

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

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
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 unconsolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") at 31 December 2010 and the related unconsolidated 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 financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Document" 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 unconsolidated financial statements present fairly, in all material respects, the financial position of Eurobank Tekfen A.Ş. 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 article 37 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 Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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 UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I. OF SECTION THREE**

**THE UNCONSOLIDATED FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 31 DECEMBER 2010**

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The unconsolidated 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 BANK**
- **Section Two** **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section Four** **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED
FINANCIAL STATEMENTS**
- **Section Six** **OTHER EXPLANATIONS**
- **Section Seven** **INDEPENDENT AUDITOR'S REPORT**

The accompanying unconsolidated 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 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 UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

SECTION ONE

GENERAL INFORMATION

**I. 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.

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EUROBANK TEKFEN A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE 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 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 belongs to 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".

**CONVENIENCE TRANSLATION OF PUBLICLY
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

NOTES TO UNCONSOLIDATED 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 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 UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:

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 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, 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.

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

As of 31 December 2010, the Bank has 54 branches operating in Turkey (31 December 2009: 42). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2010, the Bank has 875 (31 December 2009: 743) employees.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

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

EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED BALANCE SHEET (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
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	100.941	108.844	209.785	82.095	82.366	164.461
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	163.828	9.912	173.740	114.810	442	115.252
2.1 Trading Financial Assets		163.828	9.912	173.740	114.810	442	115.252
2.1.1 Government Debt Securities		157.096	101	157.197	113.608	44	113.652
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		6.732	9.811	16.543	1.202	398	1.600
2.1.4 Other Marketable Securities		-	-	-	-	-	-
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	488.757	25.080	513.837	338.997	201.780	540.777
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	229.715	113.220	342.935	321.565	128.652	450.217
5.1 Share Certificates		2.950	-	2.950	2.950	-	2.950
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	1.099.037	521.907	1.620.944	915.739	347.967	1.263.706
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		117.025	-	117.025	157.236	-	157.236
6.3 Specific Provisions (-)		65.419	-	65.419	83.026	-	83.026
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	959.588		959.588	992.817		992.817
8.1 Government Debt Securities		959.588	-	959.588	992.817	-	992.817
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	134.332		134.332	134.332		134.332
10.1 Unconsolidated Financial Subsidiaries		134.332	-	134.332	134.332	-	134.332
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						
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
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	31.203		31.203	38.710		38.710
XV. INTANGIBLE ASSETS (Net)	I-m	18.125		18.125	3.891		3.891
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		18.125	-	18.125	3.891	-	3.891
XVI. INVESTMENT PROPERTY (Net)	I-n						
XVII. TAX ASSET	I-o	16.236		16.236	22.220		22.220
17.1 Current Tax Asset		-	-	-	4.203	-	4.203
17.2 Deferred Tax Asset		16.236	-	16.236	18.017	-	18.017
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	25.239	5.294	30.533	19.329	194	19.523
TOTAL ASSETS		3.359.138	791.774	4.150.912	3.087.384	769.019	3.856.403

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED BALANCE SHEET (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	1.155.584	733.168	1.888.752	1.078.858	772.723	1.851.581
1.1 Deposits of Bank’s Risk Group		359.513	152.901	512.414	444.574	237.062	681.636
1.2 Other		796.071	580.267	1.376.338	634.284	535.661	1.169.945
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	9.178	9.485	18.663	1.147	572	1.719
III. BORROWINGS	II-c	728.654	178.822	907.476	714.797	150.854	865.651
IV. MONEY MARKETS		574.606	-	574.606	407.215	-	407.215
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
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		13.445	2.186	15.631	6.673	1.140	7.813
VIII. OTHER LIABILITIES	II-d	32.975	5.640	38.615	22.372	254	22.626
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-e	-	1.067	1.067	-	2.127	2.127
10.1 Financial Lease Payables		-	1.138	1.138	-	2.345	2.345
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	71	71	-	218	218
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	31.350	14.981	46.331	31.247	13.878	45.125
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		12.810	-	12.810	8.863	-	8.863
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		5.667	10.025	15.692	12.666	9.360	22.026
XIII. TAX LIABILITY	II-h	6.526	-	6.526	5.511	-	5.511
13.1 Current Tax Liability		6.526	-	6.526	5.511	-	5.511
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS	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	446.166	1.419	447.585	440.241	1.409	441.650
16.1 Paid-in Capital		380.000	-	380.000	380.000	-	380.000
16.2 Capital Reserves		6.022	1.419	7.441	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		1.567	-	1.567	1.567	-	1.567
16.3 Profit Reserves		44.968	-	44.968	23.003	-	23.003
16.3.1 Legal Reserves		8.796	-	8.796	7.698	-	7.698
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		36.172	-	36.172	15.305	-	15.305
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		15.176	-	15.176	21.965	-	21.965
16.4.1 Prior Years’ Income/ (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income/ (Loss)		15.176	-	15.176	21.965	-	21.965
TOTAL LIABILITIES		3.183.604	967.308	4.150.912	2.893.140	963.263	3.856.403

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
31 DECEMBER 2010 AND 31 DECEMBER 2009
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)**

II. OFF-BALANCE SHEET		Note (Section Five)	(31/12/2010)			(31/12/2009)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		1.085.099	3.838.012	4.923.111	430.851	1.547.353	1.978.204
I.	GUARANTEES AND WARRANTIES	III-a-2-3	242.871	1.057.866	1.300.737	174.618	940.714	1.115.332
1.1	Letters of Guarantee		242.048	93.820	335.868	172.688	100.202	272.890
1.1.1	Guarantees Subject to State Tender Law		11.201	11.066	22.267	19.073	11.419	30.492
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		230.847	82.754	313.601	153.615	88.783	242.398
1.2	Bank Acceptances		-	30.510	30.510	-	19.590	19.590
1.2.1	Import Letter of Acceptance		-	30.510	30.510	-	19.590	19.590
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	166.490	166.490	-	98.514	98.514
1.3.1	Documentary Letters of Credit		-	166.490	166.490	-	98.514	98.514
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		823	2.155	2.978	1.930	1.163	3.093
1.8	Other Guarantees		-	764.891	764.891	-	721.245	721.245
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	161.024	107.266	268.290	114.357	36.912	151.269
2.1	Irrevocable Commitments		161.024	107.266	268.290	114.357	36.912	151.269
2.1.1	Asset Purchase and Sales Commitments		78.802	107.266	186.068	45.331	36.912	82.243
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4	Commitments for Loan Limits		17.112	-	17.112	9.999	-	9.999
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		53.338	-	53.338	44.462	-	44.462
2.1.8	Tax and Fund Liabilities from Export Commitments		1.275	-	1.275	1.479	-	1.479
2.1.9	Commitments for Credit Card Limits		8.191	-	8.191	8.871	-	8.871
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		306	-	306	2.215	-	2.215
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b	681.204	2.672.880	3.354.084	141.876	569.727	711.603
3.1	Hedging Derivative Financial Instruments		-	184.512	184.512	-	178.476	178.476
3.1.1	Transactions for Fair Value Hedge		-	184.512	184.512	-	178.476	178.476
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		681.204	2.488.368	3.169.572	141.876	391.251	533.127
3.2.1	Forward Foreign Currency Buy/Sell Transactions		165.397	443.123	608.520	13.432	28.034	41.466
3.2.1.1	Forward Foreign Currency Transactions-Buy		66.661	236.461	303.122	9.679	11.083	20.762
3.2.1.2	Forward Foreign Currency Transactions-Sell		98.736	206.662	305.398	3.753	16.951	20.704
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		142.663	970.911	1.113.574	21.663	126.009	147.672
3.2.2.1	Foreign Currency Swap-Buy		111.503	170.186	281.689	-	25.151	25.151
3.2.2.2	Foreign Currency Swap-Sell		31.160	250.729	281.889	21.663	3.714	25.377
3.2.2.3	Interest Rate Swap-Buy		-	274.998	274.998	-	48.572	48.572
3.2.2.4	Interest Rate Swap-Sell		-	274.998	274.998	-	48.572	48.572
3.2.3	Foreign Currency, Interest rate and Securities Options		373.144	1.074.334	1.447.478	106.781	237.208	343.989
3.2.3.1	Foreign Currency Options-Buy		186.331	467.544	653.875	62.612	86.172	148.784
3.2.3.2	Foreign Currency Options-Sell		186.813	465.376	652.189	44.169	104.710	148.879
3.2.3.3	Interest Rate Options-Buy		-	70.707	70.707	-	23.163	23.163
3.2.3.4	Interest Rate Options-Sell		-	70.707	70.707	-	23.163	23.163
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		6.167.620	6.250.869	12.418.489	3.855.909	5.219.474	9.075.383
IV.	ITEMS HELD IN CUSTODY		2.251.336	310.312	2.561.648	1.130.295	254.418	1.384.713
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		1.707.411	14.204	1.721.618	550.259	15.145	565.404
4.3	Cheques Received for Collection		517.743	122.755	640.498	548.843	49.828	598.671
4.4	Commercial Notes Received for Collection		19.801	9.939	29.740	22.242	19.029	41.271
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		6.378	163.414	169.792	8.951	170.416	179.367
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		3.905.279	5.931.436	9.836.715	2.725.614	4.965.056	7.690.670
5.1	Marketable Securities		9.010	-	9.010	14.803	-	14.803
5.2	Guarantee Notes		2.614.529	4.043.261	6.657.790	1.574.484	3.092.471	4.666.955
5.3	Commodity		33.033	8.761	41.794	4.377	5.764	10.141
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.232.935	1.879.414	3.112.349	1.122.011	1.865.856	2.987.867
5.6	Other Pledged Items		15.772	-	15.772	9.939	965	10.904
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		11.005	9.121	20.126	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			7.252.719	10.088.881	17.341.600	4.286.760	6.766.827	11.053.587

