.2.2.2	Foreign Currency Swap-Sell		-	111.468	111.468	21.663	3.714	25.377
3.2.2.3	Interest Rate Swap-Buy		-	213.335	213.335	-	48.572	48.572
3.2.2.4	Interest Rate Swap-Sell		-	213.335	213.335	-	48.572	48.572
3.2.3	Foreign Currency, Interest rate and Securities Options		300.737	642.404	943.141	106.781	237.208	343.989
3.2.3.1	Foreign Currency Options-Buy		148.695	246.405	395.100	62.612	86.172	148.784
3.2.3.2	Foreign Currency Options-Sell		152.042	243.095	395.137	44.169	104.710	148.879
3.2.3.3	Interest Rate Options-Buy		-	76.452	76.452	-	23.163	23.163
3.2.3.4	Interest Rate Options-Sell		-	76.452	76.452	-	23.163	23.163
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		6.023	-	6.023	1.171	-	1.171
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		5.717.372	5.360.414	11.077.786	4.621.217	5.291.373	9.912.590
IV.	ITEMS HELD IN CUSTODY		2.627.742	264.592	2.892.334	1.873.252	254.418	2.127.670
4.1	Customer Fund and Portfolio Balances		1.119.322	-	1.119.322	87.483	-	87.483
4.2	Investment Securities Held in Custody		397.798	15.973	413.771	639.639	15.145	654.784
4.3	Cheques Received for Collection		463.496	62.820	526.316	548.843	49.828	598.671
4.4	Commercial Notes Received for Collection		21.786	18.563	40.349	22.242	19.029	41.271
4.5	Other Assets Received for Collection		4	-	4	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		625.336	167.236	792.572	575.045	170.416	745.461
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		3.089.630	5.095.822	8.185.452	2.747.965	5.036.955	7.784.920
5.1	Marketable Securities		-	9.010	9.010	-	14.803	14.803
5.2	Guarantee Notes		1.901.234	3.229.923	5.131.157	1.574.484	3.092.471	4.666.955
5.3	Commodity		5.125	5.190	10.315	4.377	5.764	10.141
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.151.721	1.841.305	2.993.026	1.133.579	1.916.963	3.050.542
5.6	Other Pledged Items		22.540	19.404	41.944	20.722	21.757	42.479
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		6.805.026	8.418.242	15.223.268	5.053.226	6.838.714	11.891.940

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED INCOME STATEMENT FOR THE SIX AND THREE MONTHS PERIOD ENDED
30 JUNE 2010 AND 30 JUNE 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. INCOME STATEMENT	Note (Section Five)	01/01/2010- 30/06/2010	01/01/2009- 30/06/2009	01/04/2010- 30/06/2010	01/04/2009- 30/06/2009
INCOME AND EXPENSE ITEMS					
I. INTEREST INCOME	IV-a	205.907	236.790	104.230	109.589
1.1 Interest on Loans		70.081	94.677	35.726	45.259
1.2 Interest Received from Reserve Requirements		2.294	4.759	1.197	1.968
1.3 Interest Received from Banks		23.028	10.550	12.081	4.812
1.4 Interest Received from Money Market Transactions		790	1.311	262	564
1.5 Interest Received from Marketable Securities Portfolio		94.767	112.911	45.941	51.250
1.5.1 Trading Financial Assets		1.365	6.268	(57)	330
1.5.2 Financial Assets at Fair Value through Profit or Loss		-	-	-	-
1.5.3 Available-for-sale Financial Assets		16.650	27.948	7.609	11.026
1.5.4 Held-to-maturity Investments		76.752	78.695	38.389	39.894
1.6 Financial Lease Income		8.605	5.971	4.446	3.904
1.7 Other Interest Income		6.342	6.611	4.577	1.832
II. INTEREST EXPENSE (-)	IV-b	150.058	175.401	79.168	81.569
2.1 Interest on Deposits (-)		55.566	83.243	29.481	36.642
2.3 Interest on Funds Borrowed (-)		70.463	73.028	35.488	36.536
2.4 Interest Expense on Money Market Transactions (-)		16.188	12.891	9.483	5.824
2.5 Interest on Securities Issued (-)		-	-	-	-
2.6 Other Interest Expenses (-)		7.841	6.239	4.716	2.567
III. NET INTEREST INCOME (I + II)		55.849	61.389	25.062	28.020
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-j	30.077	32.269	16.657	13.451
4.1 Fees and Commissions Received		32.743	33.909	18.151	14.345
4.1.1 Non-cash Loans		13.294	16.082	7.382	6.995
4.1.2 Other		19.449	17.827	10.769	7.350
4.2 Fees and Commissions Paid (-)		2.666	1.640	1.494	894
4.2.1 Non-cash Loans (-)		246	144	140	73
4.2.2 Other (-)		2.420	1.496	1.354	821
V. DIVIDEND INCOME		129	137	129	137
VI. TRADING INCOME/(LOSS) (Net)	IV-c	13.842	31.668	8.096	17.824
6.1 Trading Gains/(Losses) on Securities		12.283	27.002	6.617	17.030
6.2 Trading Gains/(Losses) on Derivative Financial Instruments		(306)	2.532	412	2.301
6.3 Foreign Exchange Gains/(Losses)		1.865	2.134	1.067	(1.507)
VII. OTHER OPERATING INCOME	IV-d	6.827	2.162	1.387	1.045
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		106.724	127.625	51.331	60.477
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	10.263	31.824	5.057	16.045
X. OTHER OPERATING EXPENSES (-)	IV-f	72.783	59.997	38.232	30.228
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		23.678	35.804	8.042	14.204
XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XIII. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		-	-	-	-
CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV. INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)		23.678	35.804	8.042	14.204
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-g	4.272	7.392	1.603	2.895
16.1 Current Tax Provision		1.721	20.655	700	9.893
16.2 Deferred Tax Provision		2.551	(13.263)	903	(6.998)
XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)		19.406	28.412	6.439	11.309
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from Non-Current Assets Held for Resale		-	-	-	-
18.2 Sale Income from Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Other Income from Discontinued Operations		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expense from Non-Current Assets Held for Resale		-	-	-	-
19.2 Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Other Expenses from Discontinued Operations		-	-	-	-
XX. INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Current tax provision		-	-	-	-
21.2 Deferred tax provision		-	-	-	-
XXII. NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XVIII. NET INCOME/(LOSS) (XVII+XXII)	IV-h	19.406	28.412	6.439	11.309
Earnings/(Loss) per share (1.000 nominal in TL full)		0,460	0,714	0,153	0,268

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE SIX MONTHS PERIOD ENDED
AT 30 JUNE 2010 AND 30 JUNE 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	30/06/2010	30/06/2009
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(4.650)	28.425
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	(4.954)	215
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	1.921	(5.728)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(7.683)	22.912
XI. CURRENT PERIOD INCOME/LOSS	(4.468)	(9.331)
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(4.468)	(9.331)
1.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	-	-
	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(12.151)	13.581

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
	PRIOR PERIOD 30/06/2009	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		230.000	1.567	-	-	8.577	-	30.712	-	40.095	1.598	(14.159)	7.152	-	-	-	305.542	-	305.542
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		230.000	1.567	-	-	8.577	-	30.712	-	40.095	1.598	(14.159)	7.152	-	-	-	305.542	-	305.542
	Changes in the Period																			
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	13.409	-	-	-	-	13.409	-	13.409
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	172	-	-	-	172	-	172
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained from Investments in Associates,Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	(V-c)	150.000	-	-	-	-	-	(25.000)	-	-	-	-	-	-	-	-	125.000	-	125.000
14.1	Cash		125.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125.000	-	125.000
14.2	Internal Resources		25.000	-	-	-	-	-	(25.000)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or Loss		-	-	-	-	-	-	-	28.412	-	-	-	-	-	-	-	28.412	-	28.412
XX.	Profit Distribution		-	-	-	745	-	39.350	-	(40.095)	-	-	-	-	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	745	-	39.350	-	(40.095)	-	-	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+...+XIX+XX)		380.000	1.567	-	-	9.322	-	45.062	-	28.412	1.598	(750)	7.324	-	-	-	472.535	-	472.535

The accompanying explanations and notes form an integral part of these financial statements.

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EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD 30/06/2010	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance		380.000	1.567	-	-	9.322	-	45.062	-	36.927	1.598	7.328	7.787	-	-	-	489.591	-	489.591
Changes in the Period																			
II. Increase/Decrease due to the Merger																			
III. Marketable Securities Valuation Differences	(V-d)											(8.188)					(8.188)		(8.188)
IV. Hedging Reserves (Effective Portion)																			
4.1 Cash Flow Hedge																			
4.2 Foreign Investment Hedge																			
V. Revaluation Differences of Tangible Assets	(V-e)												(3.963)				(3.963)		(3.963)
VI. Revaluation Differences of Intangible Assets																			
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures																			
VIII. Foreign Exchange Difference																			
IX. Changes due to the Disposal of Assets																			
X. Changes due to the Reclassification of the Assets																			
XI. Effects of Changes in Equity of Investments in Associates																			
XII. Capital Increase	(V-c)																		
12.1 Cash																			
12.2 Internal Resources																			
XIII. Share Premium																			
XIV. Share Cancellation Profits																			
XV. Adjustment to Share Capital																			
XVI. Other																			
XVII. Current Year Income or Loss										19.406							19.406		19.406
XVIII. Profit Distribution						1.246		23.609	67	(36.927)	12.005								
18.1 Dividend Paid																			
18.2 Transfers to Reserves						1.246		23.609	67	(24.855)	(67)								
18.3 Other										(12.072)	12.072								
Period End Balance (I+II+III+... +XVIII)		380.000	1.567	-	-	10.568	-	68.671	67	19.406	13.603	(860)	3.824	-	-	-	496.846	-	496.846

The accompanying explanations and notes form an integral part of these financial statements.

