

**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 31 DECEMBER 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 audited the accompanying consolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2010 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published or declared by the Banking Regulation and Supervision Agency ("the BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.



Independent Auditor's Opinion:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Eurobank Tekfen A.Ş. and its consolidated subsidiaries at 31 December 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 the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA 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, 14 March 2011

**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 31 DECEMBER 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** INDEPENDENT AUDITOR'S 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 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 independently audited.

14 March 2011

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 31 DECEMBER 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 31 DECEMBER 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 31 December 2010.

Eurobank EFG Group is a European banking organization with total assets of EUR87,2 billion. The Group employs more than 22.500 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 31 DECEMBER 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

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 31 DECEMBER 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 31 December 2010, the Parent Bank has 54 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 31 December 2010, the Group has 959 (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 31 DECEMBER 2010 AND 31 DECEMBER 2009**

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

I.	BALANCE SHEET	Note (Section Five)	(31/12/2010)			(31/12/2009)		
						TL	FC	Total
	ASSETS							
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	100.945	108.844	209.789	82.100	82.366	164.466
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	180.762	9.860	190.622	134.080	442	134.522
2.1	Trading Financial Assets		180.762	9.860	190.622	134.080	442	134.522
2.1.1	Government Debt Securities		168.498	101	168.599	128.512	44	128.556
2.1.2	Share Certificates		-	-	-	1.148	-	1.148
2.1.3	Trading Derivative Financial Assets		6.715	9.759	16.474	1.202	398	1.600
2.1.4	Other Marketable Securities		5.549	-	5.549	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	661.853	25.112	686.965	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	229.723	113.220	342.943	321.587	128.652	450.239
5.1	Share Certificates		2.958	-	2.958	2.972	-	2.972
5.2	Government Debt Securities		226.765	113.220	339.985	318.615	128.652	447.267
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	I-e	1.099.951	521.907	1.621.858	918.054	347.967	1.266.021
6.1	Loans		1.047.431	521.907	1.569.338	841.529	347.967	1.189.496
6.1.1	Loans to Bank's Risk Group		116	38	154	101	131	232
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		1.047.315	521.869	1.569.184	841.428	347.836	1.189.264
6.2	Loans under Follow-up		123.116	-	123.116	163.653	-	163.653
6.3	Specific Provisions (-)		70.596	-	70.596	87.128	-	87.128
VII.	FACTORING RECEIVABLES	I-e	83.504	7.517	91.021	75.733	7.618	83.351
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	959.996	-	959.996	993.301	-	993.301
8.1	Government Debt Securities		959.996	-	959.996	993.301	-	993.301
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j	18.721	174.514	193.235	18.721	173.925	183.079
12.1	Financial Lease Receivables		22.975	208.514	231.489	22.975	218.389	230.618
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		4.254	34.000	38.254	4.254	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)	I-l	34.014	-	34.014	41.986	-	41.986
XV.	INTANGIBLE ASSETS (Net)	I-m	83.095	-	83.095	68.122	-	68.122
15.1	Goodwill		63.973	-	63.973	63.973	-	63.973
15.2	Other		19.122	-	19.122	4.149	-	4.149
XVI.	INVESTMENT PROPERTY (Net)	I-n	-	-	-	-	-	-
XVII.	TAX ASSET	I-o	20.351	-	20.351	26.233	-	26.233
17.1	Current Tax Asset		1.021	-	1.021	5.224	-	5.224
17.2	Deferred Tax Asset		19.330	-	19.330	21.009	-	21.009
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-p	8.633	-	8.633	2.141	-	2.141
18.1	Held for Resale		8.633	-	8.633	2.141	-	2.141
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-r	39.232	8.743	47.975	29.294	870	30.164
	TOTAL ASSETS		3.520.780	969.717	4.490.497	3.101.143	943.632	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 BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2010 AND 31 DECEMBER 2009
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)**

I. BALANCE SHEET	Note (Section Five)	(31/12/2010)			(31/12/2009)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.147.832	724.416	1.872.248	1.050.057	730.193	1.780.250
1.1 Deposits of Bank’s Risk Group		351.761	144.149	495.910	415.774	194.532	610.306
1.2 Other		796.071	580.267	1.376.338	634.283	535.661	1.169.944
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	9.178	9.485	18.663	1.147	572	1.719
III. BORROWINGS	II-c	728.654	356.467	1.085.121	714.797	334.207	1.049.004
IV. MONEY MARKETS		673.055		673.055	422.371		422.371
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		98.449	-	98.449	15.156	-	15.156
4.3 Funds Provided Under Repurchase Agreements		574.606	-	574.606	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		20.901	5.789	26.690	9.459	8.310	17.769
VIII. OTHER LIABILITIES	II-d	32.976	5.640	38.616	22.372	254	22.626
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e					57	57
10.1 Financial Lease Payables		-	-	-	-	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		20.540	20.540		20.306	20.306
11.1 Fair Value Hedge		-	20.540	20.540	-	20.306	20.306
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	37.000	14.981	51.981	35.252	13.878	49.130
12.1 General Loan Loss Provision		12.873	4.956	17.829	9.718	4.518	14.236
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		18.362	-	18.362	12.770	-	12.770
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		5.765	10.025	15.790	12.764	9.360	22.124
XIII. TAX LIABILITY	II-h	7.761		7.761	6.873		6.873
13.1 Current Tax Liability		7.761	-	7.761	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	185.120		185.120	185.079		185.079
XVI. SHAREHOLDERS' EQUITY	II-k	509.283	1.419	510.702	488.182	1.409	489.591
16.1 Paid-in Capital		380.000	-	380.000	380.000	-	380.000
16.2 Capital Reserves		6.089	1.419	7.508	15.273	1.409	16.682
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		1.119	1.419	2.538	5.919	1.409	7.328
16.2.4 Tangible Assets Revaluation Reserve		3.336	-	3.336	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		89.216	-	89.216	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		78.648	-	78.648	45.062	-	45.062
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		33.978	-	33.978	38.525	-	38.525
16.4.1 Prior Years’ Income or (Loss)		3.626	-	3.626	1.598	-	1.598
16.4.2 Current Year Income or (Loss)		30.352	-	30.352	36.927	-	36.927
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		3.351.760	1.138.737	4.490.497	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 INCOME STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2010 AND 31 DECEMBER 2009**

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

III. INCOME STATEMENT	Note (Section Five)	1/1/2010- 31/12/2010	1/1/2009- 31/12/2009
INCOME AND EXPENSE ITEMS			
I. INTEREST INCOME	IV-a	433.432	451.234
1.1 Interest on Loans		149.647	173.954
1.2 Interest Received from Reserve Requirements		3.712	7.572
1.3 Interest Received from Banks		52.067	26.576
1.4 Interest Received from Money Market Transactions		1.064	2.101
1.5 Interest Received from Marketable Securities Portfolio		193.400	218.095
1.5.1 Trading Financial Assets		7.809	8.320
1.5.2 Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3 Available-for-sale Financial Assets		30.930	50.175
1.5.4 Held-to-maturity Investments		154.661	159.600
1.6 Financial Lease Income		16.673	14.499
1.7 Other Interest Income		16.869	8.437
II. INTEREST EXPENSE (-)	IV-b	315.392	330.197
2.1 Interest on Deposits (-)		112.442	143.551
2.2 Interest on Funds Borrowed (-)		142.289	146.559
2.3 Interest Expense on Money Market Transactions (-)		39.199	26.621
2.4 Interest on Securities Issued (-)		-	-
2.5 Other Interest Expenses (-)		21.462	13.466
III. NET INTEREST INCOME (I - II)		118.040	121.037
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-1	58.586	59.658
4.1 Fees and Commissions Received		64.279	63.334
4.1.1 Non-cash Loans		25.341	29.336
4.1.2 Other		38.938	33.998
4.2 Fees and Commissions Paid (-)		5.693	3.676
4.2.1 Non-cash Loans (-)		461	322
4.2.2 Other (-)		5.232	3.354
V. DIVIDEND INCOME	IV-c	129	160
VI. TRADING INCOME / (LOSS) (Net)	IV-d	27.170	38.633
6.1 Trading Gains/(Losses) on Securities		26.052	33.503
6.2 Trading Gains/(Losses) on Derivative Financial Instruments		847	2.193
6.3 Foreign Exchange Gains/(Losses)		271	2.937
VII. OTHER OPERATING INCOME	IV-e	9.123	4.169
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		213.048	223.657
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	19.866	58.811
X. OTHER OPERATING EXPENSES (-)	IV-g	154.745	120.074
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		38.437	44.772
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)	IV-h	38.437	44.772
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	8.085	7.845
16.1 Current Tax Provision		4.098	25.827
16.2 Deferred Tax Provision		3.987	(17.982)
XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)	IV-j	30.352	36.927
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)		-	-
XXIII. NET INCOME/(LOSS) (XVII+XXII)	IV-k	30.352	36.927
23.1 Income / (Loss) of the Group		30.352	36.927
23.2 Income / (Loss) of Minority Interest		-	-
Earnings / (Loss) per share (1.000 nominal in TL full)		0,719	0,901

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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 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	31/12/2010	31/12/2009
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	9.045	38.861
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	(5.564)	794
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	(696)	(7.931)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	2.785	31.724
XI. CURRENT PERIOD INCOME/LOSS	(12.026)	(9.602)
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(12.026)	(9.602)
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)	(9.241)	22.122

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IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
	PRIOR PERIOD 31/12/2009	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	(V-d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	21.487	-	-	-	-	21.487	-	21.487
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	635	-	-	-	635	-	635
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		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		-	-	-	-	-	-	-	36.927	-	-	-	-	-	-	-	36.927	-	36.927
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	-	36.927	1.598	7.328	7.787	-	-	-	489.591	-	489.591

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 YEAR ENDED 31 DECEMBER 2010

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD 31/12/2010	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												(4.790)					(4.790)		(4.790)
IV. Hedging Reserves (Effective Portion)																			
4.1 Cash Flow Hedge																			
4.2 Foreign Investment Hedge																			
V. Revaluation Differences of Tangible Assets													(4.451)				(4.451)		(4.451)
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																			
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										30.352							30.352		30.352
XVIII. Profit Distribution						1.246		33.586	67	(36.927)	2.028								
18.1 Dividend Paid																			
18.2 Transfers to Reserves						1.246		33.586	67	(24.855)	(10.044)								
18.3 Other										(12.072)	12.072								
Period End Balance (I+II+III+... +XVIII)		380.000	1.567	-	-	10.568	-	78.648	67	30.352	3.626	2.538	3.336	-	-	-	510.702	-	510.702