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

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

EUROBANK TEKFEN A.Ş.

**UNCONSOLIDATED 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)	01/01/2010- 31/12/2010	01/01/2009- 31/12/2009
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	404.053	432.737
1.1	Interest on Loans		149.653	174.057
1.2	Interest Received from Reserve Requirements		3.712	7.572
1.3	Interest Received from Banks		42.242	24.969
1.4	Interest Received from Money Market Transactions		1.064	2.101
1.5	Interest Received from Marketable Securities Portfolio		191.106	215.533
1.5.1	Trading Financial Assets		5.557	5.820
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		154.619	159.538
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		16.276	8.505
II.	INTEREST EXPENSE (-)	IV-b	304.552	328.517
2.1	Interest on Deposits (-)		115.598	149.086
2.2	Interest on Funds Borrowed (-)		134.305	138.712
2.3	Interest Expense on Money Market Transactions (-)		39.199	26.621
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		15.450	14.098
III.	NET INTEREST INCOME (I + II)		99.501	104.220
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-1	27.825	31.354
4.1	Fees and Commissions Received		30.596	33.266
4.1.1	Non-cash Loans		25.348	29.351
4.1.2	Other		5.248	3.915
4.2	Fees and Commissions Paid (-)		2.771	1.912
4.2.1	Non-cash Loans (-)		11	38
4.2.2	Other (-)		2.760	1.874
V.	DIVIDEND INCOME	IV-c	36	136
VI.	TRADING INCOME/(LOSS) (Net)	IV-d	27.169	38.150
6.1	Trading Gains/(Losses) on Securities		23.618	32.464
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		2.074	2.108
6.3	Foreign Exchange Gains/(Losses)		1.477	3.578
VII.	OTHER OPERATING INCOME	IV-e	7.853	3.459
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		162.384	177.319
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	18.791	54.941
X.	OTHER OPERATING EXPENSES (-)	IV-g	124.330	94.318
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		19.263	28.060
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	19.263	28.060
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	4.087	6.095
16.1	Current Tax Provision		-	22.299
16.2	Deferred Tax Provision		(4.087)	(16.204)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-VI)	IV-j	15.176	21.965
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		19.263	-
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	15.176	21.965
	Earnings/(Loss) per share (1.000 nominal in TL full)		0.359	0.536

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.

**UNCONSOLIDATED 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

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

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

EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED 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	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 Shareholders' Equity
I.	Period Opening Balance		230.000	1.567	-	7.080	-	-	28.556	-	12.367	-	(14.159)	7.152	-	-	-	272.563
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		230.000	1.567	-	7.080	-	-	28.556	-	12.367	-	(14.159)	7.152	-	-	-	272.563
	Changes in the Period																	
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	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
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		150.000	-	-	-	-	-	(25.000)	-	-	-	-	-	-	-	-	125.000
14.1	Cash		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		-	-	-	-	-	-	-	-	21.965	-	-	-	-	-	-	21.965
XX.	Profit Distribution		-	-	-	618	-	-	11.749	-	(12.367)	-	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	618	-	-	11.749	-	(12.367)	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+...+XVIII+XIX+XX)		380.000	1.567	-	7.698	-	-	15.305	-	21.965	-	7.328	7.787	-	-	-	441.650

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

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

EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED 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	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 Shareholders' Equity
I. Prior Period End Balance		380.000	1.567	-	-	7.698	-	15.305	-	21.965	-	7.328	7.787	-	-	-	441.650
Changes in the Period																	
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	(4.790)	-	-	-	-	(4.790)
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	(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	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	15.176	-	-	-	-	-	-	15.176
XVIII. Profit Distribution		-	-	-	-	1.098	-	20.867	-	(21.965)	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	1.098	-	20.867	-	(21.965)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		380.000	1.567	-	-	8.796	-	36.172	-	15.176	-	2.538	3.336	-	-	-	447.585

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED 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 (Section Five)	(31/12/2010)	(31/12/2009)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		(4.981)	45.755
1.1.1 Interest Received		421.633	480.295
1.1.2 Interest Paid		(310.010)	(339.511)
1.1.3 Dividend Received		36	136
1.1.4 Fees and Commissions Received		27.825	31.354
1.1.5 Other Income		-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		41.682	24.675
1.1.7 Payments to Personnel and Service Suppliers		(60.825)	(47.436)
1.1.8 Taxes Paid		-	(28.376)
1.1.9 Other	VI-b	(125.322)	(75.382)
1.2 Changes in Operating Assets and Liabilities		(154.714)	(33.323)
1.2.1 Net (Increase)/Decrease in Trading Securities		(44.137)	71.178
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3 Net (Increase)/Decrease in Due from Banks		-	-
1.2.4 Net (Increase)/Decrease in Loans		(341.903)	(306.374)
1.2.5 Net (Increase)/Decrease in Other Assets		(39.854)	(36.712)
1.2.6 Net Increase/(Decrease) in Bank Deposits		46.920	(4.558)
1.2.7 Net Increase/(Decrease) in Other Deposits		(7.145)	63.976
1.2.8 Net Increase/(Decrease) in Funds Borrowed		211.928	153.998
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	VI-b	19.477	25.169
I. Net Cash Provided from Banking Operations		(159.695)	12.432
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		126.519	172.910
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	(12.770)
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(31.913)	(5.307)
2.4 Disposals of Property and Equipment		17.481	260
2.5 Cash Paid for Purchase of Investments Available-for-Sale		-	-
2.6 Cash Obtained from Sale of Investments Available-for-Sale		83.331	190.727
2.7 Cash Paid for Purchase of Investment Securities		-	-
2.8 Cash Obtained from Sale of Investment Securities		57.620	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(1.207)	123.361
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		(1.207)	(1.639)
3.6 Other (*)		-	125.000
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		5.049	(3.559)
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(29.334)	305.144
VI. Cash and Cash Equivalents at Beginning of the Period		679.037	373.893
VII. Cash and Cash Equivalents at end of the Period	VI-a	649.703	679.037

(*) Represents the cash capital increase during the year.