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**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2010 AND 30 JUNE 2009**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VI. STATEMENT OF CASH FLOWS	(30/06/2010)	(30/06/2009)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	29.849	96.384
1.1.1 Interest Received	224.179	293.590
1.1.2 Interest Paid	(150.436)	(194.405)
1.1.3 Dividend Received	129	137
1.1.4 Fees and Commissions Received	30.077	32.269
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	14.583	10.511
1.1.7 Payments to Personnel and Service Suppliers	(37.288)	(32.697)
1.1.8 Taxes Paid	(805)	(15.413)
1.1.9 Other	(50.590)	2.392
1.2 Changes in Operating Assets and Liabilities	(73.870)	(254.682)
1.2.1 Net (Increase)/Decrease in Trading Securities	(32.636)	118.631
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3 Net (Increase)/Decrease in Due from Banks	(62.945)	-
1.2.4 Net (Increase)/Decrease in Loans	(208.460)	(166.830)
1.2.5 Net (Increase)/Decrease in Other Assets	(70.320)	(45.591)
1.2.6 Net Increase/(Decrease) in Bank Deposits	7.914	(7.778)
1.2.7 Net Increase/(Decrease) in Other Deposits	73.867	42.746
1.2.8 Net Increase/(Decrease) in Funds Borrowed	189.594	(211.058)
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	29.116	15.198
I. Net Cash Provided from Banking Operations	(44.021)	(158.298)
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
II. Net Cash Provided from Investing Activities	176.853	249.906
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	8.135	(5.198)
2.4 Disposals of Property and Equipment	17.354	92
2.5 Cash Paid for Purchase of Investments Available-for-Sale	-	-
2.6 Cash Obtained from Sale of Investments Available-for-Sale	93.236	255.012
2.7 Cash Paid for Purchase of Investment Securities	508	-
2.8 Cash Obtained from Sale of Investment Securities	57.620	-
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
III. Net Cash Provided from Financing Activities	(48)	124.954
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Used for Repayment Of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(48)	(46)
3.6 Other	-	125.000
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	8.430	(1)
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	141.214	216.561
VI. Cash and Cash Equivalents at Beginning of the Period	689.751	386.097
VII. Cash and Cash Equivalents at end of the Period	830.965	602.658

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

.SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No.26430 dated 10 February 2007 and changes in the related communiqué.

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

Additional paragraph for convenience translation into English:

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which these consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. The Group can also sustain a lengthened liability structure by using long-term borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank's foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses".

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES:

Consolidated financial statements are prepared in accordance with the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27").

Consolidation principles for subsidiaries:

Subsidiaries are entities controlled directly or indirectly by the Parent Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors regarding the Parent Bank.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, in the shareholder's equity. Minority interests are presented separately in the Group's income.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

The Group has no joint ventures or investment in associates as of 30 June 2010 and 31 December 2009.

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ACCOUNTING POLICIES (Continued)

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on the derivative being used for hedging purposes or not and depends on the type of the item being hedged.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortized to profit or loss over the period maturity.

Certain derivative transactions, even though they provide effective economic hedges under the Group’s risk management position, do not qualify for hedge accounting under the specific rules in “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement (“TAS 39”)” and are therefore treated as “Financial assets at fair value through profit or loss”.

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Financial assets at fair value through profit or loss” in “Trading derivative financial instruments” and if the fair value difference is negative, it is disclosed under “Trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are accounted under “Trading income/loss” in the income statement.

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method.

The Group ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

All fees and commissions income/expenses are recognized on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commissions income/expenses received/paid from/to the other institutions are recognized as transactional costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognized as income at the time of collection.

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ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group classifies and accounts its financial assets as "Fair value through profit or loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sales and purchases of the financial assets mentioned above are recognized at the "settlement dates". The appropriate classification of financial assets of the Group is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

a. Financial assets at fair value through profit or loss:

Financial assets, which are classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at "amortized cost" using the effective interest method. All gains and losses arising from these evaluations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV.

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at "amortized cost" using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

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

c. Loans and receivables:

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognized at the amortized cost value calculated using the effective interest method. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

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ACCOUNTING POLICIES (Continued)

The Group provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006 and changes in the related communiqué. In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjuncture on the basis of the prudence principle are taken into consideration by the Bank in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the “Specific Provisions” account and recorded as an income to “Provision for Loan Losses and Other Receivables” shown as net with the provisions recorded in the year. Uncollectible receivables are written-off after all the legal procedures have been finalized.

d. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as “Loans and receivables”, “Held-to-maturity assets” or “Financial asset at fair value through profit or loss”.

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortized cost using the effective interest method. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

“Unrealized gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders’ equity as “Marketable Securities Valuation Reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective interest method, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in detail in Note VII of this Section.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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ACCOUNTING POLICIES (Continued)

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements (“Repo”) are classified as “Financial assets at fair value through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Group has no securities lending transactions.

XI. EXPLANATIONS ON ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS:

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No. 26333.

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

The excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (i.e. trademarks) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquiree before the business combination; if it can be distinguished from the goodwill and if the asset’s fair value can be measured reliably.

In line with “Turkish Financial Reporting Standard for Business Combinations” (“TFRS 3”), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination.

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ACCOUNTING POLICIES (Continued)

b. Other intangible assets

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit of the asset and differs from 3 years to 15 years. The Parent Bank has revised the tangible asset useful lives from 30 June 2010 and the revised useful lives valid from 1 January 2010 are stated below:

	New Useful Life	Previous Useful Life
Licence and Softwares	5-12	3-5

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

The Group has adopted the "revaluation method" in accordance with the "Communiqué Regarding the Principles and Procedures for the Tangible Assets ("TAS 16")" for its buildings. Independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in Section V is presented in the financial statements by considering the sales option regarding the share transfer of the Group.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The depreciation rates are stated below:

Buildings	%2
Movables, Movables Acquired by Financial Leasing	%5-50

The Parent Bank revised the tangible asset useful lives and the useful lives valid from 1 January 2010 are restated below:

	New Useful Life	Previous Useful Life
Communication Devices	7	10
Hardware	5-7	4-5
ATM	10	4

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The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “Recoverable amount”, it is written down to its “Recoverable amount” and the provision for the diminution in value is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset. The Group has implemented the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” while revaluating the buildings. The revaluation amount of the building acquired within the extent of financial lease agreement is presented in the financial statements by considering the sales commitment regarding the share transfer of the Bank.

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “Provision for value decrease” is recognized. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group realizes financial leasing transactions in the capacity of “lessor” by means of EFG Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under unearned interest income account.

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

The Group provides specific provisions for lease receivables based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining Provisions for Financial Lease Receivables, Factoring Receivables and Receivables of Financing Companies” published in the Official Gazette No. 26588 dated 20 July 2007 and changes in the related communiqué.

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ACCOUNTING POLICIES (Continued)

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognized for loans and other receivables are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37")

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation can not be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group arising from this liability.

XVIII. EXPLANATIONS ON TAXATION :

a. Current tax:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2010 (2009: 20%). The corporate tax rate is calculated on the total income after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

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Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements for the Parent Bank and for each consolidated subsidiary separately.

XIX. EXPLANATIONS ON BORROWINGS:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortized cost” using the effective interest method.

The Group utilizes various hedging techniques to minimize the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Group.

XX. EXPLANATIONS ON SHARE CERTIFICATES AND ISSUANCE OF SHARE CERTIFICATES:

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

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ACCOUNTING POLICIES (Continued)

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 2010 and 31 December 2009, the Group has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit/ (loss) for the year to the weighted average number of shares outstanding during the period concerned.

	30 June 2010	30 June 2009
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	17.465	25.571
Weighted Average Number of Issued Ordinary Shares (Thousand)	38.000.000	35.789.727
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	0,460	0,714
Net Income / (Loss) to be Appropriated to Privileged Shareholders	1.941	2.841
Weighted Average Number of Issued Privileged Shares (Thousand)	1.000.000	1.000.000
Earnings Per Privileged Shares (Disclosed as 1.000 nominal in full TL)	1,941	2,841

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares “bonus shares” to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

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ACCOUNTING POLICIES (Continued)

XXV. EXPLANATIONS ON RELATED PARTIES:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with “Turkish Accounting Standard for Related Parties” (“TAS 24”). The transactions with related parties are disclosed in detail in Note V of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

Operational field is distinguishable section of the Group that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or a unique product. Operating segments are disclosed in Note VII in Section Four.

