

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITORS' REPORT
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2008**

*Translated into English from the
Original Turkish Report*

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

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FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITORS' REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2008

We have audited the accompanying balance sheet of Finansbank A.Ş. ("The Bank") as at December 31, 2008 and the related statements of income, cash flows, changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Independent Auditors' Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

İstanbul, March 13, 2009

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU


Hasan Kılıç
Partner

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2008**

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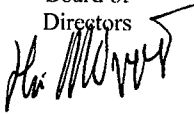
The Bank's;

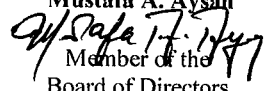
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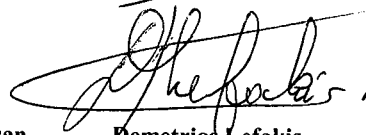
The unconsolidated financial report for the year ended December 31, 2008 designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

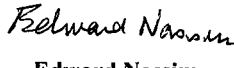
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES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

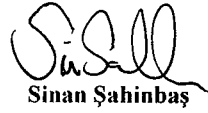
The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting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



**Hüsnü M.
Özyeğin**
Chairman of the
Board of
Directors



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


Demetrios Lefakis
Member of the Board of
Directors and of the
Audit Committee


Edward Nassim
Member of the
Board of
Directors and of the
Audit Committee


Sinan Şahinbaş
General
Manager and
Member of the
Board of
Directors


Adnan Menderes Yayla
Executive Vice President
Responsible of Financial Control and Planning


Gökhan Yücel
Senior Vice President
Responsible of Financial-Legal Reporting
and Treasury Control

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

Name-Surname/Title : Gökhan Yücel
Senior Vice President Responsible of Financial-Legal Reporting and Treasury Control
Phone Number : (0 212) 318 55 65
Facsimile Number : (0 212) 318 55 78

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FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

SECTION ONE

GENERAL INFORMATION

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

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

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

As of December 31, 2008, 77.21% of the Bank's shares are owned by National Bank of Greece, 7.90 % by NBGI Holdings B.V and 9.68% by NBG Finance (Dollar) PLC.

As of September 26, 2008, 9.68% of Bank's shares which were owned by Fiba Holding Group, was sold to NBG Finance (Dollar) PLC for USD 697.15 million.

National Bank of Greece S.A (NBG) was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on New York Stock Exchange since 1999. By offering services such as retail and commercial banking, asset management, intermediary services and investment banking, NBG broadens its banking network since its date of foundation.

At the meeting held on September 22, 2008, the Board of Directors decided to increase the paid in capital of the Bank from YTL 1,400,000 to YTL 1,500,000 within the registered capital ceiling. YTL 70,000 of this increase is provided by the first dividend of 2007 profit and YTL 30,000 is transferred from extraordinary reserves.

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

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

Name	Title	Date of Appointment	Education
Hüsnü M. Özyeğin	Chairman	February 1, 1988	Masters
Dr. Ömer A. Aras	Vice Chairman	November 9, 2006	PhD
Mehmet Güleşçi	Executive Board Member	November 9, 2006	Masters
Prof Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	PhD
Demetrios Lefakis	Board Member and Audit Committee Member	April 17, 2007	Masters
Edward Nassim	Board Member and Audit Committee Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Ioannis Pechlivanidis	Board Member	November 9, 2006	Masters
Yener Dinçmen	Board Member	August 20, 2001	Masters
Sinan Şahinbaş	Board Member and General Manager	October 20, 2003	Masters
Adnan Menderes Yayla	Assistant General Manager	May 20, 2008	Masters
Bekir Dildar	Assistant General Manager	September 10, 2003	Graduate
Nergiz Ayvaz	Assistant General Manager	January 1, 2008	Graduate
Vedat Mungan	Assistant General Manager	January 1, 2008	Masters
Dimitrios Anagnostopoulos	Assistant General Manager	August 18, 2008	Graduate
Hakan Şenünel	Assistant General Manager	August 18, 2008	Graduate
Fatma Deniz Ergen	Assistant General Manager	August 18, 2008	Graduate
Murat Şakar	Assistant General Manager	August 18, 2008	Graduate
Köksal Çoban	Assistant General Manager	August 18, 2008	Masters
Lale Maro	Assistant General Manager	October 13, 1999	Masters
Özlem Cinemre	Assistant General Manager	July 9, 1997	Graduate
Kerim Rota	Assistant General Manager	August 6, 2004	Graduate
Olcayto Onur	Assistant General Manager	October 2, 1997	Masters
Murat Bayburtluoğlu	Assistant General Manager	August 19, 2004	Graduate
Kaan Arslan	Assistant General Manager	May 31, 2005	Masters
Temel Güzeloğlu	Assistant General Manager	September 19, 2007	Masters
Kubilay Güler	Assistant General Manager	January 16, 2004	Graduate
Filiz Şafak	Assistant General Manager	September 19, 2007	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

Adnan Menderes Yayla was appointed as Assistant General Manager responsible for Financial Control and Planning on May 20, 2008.

Nergiz Ayvaz was appointed as Assistant General Manager responsible for Commercial Banking on January 1, 2008.

Vedat Mungan was appointed as Assistant General Manager responsible for Corporate Banking and Investment Banking on January 1, 2008.

Dimitrios Anagnostopoulos was appointed as Assistant General Manager responsible for Loans on August 18, 2008.

Hakan Şenünel was appointed as Assistant General Manager responsible for Retail Banking Branch Sale 1 on August 18, 2008.

Fatma Deniz Ergen was appointed as Assistant General Manager responsible for Retail Banking Branch Sale 2 on August 18, 2008.

Murat Şakar was appointed as Assistant General Manager responsible for Purchasing and Technical Service on August 18, 2008.

The top management listed above possesses immaterial number of shares of the Bank.

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,158,160	77.21%	1,158,160	-
NBGI Holdings B.V.	118,500	7.90%	118,500	-
NBG Finance (Dollar) PLC	145,191	9.68%	145,191	-

The Bank has 100 founder shares stated in the Articles of Association. According to the Articles of Association, after providing legal reserves of 5%, paying out first dividend of 5% and appropriating extraordinary reserves from remaining part at 5%; 10% of the remaining distributable amount is distributed to founder shares. Also, an additional reserve is appropriated based on the dividend of the founder shares.

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. As of December 31, 2008, the Bank operates through 61 corporate and commercial banking (December 31, 2007 - 55), 395 retail banking (December 31, 2007 - 354), 1 off shore banking (December 31, 2007 -1) and 1 Atatürk Airport Free Trade Zone (December 31, 2007 - 1) branches.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
- II. Statement of Contingencies and Commitments
- III. Income Statement
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flows Statement
- VII. Statement of Profit Distribution

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

FİNANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF DECEMBER 31, 2008

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

I. BALANCE SHEET – ASSETS

		Audited 31.12.2008			Audited 31.12.2007			
	Note Ref.	YTL	FC	Total	YTL	FC	Total	
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	712,336	862,251	1,574,587	274,881	938,045	1,212,926
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	759,837	119,366	879,203	256,730	430	257,160
2.1	Financial assets held for trading		2,163	15,687	17,850	-	-	-
2.1.1	Public sector debt securities		2,163	15,687	17,850	-	-	-
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		228,488	-	228,488	233,748	-	233,748
2.2.1	Public sector debt securities		228,488	-	228,488	233,748	-	233,748
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Other securities		-	-	-	-	-	-
2.3	Trading derivatives		529,186	103,679	632,865	22,982	430	23,412
III.	BANKS AND OTHER FINANCIAL INSTITUTIONS	(3)	6,307	379,207	385,514	109,334	571,413	680,747
IV.	INTERBANK MONEY MARKETS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	1,313,901	401,364	1,715,265	2,604,383	261,872	2,866,255
5.1	Share certificates		-	-	-	-	-	-
5.2	Public sector debt securities		1,181,072	399,154	1,580,226	2,514,408	261,872	2,776,280
5.3	Other securities		132,829	2,210	135,039	89,975	-	89,975
VI.	LOANS	(5)	14,773,460	3,104,585	17,878,045	12,099,784	2,074,630	14,174,414
6.1	Loans		14,773,460	3,104,585	17,878,045	12,099,784	2,074,630	14,174,414
6.1.1	Loans to risk group of the bank		10,005	30,350	40,355	11,435	47,939	59,374
6.1.2	Other		14,763,455	3,074,235	17,837,690	12,088,349	2,026,691	14,115,040
6.2	Non-performing loans		660,288	-	660,288	399,412	-	399,412
6.3	Specific provisions (-)		660,288	-	660,288	399,412	-	399,412
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	2,669,056	-	2,669,056	-	-	-
8.1	Public sector debt securities		2,669,056	-	2,669,056	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(7)	4,016	-	4,016	4,016	-	4,016
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		4,016	-	4,016	4,016	-	4,016
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		4,016	-	4,016	4,016	-	4,016
X.	INVESTMENT IN SUBSIDIARIES (Net)	(8)	155,214	201,928	357,142	198,570	201,928	400,498
10.1	Unconsolidated financial investments		148,228	201,928	350,156	196,590	201,928	398,518
10.2	Unconsolidated non-financial investments		6,986	-	6,986	1,980	-	1,980
XI.	ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	HEDGING PURPOSE DERIVATIVES	(11)	11,707	-	11,707	-	-	-
13.1	Fair value hedge		11,707	-	11,707	-	-	-
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	366,624	18	366,642	326,314	14	326,328
XV.	INTANGIBLE ASSETS (Net)	(13)	43,338	-	43,338	25,204	-	25,204
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		43,338	-	43,338	25,204	-	25,204
XVI.	INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSETS	(15)	27,160	-	27,160	20,123	-	20,123
17.1	Current tax assets		27,160	-	27,160	-	-	-
17.2	Deferred tax assets		-	-	-	20,123	-	20,123
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	342,976	318,327	661,303	336,129	578,511	914,640
TOTAL ASSETS			21,185,932	5,387,046	26,572,978	16,255,468	4,626,843	20,882,311

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

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

FİNANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF DECEMBER 31, 2008

(Amounts expressed in Thousands of New Turkish Lira (YTL)-unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES AND EQUITY

	Note Ref.	Audited 31.12.2008			Audited 31.12.2007		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(1)	10,097,640	5,841,427	15,939,067	6,815,028	6,142,817	12,957,845
1.1 Deposits from risk group of the bank		284,728	457,610	742,338	303,548	772,945	1,076,493
1.2 Other		9,812,912	5,383,817	15,196,729	6,511,480	5,369,872	11,881,352
II. TRADING DERIVATIVES	(2)	188,589	63,860	252,449	831,226	2,350	833,576
III. FUNDS BORROWED	(3)	602,770	3,645,092	4,247,862	372,182	2,484,036	2,856,218
IV. INTERBANK MONEY MARKETS		106,384	235,818	342,202	14,970	19,977	34,947
4.1 Interbank money markets takings		-	149,920	149,920	-	-	-
4.2 Istanbul stock exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	106,384	85,898	192,282	14,970	19,977	34,947
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		374,347	355,272	729,619	432,218	28,569	460,787
VIII. OTHER LIABILITIES	(5)	336,626	3,903	340,529	479,711	1,694	481,405
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(6)	-	23,529	23,529	-	19,349	19,349
10.1 Financial lease payables		8	25,284	25,292	20	20,760	20,780
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		8	1,755	1,763	20	1,411	1,431
XI. HEDGING PURPOSE DERIVATIVES	(7)	128,802	-	128,802	-	-	-
11.1 Fair value hedge		128,802	-	128,802	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedging of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(8)	399,379	-	399,379	352,611	-	352,611
12.1 General provisions		160,852	-	160,852	122,759	-	122,759
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		61,773	-	61,773	60,180	-	60,180
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		176,754	-	176,754	169,672	-	169,672
XIII. TAX LIABILITY	(9)	27,334	-	27,334	21,956	-	21,956
13.1 Current tax liability		-	-	-	21,956	-	21,956
13.2 Deferred tax liability		27,334	-	27,334	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(10)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(11)	-	1,302,387	1,302,387	-	237,739	237,739
XVI. SHAREHOLDERS' EQUITY		2,854,552	(14,733)	2,839,819	2,625,989	(111)	2,625,878
16.1 Paid-in capital	(12)	1,500,000	-	1,500,000	1,400,000	-	1,400,000
16.2 Capital reserves		(24,482)	(14,733)	(39,215)	66,106	(111)	65,995
16.2.1 Share premium	(13)	-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(14)	(24,482)	(14,733)	(39,215)	66,106	(111)	65,995
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		1,016,386	-	1,016,386	607,157	-	607,157
16.3.1 Legal reserves		129,090	-	129,090	97,104	-	97,104
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		887,296	-	887,296	510,053	-	510,053
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		362,648	-	362,648	552,726	-	552,726
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		362,648	-	362,648	552,726	-	552,726
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		15,116,423	11,456,555	26,572,978	11,945,891	8,936,420	20,882,311