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 Shares	-	-
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	-	20.867
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of 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.

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

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The 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 unconsolidated 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, additions and changes in the related communiqué.

The unconsolidated 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 unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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.

**CONVENIENCE TRANSLATION OF PUBLICLY
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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

ACCOUNTING POLICIES (Continued)

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

The general strategy of the Bank 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 Bank 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 Bank 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 Bank 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 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:

Based on the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if one exists.

The Bank has no joint ventures as of 31 December 2010 and 31 December 2009.

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 Bank 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 Bank 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 amortised to profit or loss over the period maturity.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

ACCOUNTING POLICIES (Continued)

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 recognised in the income statement on an accrual basis by using the effective interest method.

The Bank 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 recognised 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 recognised 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 recognised as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Bank 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 recognised at the “settlement dates”. The appropriate classification of financial assets of the Bank 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.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010

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

ACCOUNTING POLICIES (Continued)

Trading financial assets are initially recognised 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 "amortised cost" using the effective interest method. All gains and losses arising from these evaluations are recognised 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 recognised 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 "amortised 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 recognised at the amortised 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 recognised in the expense accounts.

The Bank 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. 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 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 finalised.

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ACCOUNTING POLICIES (Continued)

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 amortised 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.

“Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised 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 Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise 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 Bank 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 Bank 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 Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

As of 31 December 2010 and 31 December 2009, the Bank has no goodwill.

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 amortised 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 Bank has revised useful lives of some intangible assets; the revised useful lives valid from 1 January 2010 are stated below:

	New Useful Lives (Year)	Previous Useful Lives (Year)
License and Softwares	5-12	3-5

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ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognised 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 Bank 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 Bank.

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 Bank has revised the useful lives of some tangible assets; the revised useful lives valid from 1 January 2010 are stated below:

	New Useful Lives (Year)	Previous Useful Lives (Year)
Communication Devices	7	10
Hardwares	5-7	4-5
ATM	10	4

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 capitalised 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.

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ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalised 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 Bank 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 recognised. 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 Bank does not provide financial leasing services as a “Lessor”.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognised 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 recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised 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 Bank, 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 recognised in financial statements since this may result in the recognition of income that may never be realised. 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 recognised in the financial statements in which the change occurs.

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ACCOUNTING POLICIES (Continued)

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 Bank 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 Bank 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 of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to 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.

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.

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ACCOUNTING POLICIES (Continued)

b. Deferred tax:

The Bank 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.

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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.

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 Bank 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.

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ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit 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	13.658	19.768
Weighted Average Number of Issued Ordinary Shares (Thousand)	38.000.000	36.903.947
Earnings Per Ordinary Shares (Disclosed in full TL)	0,0004	0,0005
Net Income / (Loss) to be Appropriated to Privileged Shareholders	1.518	2.197
Number of Issued Privileged Shares	1.000.000	1.000.000
Earnings Per Privileged Shares (Disclosed in full TL)	1,5180	2,1970

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.

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 Bank 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 unconsolidated figures, to conform to changes in presentation of 31 December 2010 unconsolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. As of 31 December 2010, the unconsolidated capital adequacy ratio of the Bank is 20,29 % (31 December 2009: 25,99%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the Bank's target capital adequacy ratio of 12%.
- b. The capital adequacy ratio of the Bank 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 capital adequacy ratio:**

	Risk Weights (*)			
	0%	20%	50%	100%
Amount subject to credit risk				
Balance sheet items (Net)	2.116.273	33.957	570.629	1.222.167
Cash	17.590	-	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	120.613	-	-	-
Domestic, foreign banks, foreign head offices and branches	506.217	5.283	-	769
Interbank money market placements	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	71.392	-	-	-
Loans	63.704	27.998	557.751	988.233
Non-performing receivables (Net)	-	-	-	51.606
Lease receivables	-	-	-	-
Available-for-sale financial assets	316.955	-	-	2.950
Held-to-maturity investments	894.040	-	-	-
Receivables from the disposal of assets	-	-	-	-
Miscellaneous receivables	-	-	-	6.876
Interest and income accruals	90.992	676	12.878	8.718
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	134.332
Fixed assets	-	-	-	28.549
Other assets	34.770	-	-	134
Off-balance sheet items	124.464	49.998	252.269	738.629
Non-cash loans and commitments	124.464	22.045	252.269	723.870
Derivative financial instruments	-	27.953	-	14.759
Non-risk weighted accounts	-	-	-	-
Total Risk Weighted Assets	2.240.737	83.955	822.898	1.960.796

(*) 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 Banks' 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 capital adequacy ratio ("CAR"):

	31 December 2010	31 December 2009
Amount subject to credit risk (ASCR)	2.389.036	1.972.287
Amount subject to market risk (ASMR)	176.588	215.763
Amount subject to operational risk (ASOR)	213.602	152.217
Shareholders' equity	563.792	608.235
Shareholders' equity/(ASCR+ASMR+ASOR)	%20,29	%25,99

e. Information about 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	8.796	7.698
First legal reserve (Turkish Commercial Code 466/1)	4.891	3.793
Second legal reserve (Turkish Commercial Code 466/2)	3.905	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	36.172	15.305
Reserves allocated by the General Assembly	36.172	15.305
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	15.176	21.965
Current period profit	15.176	21.965
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans (up to 15% of core capital)	-	-
Uncovered portion of loss with reserves (-)	-	-
Current period loss	-	-
Prior period loss	-	-
Special costs (-)	10.904	6.242
Prepaid expenses (-)	4.734	2.759
Intangible assets (-)	18.125	3.891
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
Total Core Capital	407.948	413.643

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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)	-	-
Total Supplementary Capital	156.227	194.996
TIER III CAPITAL	-	-
CAPITAL	564.175	608.639
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	563.792	608.235

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II. EXPLANATIONS ON CREDIT RISK:

Credit risk represents the risks and losses that could arise when the other party in a contract to which the Bank 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 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 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 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 continuing 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 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.

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 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 Bank 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 Bank does not have significant credit risk concentration.

In the current period, the share of the Bank'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 Bank'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 Bank'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 Bank's general loan loss provision is amounting to TL17.829 (31 December 2009: TL14.236).

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

a. Information on types of loans and specific provisions:

31 December 2010	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	1.428.088	36.042	2.743	90.994	1.557.867
Loans under close monitoring	101.274	1.142	49	27	102.492
Non-performing loans	116.558	421	24	22	117.025
Specific provision (-)	65.025	368	24	2	65.419
Total	1.580.895	37.237	2.792	91.041	1.711.965

31 December 2009	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	1.051.039	19.917	3.054	82.651	1.156.661
Loans under close monitoring	114.974	457	55	700	116.186
Non-performing loans	155.268	1.210	275	483	157.236
Specific provision (-)	81.179	1.115	249	483	83.026
Total	1.240.102	20.469	3.135	83.351	1.347.057

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

31 December 2010	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	87.064	1.448	40	5.982	94.534
Past due 30-60 days	12.195	841	34	-	13.070
Past due 60-90 days	12.211	310	12	-	12.533
Total	111.470	2.599	86	5.982	120.137

31 December 2009	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	160.370	577	-	9.722	170.669
Past due 30-60 days	13.093	320	38	-	13.451
Past due 60-90 days	8.082	94	17	-	8.193
Total	181.545	991	55	9.722	192.313

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
Moody's Rating				
Ba2 (*)	157.197	339.985	959.588	1.456.770
Total	157.197	339.985	959.588	1.456.770