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2009 consolidated balance sheet and 30 June 2009 consolidated income statement figures, to conform to changes in presentation of 30 June 2010 consolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 30 June 2010, the consolidated capital adequacy ratio of the Group is 20,74% (31 December 2009: 23,67%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Group's risk parameters.
- b. The capital adequacy ratio of the Group is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" and "Regulation Regarding Banks' Shareholders' Equity" (together referred as "Regulation Regarding Capital Adequacy") published as of 1 November 2006. The following tables show the details of "Risk weighted assets" and the calculation of "Shareholders' Equity" for the capital adequacy ratio calculation.
- c. Information related to consolidated capital adequacy ratio:

	Risk Weights (*)							
	Parent Bank				Consolidated			
	0%	20%	50%	100%	0%	20%	50%	100%
Amount subject to credit risk								
Balance sheet items (Net)	2.088.807	175.438	480.645	1.163.915	2.092.009	199.381	498.570	1.303.075
Cash	15.844	-	-	-	15.860	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of Turkey	115.338	-	-	-	115.338	-	-	-
Domestic, foreign banks, foreign head	539.955	132.498	-	787	539.955	154.162	-	88.137
Interbank money market	-	-	-	-	-	-	-	-
Receivables from reverse repurchase	-	-	-	-	-	-	-	-
Reserve requirements	45.459	-	-	-	45.459	-	-	-
Loans	29.989	42.819	470.963	898.562	29.989	42.819	470.963	898.562
Non-performing receivables (Net)	-	-	-	85.563	-	-	-	87.706
Lease receivables	-	-	-	-	214	2.189	17.910	158.893
Available-for-sale financial assets	323.870	-	-	2.950	323.870	-	-	2.972
Held-to-maturity investments	882.983	-	-	-	883.490	-	-	-
Receivables from the disposal of assets	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	418	-	-	-	4.660
Interest and income accruals	88.351	121	9.682	8.225	88.352	211	9.697	9.155
Investments in associates, subsidiaries	-	-	-	134.332	-	-	-	-
Fixed assets	-	-	-	22.223	-	-	-	23.244
Other assets	47.018	-	-	10.855	49.482	-	-	29.746
Off-balance sheet items	345.281	29.291	276.718	616.371	345.281	29.291	276.718	616.732
Non-cash loans and commitments	345.281	10.757	276.718	608.233	345.281	10.757	276.718	608.233
Derivative financial instruments	-	18.534	-	8.138	-	18.534	-	8.499
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	2.434.088	204.729	757.363	1.780.286	2.437.290	228.672	775.288	1.919.807

(*) In accordance with "The Regulation Related to the Change of the Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette on 10 October 2007 and 22 March 2008, the risk weights of 10%, 150% and 200% are added to the calculation of the principal amount subject to credit risk. Since that the Groups' assets do not include any type of assets that shall be weighted within these mentioned risk weights, these risk weights are not included to the related table.

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d. Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Amount subject to credit risk (ASCR)	2.199.913	1.972.287	2.353.185	2.048.585
Amount subject to market risk (ASMR)	143.763	215.763	180.775	238.500
Amount subject to operational risk (ASOR)	213.602	152.217	293.423	202.687
Shareholders' equity	596.952	608.235	586.485	589.372
Shareholders' equity/(ASCR+ASMR+ASOR)	%23,34	%25,99	%20,74	%23,67

e. Information about consolidated shareholders' equity items:

	30 June 2010	31 December 2009
CORE CAPITAL		
Paid-in capital	380.000	380.000
Nominal capital	380.000	380.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	1.567	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	10.568	9.322
First legal reserve (Turkish Commercial Code 466/1)	6.663	5.417
Second legal reserve (Turkish Commercial Code 466/2)	3.905	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	68.671	45.062
Reserves allocated by the General Assembly	68.671	45.062
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and	-	-
Profit	33.009	38.525
Current period profit	19.406	36.927
Prior period profit	13.603	1.598
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred	67	-
Primary subordinated loans (up to 15% of core capital)	-	-
Minority Shares	-	-
Uncovered portion of loss with reserves (-)	-	-
Current period loss (net)	-	-
Prior period loss	-	-
Special costs (-)	8.719	8.370
Prepaid expenses (-)	4.728	3.204
Intangible assets (-)	4.936	4.149
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Consolidation goodwill (Net) (-)	63.973	63.973
Total Core Capital	411.526	394.780

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SUPPLEMENTARY CAPITAL	30 June 2010	31 December 2009
General provisions	14.592	14.236
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.721	3.504
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	159.900	173.959
45% of marketable securities valuation reserve	(860)	3.297
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(860)	3.297
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	175.353	194.996
TIER III CAPITAL	-	-
CAPITAL	586.879	589.776
DEDUCTIONS FROM THE CAPITAL	394	404
Shares in unconsolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	394	404
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	586.485	589.372

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II. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

Risk calculations are performed both with the standard method and the internal method. Regular legal reporting is performed on a weekly and monthly basis with the standard method. Fluctuations in risks are actively followed and are communicated to the top management. The Market Risk Committee also reports legally on a consolidated basis quarterly. The limitations in the treasury risk parameters, as approved by the Board of Directors, are summarized as follows:

- Position limit, maximum loss limit and minimum holding period for the available-for-sale, trading and held-to-maturity portfolio,
- Position limit, maximum loss limit and minimum holding period for derivative products,
- Distinct position limit and maximum loss limit of each foreign currency unit and total foreign currency,

Limit and risk monitoring for treasury operations, the calculation of risk parameters and various control processes have been more effectively performed with the implementation of Kondor program in 2008.

The below table represents the details of the market risk calculation in accordance with the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No.26333 dated 1 November 2006, namely "Calculation of Market Risk with Standard Method":

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	6.908
(II) Capital to be Employed for Specific Risk -Standard Method	155
(III) Capital to be Employed for Currency Risk - Standard Method	7.399
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	14.462
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	180.775

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III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

As of 30 June 2010, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

The difference between the Group’s foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in “Net Foreign Currency Position” (cross currency risk).

A series of limits for the tenure of spot and forward foreign exchange positions is set in the risk parameters section of the budget approved by the Board of Directors annually. There is a conservative foreign currency position management policy in the Group due to the free floating currency regime.

The Parent Bank’s publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date:

	EUR		USD		100 Japanese Yen	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
30 June 2010/ 31 December 2009						
Bid rate	TL1,9292	TL2,1427	TL 1,5737	TL1,4873	TL1,7719	TL1,6075
1. Day bid rate	TL1,9292	TL2,1427	TL1,5737	TL1,4873	TL1,7719	TL1,6075
2. Day bid rate	TL1,9217	TL2,1603	TL1,5747	TL1,5057	TL1,7708	TL1,6302
3. Day bid rate	TL1,9327	TL2,1680	TL1,5643	TL1,5026	TL1,7471	TL1,6360
4. Day bid rate	TL1,9373	TL2,1686	TL1,5750	TL1,5065	TL1,7535	TL1,6433
5. Day bid rate	TL1,9307	TL2,1702	TL1,5708	TL1,5052	TL1,7514	TL1,6471

The simple arithmetic average of the Parent Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	EUR		USD		100 Japanese Yen	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Arithmetic average-30 days	TL1,9186	TL2,1881	TL1,5701	TL1,4984	TL1,7227	TL1,6647

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Information on currency risk of the Group:

The Group's real foreign currency position, both in financial and economic terms, is presented in the table below:

	EUR	USD	Yen	Other FC	Total
30 June 2010					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	52.972	21.905	1	145	75.023
Due From Banks	31.817	207.230	3.566	2.280	244.893
Financial Assets at Fair Value Through Profit or Loss	73	185	-	-	258
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	113.740	-	-	113.740
Loans (*)	303.901	320.670	1.435	-	626.006
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	80.256	93.803	-	17	174.076
Total Assets (*)	469.019	757.533	5.002	2.442	1.233.996
Liabilities					
Bank Deposits	22	42	-	25	89
Foreign Currency Deposits	159.559	398.038	1.919	5.412	564.928
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	202.452	124.057	1.435	-	327.944
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	3.874	1.731	-	1	5.606
Hedging Derivative Financial Liabilities	-	23.429	-	-	23.429
Other Liabilities	839	10.477	-	15	11.331
Total Liabilities (*)	366.746	557.774	3.354	5.453	933.327
Net On-balance Sheet Position	102.273	199.759	1.648	(3.011)	300.669
Net Off-balance Sheet Position	(97.507)	(117.669)	3.259	6.550	(205.367)
Financial Derivative Assets	129.867	376.416	55.952	22.191	584.426
Financial Derivative Liabilities	227.374	494.085	52.693	15.641	789.793
Non-Cash Loans (**)	305.290	595.298	693	13.910	915.191
31 December 2009					
Total Assets (*)	412.782	683.937	50	1.439	1.098.208
Total Liabilities (*)	435.149	664.533	1	3.057	1.102.740
Net On-balance Sheet Position	(22.367)	19.404	49	(1.618)	(4.532)
Net Off-balance Sheet Position	36.270	(25.989)	-	1.010	11.291
Financial Derivative Assets	65.226	78.075	-	4.685	147.986
Financial Derivative Liabilities	28.956	104.064	-	3.675	136.695
Non-Cash Loans (**)	302.959	619.181	1.367	17.207	940.714

(*) The above table shows the Group's foreign currency net position based on main currencies. Foreign currency indexed assets, classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Due to this, foreign currency indexed loans amounting to TL165.381 (31 December 2009: TL154.921) classified as Turkish Lira assets in the 30 June 2010 financial statements are added to the table above. Besides this, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL5.116 (31 December 2009: TL345), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL5.310 (31 December 2009: TL519), "General Provisions" amounting to TL4.824 (31 December 2009: TL4.518) and "Marketable Securities Valuation Reserve" amounting to (2.480) (31 December 2009: TL1.409) are not included in the table above.

(**) Non cash loans are not included in the total of "Net Off-Balance Sheet Position".

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Group's interest rate sensitive assets and liabilities. The interest sensitivity of risks regarding the interest rate both on the on-balance sheet and off-balance sheet are monitored following several analyses and are discussed in Asset and Liability Committee bi weekly.

The Parent Bank's Asset and Liability Committee determines the assets and liability management policy by assessing the relationship between market rates and net interest income due to repricing characteristics of interest-earning assets and interest-bearing liabilities.