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

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

FİNANSBANK ANONİM ŞİRKETİ

STATEMENT OF CONTINGENCIES AND COMMITMENTS

AS OF DECEMBER 31, 2008

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

II. STATEMENT OF CONTINGENCIES AND COMMITMENTS

		Audited 31.12.2008			Audited 31.12.2007		
	Note Ref.	YTL	FC	TOTAL	YTL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		20,173,467	16,405,943	36,579,410	18,576,196	18,234,616	36,810,812
I. GUARANTEES	(1), (2), (3), (4)	2,183,989	3,291,564	5,475,553	2,050,568	3,087,286	5,137,854
1.1. Letters of guarantee		2,182,907	1,855,262	4,038,169	2,050,555	1,565,936	3,616,491
1.1.1. Guarantees subject to State Tender Law		119,143	-	119,143	163,816	-	163,816
1.1.2. Guarantees given for foreign trade operations		1,712,968	1,855,262	3,568,230	1,549,359	1,565,936	3,115,295
1.1.3. Other letters of guarantee		350,796	-	350,796	337,380	-	337,380
1.2. Bank loans		800	1,025,712	1,026,512	-	778,607	778,607
1.2.1. Import letter of acceptance		800	1,025,712	1,026,512	-	778,607	778,607
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		282	345,789	346,071	13	615,812	615,825
1.3.1. Documentary letters of credit		282	273,121	273,403	13	554,158	554,171
1.3.2. Other letters of credit		-	72,668	72,668	-	61,654	61,654
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	64,801	64,801	-	126,931	126,931
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		7,283,857	17,240	7,301,097	6,793,797	24,440	6,818,237
2.1. Irrevocable commitments		7,197,613	17,240	7,214,853	6,780,494	24,440	6,804,934
2.1.1. Forward asset purchase commitments		-	-	-	-	-	-
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		250	-	250	14,950	-	14,950
2.1.4. Loan granting commitments		776,080	-	776,080	1,683,595	-	1,683,595
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		503,621	-	503,621	473,777	-	473,777
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		5,781,982	-	5,781,982	4,394,068	-	4,394,068
2.1.10. Commitments for promotions related with credit cards and banking activities		15,389	-	15,389	16,213	-	16,213
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		120,291	17,240	137,531	197,891	24,440	222,331
2.2. Revocable commitments		86,244	-	86,244	13,303	-	13,303
2.2.1. Revocable loan granting commitments		86,244	-	86,244	13,303	-	13,303
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	10,705,621	13,097,139	23,802,760	9,731,831	15,122,890	24,854,721
3.1. Derivative financial instruments for hedging purposes		3,788,113	3,274,130	7,062,243	-	-	-
3.1.1. Fair value hedge		3,788,113	3,274,130	7,062,243	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		6,917,508	9,823,009	16,740,517	9,731,831	15,122,890	24,854,721
3.2.1. Forward foreign currency buy/sell transactions		286,106	787,562	1,073,668	562,819	2,879,088	3,441,907
3.2.1.1. Forward foreign currency transactions-buy		101,575	433,448	535,023	314,557	1,408,710	1,723,267
3.2.1.2. Forward foreign currency transactions-sell		184,531	354,114	538,645	248,262	1,470,378	1,718,640
3.2.2. Swap transactions related to f.c. and interest rates		5,594,566	7,645,960	13,240,526	6,821,653	6,522,004	13,343,657
3.2.2.1. Foreign currency swap-buy		1,712,442	3,859,338	5,571,780	745,447	4,686,313	5,431,760
3.2.2.2. Foreign currency swap-sell		3,396,686	2,417,068	5,813,754	6,033,502	1,057,551	7,091,053
3.2.2.3. Interest rate swaps-buy		242,719	684,777	927,496	21,352	389,070	410,422
3.2.2.4. Interest rate swaps-sell		242,719	684,777	927,496	21,352	389,070	410,422
3.2.3. Foreign currency, interest rate and securities options		1,033,790	1,185,535	2,219,325	2,324,047	5,548,038	7,872,085
3.2.3.1. Foreign currency options-buy		467,609	667,055	1,134,664	1,161,138	2,764,781	3,925,919
3.2.3.2. Foreign currency options-sell		566,181	518,480	1,084,661	1,162,909	2,783,257	3,946,166
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		3,046	203,952	206,998	23,312	173,760	197,072
3.2.4.1. Foreign currency futures-buy		1,523	101,976	103,499	11,656	86,880	98,536
3.2.4.2. Foreign currency futures-sell		1,523	101,976	103,499	11,656	86,880	98,536
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 PLEDGED ITEMS (IV+V+VI)		7,326,619	1,575,015	8,901,634	6,812,700	1,247,083	8,059,783
IV. ITEMS HELD IN CUSTODY	(6)	2,837,673	744,557	3,582,230	2,293,200	681,908	2,975,108
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		1,902,161	460,940	2,363,101	1,413,390	404,649	1,818,039
4.3. Checks received for collection		682,177	152,432	834,609	633,939	169,268	803,207
4.4. Commercial notes received for collection		253,132	124,955	378,087	215,015	102,298	317,313
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		200	6,230	6,430	850	5,548	6,398
4.8. Custodians		3	-	3	30,006	145	30,151
V. PLEDGED ITEMS		4,488,946	830,458	5,319,404	4,519,500	565,175	5,084,675
5.1. Marketable securities		558,024	321,824	879,848	983,472	76,653	1,060,125
5.2. Guarantee notes		91,708	71,180	162,888	94,435	55,378	149,813
5.3. Commodity		25,399	-	25,399	28,397	-	28,397
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		-	-	-	-	-	-
5.6. Other pledged items		3,813,815	437,454	4,251,269	3,413,196	433,144	3,846,340
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		27,500,086	17,980,958	45,481,044	25,388,896	19,481,699	44,870,595

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

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

FİNANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2008

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

III. INCOME STATEMENT

			Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
	Note Ref	Total	Total	Total
I. INTEREST INCOME	(1)	3,709,241	2,851,413	
1.1 Interest on loans		2,992,616	2,294,090	
1.2 Interest received from reserve deposits		7,960	4,991	
1.3 Interest received from banks		115,438	159,834	
1.4 Interest received from money market placements		6,387	4,278	
1.5 Interest received from marketable securities portfolio		585,416	387,210	
1.5.1 Held-for-trading financial assets		14,827	-	
1.5.2 Financial assets at fair value through profit and loss		52,293	16,403	
1.5.3 Available-for-sale financial assets		409,076	370,807	
1.5.4 Investments held-to-maturity		109,220	-	
1.6 Finance lease income		-	-	
1.7 Other interest income		1,424	1,010	
II. INTEREST EXPENSE	(2)	2,001,853	1,388,719	
2.1 Interest on deposits		1,611,408	1,087,420	
2.2 Interest on funds borrowed		225,603	222,760	
2.3 Interest on money market borrowings		162,743	76,754	
2.4 Interest on securities issued		-	-	
2.5 Other interest expense		2,099	1,785	
III. NET INTEREST INCOME (I - II)		1,707,388	1,462,694	
IV. NET FEES AND COMMISSIONS INCOME		575,346	414,212	
4.1 Fees and commissions received		636,651	465,610	
4.1.1 Non-cash loans		53,566	65,804	
4.1.2 Other		583,085	399,806	
4.2 Fees and commissions paid		61,305	51,398	
4.2.1 Non-cash loans		51	39	
4.2.2 Other		61,254	51,359	
V. DIVIDEND INCOME	(3)	21,471	1,210	
VI. NET TRADING INCOME	(4)	(287,679)	(291,489)	
6.1 Securities trading gains/ (losses)		(283,828)	(330,137)	
6.2 Foreign exchange gains/ (losses)		(3,851)	38,648	
VII. OTHER OPERATING INCOME	(5)	105,909	136,990	
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2,122,435	1,723,617	
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	514,152	273,562	
X. OTHER OPERATING EXPENSES (-)	(7)	1,106,224	888,709	
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		502,059	561,346	
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-	
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	502,059	561,346	
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(139,411)	(8,620)	
16.1 Provision for current income taxes		(80,746)	(53,386)	
16.2 Provision for deferred taxes		(58,665)	44,766	
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	362,648	552,726	
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	
18.1 Income on assets held for sale		-	-	
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	
18.3 Income on other discontinued operations		-	-	
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	
19.1 Loss from assets held for sale		-	-	
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	
19.3 Loss from other discontinued operations		-	-	
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	
21.1 Provision for current income taxes		-	-	
21.2 Provision for deferred taxes		-	-	
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	362,648	552,726	
23.1 Group's profit/loss		362,648	552,726	
23.2 Minority shares		-	-	
Earnings per share		0.02418	0.03685	

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

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

FİNANSBANK ANONİM ŞİRKETİ

**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
I. Additions to marketable securities revaluation differences for available for sale financial assets	(113,973)	(17,023)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted under equity due to TAS	-	-
IX. Deferred tax of valuation differences	11,208	(1,067)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(102,765)	(18,090)
XI. Profit/Loss	(2,445)	702
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(2,445)	702
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
1.4 Other	-	-
XII. Total Profit/Loss accounted for in the period (X±XI)	(105,210)	(17,388)

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008
(Amounts expressed in Thousands of New Turkish Lira (YTL), unless otherwise stated.)

IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I		1,250,000				53,645		26,683			740,972	83,383					2,154,683		2,154,683
II.																			
2.1																			
2.2																			
III.		1,250,000				53,645		26,683			740,972	83,383					2,154,683		2,154,683
IV.																			
V.																			
VI.	(1)																		
6.1																			
6.2																			
VII.																			
VIII.																			
IX.																			
X.																			
XI.																			
XII.																			
XIII.																			
XIV.	(5)	150,000						(150,000)											
14.1																			
14.2																			
XV.	(4)	150,000						(150,000)											
XVI.																			
XVII.																			
XVIII																			
XIX.										552,726							552,726		552,726
XX.						43,459		633,370			(740,972)						(64,143)		(64,143)
20.1	(3)					43,459		633,370			(676,829)						(64,143)		(64,143)
20.2																			
20.3																			
Other																			
Closing Balance		1,400,000				97,104		510,053		552,726		65,995					2,625,878		2,625,878
(III+IV+V+.....+XVIII+XIX+XX)																			

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. valuation diff. from assets held for sale and assets from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I		1,400,000	-	-	-	97,104	-	510,053	-	-	552,726	65,995	-	-	-	-	2,625,878	-	2,625,878
II.																			
III.																			
IV.	(1)											(105,210)					(105,210)		(105,210)
4.1																			
4.2																			
V.																			
VI.																			
VII.																			
VIII.																			
IX.																			
X.																			
XI.																			
XII.	(5)	100,000						(30,000)			(70,000)								
12.1																			
XIII.	(4)	100,000						(30,000)			(70,000)								
XIV.																			
XV.																			
XVI.																			
XVII.																			
XVIII.																			
18.1	(3)					31,986		407,243		362,648	(482,726)						362,648		(43,497)
18.2											(43,497)						(43,497)		(43,497)
18.3						31,986		407,243			(433,229)								
Closing Balance		1,500,000	-	-	-	129,090	-	887,296	-	362,648	-	(39,215)	-	-	-	-	2,839,819	-	2,839,819
(I+II+III+...+XVI+XVII+XVIII)																			