31 December 2009	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Moody's Rating				
Ba3 (*)	113.652	447.267	992.817	1.553.736
Total	113.652	447.267	992.817	1.553.736

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

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d. Information on rating concentration:

The Bank 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 Bank 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 (%)	10,94	9,92
Average (%)	60,56	58,52
Below average (%)	25,90	28,78
Not rated (%)	2,60	2,78

e. Information on the amount subject to credit risk :

	31 December 2010	31 December 2009
Balance sheet items subject to credit risk:	3.850.309	3.623.257
Loans and advances to banks and financial institutions	514.114	606.325
Loans and advances to customers	1.711.688	1.306.514
- Corporate	1.580.618	1.199.559
- Consumer	37.237	20.469
- Credit cards	2.792	3.135
- Factoring receivables	91.041	83.351
Trading Financial Assets	157.197	113.652
- Government bonds	157.197	113.652
Investment Securities	1.302.523	1.443.034
- Government bonds	1.299.573	1.440.084
- Share certificates	2.950	2.950
Other assets	164.787	153.732
Off- balance sheet items subject to credit risk:	3.245.674	1.622.271
Financial guarantees	1.300.737	1.115.332
Credit commitments and other liabilities	1.944.937	506.939
Total	7.095.983	5.245.528

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

31 December 2010	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans under close monitoring	88.568	566	19	27	89.180
Non-performing loans	66.301	104	-	16	66.421
Total	154.869	670	19	43	155.601

31 December 2009	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans under close monitoring	84.862	77	23	462	85.424
Non-performing loans	83.973	177	-	-	84.150
Total	168.835	254	23	462	169.574

Type of Collaterals	31 December 2010	31 December 2009
Real-estate mortgage	149.255	166.873
Pledge	5.784	2.022
Cash and cash equivalents	562	679
Total	155.601	169.574

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	1.711.688	1.306.514	277	40.543	1.459.720	1.556.686	3.924.298	2.341.785
Private Sector	1.672.842	1.282.646	-	19.099	-	-	2.179.688	1.346.630
Public Sector	-	1.270	-	-	1.456.770	1.553.736	-	-
Banks	-	-	277	21.444	-	-	1.543.344	810.713
Individuals	38.846	22.598	-	-	-	-	66.934	50.110
Share certificates	-	-	-	-	2.950	2.950	134.332	134.332
Concentration based on geographical regions	1.711.688	1.306.514	277	40.543	1.459.720	1.556.686	3.924.298	2.341.785
Domestic	1.711.688	1.301.072	-	40.543	1.459.720	1.556.686	2.386.868	1.603.315
European Union Countries	-	5.442	277	-	-	-	1.487.181	734.133
OECD Countries (***)	-	-	-	-	-	-	4.425	742
Off-shore banking regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	37.856	2.179
Other Countries	-	-	-	-	-	-	7.968	1.416
Total	1.711.688	1.306.514	277	40.543	1.459.720	1.556.686	3.924.298	2.341.785

(*) 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. Information according to geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Capital Expenditures	Net Profit
31 December 2010					
Domestic	3.458.252	2.640.438	1.274.713	49.328	15.176
European Union Countries	504.724	1.034.846	11.188	-	-
OECD Countries (*)	-	18.018	4.425	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	4.276	3.360	2.448	-	-
Other Countries	-	6.665	7.963	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	134.332	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	3.967.252	3.703.327	1.300.737	183.660	15.176
31 December 2009					
Domestic	3.167.126	2.355.927	1.105.514	42.601	21.965
European Union Countries	511.460	1.052.045	6.365	-	-
OECD Countries (*)	-	723	742	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	884	623	1.295	-	-
Other Countries	-	5.435	1.416	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	134.332	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	3.679.470	3.414.753	1.115.332	176.933	21.965

(*) 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 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	3.640
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	10.487
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	14.127
(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)	176.588

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	5.195	3.640	3.805	5.528	4.123	3.971
Share Certificates Risk	-	-	-	-	-	-
Currency Risk	1.692	1.334	569	1.164	583	663
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	842	9.153	564	1.181	12.555	191
Total Amount Subject to Risk	96.613	176.588	61.725	98.413	215.763	60.313

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IV. EXPLANATIONS ON OPERATIONAL RISK:

As of 31 December 2010, the Bank calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Bank, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

V. EXPLANATIONS ON CURRENCY RISK:

The difference between the Bank’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 Bank due to the free floating currency regime.

The 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:

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2010</u>	<u>31 December 2009</u>	<u>31 December 2010</u>	<u>31 December 2009</u>	<u>31 December 2010</u>	<u>31 December 2009</u>
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 Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2010</u>	<u>31 December 2009</u>	<u>31 December 2010</u>	<u>31 December 2009</u>	<u>31 December 2010</u>	<u>31 December 2009</u>
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 Bank:

The Bank'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	6.957	9.582	42	8.499	25.080
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	5.133	161	-	-	5.294
Total Assets (*)	430.729	564.408	1.571	9.330	1.006.038
Liabilities					
Bank Deposits	22.826	25	-	26	22.877
Foreign Currency Deposits	203.470	481.575	1	25.245	710.291
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	135.384	41.909	1.529	-	178.822
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	654	1.506	-	26	2.186
Hedging Derivative Financial Liabilities	-	20.540	-	-	20.540
Other Liabilities	2.777	14.177	-	14	16.968
Total Liabilities (**)	365.111	559.732	1.530	25.311	951.684
Net On-balance Sheet Position	65.618	4.676	41	(15.981)	54.354
Net Off-balance Sheet Position	(80.489)	8.383	343	16.173	(55.590)
Financial Derivative Assets	285.410	539.192	74.790	24.925	924.317
Financial Derivative Liabilities	365.899	530.809	74.447	8.752	979.907
Non-Cash Loans (**)	395.716	641.729	2.074	18.347	1.057.866
31 December 2009					
Total Assets (*)	324.580	597.593	50	1.372	923.595
Total Liabilities (*)	350.677	603.082	1	3.057	956.817
Net On-balance Sheet Position	(26.097)	(5.489)	49	(1.685)	(33.222)
Net Off-balance Sheet Position	36.270	(26.001)	-	1.010	11.279
Financial Derivative Assets	65.226	78.075	-	4.685	147.986
Financial Derivative Liabilities	28.956	104.076	-	3.675	136.707
Non-Cash Loans (**)	302.959	619.181	1.367	17.207	940.714

(*) The above table shows the Bank'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: 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 TL9.556 (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 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 Bank’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 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 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 minimised.

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	-	-	-	-	209.595	209.785
Due From Banks	491.489	-	-	-	-	22.348	513.837
Financial Assets at Fair Value Through Profit/Loss	7.158	157.628	7.033	1.822	99	-	173.740
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	66.195	40.049	-	185.439	48.302	2.950	342.935
Loans	358.002	951.156	277.332	71.208	2.661	51.606	1.711.965
Held-to-Maturity Investments	793.117	-	-	166.471	-	-	959.588
Other Assets	6.430	-	-	-	-	232.632	239.062
Total Assets	1.722.581	1.148.833	284.365	424.940	51.062	519.131	4.150.912
Liabilities							
Bank Deposits	33.264	-	-	-	-	19.660	52.924
Other Deposits	1.267.051	286.678	59.853	-	-	222.246	1.835.828
Funds From Interbank Money Market	574.606	-	-	-	-	-	574.606
Miscellaneous Payables	-	-	-	-	-	15.631	15.631
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	577.075	24.582	57.366	183.096	250.477	-	1.092.596
Other Liabilities (*)	6.995	3.805	5.014	626	21.085	541.802	579.327
Total Liabilities	2.458.991	315.065	122.233	183.722	271.562	799.339	4.150.912
Balance Sheet Long Position	-	833.768	162.132	241.218	-	-	1.237.118
Balance Sheet Short Position	(736.410)	-	-	-	(220.500)	(280.208)	(1.237.118)
Off-balance Sheet Long Position	93.114	494	-	-	-	-	93.608
Off-balance Sheet Short Position	-	-	(1.709)	(77.264)	(15.376)	-	(94.349)
Total Position	(643.296)	834.262	160.423	163.954	(235.876)	(280.208)	(741)