The Parent Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Liquidity management is critical in the combination of investments, available-for-sale assets and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders' equity due to both credit risk and interest risk during the volatile periods of the market are minimized.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

30 June 2010	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	95.837	-	-	-	-	82.017	177.854
Due From Banks	691.059	78.069	-	-	-	14.279	783.407
Financial Assets at Fair Value Through Profit/Loss	9.202	9.929	9.750	132.893	5.626	6.293	173.693
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	36.472	7.585	109	284.226	17.451	2.972	348.815
Loans	868.731	197.807	315.873	77.366	638	87.813	1.548.228
Held-to-Maturity Investments	-	-	781.545	165.777	-	-	947.322
Other Assets	5.934	7.536	30.808	116.654	19.098	190.129	370.159
Total Assets	1.707.235	300.926	1.138.085	776.916	42.813	383.503	4.349.478
Liabilities							
Bank Deposits	-	-	-	-	-	13.965	13.965
Other Deposits	1.391.665	288.047	24.061	-	-	144.457	1.848.230
Funds From Interbank Money Market	482.453	127.552	-	-	-	-	610.005
Miscellaneous Payables	-	-	-	-	-	15.764	15.764
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	5.610	86.851	736.728	312.961	93.351	-	1.235.501
Other Liabilities (*)	21.595	-	10.590	-	-	593.828	626.013
Total Liabilities	1.901.323	502.450	771.379	312.961	93.351	768.014	4.349.478
Balance Sheet Long Position	-	-	366.706	463.955	-	-	830.661
Balance Sheet Short Position	(194.088)	(201.524)	-	-	(50.538)	(384.511)	(830.661)
Off-balance Sheet Long Position	95.614	83	-	-	-	-	95.697
Off-balance Sheet Short Position	-	-	(589)	(78.664)	(15.737)	-	(94.990)
Total Position	(98.474)	(201.441)	366.117	385.291	(66.275)	(384.511)	707

(*) Shareholders' Equity is presented in Non Interest Bearing column.

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31 December 2009	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	77.379	-	-	-	-	87.087	164.466
Due From Banks	567.896	4.144	-	-	-	4.105	576.145
Financial Assets at Fair Value Through Profit/Loss	2.154	94.140	3.296	30.522	44	4.366	134.522
Interbank Money Market Placements	25.005	-	-	-	-	-	25.005
Available-for-Sale Financial Assets	3.737	179.798	81.958	145.823	35.951	2.972	450.239
Loans	777.137	217.123	208.255	70.259	-	76.598	1.349.372
Held-to-Maturity Investments	-	56.524	484	936.293	-	-	993.301
Other Assets	4.411	13.126	28.466	118.747	26.946	160.029	351.725
Total Assets	1.457.719	564.855	322.459	1.301.644	62.941	335.157	4.044.775
Liabilities							
Bank Deposits	857	-	-	-	-	5.145	6.002
Other Deposits	1.338.025	245.069	20.125	2	-	171.027	1.774.248
Funds From Interbank Money Market	384.874	37.497	-	-	-	-	422.371
Miscellaneous Payables	-	-	-	-	-	17.769	17.769
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	7.877	84.002	157.094	885.744	99.366	-	1.234.083
Other Liabilities (*)	21.783	16	283	-	-	568.220	590.302
Total Liabilities	1.753.416	366.584	177.502	885.746	99.366	762.161	4.044.775
Balance Sheet Long Position	-	198.271	144.957	415.898	-	-	759.126
Balance Sheet Short Position	(295.697)	-	-	-	(36.425)	(427.004)	(759.126)
Off-balance Sheet Long Position	88.698	170	-	-	-	-	88.868
Off-balance Sheet Short Position	-	-	(79)	(74.364)	(14.873)	-	(89.316)
Total Position	(206.999)	198.441	144.878	341.534	(51.298)	(427.004)	(448)

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b. Average interest rates for monetary financial instruments:

Below the average interest rates are calculated by weighting the simple rates with their principals.

30 June 2010	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey				5,20
Due From Banks	0,21	1,56		9,96
Financial Assets at Fair Value Through Profit/Loss		6,75		8,81
Interbank Money Market Placements				-
Available-for-Sale Financial Assets		8,45		8,96
Loans	6,51	6,00	3,58	11,33
Held-to-Maturity Investments				18,05
Liabilities				
Bank Deposits				-
Other Deposits (*)	2,77	3,60		9,43
Funds From Interbank Money Market				7,20
Miscellaneous Payables				-
Marketable Securities Issued				-
Funds Borrowed From Other Financial Institutions	1,71	2,83	3,08	15,20

31 December 2009	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey				5,20
Due From Banks	0,14	1,93		10,09
Financial Assets at Fair Value Through Profit/Loss				11,16
Interbank Money Market Placements				6,50
Available-for-Sale Financial Assets		8,14		8,05
Loans	6,58	5,93		12,90
Held-to-Maturity Investments				18,07
Liabilities				
Bank Deposits	0,24			-
Other Deposits (*)	2,25	2,63		8,77
Funds From Interbank Money Market				7,10
Miscellaneous Payables				-
Marketable Securities Issued				-
Funds Borrowed From Other Financial Institutions	2,04	4,05		15,78

(*) Demand deposits are included in the calculation of the weighted average interest rates.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

Liquidity risk is the risk arising from not having adequate cash or not having adequate cash inflows to fund cash outflows on time due to the imbalance of cash flows. This risk is eliminated by having banks and placements with short-term maturities, liquid and sellable marketable securities portfolios and sound equity structure, and unused borrowing resources. When volatility in the markets arises, the Board of Directors can decrease the limits of all existing placements without considering the credit worthiness.

The Parent Bank's management and Asset Liability Committee follow-up the interest margin on the diversified maturities between assets and liabilities, and monitor the model studies to measure the possible margin cost of the payments and sudden outflows in the scope of scenario analyses.

When the foreign markets are appropriate, the Group periodically uses long-term borrowings in terms of foreign currency for its long-term liquidity requirement. The Central Bank, ISE Repo Market, Interbank Money Market and banks' transaction limits which can be used for sudden outflows in the short-term are utilized at a minimum level. The Group does not need these funds due to the existing liquidity position but utilizes the funds for the opportunities of short-term transactions.

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. In accordance with the regulation published on 5 April 2008, the weekly simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. In accordance with the regulation published on 11 December 2009, for the 14 day period subject to the reserve requirement calculation the simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. Liquidity ratios realized in 2010 are as follows:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC + TL	FC + TL
Average (%)	178,25	204,42	128,94	162,87	7,72
Maximum (%)	236,82	260,18	173,49	203,99	8,40
Minimum (%)	127,44	154,64	101,68	136,19	7,12

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Breakdown of assets and liabilities according to their outstanding maturities:

30 June 2010	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (*)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	15.883	161.971	-	-	-	-	-	177.854
Due From Banks	14.279	691.058	78.070	-	-	-	-	783.407
Financial Assets at Fair Value Through Profit or Loss	-	9.110	47	7.187	145.430	5.626	6.293	173.693
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	3.782	324.610	17.451	2.972	348.815
Loans	-	853.315	135.244	256.629	136.847	78.380	87.813	1.548.228
Held-to-Maturity Investments	-	-	-	781.545	165.777	-	-	947.322
Other Assets (*)	-	59.088	17.772	34.309	138.488	19.112	101.390	370.159
Total Assets	30.162	1.774.542	231.133	1.083.452	911.152	120.569	198.468	4.349.478
Liabilities								
Bank Deposits	13.965	-	-	-	-	-	-	13.965
Other Deposits	144.457	1.391.665	288.047	24.061	-	-	-	1.848.230
Funds Borrowed From Other Financial Institutions	-	5.489	8.529	650.736	327.923	242.824	-	1.235.501
Funds From Interbank Money Market	-	482.453	127.552	-	-	-	-	610.005
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	7.956	-	-	-	-	7.808	15.764
Other Liabilities (**)	-	59.740	55	8.866	17.314	2.937	537.101	626.013
Total Liabilities	158.422	1.947.303	424.183	683.663	345.237	245.761	544.909	4.349.478
Net Liquidity Gap	(128.260)	(172.761)	(193.050)	399.789	565.915	(125.192)	(346.441)	-
31 December 2009								
Total Assets	18.737	1.525.079	363.335	296.143	1.498.670	146.505	196.306	4.044.775
Total Liabilities	176.189	1.769.684	342.842	86.491	920.328	208.361	540.880	4.044.775
Net Liquidity Gap	(157.452)	(244.605)	20.493	209.652	578.342	(61.856)	(344.574)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

(**) Shareholders' equity is presented under "Other liabilities" item in the "Unclassified" column.

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VIII. EXPLANATIONS ON OPERATING SEGMENTS:

The Parent Bank manages its banking operations through three main business units: retail banking, corporate banking and treasury.

Retail banking provides products and services to individual and small business customers. Products and services include primarily deposit, loan, credit card, automatic payment services, internet banking and other various banking services.

Corporate banking provides loan, deposit, cash management products, foreign trade products, non-cash loans, foreign currency transaction services and other corporate banking services to corporate clients.

Treasury transactions include fixed income security investments, fund management, foreign currency transactions, money market transactions, derivative transactions and other related services.