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED
31 DECEMBER 2010 AND 31 DECEMBER 2009**

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

VI. STATEMENT OF CASH FLOWS	Note	(31/12/2010)	(31/12/2009)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(19.257)	113.940
1.1.1 Interest received		437.603	499.452
1.1.2 Interest paid		(320.784)	(349.171)
1.1.3 Dividend received		129	160
1.1.4 Fees and commissions received		58.586	59.658
1.1.5 Other income		-	-
1.1.6 Collections from previously written-off loans and other receivables		45.393	27.775
1.1.7 Payments to personnel and service suppliers		(80.115)	(65.145)
1.1.8 Taxes paid		-	(34.022)
1.1.9 Other	VI-b	(160.069)	(24.767)
1.2 Changes in operating assets and liabilities		(39.365)	(115.811)
1.2.1 Net (increase)/decrease in trading securities		(56.119)	57.987
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in due from banks		(10.591)	(24.569)
1.2.4 Net (increase)/decrease in loans		(350.362)	(378.694)
1.2.5 Net (increase)/decrease in other assets		(7.603)	(54.704)
1.2.6 Net increase/(decrease) in bank deposits		-	(4.558)
1.2.7 Net increase/(decrease) in other deposits		47.685	70.594
1.2.8 Net increase/(decrease) in funds borrowed		289.629	225.277
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	VI-b	47.996	(7.144)
I. Net cash provided from banking operations		(58.622)	(1.871)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		152.057	184.317
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		(25.056)	(8.639)
2.4 Disposals of property and equipment		17.323	260
2.5 Cash paid for purchase of investments available-for-sale		-	-
2.6 Cash obtained from sale of investments available-for-sale		107.296	192.750
2.7 Cash paid for purchase of investment securities		(408)	(473)
2.8 Cash obtained from sale of investment securities		52.902	419
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(57)	124.905
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		(57)	(95)
3.6 Other		-	125.000
IV. Effect of change in foreign exchange rate on cash and cash equivalents		5.049	(3.697)
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)		98.427	303.654
VI. Cash and cash equivalents at beginning of the period		689.751	386.097
VII. Cash and cash equivalents at end of the period	VI-a	788.178	689.751

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

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**EUROBANK TEKFEN A.Ş.
PROFIT APPROPRIATION STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2010 AND 31 DECEMBER 2009**

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

VII. PROFIT APPROPRIATION STATEMENT	(31/12/2010) (*)	(31/12/2009) (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	19.263	28.060
1.2. TAXES AND DUTIES PAYABLE (-)	4.087	6.095
1.2.1. Corporate Tax (Income tax)	-	22.299
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties	4.087	(16.204)
A. NET INCOME FOR THE YEAR (1.1-1.2)	15.176	21.965
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	1.098
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))(*)]	-	20.867
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To Owners of Ordinary Shares	-	-
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Owners of Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Privileged Share	-	-
1.9.3. To Owners of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.10. SECOND LEGAL RESERVES (-)	-	-
1.11. STATUTORY RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	-
1.13. OTHER RESERVES	-	20.867
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of privileged shares	-	-
2.3.3. To owners of preferred shares	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To holders of profit and loss sharing certificates	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)	-	-
3.1. TO OWNERS OF ORDINARY SHARES	0,359	0,536
3.2. TO OWNERS OF ORDINARY SHARES (%)	90	90
3.3. TO OWNERS OF PRIVILEGED SHARES	1,518	2,197
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	10	10
IV. DIVIDEND PER SHARE	-	-
4.1. TO OWNERS OF ORDINARY SHARES	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(**) Presents the approved "Profit Distribution Statement" of the Bank in the General Assembly Meeting held on 31 March 2010.

(***) Disclosed as 1.000 nominal in full TL.

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

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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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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 31 December 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. of Section Three.

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 31 December 2010 and the revised useful lives valid from 1 January 2010 are stated below:

	New Useful Life (Years)	Previous Useful Life (Years)
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 (Years)	Previous Useful Life (Years)
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 cannot 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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ACCOUNTING POLICIES (Continued)

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 31 December 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.

	31 December 2010	31 December 2009
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	27.317	33.234
Weighted Average Number of Issued Ordinary Shares (Thousand)	38.000.000	36.903.947
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	0,0007	0,0009
Net Income / (Loss) to be Appropriated to Privileged Shareholders	3.035	3.693
Number of Issued Privileged Shares	1.000.000	1.000.000
Earnings Per Privileged Shares (Disclosed as 1.000 nominal in full TL)	3,0352	3,6927

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 figures, to conform to changes in presentation of 31 December 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 31 December 2010, the consolidated capital adequacy ratio of the Group is 18,66% (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)	2.116.273	33.957	570.629	1.222.167	2.120.843	172.846	588.459	1.315.855
Cash	17.590	-	-	-	17.594	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of	120.613	-	-	-	120.613	-	-	-
Domestic, foreign banks, foreign head	506.217	5.283	-	769	506.217	143.754	-	34.909
Interbank money market	-	-	-	-	-	-	-	-
Receivables from reverse repurchase	-	-	-	-	-	-	-	-
Reserve requirements with the Central	71.392	-	-	-	71.392	-	-	-
Loans	63.704	27.998	557.751	988.233	63.704	27.998	557.751	988.233
Non-performing receivables (Net)	-	-	-	51.606	-	-	-	52.520
Lease receivables	-	-	-	-	43	-	17.830	174.068
Available-for-sale financial assets	316.955	-	-	2.950	316.955	-	-	2.958
Held-to-maturity investments	894.040	-	-	-	894.431	-	-	-
Receivables from the disposal of assets	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	6.876	-	-	-	6.870
Interest and income accruals	90.992	676	12.878	8.718	91.009	1.094	12.878	10.109
Investments in associates, subsidiaries	-	-	-	134.332	-	-	-	-
Fixed assets	-	-	-	28.549	-	-	-	29.543
Other assets	34.770	-	-	134	38.885	-	-	16.645
Off-balance sheet items	124.464	49.998	252.269	738.629	124.464	49.998	252.269	738.629
Non-cash loans and commitments	124.464	22.045	252.269	723.870	124.464	22.045	252.269	723.870
Derivative financial instruments	-	27.953	-	14.759	-	27.953	-	14.759
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	2.240.737	83.955	822.898	1.960.796	2.245.307	222.844	840.728	2.054.484

(*) 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	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Amount subject to credit risk (ASCR)	2.389.036	1.972.287	2.519.417	2.048.585
Amount subject to market risk (ASMR)	176.588	215.763	183.850	238.500
Amount subject to operational risk (ASOR)	213.602	152.217	293.423	202.687
Shareholders' equity	563.792	608.235	559.183	589.372
Shareholders' equity/(ASCR+ASMR+ASOR)	%20,29	%25,99	%18,66	%23,67

e. Information about consolidated shareholders' equity items:

	31 December 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	78.648	45.062
Reserves allocated by the General Assembly	78.648	45.062
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and	-	-
Profit	33.978	38.525
Current period profit	30.352	36.927
Prior period profit	3.626	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 (-)	12.907	8.370
Prepaid expenses (-)	5.487	3.204
Intangible assets (-)	19.122	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	403.339	394.780

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SUPPLEMENTARY CAPITAL	31 December 2010	31 December 2009
General provisions	17.829	14.236
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.501	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	135.755	173.959
45% of marketable securities valuation reserve	1.142	3.297
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	1.142	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	156.227	194.996
TIER III CAPITAL	-	-
CAPITAL	559.566	589.776
DEDUCTIONS FROM THE CAPITAL	383	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	383	404
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	559.183	589.372

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK:

Credit risk represents the risks and losses that could arise when the other party in a contract to which the Group is a party, does not comply with the requirements of the contract and cannot timely fulfill its liabilities either completely or partly. With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region. Sectoral concentration limit has been specified as 20% in the Bank Risk Parameters. Credit limits allocated are subject to revision at least once a year. When a revision becomes due, limits for which the credit worthiness has not been reviewed are suspended (except for cash provisions).

Regarding the maintenance of credit risk under control, there are other limitations in the scope of the Parent Bank Credit Policies apart from the Banking Law limitations related to Management Levels’ Authority limits in credit allocation.

Limits regarding credit extension and transactions according to the Parent Bank Credit Policies are specified as:

- Authority to decide to grant a credit within preapproved limits belongs to the Branch Manager. However, the Branch Manager can delegate this authority to the Marketing Unit Director in writing.
- Maturity extension authority belongs to the Corporate Credits Allocation Director; it cannot be delegated.
- Providing the circumstances set by Board of Directors, credit limit transfer is under the authorization of Branch Manager.
- No transaction can be put into effect without a General Credit Contract (except for Financial Institutions).
- No credit can be allocated to firms with total negative equity except for credits with cash collateral.

The creditworthiness of debtors of credit and other receivables is periodically followed-up in accordance with the relevant legislation. Account status documents taken for the credits have been audited in the manner specified in the legislation. However, account status documents do not need to be audited for cash-based transactions. As a result of the periodical follow-up of creditworthiness, credit limits are changed, when necessary. Taking the creditworthiness into account, collaterals are received for credits and other receivables. With the aim of controlling the credit risk, certain limitations exist in the Parent Bank’s Credit Policies in relation to customer selection. According to this:

- Credits shall not be given for speculative purposes,
 - Credits shall also not be given to real or legal persons who have been subjected to sequestration, bankruptcy and schemes of arrangement with creditors and those who have bounced cheques and notes without an acceptable explanation.
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The Parent Bank's derivative transactions are mainly composed of foreign exchange and interest rate swaps, money and interest options and forward transactions. The credit risks of these products are managed by deducting them from the company's credit limit which is specified only for these types of transactions, in proportion to the term of the transaction. Market risk is managed by the Treasury.

In forward transactions no type of coercive action outside of the other party's consent is taken. Such transactions are rare, and normally never occur.

Indemnified non-cash credits are subjected to the same risk weight as the credits which are past due date.