(*) 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	-	-	-	-	87.082	164.461
Due From Banks	536.699	-	-	-	-	4.078	540.777
Financial Assets at Fair Value Through Profit/Loss	2.154	81.686	846	30.522	44	-	115.252
Interbank Money Market Placements	25.005	-	-	-	-	-	25.005
Available-for-Sale Financial Assets	3.737	179.798	81.958	145.823	35.951	2.950	450.217
Loans	777.137	217.123	208.255	70.259	-	74.283	1.347.057
Held-to-Maturity Investments	-	56.524	-	936.293	-	-	992.817
Other Assets	-	-	-	-	-	220.817	220.817
Total Assets	1.422.111	535.131	291.059	1.182.897	35.995	389.210	3.856.403
Liabilities							
Bank Deposits	857	-	-	-	-	5.145	6.002
Other Deposits	1.406.349	247.874	20.125	2	-	171.229	1.845.579
Funds From Interbank Money Market	376.660	30.555	-	-	-	-	407.215
Miscellaneous Payables	-	-	-	-	-	7.813	7.813
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.348	83.219	136.145	825.018	-	-	1.050.730
Other Liabilities	21.881	197	1.019	1.055	-	514.912	539.064
Total Liabilities	1.812.095	361.845	157.289	826.075	-	699.099	3.856.403
Balance Sheet Long Position	-	173.286	133.770	356.822	35.995	-	699.873
Balance Sheet Short Position	(389.984)	-	-	-	-	(309.889)	(699.873)
Off-balance Sheet Long Position	88.699	170	-	-	-	-	88.869
Off-balance Sheet Short Position	-	-	(79)	(74.364)	(14.873)	-	(89.316)
Total Position	(301.285)	173.456	133.691	282.458	21.122	(309.889)	(447)

Interest Rate Risk Sensitivity Analysis:

Change in interest rates 31 December 2010	Effect on income statement	Effect on equity
(+) 1%	(1.165)	(9.800)
(-) 1%	1.188	10.346

Change in interest rates 31 December 2009	Effect on income statement	Effect on equity
(+) 1%	(600)	954
(-) 1%	614	(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	-	9,07
Financial Assets at Fair Value Through Profit/Loss	9,50	6,75	-	8,81
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	8,47	-	8,13
Loans	5,27	4,83	3,59	11,25
Held-to-Maturity Investments	-	-	-	18,06
Liabilities				
Bank Deposits	0,63	-	-	6,50
Other Deposits (*)	2,26	2,63	-	8,11
Funds From Interbank Money Market	-	-	-	6,43
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	-	8,61
Financial Assets at Fair Value Through Profit/Loss	-	-	-	11,29
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 (*)	2,23	2,62	-	8,73
Funds From Interbank Money Market	-	-	-	7,10
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,79	3,86	-	15,78

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

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VII. EXPLANATIONS ON 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 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 Bank 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 utilised at a minimum level. The Bank does not need these funds due to the existing liquidity position but utilises 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	17.627	192.158	-	-	-	-	-	209.785
Due From Banks	22.348	490.720	-	-	-	-	769	513.837
Financial Assets at Fair Value Through Profit or Loss	-	7.020	3.055	6.062	157.410	193	-	173.740
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	3.770	-	7.536	217.953	110.726	2.950	342.935
Loans	-	460.883	475.950	597.437	72.287	53.802	51.606	1.711.965
Held-to-Maturity Investments	-	793.117	-	-	166.471	-	-	959.588
Other Assets (*)	-	20.334	452	3.218	22.401	13	192.644	239.062
Total Assets	39.975	1.968.002	479.457	614.253	636.522	164.734	247.969	4.150.912
Liabilities								
Bank Deposits	19.660	33.264	-	-	-	-	-	52.924
Other Deposits	222.246	1.267.051	286.678	59.853	-	-	-	1.835.828
Funds Borrowed From Other Financial Institutions	-	577.075	24.581	57.366	183.096	250.478	-	1.092.596
Funds From Interbank Money Market	-	574.606	-	-	-	-	-	574.606
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	3.707	1.246	-	-	-	10.678	15.631
Other Liabilities (**)	-	72.558	3.581	12.613	4.224	94	486.257	579.327
Total Liabilities	241.906	2.528.261	316.086	129.832	187.320	250.572	496.935	4.150.912
Net Liquidity Gap	(201.931)	(560.259)	163.371	484.421	449.202	(85.838)	(248.966)	-
31 December 2009								
Total Assets	18.703	1.485.457	340.152	267.089	1.369.043	119.559	256.400	3.856.403
Total Liabilities	176.374	1.824.525	335.105	65.682	860.508	108.995	485.214	3.856.403
Net Liquidity Gap	(157.671)	(339.068)	5.047	201.407	508.535	10.564	(228.814)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, subsidiaries, 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	1.492.752	289.568	61.716	-	-	1.844.036
Borrowings	588.147	43.753	95.769	369.751	347.009	1.444.429
Funds from money market	574.978	-	-	-	-	574.978
Total	2.708.806	333.321	157.485	369.751	347.009	3.916.372

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	1.580.747	249.751	20.665	3	-	1.851.166
Borrowings	51.389	71.206	104.080	914.750	46.338	1.187.763
Funds from money market	377.419	30.757	-	-	-	408.176
Total	2.015.557	351.714	124.745	914.753	46.338	3.453.107

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Contractual maturity analysis of the Bank'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	533.760	145.752	208.354	50.144	-	938.010
- Outflow	533.689	146.272	212.653	58.587	-	951.201
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	534.590	146.332	218.207	67.024	2.577	968.730
Total cash outflow	537.654	146.852	226.135	89.243	2.852	1.002.736

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	70.611	39.974	13.736	-	-	124.321
- Outflow	71.024	39.898	13.759	-	-	124.681
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	71.038	39.998	14.639	14.633	2.290	142.598
Total cash outflow	73.474	39.921	16.976	24.268	2.363	157.002

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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 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 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 Bank.

	Carrying Value		Fair Value	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Financial Assets	3.528.325	3.355.873	3.570.240	3.482.825
Due from Money Market		25.005		25.005
Due from Banks	513.837	540.777	514.390	540.959
Available-for-Sale Financial Assets	342.935	450.217	342.935	450.217
Held-to-maturity Investments	959.588	992.817	981.705	1.083.026
Loans	1.711.965	1.347.057	1.731.210	1.383.618
Financial Liabilities	2.996.979	2.910.124	3.020.359	2.920.671
Bank Deposits	52.924	6.002	52.927	6.002
Other Deposits	1.835.828	1.845.579	1.839.288	1.848.354
Borrowings	1.092.596	1.050.730	1.112.513	1.058.502
Marketable Securities Issued				-
Miscellaneous Payables	15.631	7.813	15.631	7.813

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b. Fair value hierarchy:

TFRS 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 Bank 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	157.197	16.543	-	173.740
Government Debt Securities	157.197	-	-	157.197
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	16.543	-	16.543
Government Debt Securities	339.985	-	-	339.985
Government Debt Securities	339.985	-	-	339.985
Other Marketable Securities	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Total Assets	497.182	16.543	-	513.725
Trading Derivative Financial Liabilities	-	18.663	-	18.663
Hedging Derivative Financial Liabilities	-	20.540	-	20.540
Total Liabilities	-	39.203	-	39.203

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
Government Debt Securities	447.267	-	-	447.267
Government Debt Securities	447.267	-	-	447.267
Other Marketable Securities	-	-	-	-
Hedging Derivative Financial Assets	-	575	-	575
Total Assets	560.919	2.175	-	563.094
Trading Derivative Financial Liabilities	-	1.719	-	1.719
Hedging Derivative Financial Liabilities	-	20.881	-	20.881
Total Liabilities	-	22.600	-	22.600

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.