Stated balance sheet and income statement items based on operating segments:

30 June 2010	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	14.567	16.310	48.563	27.155	106.595
Unallocated costs	-	-	-	(16.250)	(83.046)
Net Operating Profit	14.567	16.310	48.563	10.905	23.549
Dividend income	-	-	-	-	129
Profit Before Tax	-	-	-	-	23.678
Tax expense	-	-	-	-	(4.272)
Net Profit	-	-	-	-	19.406
Segment assets	159.435	1.464.273	2.226.566	338.874	4.189.148
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	160.330
Total Assets	159.435	1.464.273	2.226.566	338.874	4.349.478
Segment liabilities	702.262	1.179.345	1.604.227	412.957	3.898.791
Unallocated liabilities	-	-	-	-	450.687
Total Liabilities	702.262	1.179.345	1.604.227	412.957	4.349.478

(*) Other includes operations of subsidiaries of the Bank which are EFG Finansal Kiralama A.Ş. and EFG İstanbul Menkul Değerler A.Ş.

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31 December 2009	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	27.427	63.143	86.613	46.314	223.497
Unallocated costs	-	-	-	(29.625)	(178.885)
Net Operating Profit	27.427	63.143	86.613	16.689	44.612
Dividend income	-	-	-	-	160
Profit Before Tax	-	-	-	-	44.772
Tax expense	-	-	-	-	(7.845)
Net Profit	-	-	-	-	36.927
Segment assets	96.792	1.277.821	2.260.973	258.731	3.894.317
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	150.458
Total Assets	96.792	1.277.821	2.260.973	258.731	4.044.775
Segment liabilities	611.426	1.177.721	1.479.970	332.271	3.601.388
Unallocated liabilities	-	-	-	-	443.387
Total Liabilities	611.426	1.177.721	1.479.970	332.271	4.044.775

(*) Other includes operations of subsidiaries of the Bank which are EFG Finansal Kiralama A.Ş. and EFG İstanbul Menkul Değerler A.Ş..

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a. Information related to cash and the account of The Central Bank of the Republic of Turkey (the “CBRT”):

1. Information on cash and the account of the CBRT:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Cash/Foreign currency	6.971	8.889	4.708	9.907
CBRT	95.860	66.134	77.392	72.459
Other	-	-	-	-
Total	102.831	75.023	82.100	82.366

2. Information on the account of the CBRT:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Demand Unrestricted Amount	95.860	20.675	77.392	24.155
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	45.459	-	48.304
Total	95.860	66.134	77.392	72.459

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1, issued by the CBRT, banks operating in Turkey are required to place reserves in the CBRT at a rate of 5% for their TL liabilities and 9,5 % as USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the reserve requirements based on the interest rates set. As of 30 June 2010 the corresponding interest rates is 5,20% for TL (31 December 2009: 5,20%).

b. Information on financial assets at fair value through profit or loss:

- As of 30 June 2010, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2009: None).
- Positive differences related to trading derivative financial assets:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Forward Transactions	2.681	163	284	43
Swap Transactions	457	692	9	71
Futures Transactions	-	-	-	-
Options	593	4.502	890	284
Other	22	-	19	-
Total	3.753	5.357	1.202	398

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c. Information on banks:

1. Information on banks:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Banks	538.514	244.893	374.353	201.792
Domestic	137.627	104.889	37.403	31.840
Foreign	400.887	140.004	336.950	169.952
Headquarters and Branches Abroad	-	-	-	-
Total	538.514	244.893	374.353	201.792

d. Information on available-for-sale financial assets:

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 30 June 2010, there are no available-for-sale financial assets given as collateral/blocked (31 December 2009: None) and those subject to repurchase agreements amounts to TL139.926 (31 December 2009: TL152.422).

2. Information on available-for-sale financial assets:

	30 June 2010	31 December 2009
Debt Securities	345.843	447.267
Quoted on Stock Exchange	232.103	318.615
Not Quoted (*)	113.740	128.652
Share Certificates	2.972	2.972
Quoted on Stock Exchange	14	14
Not Quoted	2.958	2.958
Impairment Provision (-)	-	-
Total	348.815	450.239

(*) Eurobonds are classified as “Not Quoted” debt securities

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e. Explanations on loans:

- Information on all types of loan or advance balances given to shareholders and employees of the Bank

	30 June 2010		31 December 2009	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders (*)	540.940	28.894	485.903	25.937
Loans Granted To Employees	1.951	-	1.620	-
Total	542.891	28.894	487.523	25.937

(*) As of 30 June 2010, the balance includes TL540.891 interbank placement with the Bank's shareholder EFG Eurobank Ergasias S.A. and correspondent bank amounts where TL526.832 of the total amount is cash collateralized.

- Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled and other receivables :

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialised Loans	1.332.309	-	57.931	70.282
Discount and Purchase Notes	49.944	-	12	-
Export Loans	258.929	-	10.152	7.521
Import Loans	-	-	-	-
Loans Granted to Financial Sector	39.931	-	-	-
Foreign Loans	1.143	-	-	-
Consumer Loans	27.823	-	375	-
Credit Cards	2.956	-	105	-
Precious Metal Loans	-	-	-	-
Other (*)	951.583	-	47.287	62.761
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1.332.309	-	57.931	70.282

(*) Factoring receivables amounting to TL75.432 are presented in other non-specialised loans.

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3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	2.420	20.928	23.348
Real estate loans		3.053	3.053
Automotive loans	46	742	788
Consumer loans	2.374	17.081	19.455
Other		52	52
Consumer Loans-FC Indexed		2.171	2.171
Real estate loans		2.171	2.171
Automotive loans			
Consumer loans			
Other			
Consumer Loans-FC			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
Individual Credit Cards-TL	2.890		2.890
With installments			
Without installments	2.890		2.890
Individual Credit Cards- FC	104		104
With installments			
Without installments	104		104
Personnel Loans-TL	393	1.549	1.942
Real estate loans			
Automotive loans			
Consumer loans	393	1.549	1.942
Other			
Personnel Loans-FC Indexed			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
Personnel Loans-FC			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
Personnel Credit Cards-TL	9		9
With installments			
Without installments	9		9
Personnel Credit Cards-FC			
With installments			
Without installments			
Credit Deposit Account-TL (Real Person)	737		737
Credit Deposit Account-FC (Real Person)			
Total	6.553	24.648	31.201

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4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	15.329	57.059	72.388
Real estate loans		1.599	1.599
Automotive loans	197	1.519	1.716
Consumer loans	15.132	53.864	68.996
Other		77	77
Commercial Installments Loans-FC			
Indexed			
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Commercial Installments Loans-FC			
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Corporate Credit Cards-TL	58		58
With installment			-
Without installment	58		58
Corporate Credit Cards-FC			
With installment			-
Without installment			-
Credit Deposit Account-TL (Legal Person)	5.350		5.350
Credit Deposit Account-FC (Legal Person)			
Total	20.737	57.059	77.796

5. Loans according to types of borrowers:

	30 June 2010	31 December 2009
Public	1.000	1.270
Private	1.459.522	1.271.577
Total	1.460.522	1.272.847

6. Distribution of domestic and foreign loans:

	30 June 2010	31 December 2009
Domestic Loans	1.459.379	1.267.405
Foreign Loans	1.143	5.442
Total	1.460.522	1.272.847

7. Loans given to investments in associates and subsidiaries:

None (31 December 2009: None).

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8. Specific provisions provided against loans:

	30 June 2010	31 December 2009
Loans and Other Receivables with Limited Collectability	2.065	969
Loans and Other Receivables with Doubtful Collectability	11.528	9.251
Uncollectible Loans and Other Receivables	86.555	76.908
Total	100.148	87.128

9. Information on non-performing loans (Net):

(i). Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
30 June 2010			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	220	358	4.995
31 December 2009			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	49	3.154	6.903

(ii). Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Prior Period End Balance	10.518	28.759	124.376
Additions (+)	26.573	1.736	10.597
Transfers from Other Categories of Non-performing Loans (+)	-	15.315	13.983
Transfers to Other Categories of Non-performing Loans (-)	15.315	13.983	-
Collections (-)	2.395	1.297	10.891
Write-offs (-)	-	-	122
Corporate and Commercial Loans	-	-	122
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	19.381	30.530	137.943
Specific Provision (-)	2.065	11.528	86.555
Net Balance on Balance Sheet	17.316	19.002	51.388

(*) The balance consists loans amounting to TL3.894 that are transferred to restructured or rescheduled loan accounts from non-performing loan accounts according to related regulations.

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(iii). Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2010			
Period-End Balance	11.700	4.742	59.081
Specific Provision (-)	856	1.265	30.364
Net Balance on balance sheet	10.844	3.477	28.717
31 December 2009			
Period-End Balance	4.051	6.164	43.729
Specific Provision (-)	390	1.864	21.591
Net Balance on balance sheet	3.661	4.300	22.138

(iv). Information on non-performing loans based on types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	17.316	19.002	51.388
Loans Given to Real Persons and Legal Persons (Gross)	18.056	29.436	131.987
Specific Provision Amount (-)	1.799	11.077	81.040
Loans Given to Real Persons and Legal Persons (Net)	16.257	18.359	50.947
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1.325	1.094	5.956
Specific Provision Amount (-)	266	451	5.515
Other Loans and Receivables (Net)	1.059	643	441
Prior Period (Net)	9.549	19.508	47.468
Loans Given to Real Persons and Legal Persons (Gross)	9.048	27.408	120.558
Specific Provision Amount (-)	698	8.602	73.504
Loans Given to Real Persons and Legal Persons (Net)	8.350	18.806	47.054
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1.470	1.351	3.818
Specific Provision Amount (-)	271	649	3.404
Other Loans and Receivables (Net)	1.199	702	414

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f. Information on held-to-maturity investments:

1. Information on held-to-maturity financial assets subject to repurchase agreements:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	357.951	-	280.747	-
Other	-	-	-	-
Total	357.951	-	280.747	-

2. Information on held-to-maturity financial assets given as collateral/blocked:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	131.010	-	108.840	-
Other	-	-	-	-
Total	131.010	-	108.840	-

3. Information on government debt securities held-to-maturity:

	30 June 2010		31 December 2009	
	Government Bond		947.322	
Treasury Bill		-		-
Other Debt Securities		-		-
Total		947.322		993.301

4. Information on investment securities held-to-maturity:

	30 June 2010		31 December 2009	
	Debt Securities		947.322	
Quoted		947.322		993.301
Not Quoted		-		-
Impairment Provision (-)		-		-
Total		947.322		993.301

5. Movement of held-to-maturity investments within the period:

	30 June 2010		31 December 2009	
	Beginning Balance		993.301	
Foreign Currency Differences on Monetary Assets		-		-
Purchases During Year (*)		508		21.751
Disposals through Sales and Redemptions(*)		46.487		419
Impairment Provision (-)		-		-
Period End Balance		947.322		993.301

(*) Movement of held-to-maturity investments within the period also includes changes in interest accruals, with disposals through redemption amounting to TL57.009.