With regard to the credits renewed and re-structured with a new payment plan by the Parent Bank, the method adopted is the one specified by the relevant legislation. Within the framework of risk management systems a risk separation is not practiced as to the maturity of the liabilities.

The Group does not perform any kind of banking activity abroad.

When evaluated within the context of the financial operations of other financial institutions acting as active participants in the international banking market, the Group does not have significant credit risk concentration.

In the current period, the share of the Group's receivables due to cash loans extended to its 100 largest customers is 35% (31 December 2009: 36%) within the total cash loan portfolio.

In the current period, the share of the Group's receivables due to non-cash loans extended to its 100 largest customers is 46% (31 December 2009: 46%) within the total non-cash loans portfolio.

In the current period, the share of the Group's receivables due to the total of cash and non cash loans extended to its 100 largest customers is 40% (31 December 2009: 41%) within cash loans in balance sheet and non-cash loans in off-balance sheet.

As of 31 December 2010, the Group's general loan loss provision is amounting to TL17.829 (31 December 2009: TL14.236)

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a. Information on types of loans and specific provisions:

31 December 2010	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Standard Loans	1.428.088	36.042	2.743	185.337	90.994	1.743.204
Loans under close monitoring	101.274	1.142	49	7.898	27	110.390
Non-performing loans	116.558	421	24	6.091	22	123.116
Specific provision (-)	65.025	368	24	5.177	2	70.596
Total	1.580.895	37.237	2.792	194.149	91.041	1.906.114

31 December 2009	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Standard Loans	1.051.039	19.917	3.054	167.741	82.651	1.324.402
Loans under close monitoring	114.974	457	55	15.338	700	131.524
Non-performing loans	155.268	1.210	275	6.417	483	163.653
Specific provision (-)	81.179	1.115	249	4.102	483	87.128
Total	1.240.102	20.469	3.135	185.394	83.351	1.532.451

b. Information on loans and receivables past due but not impaired:

31 December 2010	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	87.064	1.448	40	7.341	5.982	101.875
Past due 30-60 days	12.195	841	34	2.279	-	15.349
Past due 60-90 days	12.211	310	12	5.619	-	18.152
Total	111.470	2.599	86	15.239	5.982	135.376

31 December 2009	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	160.370	577	-	1.103	9.722	171.772
Past due 30-60 days	13.093	320	38	1.014	-	14.465
Past due 60-90 days	8.082	94	17	5.516	-	13.709
Total	181.545	991	55	7.633	9.722	199.946

c. Information on debt securities, treasury bills and other bills:

31 December 2010	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch's Rating				
BB+ (*)	168.599	339.985	959.996	1.468.580
Not rated	-	-	-	-
Total	168.599	339.985	959.996	1.468.580

31 December 2009	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch's Rating				
Ba3 (*)	128.556	447.267	993.301	1.569.124
Not rated	-	-	-	-
Total	128.556	447.267	993.301	1.569.124

(*) Consists of Turkish Republic government bonds and treasury bills.

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d. Information on rating concentration:

The Group evaluates its credit risk based on an internal rating system and the portfolio is classified from least probability of default to highest. Beginning from the last quarter of 2007, the Group uses a new rating system for corporate loans. As of 31 December 2010, financial institutions have been excluded from the scope of the rating system. Different rating systems have been used for corporate loans, consumer loans and credit cards. The information about the concentration of cash and non cash loans which are classified with the rating system is presented below.

	31 December 2010	31 December 2009
Above average (%)	10,98	11,83
Average (%)	61,93	58,34
Below average (%)	24,66	27,25
Not rated (%)	2,44	2,58

e. Information on the amount subject to credit risk :

	31 December 2010	31 December 2009
Balance sheet items subject to credit risk:	4.118.063	3.740.104
Loans and advances to banks and financial institutions	687.242	641.693
Loans and advances to customers	1.905.837	1.491.908
- Corporate	1.580.618	1.199.559
- Consumer	37.237	20.469
- Credit cards	2.792	3.135
- Factoring receivables	91.041	83.351
- Financial lease receivables	194.149	185.394
Trading Financial Assets	174.148	132.922
- Government bonds	168.599	128.556
- Share certificates	-	1.148
- Other securities	5.549	3.218
Investment Securities	1.302.939	1.443.540
- Government bonds	1.299.981	1.440.568
- Share certificates	2.958	2.972
- Other securities	-	-
Other assets	47.897	30.041
Off- balance sheet items subject to credit risk:	3.230.908	1.623.429
Financial guarantees	1.300.737	1.115.332
Credit commitments and other liabilities	1.930.171	508.097
Total	7.348.971	5.363.533

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f. Fair value of collaterals (loans and advances to customers):

31 December 2010	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	88.568	566	19	6.750	27	95.930
Non-performing loans	66.301	104	-	475	16	66.896
Total	154.869	670	19	7.225	43	162.826

31 December 2009	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	67.758	102	-	5.514	573	73.947
Non-performing loans	40.227	356	-	-	-	40.583
Total	107.985	458	-	5.514	573	114.530

Type of Collaterals	31 December 2010	31 December 2009
Real-estate mortgage	156.480	171.465
Car pledge	5.784	2.022
Cash and cash equivalents	562	679
Total	162.826	174.166

g. Concentration of credit risk based on borrowers and geographical regions:

	Loans and Advances given to customers		Loans and Advances given to Banks and other financial Institutions		Marketable Securities (*)		Other Loans (**)	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Loan concentration based on type of borrowers	1.712.602	1.308.829	277	40.543	1.477.087	1.576.462	4.158.875	2.437.699
Private Sector	1.673.756	1.284.961	-	19.099	5.549	3.218	2.375.468	1.536.433
Public Sector	-	1.270	-	-	1.468.580	1.569.124	-	-
Banks	-	-	277	21.444	-	-	1.716.473	846.081
Individuals	38.846	22.598	-	-	-	-	66.934	55.185
Share certificates	-	-	-	-	2.958	4.120	-	-
Concentration based on geographical regions	1.712.602	1.308.829	277	40.543	1.477.087	1.576.462	4.158.875	2.437.699
Domestic	1.712.602	1.303.387	-	40.543	1.477.087	1.576.462	2.619.754	1.697.570
European Union Countries	-	5.442	277	-	-	-	1.488.532	735.322
OECD Countries (***)	-	-	-	-	-	-	4.425	762
Off-shore banking regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	37.856	2.179
Other Countries	-	-	-	-	-	-	8.308	1.866
Total	1.712.602	1.308.829	277	40.543	1.477.087	1.576.462	4.158.875	2.437.699

(*) Consist of marketable securities classified as Financial Assets at FV through P/L, Available for Sale Financial Assets and Held to Maturity Securities.

(**) Including the items defined as loan in Article 48 of the Banking Act No. 5411 other than those listed in first three columns of Uniform Chart of Accounts (“UCA”).

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

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h. Concentration of credit risk based on borrowers and geographical regions:

	Assets	Liabilities	Non-Cash Loans	Capital Expenditures	Net Profit
31 December 2010					
Domestic	3.862.697	2.737.531	1.274.713	117.109	30.352
European Union Countries	506.075	1.212.906	11.188	-	-
OECD Countries (*)	-	18.018	4.425	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	4.276	3.400	2.448	-	-
Other Countries	340	7.940	7.963	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	4.373.388	3.979.795	1.300.737	117.109	30.352
31 December 2009					
Domestic	3.419.639	2.307.471	1.105.514	110.108	36.927
European Union Countries	514.249	1.241.407	6.365	-	-
OECD Countries (*)	20	723	742	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	884	673	1.295	-	-
Other Countries	450	5.485	1.416	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	3.935.242	3.555.759	1.115.332	110.108	36.927

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

(**) Unallocated assets / liabilities which could not be distributed according to a consistent principle

i. Sectoral concentration for cash loans:

	31 December 2010				31 December 2009			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	39.721	3,52	16.850	3,18	26.832	2,93	14.984	4,22
Farming and Livestock	37.852	3,35	11.221	2,12	21.524	2,35	7.450	2,10
Forestry	-	-	-	-	3.999	0,44	-	-
Fishing	1.869	0,17	5.629	1,06	1.309	0,14	7.534	2,12
Manufacturing	539.340	47,68	199.546	37,69	475.601	51,85	126.356	35,53
Mining	16.215	1,43	16.622	3,14	12.869	1,40	5.838	1,64
Production	517.458	45,75	182.614	34,49	449.514	49,01	116.918	32,88
Electric, Gas, Water	5.667	0,50	310	0,06	13.218	1,44	3.600	1,01
Construction	168.056	14,86	47.405	8,95	113.550	12,38	17.742	4,99
Services	321.465	28,41	254.319	48,02	270.140	29,45	196.109	55,15
Wholesale and Retail Trade	165.336	14,62	9.335	1,76	161.004	17,55	17.006	4,78
Hotel and Food Services	43.347	3,83	178.529	33,72	23.991	2,62	141.368	39,76
Transportation and Telecommunication	23.344	2,06	27.550	5,20	19.518	2,13	13.012	3,66
Financial Institutions	18.347	1,62	17.013	3,21	27.000	2,94	22.413	6,30
Real Estate and Leasing Services	26.961	2,38	1.010	0,19	13.939	1,52	2.310	0,65
Professional Services	-	-	-	-	-	-	-	-
Education Services	4.949	0,44	-	-	3.027	0,33	-	-
Health and Social Services	39.181	3,46	20.882	3,94	21.661	2,36	-	-
Other	62.353	5,53	11.304	2,16	31.139	3,39	394	0,11
Total	1.130.935	100,00	529.424	100,00	917.262	100,00	355.585	100,00

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III. 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 Unit 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	3.847
(II) Capital to be Employed for Specific Risk - Standard Method	91
(III) Capital to be Employed for Currency Risk - Standard Method	1.617
(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	9.153
(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)	14.708
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	183.850

b. Average Market Risk Table of Calculated Market Risk during the Period at Month Ends:

	31 December 2010			31 December 2009		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	5.159	3.665	5.040	4.857	4.157	3.993
Share Certificates Risk	876	273	576	809	349	185
Currency Risk	3.689	1.617	3.220	2.271	2.019	1.828
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	2.330	9.153	-	3.193	12.555	191
Total Amount Subject to Risk	150.675	183.850	110.450	139.125	238.500	77.463

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IV. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

As of 31 December 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.