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

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

FİNANSBANK ANONİM ŞİRKETİ

**CASH FLOWS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

VI. CASH FLOWS STATEMENT

	Note Ref	Audited 01.01-31.12.2008	Audited 01.01-31.12.2007
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		318,413	1,092,828
1.1.1 Interest received		3,414,348	2,576,009
1.1.2 Interest paid		(1,977,942)	(1,364,498)
1.1.3 Dividend received		5,821	184
1.1.4 Fees and commissions received		636,651	564,990
1.1.5 Other income		77,220	186,635
1.1.6 Collections from previously written off loans		154,656	117,377
1.1.7 Payments to personnel and service suppliers		(893,385)	(738,883)
1.1.8 Taxes paid		(151,027)	(173,362)
1.1.9 Others	(1)	(947,929)	(75,624)
1.2 Changes in operating assets and liabilities		1,232,720	(1,953,755)
1.2.1 Net (increase) decrease in financial assets held for trading		(97,151)	-
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		9,181	(219,419)
1.2.3 Net (increase) decrease in due from banks and other financial institutions		6,772	38,262
1.2.4 Net (increase) decrease in loans		(2,814,879)	(3,363,493)
1.2.5 Net (increase) decrease in other assets	(1)	131,353	(855,552)
1.2.6 Net increase (decrease) in bank deposits		(778,270)	(570,084)
1.2.7 Net increase (decrease) in other deposits		2,516,314	2,189,586
1.2.8 Net increase (decrease) in funds borrowed		1,646,296	426,781
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	613,104	400,164
I. Net cash provided from / (used in) banking operations		1,551,133	(860,927)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities		(1,587,396)	(880,998)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		(21,247)	(102,281)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(80,959)	(36,761)
2.4 Fixed assets sales		10,166	668
2.5 Cash paid for purchase of financial assets available for sale		(2,436,934)	(762,131)
2.6 Cash obtained from sale of financial assets available for sale		941,578	19,507
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities		(128,036)	(44,916)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		(107,640)	-
3.5 Payments for finance leases		(20,396)	(44,916)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		234,789	(108,512)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		70,490	(1,895,353)
VI. Cash and cash equivalents at beginning of the period	(2)	1,864,438	3,759,791
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	1,934,928	1,864,438

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

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

FİNANSBANK ANONİM ŞİRKETİ

**STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited 31.12.2008(*)	Audited 31.12.2007
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	502,059	561,346
1.2 TAXES AND DUTIES PAYABLE (-)	139,411	8,620
1.2.1 Corporate tax (Income tax)	80,746	53,386
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	58,665	(44,766)
A. NET INCOME FOR THE YEAR (1.1-1.2)	362,648	552,726
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	27,636
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	362,648	525,090
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	113,497
1.6.1 To owners of ordinary shares	-	70,000 (**)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	43,497
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	4,350
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	407,243
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	0.02418	0.03685
3.2 TO OWNERS OF ORDINARY SHARES (%)	%2.418	%3.685
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	0.005
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	%0.5
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The Bank did not resolve a decision regarding profit distribution of the 2008 as of the issue date of this report.

(**) Distributed to shareholders as bonus shares.

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

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

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

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

2. Other classifications

The Bank has classified leasehold improvements of YTL 76,195 in "Intangible Assets (Net)" to "Tangible Assets (Net)" in the financial statements as of December 31, 2007.

As per the BRSA correspondence numbered 16647 dated December 3, 2008, the Bank has classified equity shares of YTL 3,766 of "Bankalararasi Kart Merkezi" in "Investment Securities Available for Sales (Net)" to "Investment in Associates (Net)" as non financial associates in the financial statements as of December 31, 2007.

The Bank has classified fees and commissions received for cash loans of YTL 86,337 in "net fee and commission income" to "interest income" in the income statement for the period ended December 31, 2007.

The Bank has classified interest income of YTL 60,252 in "Interest Receivable from Reserve Deposits" to "Interest Received from Banks" in the income statement for the period ended December 31, 2007.

The Bank has classified YTL 76,350 from "Other Operating Expenses" to "Current Tax Provision" in the income statement for the period ended December 31, 2007. The explanation is disclosed in section five disclosure IV.9.1.

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

4. Presentation of the financial statements according to the current purchasing power of the money

The Bank's financial statements have been prepared in accordance with TAS 29 "Reporting in Hyperinflationary Economies" until December 31, 2004. By a Circular declared by the BRSA on April 28, 2005, it was stated that the indicators of a need for inflation accounting have been ceased and inflation accounting would not be applied starting from January 1, 2005.

Explanation for Convenience Translation to English

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

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

1. Strategy for the use of financial instruments

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

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

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

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

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

2. Foreign currency transactions

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2008 are translated to YTL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into YTL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates are as follows:

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
US Dollars	YTL 1.5123	YTL 1.1647
Euro	YTL 2.1408	YTL 1.7102

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

The net foreign exchange loss included in the income statement is YTL 3,851 (December 31, 2007 - net foreign exchange gain of YTL 38,648).

III. Information on associates and subsidiaries

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

According to the circular of the Banking Regulation and Supervision Agency dated July 4, 2007, foreign currency denominated investments in subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if any.

IV. Explanations on forward, option contracts and derivative instruments

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

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted under "Securities Trading Gains/Losses", except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account. In accordance with the hedge accounting policies, hedge loan portfolio is also accounted for at fair value and all valuation differences are also accounted for under trading "Securities Trading Gains/Losses".

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

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

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

V. Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and commission income and expense

Fee and commission income and expenses are accounted on an accrual basis, except for certain transactions that income is recognized immediately. Other fee and commission expenses are considered as transaction cost and included in the amortised cost by using internal rate of return method. Income related to sale and purchases of assets on behalf of third parties are recorded when collected.

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

VII. Financial assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as financial assets at fair value through profit or loss, investment securities available-for-sale, investment securities held-to-maturity, and loans and other receivables. The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

1.2. Financial assets classified as fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. They are presented under loans, in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss.

The Bank has government bonds in its financial assets at fair value through profit or loss.

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

Fair value of financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets in the market.

2. Investment securities available for sale

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

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

When the fair value of an available for sale security cannot be computed, it is accounted for at amortized cost.

3. Investment securities held to maturity

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

After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to “tainting” rule.

As of October 1, 2008, due to the change of the intention about holding the securities, the Bank classified its securities from trading portfolio and available for sale portfolio to held to maturity portfolio with nominal values of YTL 94,198 and YTL 2,549,613; respectively. The details of this classification have been presented in section 5. I.6.

The interests received from held to maturity investments are recorded as interest income.

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

4. Loans and specific provisions

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge in subsequent periods, these loans are carried at amortized cost by using the effective interest rate method. Taxes, transaction costs and other expenses paid for the guarantees taken are not considered as part of the cost of the transactions and expensed in the related period.

As it is mentioned in note “IV. explanations on forward, option contracts and derivative instruments”, the Bank entered into swap transactions against YTL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement in accordance with TAS 39. The Bank initially applied fair value hedge accounting for mortgage loans and automotive loans as of January 1, 2005 and ceased it as of December 31, 2005. The fair value effect of the hedge accounting which had been applied during January 1 – December 31, 2005 is amortized through income statement until the maturity of the related hedged loan portfolio.

In accordance with TAS 39, the Bank classified the mortgage loans granted during January 1, 2006 – December 31, 2007 as financial assets through profit and loss. In order to be in compliance with the balance sheet presentation, these financial assets classified under loans. These loans are accounted for at their fair values in the accompanying financial statements. The Bank has not classified the mortgage loans granted after January 1, 2008 as fair value through profit and loss.

After November 1, 2008 the Bank started to apply fair value hedge again. As of the balance sheet date, all consumer loans, the automotive loans granted after January 1, 2006 and mortgage loans granted after January 1, 2008 are classified as financial assets hedged from fair value risk. In accordance with this, these loans measured in fair value. The valuation differences are accounted for under loans in order to be in compliance with the balance sheet presentation. The related income / expense are accounted under “Securities Trading Gains / Losses”.

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

If there is evidence for the uncollectibility of loans, the Bank classifies related loans and advances in non performing loans and provides specific and general provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 2633 and revised with the Communiqué dated January 23, 2009, published on the Official Gazette No 2719 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. The Bank provides 100% specific provision for non-performing loans without taking into consideration the collaterals obtained for these loans. The related provisions are charged in the current year income statement.

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

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

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

The collections made in relation to amounts provided in the current period are offset against the “Provision for Loan and Other Receivables” in the income statement. The principal collections made related to the loans that were written-off or for which a provision was provided in the previous years are recorded under “Other Operating Income” and interest collections are recorded under the “Interest on Loans under Follow-up” account.

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

VIII. Impairment of financial assets

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

IX. Netting of financial instruments

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

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

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

X. Sales and repurchase agreements and lending of securities

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

Securities that are subject to repurchase agreements amounted to YTL 245,113 as of December 31, 2008 (December 31, 2007 - YTL 37,041).

Securities that are subject to lending transactions amounted to YTL 1,604 as of December 31, 2008 (December 31, 2007 - 12,005).

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

XI. Assets held for sale and discontinued operations

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

The Bank does not have assets held for sale.

A discontinued operation is a part of the Bank's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

XII. Goodwill and other intangible assets

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

The cost of intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The intangible assets purchased after December 31, 2004 are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 5 years for periods before 2004 while the useful life for additions in 2004 and 2005 are determined as 3 years.

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

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

XIII. Tangible Assets

The cost of tangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004. The tangible assets purchased after December 31, 2004 are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

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

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

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

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

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

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

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

There are no purchase commitments related to the fixed assets.

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XIV. Leasing transactions

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

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

The Bank has no leasing transactions as lessor.

XV. Provisions and contingent liabilities

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

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

XVI. Obligations of the Bank concerning employee benefits

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

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

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

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

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

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

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XVII. Taxation

1. Corporate tax

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No. 26205 dated June 21, 2006, effective from January 1, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under current tax assets account and are deducted from the corporate taxes of the current year.

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

The provision for corporate and income taxes for the period is reflected as the "Current Tax Liability" and "Current Tax Provision" in the income statements.

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

2. Deferred taxes

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

Deferred tax assets and liabilities of the Bank have been offset and presented as net in the balance sheet. Net deferred tax liability amounting to YTL 27,334 has been disclosed in the accompanying financial statements (December 31, 2007 - YTL 20,123 net deferred tax asset).

As of December 31, 2008, deferred tax expense resulting from temporary differences is YTL 58,665 (December 31, 2007- YTL 44,766) (deferred tax benefit). The deferred tax is reflected in "Provision for Deferred Taxes" in the accompanying income statement.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts. The deferred tax asset amounting to YTL 8,478 (December 31, 2007 – YTL 2,730 of deferred tax liability) has been offset with "Securities Value Increase Fund" account under equity.

XVIII. Additional explanations on borrowings

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

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

XIX. Share issues

In the current year the Bank issued bonus shares due to the capital increase of YTL 70,000 provided by the dividend of 2007 and YTL 30,000 transferred from the extraordinary reserves.

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XX. Confirmed bills of exchange and acceptances

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

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

XXI. Government incentives

As of December 31, 2008, the Bank does not have any government incentives or grants.

XXII. Segment reporting

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

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenue of USD 15 million and higher, and multi-national firms operating in Turkey. The firms that have annual revenue between USD 6 millions and 15 millions are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income.

The SME Banking Segment provides services to small and medium-size firms that have annual revenue between YTL 750 and YTL 6,000. The Bank offers sectoral solution packages to these small and medium-size firms.

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

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Current Period	Retail Banking	Corporate and Commercial Banking	Other	Total Operations of the Bank
Operating Income	1,841,048	366,189	(84,802)	2,122,435
Other (*)	(401,425)	271	401,154	-
Operating Income	1,439,623	366,460	316,352	2,122,435
Operating Profit	505,399	191,933	(216,744)	480,588
Income From Associates	-	-	-	21,471
Profit Before Tax	-	-	-	502,059
Corporate Tax	-	-	-	(139,411)
Profit After Tax	-	-	-	362,648
Minority Shares	-	-	-	-
Net Profit	-	-	-	362,648
Total Assets	12,095,749	5,025,125	4,329,803	26,572,978
Segment Assets	12,095,749	5,025,125	4,329,803	21,450,677
Associates and Subsidiaries	-	-	-	361,158
Undistributed Assets	-	-	-	4,761,143
Total Liabilities	10,928,197	3,953,631	7,112,324	26,572,978
Segment Liabilities	10,928,197	3,953,631	7,112,324	21,994,152
Undistributed Liabilities	-	-	-	1,739,007
Equity	-	-	-	2,839,819
Other Segment Accounts	-	-	-	234,081
Capital Investments	-	-	-	163,009
Depreciation and Amortization	-	-	-	73,106
Value Decrease/Increase	-	-	-	(2,034)

(*) The net operating income generated from transactions with other segments

Prior Period	Retail Banking	Corporate and Commercial Banking	Other	Total Operations of the Bank
Operating Income	1,356,171	412,711	(45,265)	1,723,617
Other	(279,462)	(43,212)	322,674	-
Operating Income	1,076,709	369,499	277,409	1,723,617
Operating Profit	355,774	249,433	(45,071)	560,136
Income From Associates	-	-	-	1,210
Profit Before Tax	-	-	-	561,346
Corporate Tax	-	-	-	(8,620)
Profit After Tax	-	-	-	552,726
Minority Shares	-	-	-	-
Net Profit	-	-	-	552,726
Total Assets	9,936,566	4,127,714	4,827,801	20,882,311
Segment Assets	9,936,566	4,127,714	4,827,801	18,892,081
Associates and Subsidiaries	-	-	-	404,514
Undistributed Assets	-	-	-	1,585,716
Total Liabilities	7,881,054	3,466,138	5,491,075	20,882,311
Segment Liabilities	7,881,054	3,466,138	5,491,075	16,838,267
Undistributed Liabilities	-	-	-	1,418,166
Equity	-	-	-	2,625,878
Other Segment Accounts	-	-	-	213,675
Capital Investments	-	-	-	160,550
Depreciation and Amortization	-	-	-	58,131
Value Decrease/Increase	-	-	-	(5,006)

XXIII. Explanations on other matters

None.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 16.05% as of December 31, 2008 (December 31,2007 - %12.99).