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g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

2. Main financial figures of the unconsolidated subsidiaries in order of the above table:

None.

3. Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage(%)
1	EFG Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	EFG İstanbul Menkul Değerler A.Ş.	Istanbul/Turkey	99,99	0,01

4. Main financial figures of the consolidated subsidiaries in the order of the above table:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	205.733	26.943	113	9.104	23	988	425	-
2	207.224	100.179	3.011	6.400	1.300	7.754	6.208	-

5. Movement schedules of subsidiaries:

	30 June 2010	31 December 2009
Balance at the beginning of the Period	134.232	121.562
Movements during the Period		12.770
Purchases		12.770
Bonus Shares Obtained		-
Dividends from Current Year Income		-
Sales		-
Revaluation Increase		-
Impairment Provision		-
Balance at the end of the Period	134.332	134.332
Capital Commitments		-
Share Percentage at the end of the Period (%)	%99,99	99,99%

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6. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	30 June 2010	31 December 2009
Banks		-
Insurance Companies		-
Factoring Companies		-
Leasing Companies	22.232	22.232
Finance Companies		-
Other Financial Subsidiaries	112.100	112.100

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

j. Information on lease receivables (net):

Presentation of financial lease receivables based on their days to maturity:

	30 June 2010		31 December 2009	
	Gross	Net	Gross	Net
Less than 1 year	59.407	44.281	55.872	39.607
Between 1-4 years	141.781	116.652	145.427	116.526
More than 4 years	20.521	19.098	29.319	26.946
Total	221.709	180.031	230.618	183.079

k. Information on hedging derivative financial assets:

As of 30 June 2010, there are no positive differences related with hedging derivative financial assets (31 December 2009: None).

l. Information on investment property:

None.

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m. Information on deferred tax asset:

As of 30 June 2010, the Group has netted-off the calculated deferred tax asset of TL23.945 (31 December 2009: TL23.940) and deferred tax liability of TL1.997 (31 December 2009: TL2.931) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL21.498 (31 December 2009: TL21.009) in the financial statements. As of 30 June 2010 the Group has not a deferred tax liability (31 December 2009: None).

As of 30 June 2010 and 31 December 2009, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Valuation Differences of Marketable Securities	59.794	88.453	11.959	17.691
Provision for Legal Cases	11.026	10.105	2.206	2.021
Carrying Tax Loss	27.893	-	5.579	-
Reserve for Employee Rights	8.004	8.120	1.601	1.624
Other Provision	5.410	3.298	1.082	660
Valuation Differences of Derivative Instruments	1.048	1.497	210	299
Other	4.290	8.224	858	1.645
Deferred Tax Assets			23.495	23.940
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	9,604	14.295	1.921	2.859
Valuation Differences of Derivative Instruments	-	-	-	-
Other	380	360	76	72
Deferred Tax Liabilities			1,997	2,931
Deferred Tax Assets / (Liabilities) (Net)			21,498	21,009

Movement of deferred tax asset/ liabilities is presented below:

	30 June 2010	31 December 2009
Balance as of 1 January	21.009	8.558
Current year deferred tax income/(expense) (net)	(2.549)	17.982
Deferred tax charged to equity (net)	3.038	(5.531)
Balance at the End of the Period	21.498	21.009

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n. Information on assets held for resale and discontinued operations :

The Group has assets held for resale amounting to 3.638 (31 December 2009: TL2.141) and has no discontinued operations.

Prior Period End:	30 June 2010	31 December 2009
Cost	2.301	935
Accumulated Depreciation (-)	160	106
Net Book Value	2.141	829
Current Year End:		
Net book value at beginning of the period	2.141	829
Additions	1.607	1.591
Disposals (-)	71	229
Impairment	1	4
Depreciation (-)	40	54
Cost	3.838	2.301
Accumulated Depreciation (-)	200	160
Closing Net Book Value	3.638	2.141

o. Information on other assets:

As of 30 June 2010, other assets amount to TL66.663 (31 December 2009: TL30.164) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments. As of 30 June 2010, the other asset balance includes investments in progress amounting to TL10.489 (31 December 2009: TL1.152).

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 30 June 2010:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	14.565	-	13.769	507.651	22.617	18.407	583	-	577.592
Foreign Currency Deposits	65.091	-	109.888	356.557	25.767	7.625	-	-	564.928
Residents in Turkey	64.213	-	87.015	353.610	25.580	6.699	-	-	537.117
Residents Abroad	878	-	22.873	2.947	187	926	-	-	27.811
Public Sector Deposits	24.687	-	-	8	-	-	-	-	24.695
Commercial Deposits	39.395	-	324.698	311.390	1.549	20	7	-	677.059
Other Institutions Deposits	719	-	2.524	695	13	5	-	-	3.956
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	13.965	-	-	-	-	-	-	-	13.965
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	116	-	-	-	-	-	-	-	116
Foreign Banks	13.849	-	-	-	-	-	-	-	13.849
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	158.422	-	450.879	1.176.301	49.946	26.057	590	-	1.862.195

ii. 31 December 2009:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	16.246	-	20.058	378.491	42.368	7.151	547	-	464.861
Foreign Currency Deposits	93.779	-	81.423	526.018	23.053	5.001	-	-	729.274
Residents in Turkey	84.033	-	73.993	504.638	22.430	4.078	-	-	689.172
Residents Abroad	9.746	-	7.430	21.380	623	923	-	-	40.102
Public Sector Deposits	6.167	-	-	7	-	-	-	-	6.174
Commercial Deposits	54.131	-	206.846	310.072	673	727	2	-	572.451
Other Institutions Deposits	704	-	154	613	9	8	-	-	1.488
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	5.145	-	857	-	-	-	-	-	6.002
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	68	-	857	-	-	-	-	-	925
Foreign Banks	5.077	-	-	-	-	-	-	-	5.077
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	176.172	-	309.338	1.215.201	66.103	12.887	549	-	1.780.250

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2. Information on saving deposits insurance:

i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Saving Deposits				
Saving Deposits	136.945	119.518	440.647	345.343
Foreign Currency Savings Deposit	37.039	41.985	168.249	214.224
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	173.984	161.503	608.896	559.567

ii. There are no deposits covered under foreign authorities' insurance since the Parent Bank is incorporated in Turkey.

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	30 June 2010	31 December 2009
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	76.618	75.183
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	3.324	2.716
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	79.942	77.899

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b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Forward Transactions	2.734	138	473	47
Swap Agreements	40	754	222	60
Futures Transactions	-	-	-	-
Options	418	4.659	450	465
Other	2	-	2	-
Total	3.194	5.551	1.147	572

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	30.074	45.644	20.440	40.025
From Foreign Banks, Institutions and Funds	692.592	282.300	694.357	294.182
Total	722.666	327.944	714.797	334.207

2. Information on maturity structure of borrowings:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Short-term	30.074	76.073	20.440	47.200
Medium and Long-term	692.592	251.871	694.357	287.007
Total	722.666	327.944	714.797	334.207

3. Additional information on the major concentration of the Bank’s liabilities:

The Group’s main funding sources are deposits and borrowings. As of 30 June 2010, deposits and borrowings from Group’s risk group comprise 40% of total deposits and 81% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL44.822 (31 December 2009: TL22.626) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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e. Information on financial lease agreements:

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which place significant commitments on the Group.

	30 June 2010		31 December 2009	
	Gross	Net	Gross	Net
Less than 1 year	9	9	59	57
Between 1-4 years	-	-	-	-
More than 4 years	-	-	-	-
Total	9	9	59	57

f. Information on hedging derivative financial liabilities:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Fair value hedge	-	23.429	-	20.306
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	23.429	-	20.306

According to TAS 39, the Parent Bank hedged against the possible fair value effects of changes in market interest rates on its Eurobonds with a nominal value of USD40 million maturing on 15 January 2014, a nominal value of USD10 million maturing on 14 January 2013 and a nominal value of USD10 million maturing on 3 April 2018 by swap transactions with a nominal value of USD60 million. In determining the effectiveness; changes in the fair values of the Eurobonds subject to hedging and the hedging instruments were used and it has been concluded that the related transaction has been an effective hedge.

g. Information on provisions:

1. Information on general provisions:

	30 June 2010	31 December 2009
Provisions for Group I loans and receivables	8.677	8.538
Provisions for Group II loans and receivables	2.640	2.537
Provisions for non cash loans	1.832	1.703
Other	1.443	1.458
Total	14.592	14.236

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2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have been working more than one year, when employment is terminated due to obligatory reasons or they retire, when they have fulfilled 25 working years (women 20) and are eligible for retirement (for women 58 years, for men 60 years), when they have been called up for military service or when they die. After the amendment of legislation on 23 May 2002, some of the transition process articles related to the working period before retirement were enacted.