V. 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	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
31 December 2010/ 31 December 2009						
Bid rate	TL2,0551	TL2,1427	TL1,5376	TL1,4873	TL1,8872	TL1,6075
1. Day bid rate	TL2,0551	TL2,1427	TL1,5376	TL1,4873	TL1,8872	TL1,6075
2. Day bid rate	TL2,0491	TL2,1603	TL1,5460	TL1,5057	TL1,8933	TL1,6302
3. Day bid rate	TL2,0437	TL2,1680	TL1,5567	TL1,5026	TL1,8912	TL1,6360
4. Day bid rate	TL2,0406	TL2,1686	TL1,5416	TL1,5065	TL1,8731	TL1,6433
5. Day bid rate	TL2,0260	TL2,1702	TL1,5403	TL1,5052	TL1,8567	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	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Arithmetic average-30 days	TL2,0027	TL2,1881	TL1,5135	TL1,4984	TL1,8138	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
31 December 2010					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	5.186	103.306	-	352	108.844
Due From Banks	6.550	10.021	42	8.499	25.112
Financial Assets at Fair Value Through Profit or Loss	106	249	-	1	356
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	113.220	-	-	113.220
Loans (*)	413.347	337.890	1.529	478	753.244
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	95.537	87.720	-	-	183.257
Total Assets (*)	520.726	652.406	1.571	9.330	1.184.033
Liabilities					
Bank Deposits	22.826	25	-	26	22.877
Foreign Currency Deposits	202.104	474.189	1	25.245	701.539
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	211.996	142.942	1.529	-	356.467
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	3.142	2.621	-	26	5.789
Hedging Derivative Financial Liabilities	-	20.540	-	-	20.540
Other Liabilities	2.775	13.112	-	14	15.901
Total Liabilities (*)	442.843	653.429	1.530	25.311	1.123.113
Net On-balance Sheet Position	77.883	(1.023)	41	(15.981)	60.920
Net Off-balance Sheet Position	(93.436)	23.205	343	16.173	(53.715)
Financial Derivative Assets	272.463	539.192	74.790	24.925	911.370
Financial Derivative Liabilities	365.899	515.987	74.447	8.752	965.085
Non-Cash Loans (**)	395.716	641.729	2.074	18.347	1.057.866
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 TL223.820 (31 December 2009: TL TL154.921) classified as Turkish Lira assets in the 31 December 2010 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to TL9.504 (31 December 2009: TL345), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL9.249 (31 December 2009: TL519), “General Provisions” amounting to TL4.956 (31 December 2009: TL4.518) and “Marketable Securities Valuation Reserve” amounting to TL1.419 (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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VI. 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:

31 December 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	190	-	-	-	-	209.599	209.789
Due From Banks	543.734	120.822	-	-	-	22.409	686.965
Financial Assets at Fair Value Through Profit/Loss	7.089	166.133	9.930	1.822	99	5.549	190.622
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	66.195	40.049	-	185.439	48.302	2.958	342.943
Loans	358.002	951.156	277.332	71.208	2.661	52.520	1.712.879
Held-to-Maturity Investments	793.117	-	408	166.471	-	-	959.996
Other Assets	12.565	8.766	36.471	129.719	12.137	187.645	387.303
Total Assets	1.780.892	1.286.926	324.141	554.659	63.199	480.680	4.490.497
Liabilities							
Bank Deposits	33.264	-	-	-	-	19.660	52.924
Other Deposits	1.251.042	286.678	59.853	-	-	221.751	1.819.324
Funds From Interbank Money Market	666.113	6.942	-	-	-	-	673.055
Miscellaneous Payables	-	-	-	-	-	26.690	26.690
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	590.694	25.381	82.947	301.983	269.236	-	1.270.241
Other Liabilities (*)	6.988	3.648	4.346	390	21.085	611.806	648.263
Total Liabilities	2.548.101	322.649	147.146	302.373	290.321	879.907	4.490.497
Balance Sheet Long Position	-	964.277	176.995	252.286	-	-	1.393.558
Balance Sheet Short Position	(767.209)	-	-	-	(227.122)	(399.227)	(1.393.558)
Off-balance Sheet Long Position	93.042	493	-	-	-	-	93.535
Off-balance Sheet Short Position	-	-	(1.709)	(77.265)	(15.376)	-	(94.350)
Total Position	(674.167)	964.770	175.286	175.021	(242.498)	(399.227)	(815)

(*) 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)

Interest Rate Risk Sensitivity Analysis:

Change in interest rates 31 December 2010	Effect on income statement	Effect on equity
(+) 1%	(1.337)	(9.800)
(-) 1%	1.366	10.346

Change in interest rates 31 December 2009	Effect on income statement	Effect on equity
(+) 1%	(887)	954
(-) 1%	912	(1.016)

The effect of changes in interest rates by (+) 1% and (-) 1% on income statement and equity is demonstrated on the above table as net off tax amounts.

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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.

31 December 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	-	-	-	-
Due From Banks	-	0,13	-	8,75
Financial Assets at Fair Value Through Profit/Loss	9,50	6,75	-	8,57
Interbank Money Market Placements	-	-	-	6,43
Available-for-Sale Financial Assets	-	8,47	-	8,13
Loans	6,07	6,07	3,59	11,41
Held-to-Maturity Investments	-	-	-	18,05
Liabilities				
Bank Deposits	0,63	-	-	6,50
Other Deposits (*)	2,26	2,63	-	8,11
Funds From Interbank Money Market	-	-	-	1,13
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,97	2,31	3,09	15,19

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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VII. 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 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 (%)	165,03	180,96	121,63	148,84	7,87
Maximum (%)	236,82	260,18	173,49	203,99	9,44
Minimum (%)	118,15	131,33	90,91	112,66	7,12

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Breakdown of assets and liabilities according to their outstanding maturities:

31 December 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	17.631	192.158	-	-	-	-	-	209.789
Due From Banks	22.409	542.965	120.822	-	-	-	769	686.965
Financial Assets at Fair Value Through Profit or Loss	-	6.951	3.055	6.062	168.812	193	5.549	190.622
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	3.770	-	7.536	217.953	110.726	2.958	342.943
Loans	-	460.883	475.950	597.437	72.287	53.802	52.520	1.712.879
Held-to-Maturity Investments	-	793.117	-	408	166.471	-	-	959.996
Other Assets (*)	6	36.179	17.693	39.896	155.260	12.150	126.119	387.303
Total Assets	40.046	2.036.023	617.520	651.339	780.783	176.871	187.915	4.490.497
Liabilities								
Bank Deposits	19.660	33.264	-	-	-	-	-	52.924
Other Deposits	221.751	1.251.042	286.678	59.853	-	-	-	1.819.324
Funds Borrowed From Other Financial Institutions	-	590.693	25.380	91.521	297.083	265.564	-	1.270.241
Funds From Interbank Money Market	-	666.113	6.942	-	-	-	-	673.055
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	1	8.313	1.246	-	-	-	17.130	26.690
Other Liabilities (**)	-	73.585	6.625	11.945	4.198	94	551.816	648.263
Total Liabilities	241.412	2.623.010	326.871	163.319	301.281	265.658	568.946	4.490.497
Net Liquidity Gap	(201.366)	(586.987)	290.649	488.020	479.502	(88.787)	(381.031)	-
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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Financial liabilities according to their remaining maturities:

31 December 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	52.929	-	-	-	-	52.929
Other deposits	1.476.253	289.568	61.716	-	-	1.827.537
Borrowings	601.816	44.559	121.781	506.961	369.775	1.644.892
Funds from money market	609.978	63.200	-	-	-	673.178
Total	2.740.976	397.327	183.497	506.961	369.775	4.198.536

31 December 2009	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	6.002	-	-	-	-	6.002
Other deposits	1.512.139	246.895	20.665	3	-	1.779.702
Borrowings	52.920	71.992	125.967	982.217	173.427	1.406.523
Funds from money market	385.650	37.816	-	-	-	423.466
Total	1.956.711	356.703	146.632	982.220	173.427	3.615.693

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Contractual maturity analysis of the Group’s derivative instruments:

31 December 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	518.865	145.752	208.354	50.144	-	923.115
- Outflow	518.866	146.272	212.653	58.587	-	936.378
Interest rate derivatives:						
- Inflow	198	580	8.677	9.357	257	19.069
- Outflow	198	580	8.677	9.360	257	19.072
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	632	-	1.176	7.523	2.320	11.651
- Outflow	3.767	-	4.805	21.296	2.595	32.463
Total cash inflow	519.695	146.332	218.207	67.024	2.577	953.835
Total cash outflow	522.831	146.852	226.135	89.243	2.852	987.913

31 December 2009	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	70.598	39.974	13.736	-	-	124.308
- Outflow	71.012	39.898	13.759	-	-	124.669
Interest rate derivatives:						
- Inflow	-	24	97	5.522	-	5.643
- Outflow	-	23	92	5.518	-	5.633
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	427	-	806	9.111	2.290	12.634
- Outflow	2.450	-	3.125	18.750	2.363	26.688
Total cash inflow	71.025	39.998	14.639	14.633	2.290	142.585
Total cash outflow	73.462	39.921	16.976	24.268	2.363	156.990

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**VIII. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND
LIABILITIES AT THEIR FAIR VALUES:**

a. Financial Assets and Liabilities at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand placements and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the Parent Bank’s current interest rates as of balance sheet date.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the Parent Bank’s current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The expected fair value of bank placements, money market placements and bank deposits are determined by calculating the discounted cash flows using the current market interest rates of similar assets and liabilities.

The following table summarises the carrying values and fair values of some financial assets and liabilities of the Group.