1. Risk measurement methods in the calculation of capital adequacy ratio

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

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

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

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

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Unconsolidated capital adequacy ratio

	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	4,607,270	-	302,323	6,252,493	12,397,413	230,105	12,729
Cash on Hand	224,173	-	593	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	837,279	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	-	-	301,152	-	83,784	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	490,130	-	-	-	-	-	-
Loans	334,939	-	-	5,985,710	10,515,464	230,105	12,729
Loans under Follow-Up (Net)	-	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	2,551,200	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	373,892	-	-
Accrued Interest and Income	142,005	-	578	266,783	500,607	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	361,158	-	-
Tangible Assets (Net)	-	-	-	-	366,642	-	-
Other Assets	27,544	-	-	-	195,866	-	-
Off-Balance Sheet Items	60,892	-	681,399	379,763	4,621,548	-	-
Non-Cash Loans and Commitments	60,892	-	-	379,763	4,602,842	-	-
Derivative Financial Instruments	-	-	681,399	-	18,706	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	4,668,162	-	983,722	6,632,256	17,018,961	230,105	12,729
Total Risk-Weighted Assets	-	-	196,744	3,316,128	17,018,961	345,158	25,458

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk	20,902,449	18,272,288
Value at Market Risk	1,923,963	1,405,338
Value at Operational Risk	2,698,723	2,084,276
Shareholders' Equity	4,095,670	2,827,904
Shareholders' Equity/(VaCR+VaMR+VaOR)x100	%16.05	%12.99

VACR : Value at Credit Risk
VAMR : Value at Market Risk
VAOR : Value at Operational Risk

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Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	1,500,000	1,400,000
Nominal Capital	1,500,000	1,400,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	129,090	97,104
I. Legal Reserve (Turkish Commercial Code 466/1)	111,171	83,536
II. Legal Reserve (Turkish Commercial Code 466/2)	17,919	13,568
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	517,490	140,247
Reserve Allocated as per the Decision Held by the General Assembly	517,490	140,247
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	362,648	552,726
Current Period Profit	362,648	552,726
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	51,806	69,439
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	369,806	369,806
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	2,930,840	2,629,322
SUPPLEMENTARY CAPITAL		
General Provisions	160,852	122,759
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,207,663	232,940
Securities Value Increase Fund	(39,215)	27,628
Associates and Subsidiaries	(6,720)	31,392
Investment Securities Available for Sale	(32,495)	(3,764)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Total Supplementary Capital	1,329,300	383,327
TIER III CAPITAL		
CAPITAL	4,260,140	3,012,649
DEDUCTIONS FROM CAPITAL	164,470	184,745
Leasehold Improvements (-) (*)	-	76,195
Prepaid Expenses (-)	77,132	57,951
Intangible Assets (-)	43,338	25,204
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	29,971	23,942
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	14,029	1,453
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	4,095,670	2,827,904

(*) As of December 31, 2008 leasehold improvements are not considered as deduction from capital but, it is added to the credit risk calculation at the rate of 100 %.

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II. Information on Credit Risk

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

Risk limits are imposed on total exposure to a risk group. According to the decision taken by the Board of Directors, the maximum amount of loan (cash and non-cash) to be granted to an individual risk group is limited with the calculation of certain percentages of the shareholders' equity based on the rating of the group. Concentration of risks of the top 20 groups and the top 50 companies in terms of industry and rating are monitored at the end of every month.

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

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

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

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

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

The restructured and rescheduled loans are monitored by the Bank according to Bank's Credit Risk Management. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

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

In addition to the credit risk management process, a double rating system is projected which would also be a basis for lending and provisioning processes and determining the rate of uncollectibility and pricing of the loans. To determine the credibility of the customers, rating and scoring methods are used in accordance with the portfolios. The Bank continues to develop the infrastructure of "Credit Products Risk Rating System" to determine the risk level for each type of loan and collateral.

The Bank continues to develop infrastructure for Basel II readiness on credit risk. The credit risk parameters as per Basel II documents have been tried to be measured within the Bank and the capital adequacy requirements for credit risk with various methods of Basel II are tried to be calculated. In addition the Bank has started working on identification of data needs, collection of data and implementation for measuring economic capital and statutory capital for credit risk in accordance with the Basel II Internal Rating Methods.

As of December 31, 2008, the receivables of the Bank from its top 100 cash loan customers is 17% in the total cash loans (December 31, 2007 – 15%).

As of December 31, 2008, the receivables of the Bank from its top 100 non-cash loan customers is 52% in the total non-cash loans (December 31, 2007 – 42%).

The share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and off-balance sheet assets is 21% as of December 31, 2008 (December 31, 2007 – 18%).

As of December 31, 2008, the general loan loss provision related with the credit risk taken by the Bank is YTL 160,852 (December 31, 2007 – YTL 122,759).

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

	Current Period	Prior Period
T.R Central Bank	1,349,821	1,019,872
Financial assets held for trading	17,850	-
Financial assets at fair value through profit/loss	228,488	233,748
Positive value of trading derivatives	632,865	23,412
Banks	385,514	680,747
Derivative financial assets held for hedging	11,707	-
Investment securities available for sale	1,715,265	2,866,255
Investment securities held to maturity	2,669,056	-
Loans	17,878,045	14,174,414
Investments in associates and subsidiaries (Net)	361,158	404,514
Other assets	320,080	570,863
Total	25,569,849	19,973,825
Guarantees	5,475,553	5,137,854
Commitments	7,301,097	6,818,237
Total	12,776,650	11,956,091
Total credit risk exposure	38,346,499	31,929,916

Credit Rating System

The Bank adopted in principle that its loan portfolio should be managed parallel to the worldwide-accepted applications. The Bank formed internal scoring and rating systems by using statistical methods to monitor the credibility of the clients. These systems classify the customers according to their default risks from highest to lowest degree. Internal scoring systems are used effectively to allocate loans, to monitor loan portfolio quality and to determine the actions required. As of 2008, for the corporate customers the scoring and rating system is developed in accordance with the size of the companies, for the consumer loans the scoring and ratings systems are developed for the homogenous groups which are formed with the similar type of products.

The Bank's rating system does not incorporate collaterals received for the loans, grading is performed without considering the collaterals, therefore the rating system can capture the default ratio and the actual realized losses on default loans ends up with considerably lower levels.

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

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	3	5
Debtor has a good financial structure	55	58
Debtor has a medium financial structure	34	21
Debtor has a financial structure which needs attention in medium term	6	14
Not graded	2	2
Total	100	100

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Credit quality per class of financial assets are shown below;

Current Period	Neither past due nor impaired	Past due but not impaired (*)	Total
T.R. Central Bank	1,349,821	-	1,349,821
Financial assets held for trading	17,850	-	17,850
Financial assets at fair value through profit/loss	228,488	-	228,488
Banks and other financial institutions	385,514	-	385,514
Positive value of trading derivatives	632,865	-	632,865
Positive value of hedging purpose derivatives	11,707	-	11,707
Investment securities available for sale	1,715,265	-	1,715,265
Investment securities held to maturity	2,669,056	-	2,669,056
Loans	17,266,473	611,572	17,878,045
Corporate / commercial loans	8,230,113	55,127	8,285,240
Consumer loans	6,073,728	36,754	6,110,482
Credit cards	2,962,632	519,691	3,482,323
Investments in associates and subsidiaries (net)	361,158	-	361,158
Other assets	320,080	-	320,080
Total	24,958,277	611,572	25,569,849

(*) Balances represent the overdue installments. The principle amount of "Corporate / Commercial Loans" and "Consumer Loans" are YTL 589,634 and YTL 605,223; respectively.

As of December 31, 2008, for the loans and other receivables past due but not impaired, the Bank has collaterals amounting YTL 949,238 for non exceeding portion of the customers risks which are received for the total exposure to the customers including past due and not past due exposures. (December 31, 2007 – YTL 609,973).

Prior Period	Neither past due nor impaired	Past due but not impaired (*)	Total
T.R. Central Bank	1,019,872	-	1,019,872
Trading Securities	-	-	-
Financial assets at fair value through profit/loss	233,748	-	233,748
Banks	680,747	-	680,747
Positive value of trading derivatives	23,412	-	23,412
Positive value of hedging purpose derivatives	-	-	-
Investment securities available for sale	2,866,255	-	2,866,255
Investment securities held to maturity	-	-	-
Loans	13,786,453	387,961	14,174,414
Corporate / commercial loans	7,072,920	112,477	7,185,397
Consumer loans	4,430,593	24,798	4,455,391
Credit cards	2,282,940	250,686	2,533,626
Investments in associates and subsidiaries (Net)	404,514	-	404,514
Other assets	570,863	-	570,863
Total	19,585,864	387,961	19,973,825

(*) Balances represent the overdue installments. The principle amount of "Corporate / Commercial Loans" and "Consumer Loans" are YTL 224,210 and YTL 400,641; respectively.

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Carrying amount per class of financial assets whose terms have been restructured:

	Current Period	Prior Period
Banks	-	-
Financial assets at fair value through profit/loss	-	-
Loans	23,472	30,319
Corporate / commercial loans	23,472	30,319
Consumer loans	-	-
Credit cards	-	-
Investment securities held to maturity	-	-
Total	23,472	30,319

Credit risk by types of borrowers and geographical concentration:

	Loans to Real People and Entities		Loans to Banks and Other Financial Institutions		Marketable Securities		Other Loans (*)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	17,878,045	14,174,414	385,514	680,747	4,630,659	3,100,003	1,325,810	998,789
Private Sector	8,306,483	7,204,851	-	-	135,039	89,975	361,158	404,514
Public Sector	-	-	-	-	4,362,467	2,853,004	-	-
Banks	-	-	385,514	680,747	133,153	157,024	964,652	594,275
Retail	9,571,562	6,969,563	-	-	-	-	-	-
Share Certificates	-	-	-	-	-	-	-	-
Information according to geographical concentration	17,878,045	14,174,414	385,514	680,747	4,630,659	3,100,003	1,325,810	998,789
Domestic	16,496,877	13,349,626	381,848	595,595	3,440,080	2,811,002	541,386	456,274
European Union Countries	-	-	-	-	-	-	-	-
OECD Countries	-	-	-	-	-	-	-	-
Off-shore Banking Regions	1,381,168	824,788	3,666	85,152	1,190,579	289,001	784,424	542,515
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-

(*) This column represents YTL 632,865 (December 31, 2007- YTL 23,412) Derivative Financial Assets Held for Trading, YTL 11,707 (December 31, 2007- None) Derivative Financial Assets Held for Hedging, YTL 361,158 investment in associates and subsidiaries (December 31, 2007- YTL 404,514), and YTL 320,080 (December 31, 2007- YTL 570,863) cash guarantees given to financial institutions.