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.

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X. EXPLANATIONS ON OPERATING SEGMENTS:

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

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

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

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

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

31 December 2010	Retail Banking	Corporate Banking	Treasury	Total Operations of the Bank
Segment revenue	27.162	37.202	97.913	162.277
Unallocated costs	-	-	-	(143.050)
Net Operating Profit	27.162	37.202	97.913	19.227
Dividend income	-	-	-	36
Profit Before Tax	-	-	-	19.263
Tax expense	-	-	-	(4.087)
Net Profit	-	-	-	15.176
Segment assets	226.479	1.572.612	2.112.759	3.911.850
Investments in associates, subsidiaries and joint ventures	-	-	-	134.332
Unallocated assets	-	-	-	104.730
Total Assets	226.479	1.572.612	2.112.759	4.150.912
Segment liabilities	675.282	1.224.652	1.706.404	3.606.338
Unallocated liabilities	-	-	-	544.574
Total Liabilities	675.282	1.224.652	1.706.404	4.150.912

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31 December 2009	Retail Banking	Corporate Banking	Treasury	Total Operations of the Bank
Segment revenue	27.427	63.143	86.613	177.183
Unallocated costs	-	-	-	(149.259)
Net Operating Profit	27.427	63.143	86.613	27.924
Dividend income	-	-	-	136
Profit Before Tax	-	-	-	28.060
Tax expense	-	-	-	(6.095)
Net Profit	-	-	-	21.965
Segment assets	96.792	1.277.821	2.261.548	3.636.161
Investments in associates, subsidiaries and joint ventures	-	-	-	134.332
Unallocated assets	-	-	-	86.485
Total Assets	96.792	1.277.821	2.261.548	3.856.978
Segment liabilities	611.426	1.251.261	1.480.545	3.343.232
Unallocated liabilities	-	-	-	513.746
Total Liabilities	611.426	1.251.261	1.480.545	3.856.978

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO 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	6.919	10.671	4.703	9.907
CBRT	94.022	98.173	77.392	72.459
Other	-	-	-	-
Total	100.941	108.844	82.095	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:

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:

1. 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).

2. Positive differences related to trading derivative financial assets:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Forward Transactions	5.096	548	284	43
Swap Transactions	1.361	855	9	71
Futures Transactions	-	-	-	-
Options	251	8.408	890	284
Other	24	-	19	-
Total	6.732	9.811	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	488.757	25.080	338.997	201.780
Domestic	2.190	2.924	2.047	31.828
Foreign	486.567	22.156	336.950	169.952
Headquarters and Branches Abroad	-	-	-	-
Total	488.757	25.080	338.997	201.780

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	2.950	2.950
Quoted on Stock Exchange	-	-
Not Quoted	2.950	2.950
Impairment Provision (-)	-	-
Total	342.935	450.217

(*) 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.

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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 instalment 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	206	698
Loans and Other Receivables with Doubtful Collectability	1.212	8.602
Uncollectible Loans and Other Receivables	64.001	73.726
Total	65.419	83.026

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	9.048	27.408	120.780
Additions (+)	28.942	1.896	12.196
Transfers from Other Categories of Non performing Loans (+)	-	24.692	49.739
Transfers to Other Categories of Non-performing Loans (-)	27.754	46.677	-
Collections (-) (*)	7.932	2.677	31.073
Write-offs (-)	-	-	41.563
Corporate and Commercial Loans	-	-	40.603
Consumer Loans	-	-	801
Credit Cards	-	-	159
Other	-	-	-
Balance at the End of the Period	2.304	4.642	110.079
Specific Provision (-)	206	1.212	64.001
Net Balance on Balance Sheet	2.098	3.430	46.078

(*) 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 TL1.550 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	208	1.251	37.360
Specific Provision (-)	10	397	14.617
Net Balance on balance sheet	198	854	22.743
31 December 2009			
Period-End Balance	2.824	4.881	41.054
Specific Provision (-)	157	1.223	19.187
Net Balance on balance sheet	2.667	3.658	21.867

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)	2.098	3.430	46.078
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)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	8.350	18.806	47.054
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)	-	-	222
Specific Provision Amount (-)	-	-	222
Other Loans and Receivables (Net)	-	-	-

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11. Policy followed-up for the collection of uncollectible loans and other receivables (Net):

The Bank 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 Bank'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	81.662	1.115	249	83.026
Additions	35.980	125	246	36.351
Reversals (-)	12.012	71	312	12.395
Write-offs	40.603	801	159	41.563
Foreign Currency Difference	-	-	-	-
31 December 2010	65.027	368	24	65.419

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2009	36.629	766	119	37.514
Additions	52.814	748	142	53.704
Reversals (-)	7.781	399	12	8.192
Write-offs	-	-	-	-
Foreign Currency Difference	-	-	-	-
31 December 2009	81.662	1.115	249	83.026

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	99.612	-	108.840	-
Other	-	-	-	-
Total	99.612	-	108.840	-

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

	31 December 2010	31 December 2009
Government Bond	959.588	992.817
Treasury Bill		-
Other Debt Securities		-
Total	959.588	992.817

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

	31 December 2010	31 December 2009
Debt Securities	959.588	992.817
Quoted	959.588	992.817
Not Quoted		-
Impairment Provision (-)		-
Total	959.588	992.817

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

	31 December 2010	31 December 2009
Beginning Balance	992.817	971.550
Foreign Currency Differences on Monetary Assets		-
Purchases During Year (*)		21.267
Disposals through Sales and Redemptions(-)	33.229	-
Impairment Provision (-)		-
Period End Balance	959.588	992.817

(*) Movement of held-to-maturity investments within the period includes changes in interest accruals, with security disposals through redemption amounting to TL56.525 .

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

3. Information on subsidiaries that are consolidated in consolidated accounts:

	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

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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.

i. Information on joint ventures:

None.

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j. Information on lease receivables (net):

None.

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).

l. Information on property and equipment (Net):

31 December 2009	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2008				
Cost	27.510	604	50.269	78.383
Accumulated depreciation (-)	2.545	521	36.712	39.778
Net book value	24.965	83	13.557	38.605
31 December 2009				
Net book value at beginning of the period	24.965	83	13.557	38.605
Additions	-	-	3.638	3.638
Disposals (-) (net)	-	-	-	-
Impairment	-	-	-	-
Depreciation (-)	505	39	3.781	4.325
Revaluation Increase	792	-	-	792
Cost at Period End	28.302	418	53.907	82.627
Accumulated Depreciation at Period End (-)	3.050	374	40.493	43.917
Closing Net Book Value at Period End	25.252	44	13.414	38.710

31 December 2010	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2009				
Cost	28.302	418	53.907	82.627
Accumulated depreciation (-)	3.050	374	40.493	43.917
Net book value	25.252	44	13.414	38.710
31 December 2010				
Net book value at beginning of the period	25.252	44	13.414	38.710
Additions	-	-	15.657	15.657
Disposals (-) (net)	17.699	-	-	17.699
Impairment	-	-	-	-
Depreciation (-)	137	33	4.730	4.900
Revaluation Increase	(565)	-	-	(565)
Cost at Period End	8.146	418	69.564	78.128
Accumulated Depreciation at Period End (-)	1.295	407	45.223	46.925
Closing Net Book Value at Period End	6.851	11	24.341	31.203

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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	33.846	17.589
Accumulated Depreciation (-)	15.721	13.698
Net Book Value	18.125	3.891

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

	31 December 2010	31 December 2009
Beginning of the Period	3.891	3.359
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	16.258	1.669
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	2.024	1.137
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	18.125	3.891

n. Information on investment property:

None.