	Carrying Value		Fair Value	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Financial Assets	3.702.783	3.394.062	3.744.342	3.521.135
Due from Money Market	-	25.005	-	25.005
Due from Banks	686.965	576.145	687.520	576.440
Available-for-Sale Financial Assets	342.943	450.239	342.943	450.239
Held-to-maturity Investments	959.996	993.301	982.115	1.083.518
Loans	1.712.879	1.349.372	1.731.764	1.385.933
Financial Liabilities	3.169.179	3.032.102	3.202.158	3.053.906
Bank Deposits	52.924	6.002	52.927	6.002
Other Deposits	1.819.324	1.774.248	1.822.790	1.776.950
Borrowings	1.270.241	1.234.083	1.299.751	1.253.185
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	26.690	17.769	26.690	17.769

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b. Fair value hierarchy:

IFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- a) Quoted market prices (non-adjusted) (1st level)
- b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- c) Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value according to the foregoing principles is given in the table below:

31 December 2010	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	174.148	16.474	-	190.622
Government Debt Securities	168.599	-	-	168.599
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	16.474	-	16.474
Other Marketable Securities	5.549	-	-	5.549
Government Debt Securities	339.985	-	-	339.985
Government Debt Securities	339.985	-	-	339.985
Other Marketable Securities	-	-	-	-
Total Assets	514.133	16.474	-	530.607
Trading Derivative Financial Liabilities	-	18.663	-	18.663
Hedging Derivative Financial Liabilities	-	20.540	-	20.540
Total Liabilities	-	39.203	-	39.203

As explained in the note of VII-d, share certificates classified as available for sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

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31 December 2009	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	113.652	1.600	-	115.252
Government Debt Securities	113.652	-	-	113.652
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	1.600	-	1.600
Other Marketable Securities	-	-	-	-
Government Debt Securities	447.267	-	-	447.267
Government Debt Securities	447.267	-	-	447.267
Other Marketable Securities	-	-	-	-
Total Assets	560.919	1.600	-	562.519
Trading Derivative Financial Liabilities	-	1.719	-	1.719
Hedging Derivative Financial Liabilities	-	20.881	-	20.881
Total Liabilities	-	22.600	-	22.600

IX. EXPLANATION REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PARTIES:

The Bank carries out marketable security trading and custody services on behalf of customers and on their account. The details of items held in custody is given in off-balance sheet commitments.

X. 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.

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

31 December 2010	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	27.162	37.202	97.913	50.571	212.848
Unallocated costs	-	-	-	(31.489)	(174.540)
Net Operating Profit	27.162	37.202	97.913	19.082	38.308
Dividend income	-	-	-	-	129
Profit Before Tax	-	-	-	-	38.437
Tax expense	-	-	-	-	(8.085)
Net Profit	-	-	-	-	30.352
Segment assets	226.479	1.572.612	2.112.759	409.945	4.321.795
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	168.702
Total Assets	226.479	1.572.612	2.112.759	409.945	4.490.497
Segment liabilities	675.282	1.206.888	1.706.404	427.709	4.016.283
Unallocated liabilities	-	-	-	-	474.214
Total Liabilities	675.282	1.206.888	1.706.404	427.709	4.490.497

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

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:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Cash/Foreign currency	6.923	10.671	4.708	9.907
CBRT	94.022	98.173	77.392	72.459
Other	-	-	-	-
Total	100.945	108.844	82.100	82.366

2. Information on the account of the CBRT:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Demand Unrestricted Amount	94.022	26.781	77.392	24.155
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	71.392	-	48.304
Total	94.022	98.173	77.392	72.459

3. Information on reserve requirements:

1. 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 6% for their TL liabilities and 11% as USD and/or EUR for their foreign currency liabilities. The CBRT does not make interest payments over the reserve requirements. As of reporting date the rate the reserve requirement ratio for TL liabilities have been differentiated according to the maturity structure of deposits and set as 5-12%.

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

2. As of 31 December 2010, there are TL50 financial assets at fair value through profit or loss subject to repo transactions (31 December 2009:None)
3. Positive differences related to trading derivative financial assets:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Forward Transactions	5.079	496	284	43
Swap Transactions	1.361	855	9	71
Futures Transactions	-	-	-	-
Options	251	8.408	890	284
Other	24	-	19	-
Total	6.715	9.759	1.202	398

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c. Information on banks:

1. Information on banks:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Banks	661.853	25.112	374.353	201.792
Domestic	175.286	2.956	37.403	31.840
Foreign	486.567	22.156	336.950	169.952
Headquarters and Branches Abroad	-	-	-	-
Total	661.853	25.112	374.353	201.792

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
EU Countries	504.447	506.018	-	-
USA, Canada	4.276	884	-	-
OECD Countries (*)	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	508.723	506.902	-	-

(*) OECD countries except EU countries, USA and Canada

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

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

As of 31 December 2010, there are TL467 available-for-sale financial assets given as collateral/blocked (31 December 2009: None) and those subject to repurchase agreements amounts to TL53.411 (31 December 2009: TL152.422).

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

	31 December 2010	31 December 2009
Debt Securities	339.985	447.267
Quoted on Stock Exchange	226.765	318.615
Not Quoted (*)	113.220	128.652
Share Certificates	2.958	2.972
Quoted on Stock Exchange	-	14
Not Quoted	2.958	2.958
Impairment Provision (-)	-	-
Total	342.943	450.239

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

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e. Explanations on loans:

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

	31 December 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 (*)	507.892	21.045	485.903	25.937
Loans Granted To Employees	2.251		1.620	
Total	510.143	21.045	487.523	25.937

(*) As of 31 December 2010, the balance includes TL507.773 interbank placement with the Bank’s shareholder EFG Eurobank Ergasias S.A. where the TL486.567 is cash collateralized.

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

	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
Cash Loans				
Non-Specialised Loans	1.557.867		54.814	47.678
Discount and Purchase Notes	57.165		27	
Export Loans	292.645		9.440	1.201
Import Loans				
Loans Granted to Financial Sector	277			
Foreign Loans	277			
Consumer Loans	36.042		1.142	
Credit Cards	2.743		49	
Precious Metal Loans				
Other (*)	1.168.718		44.156	46.477
Specialised Loans				
Other Receivables				
Total	1.557.867		54.814	47.678

(*) Factoring receivables amounting to TL91.021 are presented in other non-specialised loans.

3. Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and Other Receivables	1.181.660		25.605	14.514
Non-specialised Loans	1.181.660		25.605	14.514
Specialised Loans				
Other Receivables				
Medium and Long-Term Loans and Other Receivables	376.207		29.209	33.164
Non-specialised Loans	376.207		29.209	33.164
Specialised Loans				
Other Receivables				
Total	1.557.867		54.814	47.678

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

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	4.328	28.412	32.740
Real estate loans	-	3.193	3.193
Automotive loans	-	828	828
Consumer loans	4.328	24.361	28.689
Other	-	30	30
Consumer Loans-FC Indexed	-	1.863	1.863
Real estate loans	-	1.863	1.863
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	1.181	-	1.181
With instalments	-	-	-
Without instalments	1.181	-	1.181
Individual Credit Cards- FC	57	-	57
With instalments	-	-	-
Without instalments	57	-	57
Personnel Loans-TL	305	1.575	1.880
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	305	1.575	1.880
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	367	-	367
With instalments	-	-	-
Without instalments	367	-	367
Personnel Credit Cards-FC	4	-	4
With instalments	-	-	-
Without instalments	4	-	4
Credit Deposit Account-TL (Real Person)	701	-	701
Credit Deposit Account-FC (Real Person)	-	-	-
Total	6.943	31.850	38.793

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	11.163	94.538	105.701
Real estate loans		1.544	1.544
Automotive loans	115	3.112	3.227
Consumer loans	11.048	89.855	100.903
Other		27	27
Commercial Installments Loans-FC			
Indexed	470	13.911	14.381
Real estate loans			-
Automotive loans			-
Consumer loans	470	13.911	14.381
Other			-
Commercial Installments Loans-FC			
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Corporate Credit Cards-TL	1.161		1.161
With installment			-
Without installment	1.161		1.161
Corporate Credit Cards-FC	22		22
With installment			-
Without installment	22		22
Credit Deposit Account-TL (Legal Person)	7.405		7.405
Credit Deposit Account-FC (Legal Person)			
Total	20.221	108.449	128.670

6. Loans according to types of borrowers:

	31 December 2010	31 December 2009
Public		1.270
Private	1.660.359	1.271.577
Total	1.660.359	1.272.847

7. Distribution of domestic and foreign loans:

	31 December 2010	31 December 2009
Domestic Loans	1.660.082	1.267.405
Foreign Loans	277	5.442
Total	1.660.359	1.272.847

8. Loans given to investments in associates and subsidiaries:

None (31 December 2009: None).

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9. Specific provisions provided against loans:

	31 December 2010	31 December 2009
Loans and Other Receivables with Limited Collectability	232	969
Loans and Other Receivables with Doubtful Collectability	1.554	9.251
Uncollectible Loans and Other Receivables	68.810	76.908
Total	70.596	87.128

10. 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
31 December 2010			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	213	278	4.692
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 (+)	31.938	2.119	12.362
Transfers from Other Categories of Non-performing Loans (+)	130	28.399	53.606
Transfers to Other Categories of Non-performing Loans (-)	31.058	50.674	403
Collections (-) (*)	9.094	3.276	33.023
Write-offs (-)	-	-	41.563
Corporate and Commercial Loans	-	-	40.603
Consumer Loans	-	-	801
Credit Cards	-	-	159
Other	-	-	-
Balance at the End of the Period	2.434	5.327	115.355
Specific Provision (-)	232	1.554	68.810
Net Balance on Balance Sheet	2.202	3.773	46.545

(*) 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.

(**) In current year 100% provisioned and uncollateralized non-performing loans amounting to TL41.444 have been sold for TL 1.550 to LBT Asset Management Company and written off from asset.

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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
31 December 2010			
Period-End Balance	338	1.413	37.965
Specific Provision (-)	36	478	15.145
Net Balance on balance sheet	302	935	22.820
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)	2.202	3.773	46.545
Loans Given to Real Persons and Legal Persons (Gross)	2.304	4.642	109.890
Specific Provision Amount (-)	206	1.212	63.812
Loans Given to Real Persons and Legal Persons (Net)	2.098	3.430	46.078
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	130	685	5.465
Specific Provision Amount (-)	26	342	4.998
Other Loans and Receivables (Net)	104	343	467
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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11. Policy followed-up for the collection of uncollectible loans and other receivables:

The Group aims to collect uncollectible loans and other receivables through the liquidation of collaterals and by legal procedures.

12. Explanations on the write-off policy:

The write off transactions from the Group's assets are performed in accordance with the regulation.