Information according to geographical concentration

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	22,851,927	20,311,354	5,408,258	-	-
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	3,359,893	3,421,805	67,295	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	361,158	-
Unallocated Assets/Liabilities	-	-	-	-	362,648
Total	26,211,820	23,733,159	5,475,553	361,158	362,648

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Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	18,735,764	15,246,968	5,004,530	-	-
European Union Countries	-	-	-	-	-
OECD Countries (*)	-	-	-	-	-
Off-shore Banking Regions	1,742,033	3,009,465	133,324	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	404,514	-
Unallocated Assets/Liabilities	-	-	-	-	552,726
Total	20,477,797	18,256,433	5,137,854	404,514	552,726

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

Sectoral Distribution of Cash Loans

	Current Period				Prior Period			
	YTL	%	FC	%	YTL	%	FC	%
Agricultural	99,362	0.68	138,988	4.48	62,710	0.51	116,173	5.61
Farming and Raising Livestock	50,197	0.34	11,091	0.36	29,232	0.24	5,939	0.29
Forestry	43,975	0.30	119,025	3.83	24,681	0.20	105,938	5.11
Fishing	5,190	0.04	8,872	0.29	8,797	0.07	4,296	0.21
Manufacturing	861,093	5.83	1,244,766	40.09	852,723	7.04	782,539	37.72
Mining	37,393	0.25	22,790	0.73	53,717	0.44	22,682	1.09
Production	779,420	5.28	1,221,976	39.36	762,285	6.30	759,857	36.63
Electric, Gas and Water	44,280	0.30	-	-	36,721	0.30	-	-
Construction	265,773	1.80	214,829	6.92	257,558	2.13	98,679	4.76
Services	1,435,154	9.70	1,417,206	45.65	1,469,791	12.14	1,011,133	48.74
Wholesale and Retail Trade	911,287	6.17	477,391	15.38	908,953	7.51	397,645	19.17
Hotel, Food and Beverage Services	67,672	0.46	234,909	7.57	27,171	0.22	204,888	9.88
Transportation and Telecommunication	73,481	0.50	417,865	13.46	71,512	0.59	299,433	14.43
Financial Institutions	258,192	1.75	83,522	2.69	323,130	2.67	49,115	2.37
Real Estate and Renting Services	51,006	0.35	7,599	0.24	59,937	0.50	15,848	0.76
Self-employment Services	49,768	0.34	31,584	1.02	57,303	0.47	39,138	1.89
Education Services	4,981	0.03	-	-	3,990	0.03	-	-
Health and Social Services	18,767	0.10	164,336	5.29	17,795	0.15	5,066	0.24
Other	12,112,078(*)	81.99	88,796(**)	2.86	9,457,002(*)	78.19	66,106(**)	3.18
Total	14,773,460	100.00	3,104,585	100.00	12,099,784	100.00	2,074,630	100.00

(*) Includes consumer loans, installment loans and credit cards amounting to YTL 12,001,193 (December 31, 2007 - YTL 9,333,190).

(**) Includes retail loans and credit cards amounting to YTL 2,633 (December 31, 2006 - YTL3,190).

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III. Information on Market Risk

The Bank has established market risk-operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with ‘Historical Simulation’ method. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

1. Information on market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	112,277
(II) Capital Obligation against Specific Risks - Standard Method	22,411
(III) Capital Obligation against Currency Risk - Standard Method	16,972
(IV) Capital Obligation against Commodity Risks - Standard Method	-
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	2,257
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	153,917
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,923,963

2. Average market risk table calculated at the end of the months during the period

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	1,194,159	1,448,275	955,125	799,544	1,084,425	586,800
Common Share Risk	239,296	284,950	192,925	-	-	-
Currency Risk	147,611	230,275	70,300	162,929	480,688	5,925
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	30,780	85,200	850	16,522	56,463	63
Total Value at Risk	1,611,846	2,048,700	1,219,200	978,995	1,621,576	592,788

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IV. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2007, 2006 and 2005) as per the "Calculation of Value at Operational Risk" of the article (4) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of December 31, 2008, the value at operational risk is amounting to YTL 2,698,723 (December 31, 2007- YTL 2,084,276).

V. Explanations related to Foreign Currency Exchange Rate Risk

1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily

As of December 31, 2008, the net foreign currency exposure of the Bank is YTL 73,177 long (December 31, 2007 –YTL 111,015 short) resulting from on balance sheet short position amounting to YTL 4,871,132 (December 31, 2007 –YTL 3,659,633 short) and long off balance sheet position amounting to YTL 4,944,309 (December 31, 2006 –YTL 3,548,618 long). The long off balance sheet position amounting to YTL 4,716,400 is related with the FC/YTL swap transactions with banks and customers. The Bank entered into these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions and swap transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. Bank's spot foreign Exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	YTL 1.5123	
Euro purchase rate at the date of the balance sheet	YTL 2.1408	
Date	US Dollars	Euro
December 31, 2008	YTL 1.5123	YTL 2.1408
December 30, 2008	YTL 1.5065	YTL 2.1518
December 29, 2008	YTL 1.4971	YTL 2.1070
December 26, 2008	YTL 1.5074	YTL 2.1119
December 25, 2008	YTL 1.5112	YTL 2.1151
December 24, 2008	YTL 1.5152	YTL 2.1193

4. The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2008 are YTL 1.5388 and 2.0865; respectively.

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5. Information on the foreign currency exchange rate risk

Current Period	EUR	USD	YEN	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	795,526	61,164	175	5,386	862,251
Due From Banks	73,378	215,913	4,909	85,007	379,207
Financial Assets at Fair Value through Profit/Loss (***)	721	108,195	-	102	109,018
Interbank Money Market Placements	-	-	-	-	-
Securities Available-for-Sale	57,240	344,124	-	-	401,364
Loans (**)	1,224,441	2,830,127	150,047	116,500	4,321,115
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	201,928	-	-	-	201,928
Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Held for Hedging	-	-	-	-	-
Tangible Assets	-	-	-	18	18
Intangible Assets	-	-	-	-	-
Other Assets (***)	209,503	107,539	-	-	317,042
Total Assets	2,562,737	3,667,062	155,131	207,013	6,591,943
Liabilities					
Bank Deposits	227,433	489,734	40	4,978	722,185
Foreign Currency Deposits	1,936,512	3,094,043	1,666	87,021	5,119,242
Money Market Borrowings	-	235,818	-	-	235,818
Funds Provided from Other Financial Institutions	1,409,567	3,537,786	126	-	4,947,479
Securities Issued	-	-	-	-	-
Sundry Creditors	26,570	328,056	257	389	355,272
Derivative Fin. Liabilities Held for Hedging (****)	-	-	-	-	-
Other Liabilities	24,233	58,805	-	41	83,079
Total Liabilities	3,624,315	7,744,242	2,089	92,429	11,463,075
Net Balance Sheet Position	(1,061,578)	(4,077,180)	153,042	114,584	(4,871,132)
Net Off-Balance Sheet Position	883,895	4,349,793	(163,986)	(125,393)	4,944,309
Financial Derivative Assets	1,070,771	7,871,110	21,579	57,264	9,020,724
Financial Derivative Liabilities	186,876	3,521,317	185,565	182,657	4,076,415
Non-Cash Loans (*)	1,041,692	1,974,736	8,787	266,349	3,291,564
Prior Period					
Total Assets	1,598,791	3,609,647	6,466	60,910	5,275,814
Total Liabilities	1,710,303	7,111,146	4,463	109,535	8,935,447
Net Balance Sheet Position	(111,512)	(3,501,499)	2,003	(48,625)	(3,659,633)
Net Off-Balance Sheet Position	254,198	3,228,616	2,685	63,119	3,548,618
Financial Derivative Assets	1,559,138	7,326,636	39,001	410,979	9,335,754
Financial Derivative Liabilities	1,304,940	4,098,020	36,316	347,860	5,787,136
Non-Cash Loans (*)	858,482	1,958,275	4,349	266,180	3,087,286

(*) Does not affect net off balance sheet position.

(**) Includes foreign currency indexed loans amounting to YTL 1,216,530 (December 31, 2007 – YTL 650,146) that are classified as YTL on the balance sheet.

(***) Does not include the prepaid expenses amounting to YTL 1,285 that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006.

(****) Accrued foreign exchange income and expenses on derivative transactions amounting to YTL 10,348 and YTL 8,213 respectively are excluded.

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6. Foreign Currency Sensitivity

The Bank is mainly exposed to EUR and USD currencies.

The following table details the Bank's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Effect on Profit or Loss	Effect on Equity(*)	Effect on Profit or Loss	Effect on Equity(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	%10 increase	11,937	12,777	(697)	(708)
	%10 decrease	(11,937)	(12,777)	697	708
EUR	%10 increase	(12,759)	(12,126)	(6,320)	(6,320)
	%10 decrease	12,759	12,126	6,320	6,320

(*) Effect on equity also includes the effect of the change in foreign currency rates on income statement.

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VI. Explanations related to Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

The assets and liabilities of the Bank carry positive interest yield and assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

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

The Bank's sensitivity of interest income and expenses are analyzed against the changes in interest rates. In this analysis, it was assumed that year-end balances remained the same during the year.

During the interest rate sensitivity calculation, the difference between interest gains/losses calculated by using current market interest rates and interest gains/losses calculated by using shock applied interest rates, is considered as the effect of the interest shock on the income accounts.

In interest rate sensitivity calculation, maturity of the fixed rate assets and liabilities and repricing terms of the variable interest rate assets and liabilities are considered.

As of the reporting date, 1 % increase in interest rates would decrease the Bank's net profit by YTL 62,597 (2007- YTL 18,237 decrease), 1 % decrease in interest rates would increase the Bank's net profit by YTL 56,006 (2007 - YTL 17,940 increase), when all the other variables are assumed to be constant.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,349,821	-	-	-	-	224,766	1,574,587
Due from Banks	221,510	4,084	2,183	-	-	157,737	385,514
Financial Assets at Fair Value Through Profit/Loss (**)	17,717	10,390	64,352	613,683	48,806	135,962	890,910
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	74,830	299,336	307,511	604,874	293,675	135,039	1,715,265
Loans	5,521,731	2,607,574	4,636,840	5,039,937	71,963	-	17,878,045
Inv. Securities Held to Maturity	304,881	1,156,441	488,964	718,770	-	-	2,669,056
Other Assets	-	-	-	-	-	1,459,601	1,459,601
Total Assets	7,490,490	4,077,825	5,499,850	6,977,264	414,444	2,113,105	26,572,978
Liabilities							
Bank Deposits	858,773	14,114	-	-	-	94,535	967,422
Other Deposits	9,445,643	3,439,592	414,987	21,902	-	1,649,521	14,971,645
Money Market Borrowings	315,641	26,561	-	-	-	-	342,202
Sundry Creditors	-	-	-	-	-	729,619	729,619
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	1,587,235	1,742,213	1,438,912	479,264	302,625	-	5,550,249
Other Liabilities	5,050	54,917	54,030	159,557	42,310	3,695,977	4,011,841
Total Liabilities	12,212,342	5,277,397	1,907,929	660,723	344,935	6,169,652	26,572,978
On Balance Sheet Long Position	-	-	3,591,921	6,316,541	69,509	-	9,977,971
On Balance Sheet Short Position	(4,721,852)	(1,199,572)	-	-	-	(4,056,547)	(9,977,971)
Off-Balance Sheet Long Position	14,270	-	23,350	227,870	-	-	265,490
Off-Balance Sheet Short Position	-	(41,298)	-	-	(7,919)	-	(49,217)
Total Position	(4,707,582)	(1,240,870)	3,615,271	6,544,411	61,590	(4,056,547)	216,273

(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to YTL 661,303, tangible assets amounting to YTL 366,642, intangible assets amounting to YTL 43,338, associates and subsidiaries amounting to YTL 361,158, deferred tax asset amounting to YTL 27,160. "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to YTL 2,839,819, other liabilities amounting to YTL 340,529, provisions amounting to YTL 399,379, derivative financial liabilities held for trading amounting to YTL 88,916 and tax liability amounting to YTL 27,334.

(**) This account also includes hedging purpose derivatives.

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

Average interest rates applied to monetary financial instruments

Current Period	EUR	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	12.00
Due from Banks	1.50	0.14	-	20.17
Financial Assets at Fair Value Through Profit/Loss	5.50	9.18	-	15.38
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	5.88	9.33	-	18.45
Loans	9.29	8.28	5.15	26.04 (*)
Investment Securities Held to Maturity	-	-	-	17.92
Liabilities				
Bank Deposits	3.99	3.52	-	14.94
Other Deposits	6.31	5.32	0.42	20.61
Money Market Borrowings	-	2.22	-	15.28
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	6.01	4.69	2.39	14.96

(*) The interest rate of loans is 21.50 % excluding credit cards.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing (*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	625,372	-	-	-	-	587,554	1,212,926
Due form Banks	560,528	5,218	8,955	-	-	106,046	680,747
Financial Assets at Fair Value Through Profit/Loss	833	1,399	74,763	158,985	-	21,180	257,160
Interbank Money Markets	-	-	-	-	-	-	-
Inv. Securities Available for Sale	850,110	1,268,111	209,182	448,877	-	89,975	2,866,255
Loans	1,803,224	5,464,877	2,961,364	2,417,580	1,527,369	-	14,174,414
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	1,690,809	1,690,809
Total Assets	3,840,067	6,739,605	3,254,264	3,025,442	1,527,369	2,495,564	20,882,311
Liabilities							
Bank Deposits	756,949	665,016	61,693	-	-	44,938	1,528,596
Other Deposits	7,240,937	2,044,569	293,287	4,062	11,537	1,834,857	11,429,249
Money Market Borrowings	34,853	94	-	-	-	-	34,947
Sundry Creditors	-	-	-	-	-	460,787	460,787
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	35,957	91,671	1,221,507	1,376,716	368,106	-	3,093,957
Other Liabilities	159,605	593,637	12,593	5,134	176	3,563,630	4,334,775
Total Liabilities	8,228,301	3,394,987	1,589,080	1,385,912	379,819	5,904,212	20,882,311
On Balance Sheet Long Position	-	3,344,618	1,665,184	1,639,530	1,147,550	-	7,796,882
On Balance Sheet Short Position	(4,388,234)	-	-	-	-	(3,408,648)	(7,796,882)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(156,759)	(587,841)	(4,966)	-	-	-	(749,566)
Total Position	(4,544,993)	2,756,777	1,660,218	1,639,530	1,147,550	(3,408,648)	(749,566)

(*)“Other Assets” in “Non Interest Bearing” column include other assets amounting to YTL 914,640, tangible assets amounting to YTL 326,328, intangible assets amounting to YTL 25,204, associates and subsidiaries amounting to YTL 404,514 and deferred tax amounting YTL 20,123. “Other Liabilities” in the “Non Interest Bearing” column include shareholders’ equity amounting to YTL 2,625,878, other liabilities amounting to YTL 481,405, provisions amounting to YTL 352,611, derivative financial liabilities held for trading amounting to YTL 81,780 and tax liability amounting to YTL 21,956.