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o. Information on deferred tax asset:

As of 31 December 2010, the Bank has netted-off the calculated deferred tax asset of TL18.491 (31 December 2009: TL20.863) and deferred tax liability of TL2.255 (31 December 2009: TL2.846) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL16.236 (31 December 2009: TL18.017) in the financial statements.

As of 31 December 2010 and 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
Valuation Differences of Marketable Securities	20.313	88.449	4.063	17.690
Provision for Legal Cases	10.908	10.007	2.181	2.001
Reserve for Employment Termination Benefit and Unused Vacation	5.151	4.363	1.030	873
Valuation Differences of Derivative Instruments	3.237	1.497	647	299
Carried Financial Loss	52.848	-	10.570	-
Deferred Tax Assets			18.491	20.863
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	11.151	14.041	2.230	2.808
Valuation Differences of Derivative Instruments	-	-	-	-
Other	123	191	25	38
Deferred Tax Liabilities			2.255	2.846
Deferred Tax Assets/(Liabilities) (Net)			16.236	18.017

Movement of deferred tax asset/ liabilities is presented below:

	31 December 2010	31 December 2009
Balance as of 1 January	18.017	7.344
Current year deferred tax income/(expense) (net)	(4.087)	16.204
Deferred tax charged to equity (net)	2.306	(5.531)
Balance at the End of the Period	16.236	18.017

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

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

Prior Period	31 December 2010	31 December 2009
Cost	2.301	935
Accumulated Depreciation (-)	160	106
Net Book Value	2.141	829
Current Period		
Net book value at beginning of the period	2.141	829
Additions	6.721	1.591
Disposals (-), net	148	229
Impairment	17	4
Depreciation (-)	98	54
Cost at end of the period	8.873	2.301
Accumulated Depreciation at end of the period (-)	240	160
Closing Net Book Value	8.633	2.141

q. Information on other assets:

As of 31 December 2010, other assets amount to TL30.533 (31 December 2009: TL19.523) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 December 2010:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	17.667	-	11.931	459.642	34.902	5.441	1.821	-	531.404
Foreign Currency Deposits	111.342	-	170.703	371.360	50.953	4.670	1.263	-	710.291
Residents in Turkey	109.446	-	170.700	353.032	50.695	4.537	994	-	689.404
Residents Abroad	1.896	-	3	18.328	258	133	269	-	20.887
Public Sector Deposits	11.440	-	-	946	392	-	-	-	12.778
Commercial Deposits	80.208	-	266.866	145.044	18.283	20.519	2	-	530.922
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	241.906	-	482.883	1.003.900	126.329	30.640	3.094	-	1.888.752

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	93.956	-	123.776	526.018	23.053	5.001	-	-	771.804
Residents in Turkey	84.210	-	116.346	504.638	22.430	4.078	-	-	731.702
Residents Abroad	9.746	-	7.430	21.380	623	923	-	-	40.102
Public Sector Deposits	6.167	-	-	7	-	-	-	-	6.174
Commercial Deposits	54.156	-	227.543	315.190	3.634	727	2	-	601.252
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	176.374	-	372.388	1.220.319	69.064	12.887	549	-	1.851.581

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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 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 Transactions	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	118.686	694.357	110.829
Total	728.654	178.822	714.797	150.854

2. Information on maturity structure of borrowings:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
Short-term	35.340	63.842	20.440	23.939
Medium and Long-term	693.314	114.980	694.357	126.915
Total	728.654	178.822	714.797	150.854

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

The Bank's main funding sources are deposits and borrowings. As of 31 December 2010, deposits and borrowings from Bank's risk group comprise 27% of total deposits and 80% of total borrowings.

d. Information on other liabilities:

Other liabilities amounting to TL38.615 (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 instalments 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 Bank.

	31 December 2010		31 December 2009	
	Gross	Net	Gross	Net
Less than 1 year	902	840	1.220	1.072
Between 1-4 years	236	227	1.125	1.055
More than 4 years	-	-	-	-
Total	1.138	1.067	2.345	2.127

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 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 Bank 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 with 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 Bank. 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	3.012	2.417
Provisions Recognised During the Period	1.398	1.063
Paid During the Period (-)	778	468
Balance at the End of the Period	3.632	3.012

In addition, as of 31 December 2010 the Bank has accounted for vacation rights provision amounting to TL1.519 (31 December 2009: TL1.351) and personnel bonus provision amounting to TL7.659 (31 December 2009: TL4.500).

3. Other provisions:

i) Information on provisions for possible risks:

None.

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ii) Information on other provisions:

The Bank set aside reserves amounting to TL10.908 (31 December 2009: TL10.007) 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 bank provided no corporate tax provision (31 December 2009: None).

2. Information on taxes payable:

	31 December 2010	31 December 2009
Corporate Tax Payable	-	-
Taxation of Marketable Securities	2.336	1.835
Property Tax	158	126
Banking Insurance Transaction Tax	1.421	1.483
Value Added Tax Payable	216	117
Other	1.288	1.138
Total	5.419	4.699

3. Information on premium payables:

	31 December 2010	31 December 2009
Social Security Premiums–Employee	417	305
Social Security Premiums–Employer	603	444
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	29	21
Unemployment Insurance–Employer	58	42
Other	-	-
Total	1.107	812

4. As of 31 December 2010, the Bank has netted-off the calculated deferred tax asset of TL18.531 (31 December 2009: TL20.863) and deferred tax liability of TL2.255 (31 December 2009: TL2.846) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL16.276 (31 December 2009: TL18.017) in the financial statements.

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

None.

j. Information about 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 Bank'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 Bank within several risk limits and legal limits.

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

Based on the Principal Agreement, the 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.

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:

Based on the decision in the General Meeting held on 31 March 2010, the profit of 2009 amounting to TL21.965 is allocated as TL1.098 for legal reserves and TL20.867 for extraordinary reserves.

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III. EXPLANATIONS AND NOTES RELATED TO 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
Commitments for promotions on credit cards	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 commitments:

	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 sectoral concentration of 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 Bank has non-cash loans classified as non-performing loans, amounting to TL5.713 As of 31 December 2010, the Bank has recorded a provision amounting to TL2.908 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)	2.478.163	389.657
Currency forward transactions	608.521	41.466
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	-	-
A. Total trading derivative transactions (I+II)	3.169.572	533.127
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)	3.354.084	711.603

c. Investment Funds:

As of 31 December 2010, the Bank is the founder of 3 investment funds (31 December 2009: 2) with a total fund value of TL27.252 (31 December 2009: TL19.462). 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 Bank is TL14.499 (31 December 2009: TL12.598) and the Bank sets aside a provision of TL10.908 (31 December 2009: TL10.007) 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 Foreign 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 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	99.675	14.158	128.187	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	123.571	26.082	145.601	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	203	50	185	28
From Foreign Banks	38.553	3.436	22.921	1.810
Headquarters and Branches Abroad	-	-	-	-
Total	38.756	3.486	23.131	1.838

3. Information on interest income on marketable securities:

	31 December 2010		31 December 2009	
	TL	FC	TL	FC
From Trading Financial Assets	5.507	50	5.820	-
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	154.619	-	159.538	-
Total	182.881	8.225	205.077	10.456

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

	31 December 2010	31 December 2009
Interest Received From Investments in Associates and Subsidiaries	6	103

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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	130.497	3.808	135.580	3.132
The CBRT	-	-	-	-
Domestic Banks	2.501	1.398	2.974	1.854
Foreign Banks	127.996	2.410	132.606	1.278
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	130.497	3.808	135.580	3.132

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

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

	31 December 2010	31 December 2009
Interest Paid to Investment in Associates and Subsidiaries	3.156	5.535

3. Interest expense on issued marketable securities:

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	-	27.835	23.220	261	62	-	-	51.378
Other Deposits	-	46	683	407	1	1	-	1.138
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	95	30.785	63.389	2.857	1.206	88	-	98.420
FC								
Foreign Currency Deposits	7	3.142	12.900	880	208	11	-	17.148
Bank Deposits	-	30	-	-	-	-	-	30
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	7	3.172	12.900	880	208	11	-	17.178
Grand Total	102	33.957	76.289	3.737	1.414	99	-	115.598

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c. Information on dividend income:

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

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

	31 December 2010	31 December 2009
Income	1.534.318	812.368
Income from Capital Market Transactions	42.648	54.636
Income From Derivative Financial Transactions	78.739	51.500
Foreign Exchange Gains (*)	1.412.931	706.232
Loss (-)	1.507.149	774.218
Loss from Capital Market Transactions	19.030	22.172
Loss From Derivative Financial Transactions	76.665	49.392
Foreign Exchange Loss (*)	1.411.454	702.654
Net Income/(Loss)	27.169	38.150

(*) 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).

e. Information on other operating income:

As of 31 December 2010, the Bank's other operating income is TL7.853 (31 December 2009: TL3.459).