13. Information on the provision movement of total non-performing loans:

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2010	85.764	1.115	249	87.128
Additions	37.913	125	246	38.284
Reversals (-)	12.870	71	312	13.253
Write-offs	40.603	801	159	41.563
Foreign Currency Difference	-	-	-	-
31 December 2010	70.204	368	24	70.596

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2009	36.860	766	119	37.745
Additions	56.743	748	142	57.633
Reversals (-)	7.839	399	12	8.250
Write-offs	-	-	-	-
Foreign Currency Difference	-	-	-	-
31 December 2009	85.764	1.115	249	87.128

f. Information on held-to-maturity investments:

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

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	513.047	-	280.747	-
Other	-	-	-	-
Total	513.047	-	280.747	-

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

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	100.020	-	108.840	-
Other	-	-	-	-
Total	100.020	-	108.840	-

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

	31 December 2010	31 December 2009
Government Bond	959.996	993.301
Treasury Bill	-	-
Other Debt Securities	-	-
Total	959.996	993.301

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

	31 December 2010	31 December 2009
Debt Securities	959.996	993.301
Quoted	959.996	993.301
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	959.996	993.301

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

	31 December 2010	31 December 2009
Beginning Balance	993.301	971.969
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year (*)	408	21.751
Disposals through Sales and Redemptions (-)	33.713	419
Impairment Provision (-)	-	-
Period End Balance	959.996	993.301

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

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.

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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	214.397	29.631	90	17.481	42	3.676	2.957	-
2	213.312	104.016	2.822	15.188	2.252	11.591	12.083	-

5. Movement schedules of subsidiaries:

	31 December 2010	31 December 2009
Balance at the beginning of the Period	134.332	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

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

Subsidiaries	31 December 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.

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i. Information on joint ventures:

None.

j. Information on lease receivables (net):

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

	31 December 2010		31 December 2009	
	Gross	Net	Gross	Net
Less than 1 year	65.534	49.552	55.872	39.607
Between 1-4 years	131.512	111.061	145.427	116.526
More than 4 years	34.443	32.622	29.319	26.946
Total	231.489	193.235	230.618	183.079

k. Information on hedging derivative financial assets:

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

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I. Information on property and equipment (Net):

31 December 2009				
	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2008				
Cost	27.510	817	52.078	80.405
Accumulated depreciation (-)	2.545	564	38.068	41.177
Net book value	24.965	253	14.010	39.228
31 December 2009				
Net book value at beginning of the period	24.965	253	14.010	39.228
Additions	-	-	6.724	6.724
Disposals (-), (net)	-	-	5	5
Impairment	-	-	-	-
Depreciation (-)	505	82	4.164	4.752
Revaluation Increase	792	-	-	792
Cost at Period End	28.302	631	57.798	86.731
Accumulated Depreciation at Period End (-)	3.050	460	41.235	44.745
Closing Net Book Value at Period End	25.252	171	16.563	41.986

31 December 2010				
	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2009				
Cost	28.302	631	57.798	86.731
Accumulated depreciation (-)	3.050	460	41.235	44.745
Net book value	25.252	171	16.563	41.986
31 December 2010				
Net book value at beginning of the period	25.252	171	16.563	41.986
Additions	-	-	15.792	15.792
Disposals (-), (net)	17.699	-	6	17.705
Impairment	-	-	-	-
Depreciation (-)	137	76	5.281	5.494
Revaluation Increase	565	-	-	565
Cost at Period End	8.146	631	73.579	82.356
Accumulated Depreciation at Period End (-)	1.295	536	46.511	48.342
Closing Net Book Value at Period End	6.851	95	27.068	34.014

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m. Information on intangible assets:

1. Book value and accumulated depreciation at the beginning and the end of the period:

	31 December 2010	31 December 2009
Gross Book Value	99.571	82.117
Accumulated Depreciation (-)	16.476	13.995
Net Book Value	83.095	68.122

2. Information on movements between the beginning and end of the period:

	31 December 2010	31 December 2009
Beginning of the Period	68.122	67.542
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	17.198	1.791
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	2.225	1.211
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	83.095	68.122

n. Information on investment property:

None.

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o. Information on deferred tax asset:

As of 31 December 2010, the Group has netted-off the calculated deferred tax asset of TL21.712 (31 December 2009: TL23.940) and deferred tax liability of TL2.382 (31 December 2009: TL2.931) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL19.330 (31 December 2009: TL21.009) in the financial statements. As of 31 December 2010 the Group has not a deferred tax liability (31 December 2009: None).

As of 31 December 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	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Provision for Legal Cases	11.006	10.105	2.201	2.021
Reserve for Employee Rights	10.492	8.120	2.098	1.624
Reserve for Employment Termination Benefit and Unused Vacation	4.393	3.298	879	660
Carried Financial Loss	52.848		10.570	-
Valuation Differences of Marketable Securities	20.316	88.453	4.063	17.691
Valuation Differences of Derivative Instruments	3.237	1.497	647	299
Other	6.271	8.224	1.254	1.645
Deferred Tax Assets	108.560	119.697	21.712	23.940
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	11.609	14.295	2.322	2.859
Valuation Differences of Derivative Instruments	-	-	-	-
Other	301	360	60	72
Deferred Tax Liabilities	11.910	14.655	2.382	2.931
Deferred Tax Assets / (Liabilities) (Net)	96.650	105.042	19.330	21.009

Movement of deferred tax asset/ liabilities is presented below:

	31 December 2010	31 December 2009
Balance as of 1 January	21.009	8.558
Current year deferred tax income/(expense) (net)	(3.985)	17.982
Deferred tax charged to equity (net)	2.306	(5.531)
Balance at the End of the Period	19.330	21.009

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

The Group has assets held for resale amounting to TL8.633 (31 December 2009: TL2.141) and has no discontinued operations.

Prior Period End:	31 December 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	6.721	1.591
Disposals (-)	148	229
Impairment	17	4
Depreciation (-)	98	54
Cost	8.873	2.301
Accumulated Depreciation (-)	240	160
Closing Net Book Value	8.633	2.141

q. Information on other assets:

As of 31 December 2010, other assets amount to TL47.975 (31 December 2009: TL30.164) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 December 2010:

	Demand	With 7 day notification	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	17.667	-	11.931	459.642	34.902	5.441	1.821	-	531.404
Foreign Currency Deposits	110.870	-	162.422	371.360	50.953	4.670	1.263	-	701.538
Residents in Turkey	108.974	-	162.419	353.032	50.695	4.537	994	-	680.651
Residents Abroad	1.896	-	3	18.328	258	133	269	-	20.887
Public Sector Deposits	11.440	-	-	946	392	-	-	-	12.778
Commercial Deposits	80.185	-	259.138	145.044	18.283	20.519	2	-	523.171
Other Institutions Deposits	1.589	-	119	26.908	21.799	10	8	-	50.433
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	19.660	-	33.264	-	-	-	-	-	52.924
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	69	-	33.264	-	-	-	-	-	33.333
Foreign Banks	19.591	-	-	-	-	-	-	-	19.591
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	241.411	-	466.874	1.003.900	126.329	30.640	3.094	-	1.872.248

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	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Saving Deposits				
Saving Deposits	140.905	119.518	390.499	345.343
Foreign Currency Savings Deposit	35.021	41.985	170.091	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	175.926	161.503	560.590	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:

	31 December 2010	31 December 2009
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	77.360	75.183
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	2.850	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	80.210	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	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Forward Transactions	4.255	404	473	47
Swap Agreements	4.577	854	222	60
Futures Transactions	-	-	-	-
Options	337	8.227	450	465
Other	9	-	2	-
Total	9.178	9.485	1.147	572

c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	35.340	60.136	20.440	40.025
From Foreign Banks, Institutions and Funds	693.314	296.331	694.357	294.182
Total	728.654	356.467	714.797	334.207

2. Information on maturity structure of borrowings:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Short-term	35.340	112.414	20.440	47.200
Medium and Long-term	693.314	244.053	694.357	287.007
Total	728.654	356.467	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 31 December 2010, deposits and borrowings from Group’s risk group comprise 26% of total deposits and 78% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL38.616 (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.

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

f. Information on hedging derivative financial liabilities:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Fair value hedge	-	20.540	-	20.306
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	20.540	-	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:

	31 December 2010	31 December 2009
Provisions for Group I loans and receivables	12.141	8.538
Provisions for Group II loans and receivables	1.996	2.537
Provisions for non cash loans	2.138	1.703
Other	1.554	1.458
Total	17.829	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 TL2.623,23 (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.

	31 December 2010	31 December 2009
Discount rate (%)	4,66	5,92
Salary increase rate (%)	6,00	5,80
Average remaining work period (Year)	11,37	11,19

Movement of reserve for employment termination benefits during the period:

	31 December 2010	31 December 2009
Prior Period Ending Balance	3.381	2.697
Additions due to acquisition during the period	1.535	1.179
Paid During the Period (-)	807	495
Balance at the End of the Period	4.109	3.381

In addition, as of 31 December 2010 the Group has accounted for vacation rights provision amounting to TL2.027 (31 December 2009: TL1.739) and personnel bonus provision amounting to TL12.226 (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 TL11.006 (31 December 2009: TL10.105) for lawsuits, TL2.908 (31 December 2009: TL10.152) for non-cash loans, TL1.620 (31 December 2009: TL1.622) for customer cheques commitments, TL29 (31 December 2009: TL15) for credit card loyalty points and TL227 (31 December 2009: TL230) for other receivables.

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

As of 31 December 2010, the provision related to the foreign currency difference of foreign indexed loans amounts to TL1.191 (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 31 December 2010, the corporate tax provision is TL464 (31 December 2009: TL305).