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Average interest rates applied to monetary financial instruments

Prior Period	EUR	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	-	11.81
Due form Banks	3.04	4.39	-	15.96
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Markets	-	-	-	-
Investment Securities Available for Sale	5.95	10.55	-	18.60
Loans	7.01	7.26	2.84	23.30 (*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	4.67	5.17	-	15.98
Other Deposits	4.26	5.05	-	17.38
Money Market Borrowings	-	4.59	-	15.78
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	5.11	6.76	-	12.82

(*) The interest rate of loans is 18.84 % excluding credit cards.

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VII. Explanations related to liquidity risk

- 1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Parent Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed in every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Parent Bank. List of available limits, instruments and securities that can be used as a collateral to create liquidity in the event of a possible liquidity crises is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

Parent Bank's payments, assets and liabilities match with the interest rates.

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

In order to meet any urgent liquidity needs approximately 6% (December 31, 2007 – 6%) of the balance sheet size is allocated to cash balance.

- 4. Evaluation of the Bank's cash flows and their resources**

Cash flows of the Bank mainly consist of New Turkish Lira, US Dollars and Euro.

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5. Presentation of assets and liabilities according to their remaining maturities

Year End	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocate d ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	224,766	1,349,821	-	-	-	-	-	1,574,587
Due form Banks	157,737	221,510	4,084	2,183	-	-	-	385,514
Financial Assets at Fair Value Through Profit/Loss (**)	-	65,138	41,415	103,415	632,123	48,819	-	890,910
Interbank Money Markets	-	-	-	-	-	-	-	-
Inv. Securities Available for Sale	135,039	13,184	36,569	116,574	1,077,863	336,036	-	1,715,265
Loans	-	5,206,462	2,132,531	4,712,079	5,653,989	172,984	-	17,878,045
Inv. Securities Held to Maturity	-	-	-	488,964	1,959,860	220,232	-	2,669,056
Other Assets	-	526,178	-	27,160	57,993	-	848,270	1,459,601
Total Assets	517,542	7,382,293	2,214,599	5,450,375	9,381,828	778,071	848,270	26,572,978
Liabilities								
Bank Deposits	94,535	858,773	14,114	-	-	-	-	967,422
Other Deposits	1,649,521	9,445,643	3,439,592	414,987	21,902	-	-	14,971,645
Funds Provided from Other Financial Institutions	-	493,138	1,175,101	1,691,792	1,887,593	302,625	-	5,550,249
Interbank Money Markets	-	315,641	26,561	-	-	-	-	342,202
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	729,619	-	-	-	-	-	729,619
Other Liabilities	-	376,888	58,235	142,457	188,298	44,189	3,201,774	4,011,841
Total Liability	1,744,056	12,219,702	4,713,603	2,249,236	2,097,793	346,814	3,201,774	26,572,978
Liquidity Gap	(1,226,514)	(4,837,409)	(2,499,004)	3,201,139	7,284,035	431,257	(2,353,504)	-
Prior Period								
Total Assets	783,575	4,198,734	3,804,370	4,054,606	4,952,159	2,274,344	814,523	20,882,311
Total Liabilities	1,879,795	9,019,987	2,830,323	1,932,237	1,881,584	391,895	2,946,490	20,882,311
Net Liquidity Gap	(1,096,220)	(4,821,253)	974,047	2,122,369	3,070,575	1,882,449	(2,131,967)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted at stock exchange, office supply inventory, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to YTL 2,839,819, unallocated provisions amounting to YTL 369,379

(**) This account also includes hedging purpose derivatives.

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6. Analysis of financial liabilities by remaining contractual maturities:

The table below shows the Bank's maturity distribution of certain financial assets and liabilities, other than derivatives. The tables below are prepared by considering the future cash flows expected on the nearest cash flow dates. The interest which will be earned and paid at the maturity date is included in these tables.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Adjustments	Balance Sheet Value
Bank deposits	94,535	952,481	7,210	-	-	-	1,054,226	(86,804)	967,422
Other deposits	1,649,521	9,502,653	3,494,767	429,814	22,445	-	15,099,200	(127,555)	14,971,645
Money market borrowings	-	315,922	26,646	-	-	-	342,568	(366)	342,202
Funds provided from other financial institutions	-	335,977	1,244,286	1,997,570	2,552,601	24,675	6,155,109	(604,860)	5,550,249

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Adjustments	Balance Sheet Value
Bank deposits	44,938	792,416	672,348	64,352	-	-	1,574,054	(45,458)	1,528,596
Other deposits	1,834,857	7,640,792	1,715,787	290,398	226	10,990	11,493,050	(63,801)	11,429,249
Money market borrowings	-	34,905	95	-	-	-	35,000	(53)	34,947
Funds provided from other financial institutions	-	40,024	126,668	1,453,791	1,864,038	132,327	3,616,848	(522,891)	3,093,957

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy	414,449	57,433	62,441	700	-	535,023
Forward Contracts Sell	413,496	58,682	65,825	642	-	538,645
Swap Contracts Buy	2,458,122	833,020	1,455,736	4,673,735	352,793	9,773,406
Swap Contracts Sell	2,413,056	843,693	1,473,010	5,315,387	484,217	10,529,363
Futures Buy	-	103,088	411	-	-	103,499
Futures Sell	-	103,088	411	-	-	103,499
Options Buy	433,914	341,068	359,682	-	-	1,134,664
Options Sell	434,962	289,994	359,705	-	-	1,084,661
Total	6,567,999	2,630,066	3,777,221	9,990,464	837,010	23,802,760

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy	1,605,395	51,596	65,264	1,012	-	1,723,267
Forward Contracts Sell	1,602,715	49,953	64,910	1,062	-	1,718,640
Swap Contracts Buy	1,134,448	446,800	835,538	3,147,336	278,060	5,842,182
Swap Contracts Sell	1,129,006	462,192	1,051,063	4,493,403	365,811	7,501,475
Futures Buy	-	66,909	31,627	-	-	98,536
Futures Sell	-	66,909	31,627	-	-	98,536
Options Buy	1,528,786	1,099,929	1,243,548	53,656	-	3,925,919
Options Sell	1,548,024	1,100,881	1,243,788	53,473	-	3,946,166
Total	8,548,374	3,345,169	4,567,365	7,749,942	643,871	24,854,721

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VIII. Explanations related to presentation of financial assets and liabilities at their fair value

The fair value of the held to maturity investment securities; whose market price or fair value can not be determined; is calculated over the quoted market prices of other investment securities with similar interest, maturity and other characteristics.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

Total fair value of debt securities issued, is determined based on quoted market prices, and in the absence of this information, discounted cash flows model based on current return is used for the remaining maturity.

Fair values of fixed rate loans are calculated by using discounted cash flows with current market rates. The fair value of loans with floating interest rate represents its carrying value due their short-term nature.

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	22,647,880	17,725,182	22,737,905	17,765,701
Interbank Money Market Placements	-	-	-	-
Due Form Banks	385,514	680,747	385,514	680,747
Investment Securities Available for Sale (Net)	1,715,265	2,866,255	1,715,265	2,866,255
Investment Securities Held to Maturity (Net)	2,669,056	-	2,701,937	-
Loans	17,878,045	14,174,414	17,935,189	14,218,699
Financial Liabilities	22,561,137	16,547,536	22,516,496	16,519,773
Bank Deposits	967,422	1,528,596	967,422	1,528,596
Other Deposits	14,971,645	11,429,249	14,966,198	11,431,263
Funds Borrowed	5,550,249	3,093,957	5,511,055	3,064,180
Interbank Money Market Placements	342,202	34,947	342,202	34,947
Marketable Securities Issued	-	-	-	-
Sundry Creditors	729,619	460,787	729,619	460,787

IX. Explanations Related To Transactions Carried on Behalf of Others and Fiduciary Transactions

The Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Bank is not involved in fiduciary activities.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Assets

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	100,557	121,325	95,034	97,375
Central Bank of Turkey	611,779	738,042	179,796	840,076
Others	-	2,884	51	594
Total	712,336	862,251	274,881	938,045

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	611,779	247,912	179,796	232,203
Restricted Time Deposits	-	490,130	-	607,873
Total	611,779	738,042	179,796	840,076

According to the 2008/12 numbered announcement of the Central Bank of Turkey, "Announcement on the Change of Reserve Deposits", all banks operating in Turkey should provide a reserve at 6% of the liabilities in Turkish Lira and 9% for liabilities in foreign currencies. The Central Bank of Turkey makes interest payments for YTL reserves on a quarterly basis. After the announcement on the change of reserve deposits, declared on November 5, 2008, The Central Bank of Turkey stopped paying interest for foreign currency reserves.

2. Further information on financial assets at fair value through profit/loss (net):

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	538	-	205,711	-
Other	-	-	-	-
Total	538	-	205,711	-

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b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds(*)	20,200	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	20,200	-	-	-

(*) Government bonds subject to repurchase agreements amounting to YTL 20,200 are classified under financial assets at fair value through profit or loss in the financial statements.

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	8,250	-	7,653	-
Swap Transactions	520,584	52,214	14,602	5
Futures Transactions	-	2,477	-	158
Options	-	48,988	-	267
Other	352	-	727	-
Total	529,186	103,679	22,982	430

3. a) Banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Domestic	6,289	74,303	7,229	75,500
Foreign	18	304,904	102,105	495,913
Foreign Head Offices and Branches	-	-	-	-
Total	6,307	379,207	109,334	571,413

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b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	178,217	483,525	-	- 8,955
USA and Canada	28,173	36,873	83,784	34,210
OECD Countries (*)	14,026	16,737	-	-
Off-shore Banking Regions	-	9,318	-	-
Other	722	8,400	-	-
Total	221,138	554,853	83,784	43,165

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

(**) Includes blocked placements at foreign banks amounting to YTL 83,784 (December 31, 2007-YTL 43,165) for the syndication and securitization loans received.

4. Information on investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	1,918	126,553	598,722	25,004
Other	-	-	-	-
Total	1,918	126,553	598,722	25,004

b) Investment securities available for sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	90	-	13,927	-
Treasury bills	-	-	-	-
Other debt securities	-	141,450	-	23,114
Bonds issued by banks or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	90	141,450	13,927	23,114

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	1,596,370	2,777,600
Quoted on a stock exchange	1,463,217	2,620,576
Unquoted on a stock exchange(*)	133,153	157,024
Share certificates	134,318	90,463
Quoted on a stock exchange (**)	134,318	90,463
Unquoted on a stock exchange	-	-
Impairment provision(-)	(15,423)	(1,808)
Total	1,715,265	2,866,255

(*) Debt securities that are not quoted include "credit linked notes" amounting to YTL 133,153 (December 31, 2007 – YTL 133,893) and government bonds of foreign countries amounting to YTL 23,131.

(**) Share certificates which are publicly traded include investment funds amounting to YTL 123,769 (December 31, 2007- 72,202 YTL).