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

f. Provision expenses related to loans and other receivables of the Bank:

	31 December 2010	31 December 2009
Specific Provisions for Loans and Other Receivables	15.138	52.782
III. Group Loans and Receivables	2.033	2.363
IV. Group Loans and Receivables	7.232	10.917
V. Group Loans and Receivables	5.873	39.502
General Provision Expenses	3.630	2.159
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	18.791	54.941

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g. Information related to other operating expenses:

	31 December 2010	31 December 2009
Personnel Expenses	60.825	47.436
Reserve For Employee Termination Benefits(*)	1.566	1.071
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	4.900	4.325
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	2.024	1.137
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	40.416	31.695
Operational Lease Expenses	11.332	7.717
Maintenance Expenses	653	637
Advertising Expenses	1.390	700
Other Expense	27.041	22.641
Loss on Sales of Assets	6	17
Other	14.495	8.583
Total	124.330	94.318

(*) As of 31 December 2010, TL168 (31 December 2009: TL8) of the Reserve For Employee Termination Benefits is expense from employee vacation fee provision.

h. Information on provision for taxes from discontinued or continuing operations:

The Bank has no discontinued operations. The Bank's net income/(loss) before taxes from continuing operations is TL19.263

i. Information on provision for taxes from discontinued or continuing operations:

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

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 31 December 2010, the Bank has no current tax expense and has deferred tax income amounting to TL4.087.

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

The Bank has net deferred tax income amounting to TL4.087 composing from deferred tax income as TL3.096 from temporary differences and TL10.570 from carried financial loss; TL17.753 deferred tax expense from temporary differences.

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

As of 31 December 2010, the Bank has TL14.657 deferred tax expense arising from temporary differences and there is TL10.570 deferred tax income from carried financial loss.

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

The Bank 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.

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.

l. Information on other income and expenses:

As of 31 December 2010, the Bank's fee and commission income amounts to TL30.596 (31 December 2009: TL33.266) and TL5.248 (31 December 2009: TL3.915) the related amount is classified under "Other fee and commission income" account.

	31 December 2010	31 December 2009
Other Fee and Commissions Received		
Commissions on Investment Fund Services	1.031	1.047
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	2.548	1.016
Total	5.248	3.915

As of 31 December 2010, Bank's fee and commission expense amounts to TL2.771 (31 December 2009: TL1.912) and TL2.760 (31 December 2009: TL1.874) of the related amount is classified under "Other fee and commission expense" account.

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	31 December 2010	31 December 2009
Other Fee and Commissions Given		
Ortak Nokta Clearing Commissions	674	511
Credit Card Transaction Commission	508	370
EFT Commissions	275	206
Commissions Granted to Correspondent Banks	150	158
Transfer Commissions	99	90
Other	1.054	539
Total	2.760	1.874

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

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

Based on the decision in the General Meeting held on 31 March 2010, the profit of 2009 amounting to TL21.965 is allocated as TL1.098 for legal reserves and TL20.867 for extraordinary reserves.

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 net of tax (31 December 2009: TL635) is accounted under “Revaluation differences of tangible assets and intangible assets”.

VI. EXPLANATIONS AND NOTES RELATED TO 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”.

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

	31 December 2010	31 December 2009
Cash	119.080	146.363
Cash, Foreign Currency and Other	14.610	16.608
Demand Deposits in Banks	104.470	129.755
Cash Equivalents	559.957	227.530
Interbank Money Market	25.000	70.000
Time Deposits in Bank	534.957	157.530
Total Cash and Cash Equivalents	679.037	373.893

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

	31 December 2010	31 December 2009
Cash	160.550	119.080
Cash, Foreign Currency and Other	17.590	14.610
Demand Deposits in Banks	142.960	104.470
Cash Equivalents	489.153	559.957
Interbank Money Market	-	25.000
Time Deposits in Bank	489.153	534.957
Total Cash and Cash Equivalents	649.703	679.037

- 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 negative TL125.322 (31 December 2009: TL75.382) 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 TL19.477 (31 December 2009: TL25.169) 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: negative TL3.559).

VII. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP

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

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

1. 31 December 2010:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	3.070	185	25.937	47	1.724
Balance at the End of the Period	-	14.242	119	21.045	35	332
Interest and Commission Income Received	6	31	62	84	-	1

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

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2. 31 December 2009:

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	2.739	25.759	23.499	70	335
Balance at the End of the Period	-	3.070	185	25.937	47	1.724
Interest and Commission Income Received	103	74	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 Bank's risk group:

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	71.330	77.951	605.391	641.805	4.915	24.332
End of the Period	16.496	71.330	470.517	605.391	25.401	4.915
Interest Expense on Deposits	3.156	5.535	49.039	56.933	1.160	501

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

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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 Bank's risk group:

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	13	24.694	82.136	59.800	-	-
Balance at the end of the period	14.896	13	743.351	82.136	-	-
Total Profit/Loss	572	3.009	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 Bank's risk group:

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

The Bank 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	878.437	80,40
Deposit	512.414	27,13
Banks	507.773	98,82
Non-cash loans	35.619	2,74
Financial lease payables (net)	1.067	100,00
Loans	998	0,17
Funds from repurchase transactions	154	0,01

As of 31 December 2010, the Bank has realized interest expense amounting to TL128.826 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.

3. Equity accounting transactions: None.

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

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 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 Bank's risk group and the amount composes 1,30% (31 December 2009: 1,26%) of the Bank'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: TL78) has been recorded to assets in the context of purchases and sales of the assets other than immovables with the Bank's risk group.

As of 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 Bank is included.

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

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

As of 31 December 2010, the Bank 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.

As of 31 December 2010, the Bank 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 Bank has paid a rent amount of TL2.124 (31 December 2009: TL51) to Tekfen Holding A.Ş for the floors on which the Bank's Head Office Units are located, and TL6 (31 December 2009: TL22) as advertisement cost share.

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

c. Information on benefits provided to top management:

As of 31 December 2010, benefits provided to top management amount to TL7.764 (31 December 2009: TL8.427).

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

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

	Number	Employee number			
Domestic Branch	54	875			
			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.

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 TL105 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 and 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.

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EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS (Continued)

- (ii) Following the amendment of the Communiqué on the Reserve Requirement published in the Official Gazette No. 27788 dated 17 December 2010, to be effective from the calculation scale dated 7 January 2011, reserve requirement 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 6 months)	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
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 Requirement published in the Official Gazette No. 27825 dated 24 January 2011 to be effective from the calculation scale dated 4 February 2011, reserve requirement 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 6 months)	7
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special Funds	Ratios corresponding to maturities
Other than deposits/participation accounts	9

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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 unconsolidated 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 independent auditor’s report dated 14 March 2011 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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