2. Information on taxes payable:

	31 December 2010	31 December 2009
Corporate Tax Payable	464	305
Taxation of Marketable Securities	2.363	2.075
Property Tax	158	126
Banking Insurance Transaction Tax	1.633	1.625
Value Added Tax Payable	281	366
Other	1.622	1.443
Total	6.521	5.940

3. Information on premium payables:

	31 December 2010	31 December 2009
Social Security Premiums-Employee	535	414
Social Security Premiums-Employer	616	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	30	21
Unemployment Insurance-Employer	59	43
Other	-	-
Total	1.240	933

4. Information on deferred tax liability:

As of 31 December 2010, the Group has netted-off the calculated deferred tax asset of TL21.712 (31 December 2009: TL23.940) and deferred tax liability of TL2.382 (31 December 2009: TL2.931) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL19.330 (31 December 2009: TL21.009) in the financial statements. As of 31 December 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.	90.625	28 July 2008	5+2 year	16,00
EFG Eurobank Ergasias S.A.	94.495	16 February 2009	5+2 year	16,05

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

1. Information about subordinated loans:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	185.120	-	185.079	-
From Other Foreign Institutions	-	-	-	-
Total	185.120	-	185.079	-

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	31 December 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:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.119	1.419	5.919	1.409
Foreign Currency Difference	-	-	-	-
Total	1.119	1.419	5.919	1.409

9. Information on tangible assets revaluation reserve:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	3.336	-	7.787	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.336	-	7.787	-

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

TL1.246 of the Group's consolidated profit of 2009 amounting to TL36.927 is allocated to the legal reserves, TL33.586 is transferred to the extraordinary reserves, TL67 is allocated other reserves and the remaining TL2.028 is classified under retained earnings.

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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:

	31 December 2010	31 December 2009
Foreign currency buy/sell commitments	124.291	67.194
Asset purchase and sales commitments	61.777	15.049
Commitments for cheques	53.338	44.462
Loan limit commitments	17.112	9.999
Commitments for credit card limits	8.191	8.871
Share capital commitments to associates and subsidiaries	2.000	2.000
Tax and fund obligations arising from export commitments	1.275	1.479
Blocked cheques given to customers	282	2.215
Credit cards promotion commitments	24	-
Total	268.290	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:

	31 December 2010	31 December 2009
Other guarantees	764.891	721.245
Letter of guarantees	335.868	272.890
Letter of credits	166.490	98.514
Bank acceptance loans	30.510	19.590
Factoring guarantees	2.978	3.093
Total	1.300.737	1.115.332

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

	TL	FC
Irrevocable letters of guarantee	192.586	59.499
Guarantees given to customs	22.028	1.472
Revocable letters of guarantee	16.860	5.710
Letters of guarantee given in advance	9.219	26.933
Other letters of guarantee	1.355	206
Total	242.048	93.820

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

	31 December 2010	31 December 2009
Non-cash loans given against cash loans	766.210	722.572
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	766.210	722.572
Other non-cash loans	534.527	392.760
Total	1.300.737	1.115.332

ii. Information on concentration on non cash loans:

	31 December 2010				31 December 2009			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	8.185	3,37	6.075	0,57	2.338	1,34	10.090	1,07
Farming and Livestock	8.086	3,33	6.060	0,57	2.256	1,29	9.629	1,02
Forestry	-	-	-	-	82	0,05	446	0,05
Fishing	99	0,04	15	-	-	-	15	-
Manufacturing	88.264	36,34	631.955	59,74	65.629	37,58	564.713	60,03
Mining	5.088	2,09	42.501	4,02	4.424	2,53	42.155	4,48
Production	82.084	33,80	560.815	53,01	58.458	33,48	494.221	52,54
Electric, Gas, Water	1.092	0,45	28.639	2,71	2.747	1,57	28.337	3,01
Construction	66.111	27,22	98.678	9,33	48.802	27,95	91.880	9,77
Services	71.394	29,40	302.254	28,57	49.461	28,31	248.879	26,46
Wholesale and Retail Trade	30.915	12,73	74.731	7,06	19.425	11,12	71.598	7,61
Hotel and Food Services	936	0,39	105.869	10,01	1.839	1,05	124.869	13,27
Transportation and Telecommunication	7.581	3,12	50.164	4,74	11.286	6,46	16.903	1,80
Financial Institutions	21.200	8,73	54.817	5,18	10.236	5,86	23.678	2,52
Real Estate and Leasing Ser.	8.963	3,69	15.645	1,48	6.532	3,74	10.937	1,16
Professional Services	-	-	-	-	-	-	-	-
Education Services	3	-	-	-	3	-	-	-
Health and Social Services	1.796	0,74	1.028	0,10	140	0,08	894	0,10
Other	8.917	3,67	18.904	1,79	8.388	4,82	25.152	2,67
Total	242.871	100,00	1.057.866	100,00	174.618	100,00	940.714	100,00

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

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	225.891	1.037.990	14.214	16.929
Letters of Guarantee	225.068	92.615	14.214	646
Bank Acceptances	-	30.510	-	-
Letters of Credit	-	165.874	-	616
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	823	2.155	-	-
Other Commitments and Contingencies	-	746.836	-	15.667

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL5.713 As of 31 December 2010, the Group has recorded a TL2.908 provision regarding these risks.

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b. Information on derivative financial instruments:

	31 December 2010	31 December 2009
Types of Trading Transactions		
Foreign currency related derivative transactions (I)	2.448.445	389.632
Currency forward transactions	578.803	41.441
Currency swap transactions	563.578	50.528
Futures transactions	-	-
Options	1.306.064	297.663
Interest related derivative transactions (II)	691.409	143.470
Forward rate agreements	-	-
Interest rate swaps	549.995	97.144
Interest rate options	141.414	46.326
Interest rate futures	-	-
Other Trading Derivative Instruments (III)	-	1.171
A. Total trading derivative transactions (I+II+III)	3.139.854	534.273
Types of hedging transactions	184.512	178.476
Fair value hedges	184.512	178.476
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging related derivatives	184.512	178.476
Total derivative transactions (A+B)	3.324.366	712.749

c. Investment Funds:

As of 31 December 2010, the Group is the founder of 5 investment funds (31 December 2009: 4) with a total fund value of TL29.675 (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..

d. Information on contingent assets and contingent liabilities:

As of 31 December 2010, the total amount of legal cases against the Group is TL14.614 (31 December 2009: TL12.713) and the Group sets aside a provision of TL11.006 (31 December 2009: TL10.105) regarding these risks.

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

MOODY’S (Dated on 20 December 2010 out of data from 30 June 2010)

Category	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	-

* On 11 March 2011 the outlook of Long Term Local Currency changed to “Negative”, and the rating of Long Term Local Currency changed to “Ba3”.

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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 (*):

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	99.669	14.158	128.084	19.586
Medium/Long-term Loans	18.647	11.924	16.139	8.870
Interest on Loans Under Follow-up	5.249	-	1.275	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	123.565	26.082	145.498	28.456

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

2. Information on interest income on banks:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From the CBRT	-	-	25	-
From Domestic Banks	10.005	73	1.792	28
From Foreign Banks	38.553	3.436	22.921	1.810
Headquarters and Branches Abroad	-	-	-	-
Total	48.558	3.509	24.738	1.838

3. Information on interest income on marketable securities:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From Trading Financial Assets	7.759	50	8.320	-
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	22.755	8.175	39.719	10.456
From Held-to-Maturity Investments	154.661	-	159.600	-
Total	185.175	8.225	207.639	10.456

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

None (31 December 2009: None).

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b. Information on interest expense:

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

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Banks	130.568	11.721	135.681	10.878
The CBRT	-	-	-	-
Domestic Banks	2.572	1.398	2.973	1.854
Foreign Banks	127.996	10.323	132.708	9.024
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	130.568	11.721	135.681	10.878

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

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

None (31 December 2009: None).

3. Interest expense on issued marketable securities:

None (31 December 2009: None).

4. Maturity structure of the interest expense on deposits :

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 month	Up to 3 Month	Up to 6 month	Up to 1 year	More than 1 year		
TL								
Bank Deposits	95	68	-	-	-	-	-	163
Saving Deposits	-	2.675	39.341	2.182	1.143	87	-	45.428
Public Sector Deposits	-	161	145	7	-	-	-	313
Commercial Deposits	-	27.187	21.621	192	62	-	-	49.062
Other Deposits	-	46	683	407	1	1	-	1.138
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	95	30.137	61.790	2.788	1.206	88	-	96.104
FC								
Foreign Currency Deposits	7	2.484	12.718	880	208	11	-	16.308
Bank Deposits	-	30	-	-	-	-	-	30
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	7	2.514	12.718	880	208	11	-	16.338
Grand Total	102	32.651	74.508	3.668	1.414	99	-	112.442

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c. Information on dividend income:

	31 December 2010	31 December 2009
Trading Financial Assets	93	24
Financial Assets at Fair Value through Profit or Loss		-
Available-for-Sale Financial Assets	36	136
Other		-
Total	129	160

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

	31 December 2010	31 December 2009
Income	1.593.170	826.544
Income from Capital Market Transactions	52.625	58.935
From Derivative Financial Transactions	81.407	52.874
Foreign Exchange Gains	1.459.138	714.735
Loss (-)	1.566.000	787.911
Loss from Capital Market Transactions	26.573	25.432
From Derivative Financial Transactions	80.560	50.681
Foreign Exchange Loss	1.458.867	711.798
Net Income/(Loss)	27.170	38.633

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains/loss is TL11.193 (31 December 2009: TL2.909 Loss).

e. Information on other operating income:

As of 31 December 2010, the Group's other operating income is TL9.123 (31 December 2009: TL4.169).

The Group'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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f. Provision expenses related to loans and other receivables:

	31 December 2010	31 December 2009
Specific Provisions for Loans and Other Receivables	16.213	56.653
III. Group Loans and Receivables	2.059	2.600
IV. Group Loans and Receivables	7.574	11.566
V. Group Loans and Receivables	6.580	42.487
General Provision Expenses	3.630	2.158
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	23	-
Financial Assets at Fair Value Through Profit or Loss	23	-
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	-	-
Total	19.866	58.811

g. Information related to other operating expenses:

	31 December 2010	31 December 2009
Personnel Expenses	80.115	65.145
Reserve For Employee Termination Benefits	1.816	1.246
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	5.491	4.752
Impairment Expenses of Intangible Assets	93	-
Amortisation Expenses of Intangible Assets	2.132	1.211
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	98	54
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	47.226	38.294
Operational Lease Expenses	12.412	8.548
Maintenance Expenses	1.062	921
Advertising Expenses	1.390	700
Other Expense	32.362	28.125
Loss on Sales of Assets	6	17
Other	17.768	9.355
Total	154.745	120.074

(*) As of 31 December 2010, TL260 (31 December 2009: TL67) of the Reserve For Employee Termination Benefits is expense from employee vacation fee provision.