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5. Information related to loans

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	31,401	-	26,490	-
Total	31,401	-	26,490	-

(*) Includes the advances given to the personnel of the Bank.

b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	16,216,347	-	1,638,226	23,472
Discount Notes	59,889	-	882	-
Export Loans	902,644	-	184,997	-
Import Loans	2,696	-	-	-
Loans Given to Financial Sector	347,263	-	-	-
International Loans	118,656	-	-	-
Consumer Loans	5,774,136	-	336,346	-
Credit Cards	3,156,152	-	326,171	-
Precious Metals Loans (Gold etc.)	-	-	-	-
Other	5,854,911	-	789,830	23,472
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	16,216,347	-	1,638,226	23,472

c) Loans according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	8,702,182	-	326,171	-
Non-specialized Loans	8,702,182	-	326,171	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	7,514,165	-	1,312,055	23,472
Non-specialized Loans	7,514,165	-	1,312,055	23,472
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	16,216,347	-	1,638,226	23,472

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d) **Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-YTL	139,363	4,943,068	5,082,431	361,007
Real Estate Loans	2,423	3,520,808	3,523,231	238,092
Automobile Loans	6,840	429,286	436,126	43,563
General Purpose Loans	130,100	992,974	1,123,074	79,352
Other	-	-	-	-
Consumer Loans-FC Indexed	1,506	345,140	346,646	98,240
Real Estate Loans	186	304,350	304,536	89,097
Automobile Loans	766	11,519	12,285	2,649
General Purpose Loans	554	29,271	29,825	6,494
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Real estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-YTL	3,332,223	12,729	3,344,952	96,875
Installment	1,178,435	12,729	1,191,164	34,498
Non- Installment	2,153,788	-	2,153,788	62,377
Individual Credit Cards-FC	2,559	-	2,559	74
Installment	-	-	-	-
Non- Installment	2,559	-	2,559	74
Personnel Loans-YTL	2,544	11,418	13,962	124
Real Estate Loans	-	1,715	1,715	13
Automobile Loans	38	162	200	1
General Purpose Loans	2,506	9,541	12,047	110
Other	-	-	-	-
Personnel Loans-FC Indexed	50	-	50	-
Real Estate-Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	50	-	50	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-YTL	16,092	-	16,092	466
Installment	6,340	-	6,340	184
Non-Installment	9,752	-	9,752	282
Personnel Credit Cards-FC	60	-	60	2
Installment	-	-	-	-
Non-Installment	60	-	60	2
Overdraft Accounts-YTL (Real Persons)	200,631	-	200,631	7,391
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	3,695,028	5,312,355	9,007,383	564,179

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e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility				
- YTL	286,096	1,535,667	1,821,763	41,137
Real Estate Loans	40	132,069	132,109	1,689
Automobile Loans	8,654	549,826	558,480	13,411
General Purpose Loans	277,402	853,772	1,131,174	26,037
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	37,923	307,643	345,566	62,794
Real Estate Loans	-	19,859	19,859	4,066
Automobile Loans	581	56,801	57,382	10,219
General Purpose Loans	37,342	230,983	268,325	48,509
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -YTL	20,349	-	20,349	589
Installment	4,017	-	4,017	116
Non-Installment	16,332	-	16,332	473
Corporate Credit Cards -FC	296	-	296	9
With Installment	-	-	-	-
Without Installment	296	-	296	9
Overdraft Accounts-YTL (Legal Entities)	139,744	-	139,744	11
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	484,408	1,843,310	2,327,718	104,540

f) Loans according to borrowers

	Current Period	Prior Period
Public	-	-
Private	17,878,045	14,174,414
Total	17,878,045	14,174,414

g) Domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	17,759,389	14,141,753
Foreign Loans	118,656	32,661
Total	17,878,045	14,174,414

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted To Subsidiaries And Associates	-	-
Indirect Loans Granted To Subsidiaries And Associates	-	-
Total	-	-

i). Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	226,655	87,903
Loans and Receivables with Doubtful Collectibility	202,222	128,754
Uncollectible Loans and Receivables	231,411	182,755
Total	660,288	399,412

j). Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	931	11,176	14,427
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	931	11,176	14,427
Prior Period			
(Gross Amounts Before the Specific Provisions)	505	7,456	15,530
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	505	7,456	15,530

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j.2) Movement of loans under follow-up

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Prior Period End Balance	87,903	128,754	182,755
Additions (+)	583,079	-	28,683
Transfers from Other Categories of Loans under Follow-up (+)	-	350,145	245,123
Transfers to Other Categories of Loans under Follow-up (-)	350,145	245,123	-
Collections (-)	94,182	31,554	28,920
Write-offs (-)	-	-	196,230
Corporate and Commercial Loans	-	-	103,797
Consumer Loans	-	-	18,616
Credit Cards	-	-	73,817
Others	-	-	-
Current Period End Balance	226,655	202,222	231,411
Specific Provision (-)	226,655	202,222	231,411
Net Balances on Balance Sheet	-	-	-

j.3) Information on foreign currency loans and other receivables under follow-up

None. (December 31, 2007 - None)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful	V. Group Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	226,655	202,222	231,411
Specific provision (-)	226,655	202,222	231,411
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	87,903	128,754	182,755
Specific provision (-)	87,903	128,754	182,755
Loans to Real Persons and Legal Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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k) Liquidation policies for uncollectible loans and other receivables:

For the unrecoverable non performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment for the emergency of legal follow up are considered to apply the adequate practice. Mainly the bank prefers to liquidate the risk by negotiations with the debtors, if this cannot be possible than the bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures does not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations in order to liquidate the risk.

l) Explanations on write-off policy:

Unrecoverable non-performing loans in legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by Board of Directors' decision, in accordance with the legal policies.

6. Information on investment securities held-to-maturity

6.1. Information on securities subject to repurchase agreement and given as collateral or blocked

6.1.1. Information on securities subject to repurchase agreement

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	83,373	-	-	-
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Bank	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	83,373	-	-	-

6.1.2. Information on securities given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Bills	-	-	-	-
Bonds and Similar Marketable Securities	536,752	-	-	-
Other	-	-	-	-
Total	536,752	-	-	-

6.2. Information on government securities held-to-maturity

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds		2,669,056		-
Treasury Bills		-		-
Other Debt Securities		-		-
Total		2,669,056		-

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6.3. Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	2,669,056	
Quoted on Stock Exchange	2,669,056	-
Non-Quoted on Stock Exchange	-	-
Impairment (-)	-	-
Total	2,669,056	-

6.4. Information on the movement of the investment securities held-to-maturity during the period

	Current Period	Prior Period
Balance in the Beginning of the Period		
Foreign Exchange Differences	-	-
Purchases	-	-
Transfers	2,669,056	-
Redemptions	-	-
Impairment (-)	-	-
Balance at the End of the Period	2,669,056	-

The Bank classified securities from trading portfolio to held to maturity portfolio with the fair value of YTL 79,826 because of the volatility in the financial markets, in accordance with the amendment of Turkish Accounting Standards Board about Turkish Accounting Standards No: 39 Financial Instruments: Recognition and Measurement (TAS 39) published in the Official Gazette numbered 27040 dated October 31, 2008. The fair value of classified government bonds are YTL 85,544 as of the balance sheet date. If the Bank did not classify these securities to held to maturity portfolio, YTL 879 valuation gain would be recorded under statement of income.

The Bank classified securities from available for sale portfolio to held to maturity portfolio with the fair value of YTL 2,475,386 because of the volatility in the financial markets. As of the transfer date, YTL 50,613 negative valuation difference has been recorded to securities value increase fund account under shareholders' equity. This fund will be amortized until the maturity date of these securities. As of the balance sheet date, the valuation difference loss under shareholders' equity is YTL 46,041.

If the Bank did not classify these securities to held to maturity portfolio, YTL 14,942 valuation loss would be recorded in securities value increase fund.

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7. Investments in associates (Net):

7.1. Investments in associates:

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Gelişen İşletmeler Piyasaları A.Ş. (GİP) (*)	Istanbul/Turkey	%5.00	%5.00
Bankalararası Kart Merkezi (BKM) (*)	Istanbul/Turkey	%9.23	%9.23

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
7,338	7,325	2	1,320	2	1,030	879	-
16,962	13,333	5,734	-	-	1,533	1,157	-

(*) Current period information is obtained from financial statements as of December 31, 2008, prior period profit and loss information is obtained from financial statements as of December 31, 2007.

7.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	4,016	250
Movements During the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales (-)	-	-
Reclassifications(*)	-	3,766
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	4,016	4,016
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	%5	%5

(*)Please refer to Section 3, Accounting Policies under "2. Other Classifications" for detailed information.

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7.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	4,016	4,016
Total	4,016	4,016

7.4. Quoted Associates

None. (December 31, 2007 - None)

7.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	4,016	4,016
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
Total	4,016	4,016

7.6. Investments in associates sold during the current period

None. (December 31, 2007 - None)

7.7. Investments in associates acquired during the current period

None. (December 31, 2007 - None)

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8. Investments in subsidiaries

a) Information on the unconsolidated subsidiaries:

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99.80	99.80

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
(*)	10,409	8,739	7,696	-	-	180	960	-

(*) Current period information represents December 31, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures.

b) Information on the consolidated subsidiaries:

b1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	59.24
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	82.13(*)	82.13(*)
4. Finans Malta Holdings Ltd.	Sliema/Malta	100.00	100.00
5. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.001	100.00
6. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.96	99.99

(*) The share of the Bank is 10%, the remaining 72.13% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1. (*)	73,948	52,798	10,816	5,110	481	6,848	7,254	-
2. (**)	1,564,355	308,146	1,072	15,124	-	47,840	50,415	131,250
3. (**)	20,814	20,649	20	-	-	(7,549)	3,466	12,960
4. (*)	235,491	235,471	-	-	-	1	(14)	-
5. (*)	15,391	13,891	582	445	40	6,028	3,527	-
6. (*)	51,505	21,538	2,638	3,215	852	2,729	(1,179)	-
7. (*)	5,484	5,231	-	293	-	231	-	-

(*) Current period information represents December 31, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures as per the financial statements prepared in accordance with BRSA regulations.

(**) Current period information represents September 30, 2008 figures, and prior period profit/loss amounts represent December 31, 2007 figures prepared in accordance with CMB's Communiqué No: XI/29 accounting principles.

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b2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	398,518	318,810
Movements during the period	(48,362)	79,708
Purchases	16,241 ^(***)	100,795 ^(*)
Bonus Shares Received	15,650 ^(****)	1,026 ^(**)
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	(80,505)	(28,871)
Impairment Provision (+)	251	6,758
Balance at the End of the Period	350,156	398,518
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) The Bank has increased "paid in capital" of Finans Malta Holdings Ltd., in which the Bank owns 100 % of shares, by 50,000,000 Euro and this amount was fully paid in cash by the Bank. The Bank invested YTL10,000 in Finans Emeklilik and Hayat A.Ş

(**) Includes the bonus shares from Finans Yatırım Ortaklığı A.Ş.

(***) Purchases include the acquisition of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to YTL 1,241, and the participation into the capital of Finans Tüketici Finansmanı A.Ş. amounting to YTL 5,000 and the capital of Finans Emeklilik ve Hayat A.Ş. amounting to YTL 10,000

(****) Includes the free shares received from Bank's subsidiaries Finans Yatırım Ortaklığı A.Ş. amounting to YTL 2,434 and Finans Finansal Kiralama A.Ş. amounting to YTL 13,216.

b.3) Sectoral distribution of subsidiaries:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	20,000	10,000
Factoring Companies	-	-
Leasing Companies	67,016	127,139
Finance Companies	5,000	-
Other Subsidiaries	258,140	261,379
Total	350,156	398,518

b.4) Quoted subsidiaries within the context of consolidation:

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	77,658	141,272
Quoted on International Stock Exchanges	-	-
Total	77,658	141,272

9. Investments in entities under common control:

None. (December 31, 2007 - None)

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10. Information on leasing receivables (Net):

None. (December 31, 2007 - None)

11. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair Value Hedge (*)	11,707	-	-	-
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	11,707	-	-	-

(*) The account represents the swap transactions subject to fair value hedge. The amount of YTL 11,707 is the mark to market effect (interest and foreign exchange rate effects are excluded).