The payment amount which is one month's salary for each working year is restricted to 2.517,01 (31 December 2009: TL2.365,16). Employee termination benefits are not funded as there is no funding requirement.

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. Independent actuaries are used in determining the liability of the Group. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	30 June 2010	31 December 2009
Discount rate (%)	5,92	5,92
Salary increase rate (%)	5,80	5,80
Average remaining work period (Year)	11,19	11,19

Movement of reserve for employment termination benefits during the period:

	30 June 2010	31 December 2009
Prior Period Ending Balance	3.381	2.697
Additions due to acquisition during the period	800	1.179
Paid During the Period (-)	408	495
Balance at the End of the Period	3.773	3.381

In addition, as of 30 June 2010 the Group has accounted for vacation rights provision amounting to TL2.131 (31 December 2009: TL1.739) and personnel bonus provision amounting to TL5.433 (31 December 2009: TL7.650).

3. Other provisions:

(i) Information on provisions for possible risks:

None.

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- (ii) Information on other provisions:

The Group set aside reserves amounting to TL11.026 (31 December 2009: TL10.105) for lawsuits, TL6.853 (31 December 2009: TL10.152) for non-cash loans, TL1.634 (31 December 2009: TL1.622) for customer cheques commitments, TL11 (31 December 2009: TL15) for credit card loyalty points and TL235 (31 December 2009: TL230) for other receivables.

4. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 30 June 2010, the provision related to the foreign currency difference of foreign indexed loans amounts to TL2.645 (31 December 2009: TL1.848) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 30 June 2010, there is no corporate tax provision (31 December 2009: TL305).

2. Information on taxes payable:

	30 June 2010	31 December 2009
Corporate Tax Payable	-	305
Taxation of Marketable Securities	2.059	2.075
Property Tax	132	126
Banking Insurance Transaction Tax	1.466	1.625
Value Added Tax Payable	132	366
Other	1.540	1.443
Total	5.329	5.940

3. Information on premium payables:

	30 June 2010	31 December 2009
Social Security Premiums-Employee	508	414
Social Security Premiums-Employer	557	455
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	27	21
Unemployment Insurance-Employer	53	43
Other	-	-
Total	1.145	933

4. Information on deferred tax liability:

As of 30 June 2010, the Group has netted-off the calculated deferred tax asset of TL23.495 (31 December 2009: TL23.940) and deferred tax liability of TL1.997 (31 December 2009: TL2.931) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL21.498 (31 December 2009: TL21.009) in the financial statements. As of 30 June 2010 the Group has not a deferred tax liability (31 December 2009: None).

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i. Information on payables for assets held for resale and discontinued operations:

None.

j. Information on subordinated loans:

Information regarding the number of the subordinated loans, their maturity, interest rate and the institutions that subordinated loans are provided from and the linkage to derivative instruments, if any:

Institution	Amount	Opening date	Maturity	Interest rate (%)
EFG Eurobank Ergasias S.A.	90.513	28 July 2008	5+2 years	16,00
EFG Eurobank Ergasias S.A.	94.378	16 February 2009	5+2 years	16,05

Loans will not be directly or indirectly collateralized or linked to any derivative instruments.

1. Information about subordinated loans:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	184.891	-	185.079	-
From Other Foreign Institutions	-	-	-	-
Total	184.891	-	185.079	-

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	30 June 2010	31 December 2009
Common Stock	380.000	380.000
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Bank has paid-in-capital of TL380.000 and does not apply the registered share capital system.

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3. Information on the share capital increases during the period and their sources:

None.

4. Information on capital increases from capital reserves during the current period:

None.

5. Information on capital commitments, up until the end of the fiscal year and the subsequent interim period:

None.

6. Information on capital by considering the Group’s profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Group within several risk limits and legal limits.

7. Information on privileges given to shares representing the capital:

Based on the Principal Agreement, the Group has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

8. Information on marketable securities valuation reserve:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.620	(2.480)	5.919	1.409
Foreign Currency Difference	-	-	-	-
Total	1.620	(2.480)	5.919	1.409

9. Information on tangible assets revaluation reserve:

	30 June 2010		31 December 2009	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	3.824	-	7.787	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.824	-	7.787	-

10. Information on distribution of prior year’s profit:

TL36.927 of the Group’s consolidated profit of 2009 amounting to TL1.246 is allocated to the legal reserves and the remaining TL23.609 is transferred to the extraordinary reserves.

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS**

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	30 June 2010	31 December 2009
Foreign currency buy/sell commitments	642.534	67.194
Asset purchase and sales commitments	94.248	15.049
Commitments for cheques	54.198	44.462
Loan limit commitments	13.163	9.999
Commitments for credit card limits	11.543	8.871
Share capital commitments to associates and subsidiaries	2.000	2.000
Tax and fund obligations arising from export commitments	1.297	1.479
Blocked cheques given to customers	904	2.215
Total	819.887	151.269

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

i. Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

	30 June 2010	31 December 2009
Other guarantees	681.702	721.245
Letter of guarantees	293.019	272.890
Letter of credits	124.487	98.514
Bank acceptance loans	30.325	19.590
Factoring guarantees	6.114	3.093
Total	1.135.647	1.115.332

ii. Revocable, irrevocable guarantees, contingencies and other similar guarantees:

	TL	FC
Irrevocable letters of guarantee	165.369	62.118
Guarantees given to customs	19.221	482
Letters of guarantee given in advance	15.151	12.409
Revocable letters of guarantee	14.988	1.932
Other letters of guarantee	1.156	193
Total	215.885	77.134

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3. i. Total amount of non-cash loans:

	30 June 2010	31 December 2009
Non-cash loans given against cash loans	683.008	722.572
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	683.008	722.572
Other non-cash loans	452.639	392.760
Total	1.135.647	1.115.332

ii. Information on non-cash loans classified in 1st and 2nd group:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	207.080	881.427	10.377	17.391
Letters of Guarantee	202.509	75.876	10.377	558
Bank Acceptances	-	29.717	-	608
Letters of Credit	-	123.329	-	1.158
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	4.571	1.543	-	-
Other Commitments and Contingencies	-	650.962	-	15.067

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL19.372. As of 30 June 2010, the Group has recorded a TL6.853 provision regarding these risks.

b. Investment Funds:

As of 30 June 2010, the Group is the founder of 4 investment funds (31 December 2009: 4) with a total fund value of TL22.833 (31 December 2009: TL21.081). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency Inc..

c. Information on contingent assets and contingent liabilities:

As of 30 June 2010, the total amount of legal cases against the Group is TL14.529 (31 December 2009: TL12.713) and the Group sets aside a provision of TL11.026 (31 December 2009: TL10.105) regarding these risks.

d. Brief information on the Bank’s rating given by International Rating Institutions:

MOODY’S (Dated on 30 June 2010 out of data from 31 December 2009)

Kategori	Rating	Outlook
(Financial Strength Rating)	D-	Stable
(Long Term Foreign Currency)	Ba3	Stable
(Short Term Foreign Currency)	Not Prime	-
(Long Term Local Currency)	Ba2	Negative
(Short Term Local Currency)	Not Prime	-

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans (*):

	30 June 2010		30 June 2009	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	48.052	6.961	70.277	11.604
Medium/Long-term Loans	8.451	5.440	8.402	3.998
Interest on Loans Under Follow-up	1.177	-	396	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	57.680	12.401	79.075	15.602

(*) Includes fee and commission income related with cash loans.

2. Information on interest income on banks:

	30 June 2010		30 June 2009	
	TL	FC	TL	FC
From the CBRT	-	-	17	-
From Domestic Banks	3.607	40	726	278
From Foreign Banks	17.240	2.141	9.266	263
Headquarters and Branches Abroad	-	-	-	-
Total	20.847	2.181	10.009	541

3. Information on interest income received from investments in associates and subsidiaries:

None (30 June 2009: None).

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b. Information on interest expense:

1. Information on interest expense on borrowings (*):

	30 June 2010		30 June 2009	
	TL	FC	TL	FC
Banks	64.734	5.729	68.085	4.943
The CBRT	-	-	-	-
Domestic Banks	1.104	623	1.853	1.085
Foreign Banks	63.630	5.106	66.232	3.858
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	64.734	5.729	68.085	4.943

(*) Includes fee and commission expense related with cash loans.

2. Information on interest expense given to investments in associates and subsidiaries:

None (30 June 2009: None).

c. Information on trading loss/income (Net):

	30 June 2010	30 June 2009
Income	382.828	467.330
Income from Capital Market Transactions	22.999	44.334
From Derivative Financial Transactions	29.147	32.748
Foreign Exchange Gains	330.682	390.248
Loss (-)	368.986	435.662
Loss from Capital Market Transactions	10.716	17.332
From Derivative Financial Transactions	29.453	30.216
Foreign Exchange Loss	328.817	388.114
Net Income/(Loss)	13.842	31.668

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains is TL109 (30 June 2009: TL2.678 Gain).

d. Information on other operating income:

As of 30 June 2010, the Group’s other operating income is TL6.827 (30 June 2009: TL2.162). The Bank’s Head Office Units are located on the independent floors, 21, 22, 23 and 24 that are recorded as property and equipment on the financial statements as of 31 December 2009. In accordance with the sale option given to Tekfen Holding A.Ş. in the share purchase agreement, the floors have been sold to Tekfen Holding A.Ş. for a consideration of USD11.900.000 (TL17.282) on 18 January 2010. The gain amounting to TL4.537 realized as a result of the sales has been accounted as other operating income.