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h. 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 TL38.437.

i. Information on provision for taxes 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 31 December 2010, the Group has current tax expense amounting to TL4.098 and deferred tax expense amounting to TL3.987.

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 TL2.990 composing from TL10.570 deferred tax income as a result of temporary differences incurred, TL17.547 deferred tax income as a result of carried financial loss and TL3.987 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 31 December 2010, the Group has TL14.557 deferred tax expense arising from temporary differences and TL10.570 deferred tax income as a result of carried financial loss.

j. Information on continuing and discontinued operations' current period net profit/(loss):

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

k. 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 some fixed assets. Accordingly, the restatement of useful lives is 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 TL731 in the unconsolidated financial statements for 31 December 2010, hence fixed assets were positively affected by TL731. As a result of the positive effect of this change in estimations on the net book value of fixed assets, deferred tax liability amounting to TL146 has been accrued, and had a negative effect on tax expense. The total positive effect of these changes on equity is TL585.

I. Information on other income and expenses:

As of 31 December 2010, the Group’s fee and commission income amounts to TL64.279 (31 December 2009: TL63.334) and TL38.938 (31 December 2009: TL33.998) of the related amount is classified under “Other fee and commission income” account.

	31 December 2010	31 December 2009
Other Fee and Commissions Received		
Commissions From Brokerage Activity in Istanbul Stock Exchange	16.160	13.545
Commissions From Brokerage Activity in Turkish Derivative Exchange	13.994	8.771
Investment Consultancy Fees	2.419	6.569
Commissions on Investment Fund Services	1.436	1.490
Transfer Commissions	733	672
Account Operating Fees	502	575
Commissions from Correspondent Banks	184	168
Insurance Commissions	183	260
Ortak Nokta Commissions	37	71
Letter of Credit Commissions	30	106
Other	3.260	1.771
Total	38.938	33.998

As of 31 December 2010, Group’s fee and commission expense amounts to TL5.693 (31 December 2009: TL3.676) and TL5.232 (31 December 2009: TL3.354) of the related amount is classified under “Other fee and commission expense” account.

	31 December 2010	31 December 2009
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	1.817	1.006
Ortak Nokta Clearing Commissions	674	511
Credit Card Transaction Commission	508	370
EFT Commissions	275	215
Commissions Granted to Correspondent Banks	150	158
Transfer Commissions	99	90
Other	1.709	1.004
Total	5.232	3.354

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V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS' EQUITY

a. Information on change in the shareholder structure of the Parent Bank:

EFG Eurobank Ergasias S.A. ("Eurobank EFG") and Tekfen Holding A.Ş. ("Tekfen Group") signed an agreement as at 8 May 2006, that anticipated Eurobank EFG to purchase Tekfen Group's 70% share in Tekfenbank A.Ş. and Tekfen Finansal Kiralama A.Ş. which is fully owned by Tekfenbank A.Ş., where Tekfen Group retained its strategic partnership by keeping all remaining shares. At 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.

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding, Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between 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.

b. Information on distribution of profit:

Group's consolidated profit of 2009 was TL36.927 where TL1.246 is allocated to the legal reserves, TL33.586 is transferred to the extraordinary reserves, TL67 is allocated other reserves and the remaining TL2.028 is classified under retained earnings.

c. Information on capital increase:

None.

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d. Information on valuation differences of marketable securities:

Unrealized gains and losses” arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the “Marketable securities valuation reserve” account under equity, until the financial assets are sold, disposed or impaired.

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures			-	-
Valuation Difference	1.119	1.419	5.919	1.409
Foreign Currency Difference	-	-	-	-
Total	1.119	1.419	5.919	1.409

e. Information on revaluation differences of tangible and intangible assets :

The reversal from revaluation reserve for immovables amounting to TL4.451 (31 December 2009: TL635) net of tax is accounted under “Revaluation differences of tangible assets and intangible assets”.

VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalent assets:

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash, foreign currency, cash in transit and purchased bank cheques together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

- (i). Cash and cash equivalents at the beginning of period:

	31 December 2010	31 December 2009
Cash	119.085	146.622
Cash, Foreign Currency and Other	14.615	16.611
Demand Deposits in Banks	104.470	130.011
Cash Equivalents	570.666	239.475
Interbank Money Market	25.000	70.000
Time Deposits in Bank	545.666	169.475
Total Cash and Cash Equivalents	689.751	386.097

The total amount from the operations that occurred in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

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(ii). Cash and cash equivalents at the end of the period:

	31 December 2010	31 December 2009
Cash	160.614	119.085
Cash, Foreign Currency and Other	17.594	14.615
Demand Deposits in Banks	143.020	104.470
Cash Equivalents	627.564	570.666
Interbank Money Market	-	25.000
Time Deposits in Bank	627.564	545.666
Total Cash and Cash Equivalents	788.178	689.751

b. Information on other items presented in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents :

“Other” items presented in “Net operating income before changes in operating assets and liabilities” amount to TL160.069 (31 December 2009: TL24.767) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

“Net increase/decrease in liabilities” items presented in “Changes in operating assets and liabilities” amount to TL47.996 (31 December 2009: TL7.144) and consist of changes in other liabilities and miscellaneous payables.

As of 31 December 2010, the effect of change in foreign exchange rate on cash and cash equivalents is calculated as approximately TL5.049 (31 December 2009: TL (3.697)).

VII. 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 2010 for balance sheet and as at 31 December 2009 for income statements items.

1. 31 December 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			119	21.045	35	332
Interest and Commission Income Received			62	84	-	1

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

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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	-	-	971	155	-	3

(*) 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	-	-	470.509	605.391	25.401	4.915
Interest Expense on Deposits	-	-	49.039	56.933	1.160	501

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

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	-	-	-	-	998	31
Interest Expense on Repurchase Transactions	-	-	-	3	15	41

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

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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	-	-	743.351	82.136	-	-
Total Profit/Loss	-	-	552	2.395	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	59.494	60.872	-	-
Balance at the end of the period	-	-	61.504	59.494	-	-
Total Profit/Loss	-	-	(5.807)	2.193	-	-

(*) 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)	990.607	77,99
Deposit	507.773	73,92
Banks	495.918	26,49
Non-cash loans	21.377	1,66
Loans	998	0,17
Funds from repurchase transactions	154	0,01

As of 31 December 2010, the Group has realized interest expense amounting to TL134.163 on loans borrowed from the direct and indirect shareholders of the Bank, interest income amounting to TL41.940 from placement transactions with the direct and indirect shareholders of the Bank and commission expense amounting to TL1.374 on letter of guarantees obtained from the direct and indirect shareholders of the Bank.

3. Equity accounting transactions: None.

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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:

The Parent Bank, has financial leasing agreements with EFG Finansal Kiralama A.Ş. and net financial leasing payables arising from these agreements amount to TL1.067 (31 December 2009: TL2.127). The interest expense amount paid for the related financial leasing agreements is TL139 (31 December 2009: TL221).

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 1,30% (31 December 2009: 1,14%) of the Group’s total cash and non-cash loans.

As of 31 December 2010 the purchase of fixed asset from Tekfen Turizm ve İşletmecilik A.Ş., included in the Tekfen risk Group, amounting to TL134 (31 December 2009: 78)

As of 31 December 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 Group’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 31 December 2010, the Parent Bank has paid TL200 (31 December 2009: TL169) to EFG IT Shared Services SA, TL126 to EFG Audit&Consulting Services SA (31 December 2009: TL211), TL125 to EFG Eurobank Ergasias SA (31 December 2009: None) and TL39 to BE-Business Exchanges SA (31 December 2009: None).

As of 31 December 2010, the Group has paid TL1.565 (31 December 2009: TL1.454) 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 31 December 2010, the Group has paid a rent amount of TL278 (31 December 2009: TL282) 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 31 December 2010, the Parent Bank has paid a rent amount of TL2.124 (31 December 2009: TL51) and an advertisement charge of TL6 (31 December 2009: TL22) to Tekfen Holding A.Ş..

The Group has realized TL197 (31 December 2009: TL136) commission income from brokerage services given to EFG Eurobank Securities S.A, commission income from capital market transactions, and a consultancy fee of TL146 (31 December 2009: TL132) to EFG Capital International and commission expense to EFG Audit&Consulting TL35 (31 December 2009:None).

c. Information on benefits provided to top management:

As of 31 December 2010, benefits provided to top management amount to TL12.253(31 December 2009: TL16.007).

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE
BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

a. Information on domestic, foreign branches and foreign representatives:

	Number	Employee number			
Domestic Branch	54	959			
			Country of Incorporation		
Foreign Representative	-	-			
				Total Asset	Statutory share capital
Foreign Branch	-	-		-	-
Off-Shore Banking Region Branch	-	-		-	-

b. There is no event that would affect opening or closing a domestic branch, a foreign branch or a representative office.

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IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- (i) As per the Board of Director's decision dated 27 January 2011, the Bank has decided to increase its paid-in capital from TL380 million to TL570 million by 190 million where TL150 million of the capital increase will arise from the cash contribution of shareholders and TL40 million of the increase will be derived from internal resources. Following this decision, BRSA approved early redemption of TL173.9 million subordinated loan under the conditions that TL 105 million to be used in the capital increase and kept in the accounts as a secondary subordinated loan until the completion of the capital increase process where no interest or charge is paid over such amount and remaining TL68.9 million to be converted to perpetual loan at current market conditions.
- (ii) Following the Amendment of the Communiqué on the Reserve Requirements published in the Official Gazette No. 27788 dated 17 December 2010, to be effective from the calculation scale dated 7 January 2011 reserve requirements ratios of Turkish lira liabilities for deposits/participation has been differentiated in terms of the maturity structure of funds.

- a) For Turkish Lira Liabilities;

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

- b) Required reserve ratio for FX liabilities is 11%.

- (iii) Following the Amendment of the Communiqué on the Reserve Requirements published in the Official Gazette No. 27788 dated 24 January 2011, to be effective from the calculation scale dated 4 February 2011, reserve requirements ratios of Turkish lira liabilities for deposits/participation has been differentiated in terms of the maturity structure of funds.

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

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

**EUROBANK TEKFEN A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS RELATED TO BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 December 2010 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated 14 March 2011 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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