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e. Provision expenses related to loans and other receivables:

	30 June 2010	30 June 2009
Specific Provisions for Loans and Other Receivables	9.733	29.767
III. Group Loans and Receivables	1.749	4.348
IV. Group Loans and Receivables	4.556	4.683
V. Group Loans and Receivables	3.428	20.736
General Provision Expenses	525	1.094
Provision Expense for Possible Risks		-
Marketable Securities Impairment Expense	5	-
Financial Assets at Fair Value Through Profit or Loss	5	-
Available-for-sale Financial Assets		-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease		-
Investments in Associates		-
Subsidiaries		-
Joint Ventures		-
Held-to-Maturity Investments		-
Other		963
Total	10.263	31.824

f. Information related to other operating expenses:

	30 June 2010	30 June 2009
Personnel Expenses	37.288	32.697
Reserve For Employee Termination Benefits	1.177	764
Bank Social Aid Pension Fund Deficit Provision		-
Impairment Expenses of Fixed Assets		-
Depreciation Expenses of Fixed Assets	2.591	2.254
Impairment Expenses of Intangible Assets		-
Amortisation Expenses of Intangible Assets	790	579
Impairment Expenses of Equity Participations for which Equity Method is Applied		-
Impairment Expenses of Assets Held For Resale		-
Depreciation Expenses of Assets Held for Resale	40	24
Impairment Expenses of Fixed Assets Held for Sale		-
Other Operating Expenses	22.671	17.416
Operational Lease Expenses	5.929	4.143
Maintenance Expenses	411	389
Advertising Expenses	790	233
Other Expense	15.541	12.651
Loss on Sales of Assets		17
Other	8.226	6.246
Total	72.783	59.997

(*) As of 30 June 2010, TL377 (30 June 2009: TL131) of the Reserve For Employee Termination Benefits is expense from employee vacation fee provision.

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g. Information on net income/ loss before taxes from discontinued and continuing operations:

The Group has no discontinued operations. The Group's net income/(loss) before taxes from continuing operations is TL23.678.

h. Information on tax provision from discontinued and continuing operations:

The Group has no discontinued operations and the explanations below represent the provision for taxes of continuing operations.

1. If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of Group, the composition and amount of these items:

As of 30 June 2010, the Group has deferred tax expense amounting to TL2.551 and current tax expense amounting to TL1.721.

2. Explanations on deferred tax income or expense arising from the temporary differences occurred or have been closed:

The Group has net deferred tax expense amounting to TL2.551 composing from TL1.410 deferred tax income as a result of temporary differences incurred, TL5.579 deferred tax income as a result of carried financial loss and TL9.540 deferred tax expense due to temporary differences closed.

3. Information on recognition of temporary difference, financial loss, diminution of tax and exceptions on income statement:

As of 30 June 2010, the Bank has TL8.130 deferred tax expense arising from temporary differences and TL5.579 deferred tax income as a result of carried financial loss.

i. Information on continuing and discontinued operations' current period net profit/loss:

The Group has no discontinued operations and the below article (j) represents the current period net profit and loss from continuing operations.

j. Information on net income/loss for the period:

1. If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of Bank, the composition and amount of these items:

None.

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2. If an estimation change significantly affects the profit or has the probability of affecting the profit of following period, the effect for related periods:

As explained in Section III note XIII, the Bank has reviewed and restated the useful lives of fixed assets as of 30 June 2010. Accordingly, the restatement of useful lives are considered as changes in accounting estimations and has been booked affecting both current and future financial statements. As a result of this change in estimations, the depreciation amount decreased by TL293 in the consolidated financial statements for 30 June 2010, hence fixed assets are positively affected by TL293. As a result of the positive effect of this change in estimations on the net book value fixed assets, deferred tax liability amounting to TL59 has been accrued having a negative effect on tax expense. The total effect of these changes on equity is realized positively as TL234.

k. Information on other income and expenses:

As of 30 June 2010, the Group’s fee and commission income amounts to TL32.743 (30 June 2009: TL33.909) and TL19.449 (30 June 2009: TL17.827) of the related amount is classified under “Other fee and commission income” account.

	30 June 2010	30 June 2009
Other Fee and Commissions Received		
Commissions From Brokerage Activity in Istanbul Stock Exchange	8.045	6.033
Commissions From Brokerage Activity in Turkish Derivative Exchange	7.699	4.940
Investment Consultancy Fees	837	4.377
Commissions on Investment Fund Services	745	681
Expertise and Account Operating Fees	364	303
Transfer Commissions	310	349
Insurance Commissions	104	140
Commissions from Correspondent Banks	72	88
Ortak Nokta Commissions	17	40
Letter of Credit Commissions	14	56
Other	1.242	820
Total	19.449	17.827

As of 30 June 2010, Group’s fee and commission expense amounts to TL2.666 (30 June 2009: TL1.640) and TL2.420 (30 June 2009: TL1.496) of the related amount is classified under “Other fee and commission expense” account.

	30 June 2010	30 June 2009
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	917	427
Ortak Nokta Clearing Commissions	359	233
Credit Card Transaction Commission	154	156
EFT Commissions	129	107
Commissions Granted to Correspondent Banks	57	85
Transfer Commissions	51	42
Other	753	446
Total	2.420	1.496

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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V. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

a. The volume of transactions relating to the Group’s risk group, outstanding loan and deposit transactions and profit and loss of the period:

Prior period financial information is presented as of 31 December 2009 for balance sheet and as at 30 June 2009 for income statements items.

1. 30 June 2010:

Groups’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	185	25.937	47	1.724
Balance at the End of the Period	-	-	49	28.894	-	335
Interest and Commission Income Received	-	-	39	47	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

2. 31 December 2009:

Groups’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	25.759	23.499	70	335
Balance at the End of the Period	-	-	185	25.937	47	1.724
Interest and Commission Income Received	-	-	964	86	8	2

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

3. Information on deposits and repurchase transactions of the Group’s risk group:

Groups’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	-	-	605.391	641.805	4.915	24.332
End of the Period	-	-	746.152	605.391	5.017	4.915
Interest Expense on Deposits	-	-	26.478	35.136	200	385

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

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Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	-	-	31	176
End of the Period	-	-	-	-	68	31
Interest Expense on Repurchase Transactions	-	-	-	3	14	5

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

4. Information on forward and option agreements and other similar agreement with the Group's risk group:

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	-	-	82.136	59.800	-	-
Balance at the end of the period	-	-	509.938	82.136	-	-
Total Profit/Loss	-	-	1.876	1.597	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	59.494	60.872	-	-
Balance at the end of the period	-	-	62.950	59.494	-	-
Total Profit/Loss	-	-	(4.312)	2.318	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

b. With respect to the Group's risk group:

1. The relations with entities that are included in the Group's risk group and controlled by the Group:

The Group performs various transactions with related parties during its banking activities. These are commercial transactions realised with market prices.

2. The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

	Total Risk Group	Share in Financial Statements (%)
Borrowings (Subordinated loans and others)	1.005.889	81,42
Deposit	751.169	40,34
Banks	540.891	69,04
Non-cash loans	31.494	2,78
Funds from repurchase transactions	68	0,01
Loans	49	0,00

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As of 30 June 2010, the Group has realized interest expense amounting to TL67.400 on loans and commissions borrowed from the direct and indirect shareholders of the Bank, interest income amounting to TL15.624 from placement transactions with the direct and indirect shareholders of the Bank.

3. Equity accounting transactions: None.
4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group’s risk group and the amount composes 1,18% (31 December 2009: 1,14%) of the Group’s total cash and non-cash loans.

As of 30 June 2010 the purchase of fixed asset from Tekfen Turizm ve İşletmecilik A.Ş., included in the Tekfen risk Group, amounting to TL4 (30 June 2009: TL44) has been recorded to assets in the context of purchases and sales of the assets other than immovables with the Bank’s risk group.

As of 30 June 2010 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

The Bank’s Head Office Units are located on the independent floors, 21, 22, 23 and 24 that are recorded as property and equipment on the financial statements as of 31 December 2009. In accordance with the sale option given to Tekfen Holding A.Ş. in the share purchase agreement, the floors have been sold to Tekfen Holding A.Ş. for a consideration of USD11.900.000 (TL17.282) on 18 January 2010. The gain amounting to TL4.537 realized as a result of the sales has been accounted as other operating income.

As of 30 June 2010, the Bank has paid TL84 (30 June 2009: TL42) to EFG IT Shared Services SA, TL62 to EFG Audit&Consulting Services SA (30 June 2009: None) and TL125 to EFG Eurobank Ergasias SA (30 June 2009: None) as service and licence charge.

As of 30 June 2010, the Bank paid TL726 (30 June 2009: TL682) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

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As of 30 June 2010, the Bank paid a rent amount of TL139 (30 June 2009: TL144) to Toros Tarım Sanayi ve Ticaret A.Ş., included in Tekfen’s risk group, for the related management expenses of the Archive building.

As of 30 June 2010, the Bank has paid a rent amount of TL1.103 (30 June 2009: TL26) Tekfen Holding A.Ş.

The Group has realized TL94 (30 June 2009: TL72) commission income from brokerage services given to EFG Eurobank Securities S.A., TL160 (30 June 2009: TL140) commission expense from letter of guarantee of EFG Eurobank S.A., TL68 (30 June 2009: TL71) commission income from capital market transactions, and a consultancy fee of TL35 (30 June 2009: None) to EFG Capital International.

c. Information on benefits provided to top management:

As of 30 June 2010, benefits provided to top management amount to TL9.452 (30 June 2009: TL8.831).

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VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 30 June 2010 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s review report dated 7 September 2010 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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