12. Information on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End (*)					
Cost	62,884	281,652	1,616	315,021	661,173
Accumulated Depreciation (-)	4,091	118,901	1,473	210,380	334,845
Net Book Value	58,793	162,751	143	104,641	326,328
Current Period End					
Cost at the Beginning of the Period	62,884	281,652	1,616	315,021	661,173
Additions	13,010	24,572	61	67,888	105,531
Transfer	-	-	-	3,393	3,393
Disposals (-)	8,561	-	125	588	9,274
Impairment (-)	(1,337)	-	-	-	(1,337)
Current Period Cost	68,670	306,224	1,552	385,714	762,160
Accumulated Depreciation at the Beginning of the Period	4,091	118,901	1,473	210,380	334,845
Disposals (-)	1,054	-	115	508	1,677
Transfer	-	-	-	2,433	2,433
Depreciation (-)	445	29,368	184	29,920	59,917
Current Period Accumulated depreciation (-)	3,482	148,269	1,542	242,225	395,518
Net Book Value-End of the Period	65,188	157,955	10	143,489	366,642

(*) The Leasehold Improvements amounting YTL 76,195, which was stated in Intangible Fixed Assets in prior period, is classified into Tangible Fixed Assets.

a) If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements:

a.1) Events and conditions for recording or reversing impairment:

The fair values of the buildings are computed by the licenced valuation companies and as a result of the changes in the fair value of these buildings, the impairment loss of YTL 1,337 which has been recorded in the prior year has been reversed in the current year. (December 31, 2007- YTL 330 impairment loss has been reversed).

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a.2) Amount of recorded or reversed impairment in the financial statements:

In the current year, the impairment loss of YTL 1,337 (December 31, 2007- YTL 330) has been reversed in the accompanying financial statements

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:

None (December 31, 2007- None)

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:

None (December 31, 2007- None)

13. Information on intangible assets

	Other	Goodwill	Total
Prior Period End (*)			
Cost	77,034	-	77,034
Accumulated Amortisation (-)	51,830	-	51,830
Net Book Value	25,204	-	25,204
Current Period End			
Cost at the Beginning of the Period	77,034	-	77,034
Additions	31,606	-	31,606
Transfer(-)	3,393	-	3,393
Disposals (-)	-	-	-
Impairment (-)	-	-	-
Currency Translation Diff. Resulting from Foreign Investment (-)	-	-	-
Current Period Cost	105,247	-	105,247
Acc. Amort. at the Beginning of the Period	51,830	-	51,830
Disposals (-)	-	-	-
Transfer	2,433	-	2,433
Amortisation charge (-)	12,512	-	12,512
Current Period Accumulated Amortisation (-)	61,909	-	61,909
Net Book Value-End of the Period	43,338	-	43,338

(*) The leasehold improvements of YTL 76,195 which was presented in intangible assets in the previous year, is classified to tangible assets, also the opening balances are classified accordingly.

a) Disclosures for book value, description and remaining life to be amortised for a specific intangible fixed asset that is material to the financial statements:

None (December 31, 2007- None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None (December 31, 2007- None).

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- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition :**
- None (December 31, 2007- None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:**
- None (December 31, 2007- None).
- e) **Amount of purchase commitments for intangible fixed assets:**
- None (December 31, 2007- None).
- f) **Information on revalued intangible assets according to their types:**
- None (December 31, 2007- None).
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
- Amount of total research expenses recorded in income statement within the period is YTL 12,164 (December 31, 2007 – YTL 8,372).
- h) **Positive or negative consolidation goodwill on entity basis:**
- None (December 31, 2007- None)
- i) **Information on goodwill:**
- None (December 31, 2007-None).
- j) **Movements on goodwill in the current period:**
- None (December 31, 2007- None).
- 14. Information on investment property.**
- None (December 31, 2007- None).
- 15. Information on deferred tax asset**
- There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 9.
- The Bank has YTL 40,367 current tax liabilities (December 31, 2007- YTL 127,554) and YTL 67,527 prepaid taxes (December 31, 2007- YTL 105,598) which are netted-off in the accompanying financial statements.
- 16. Information on assets held for sale and discontinued operations:**
- None (December 31, 2007- None).

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17. Information on other assets:

17.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Collateral Given for Derivative Financial Assets	320,080	570,863
Cheques Receivables from Other Banks	87,988	171,018
Sundry Debtors	53,794	47,765
Other Prepaid Expenses	52,539	37,067
Assets Held for Resale (net)	57,991	34,122
Prepaid Rent Expenses	12,441	11,018
Prepaid Agency Commissions	12,152	9,866
Advances Given	1,218	2,045
Other	63,100	30,876
Total	661,303	914,640

17.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in the 17.1 section of disclosure.

18. Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows.

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	19,567	2,845	13,251	4,248
Trading Securities	68	585	-	-
Fin. Assets at Fair Value through Profit or Loss	18,250	-	14,329	-
Derivative Financial Instruments	529,186	103,679	22,982	430
Banks	267	311	840	1,941
Interbank Money Markets	-	-	-	-
Financial Assets- Available for Sale	51,392	6,678	190,728	6,529
Investments Held to Maturity	117,856	-	-	-
Loans	439,351	27,246	127,474	23,469
Derivative Financial Instruments Held for Hedging Purposes	11,707	-	-	-
Other Accruals	-	-	2,144	-
Total	1,187,644	141,344	371,748	36,617

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II. Explanations and Disclosures Related to Liabilities

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	407,467	-	3,001,957	3,690,257	132,148	15,723	2,045	10,325	7,259,922
Foreign Currency Deposits	655,310	-	2,062,271	2,009,972	327,819	50,357	109	13,404	5,119,242
Residents in Turkey	631,784	-	2,014,137	1,853,428	309,122	37,331	109	12,387	4,858,298
Residents Abroad	23,526	-	48,134	156,544	18,697	13,026	-	1,017	260,944
Public Sector Deposits	75,072	-	6,756	111,141	115	13,311	-	-	206,395
Commercial Deposits	488,003	-	792,883	802,728	25,475	901	97	-	2,110,087
Other Ins. Deposits	23,669	-	49,159	151,651	51,118	52	350	-	275,999
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	94,535	-	424,636	14,416	-	110,098	323,737	-	967,422
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,710	-	75,918	7,121	-	-	-	-	112,749
Foreign Banks	64,825	-	348,718	7,295	-	110,098	323,737	-	854,673
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1,744,056	-	6,337,662	6,780,165	536,675	190,442	326,338	23,729	15,939,067

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	287,559	-	2,052,883	1,887,869	325,198	22,136	5,519	64	4,581,228
Foreign Currency Deposits	938,818	-	2,268,116	1,499,270	443,383	221,273	4,035	11,535	5,386,430
Residents in Turkey	914,518	-	2,199,899	1,451,675	430,056	219,522	3,121	10,889	5,229,680
Residents Abroad	24,300	-	68,217	47,595	13,327	1,751	914	646	156,750
Public Sector Deposits	10,890	-	7,551	2,698	47	-	-	-	21,186
Commercial Deposits	577,155	-	402,578	140,289	108,414	156,850	503	-	1,385,789
Other Ins. Deposits	20,435	-	15,208	7,746	11,074	153	-	-	54,616
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	44,938	-	520,395	356,218	236,555	316,581	53,909	-	1,528,596
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	29,135	-	128,142	-	-	4,200	-	-	161,477
Foreign Banks	15,803	-	392,253	356,218	236,555	312,381	53,909	-	1,367,119
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1,879,795	-	5,266,731	3,894,090	1,124,671	716,993	63,966	11,599	12,957,845

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1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by		Exceeding the	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2,841,008	2,072,013	4,404,331	2,509,215
Foreign Currency Savings Deposits	645,703	744,647	2,660,900	2,559,632
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	3,486,711	2,816,660	7,065,231	5,068,847

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	14,583	7,617
Total	14,583	7,617

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

Trading purpose derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	7,855	-	3,924	-
Swaps	166,438	10,939	827,284	1,084
Futures	-	4,061	-	1,266
Options	-	48,860	-	-
Other	14,296	-	18	-
Total	188,589	63,860	831,226	2,350

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	79,975	132,655	56,593	94,352
Foreign Bank, Institutions and Funds	522,795	3,512,437	315,589	2,389,684
Total	602,770	3,645,092	372,182	2,484,036

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	302,760	2,121,208	54,666	126,137
Medium and Long-Term	300,010	1,523,884	317,526	2,357,899
Total	602,770	3,645,092	372,182	2,484,036

In accordance with the Board of Directors' decision dated November 12, 2004 numbered 189, via special purpose entities (SPE's), the Bank obtained a securitization loan from abroad on November 23, 2004 with five years maturity, quarterly fixed rate interest payment and no principal payment for two years amounting to USD 125 million. And similarly on March 15, 2005 with the Board of Directors' decision dated February 23, 2005 numbered 41, the Bank obtained another securitization loan from abroad amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years.

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's.

As of March 31, 2006, with the Board of Directors' decision dated March 27, 2006 numbered 68, the Bank received a loan of YTL 300,000 with fixed interest rate and 5 years maturity.

As of December 14, 2006, with the Board of Directors' decision dated November 30, 2006 numbered 279, the Bank obtained a syndication loan amounting to USD 700 million with 3 years maturity and quarterly floating interest rate.

As of November 19, 2007, with the Board of Directors' decision dated November 9, 2007 numbered 315, the Bank obtained a syndication loan for export financing amounting to USD 425 million from Landesbank Baden-Württemberg London Branch consortium and the consortium of banks under the intermediation of The Bank of New York.

As of December 12, 2008, the Bank obtained a syndication loan amounting to USD 182.5 million and Euro 226 million with 1 year maturity (includes 1 year extension option, based on the conditions of the agreement) and monthly floating interest rate.

c) Additional information on concentrations of the Bank's liabilities

As of December 31, 2008, the Bank's liabilities comprise; 60% deposits (December 31, 2007 – 62%), 21% funds borrowed (December 31, 2007 – 15%) and 1% funds provided under repurchase agreements (December 31, 2007 – 0.2%).

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4. Information on funds provided under repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	106,329	-	14,781	-
Financial institutions and organizations	94,647	-	-	-
Other institutions and organizations	1,554	-	2,717	-
Real persons	10,128	-	12,064	-
From foreign transactions	55	85,898	189	19,977
Financial institutions and organizations	-	85,898	-	19,977
Other institutions and organizations	33	-	189	-
Real persons	22	-	-	-
Total	106,384	85,898	14,970	19,977

5. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2007- None)

6. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

6.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period. (December 31, 2007- None)

6.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	20,498	19,068	15,078	14,039
Between 1-4 years	4,794	4,461	3,224	3,002
More than 4 years	-	-	2,478	2,308
Total	25,292	23,529	20,780	19,349

6.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

6.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale and lease back transactions in the current period (December 31, 2007- None).

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7. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TP	YP	TP	YP
Fair Value Hedge (*)	128,802	-	-	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	128,802	-	-	-

(*) Derivative financial instruments held for fair value hedge purposes consist of swaps. Above mentioned YTL 128,802 is the fair value differences (excluding interest and foreign currency differences) of these swaps.

8. Information on provisions

8.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	106,268	84,892
Provisions for Loans and Receivables in Group II	21,466	2,600
Provisions for Non - Cash Loans	16,038	15,120
Other	17,080	20,147
Total	160,852	122,759

8.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	5,730	48,927

(*) Netted against loans in assets.

8.3. Specific provisions for non cash loans that are not indemnified and converted into cash

The specific provision for non cash loans which are related with the cash loans in arrears and the loans which were written off from balance sheet is 49,591 YTL (December 31,2007- YTL 33,015).

8.4 Information on employee termination benefits and unused vacation accrual

Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in the TAS 19 and reflected this in the financial statements.

As of December 31, 2008, YTL 16,645 (December 31, 2007 - YTL 14,335) reserve for employee termination benefits was provided in the financial statements.

As of December 31, 2008, the Bank provided a reserve of YTL 10,087 (December 31, 2007 - YTL9,034), for the unused vacations under reserve for employee benefits account in the financial statements.

As of December 31, 2008, the Bank accounted for the bonuses and premiums of YTL 35,041 (December 31, 2007- YTL 36,811) that will be paid to the personnel, in the "Reserve for Employee Benefits" account in the financial statements.

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8.4.1. Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	14,335	12,482
Benefits paid	(2,624)	(2,189)
Arising during the year	4,934	4,042
Total	16,645	14,335

8.5. Information on other provisions

8.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	51,806	69,439

As of December 31, 2008 the Bank made YTL 51,806 provision (December 31, 2007 – YTL 69,439) for possible losses that could arise in the loans in watch list, considering their collection rates.

8.5.2 Information on other provisions

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	15,388	22,538
Other Provisions	59,969	44,680
Total	75,357	67,218

9. Taxation

9.1. Current taxes

9.1.1. Current tax liability

As of December 31, 2008, the Bank has current tax liability of YTL 40,367 (December 31, 2007 - YTL 127,554) and advance taxes of YTL 67,527 (December 31, 2007 - YTL 105,598). The Bank has netted the current tax liability and advance taxes in its financial statements.

9.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	-	21,956
Banking and Insurance Transaction Tax (BITT)	21,191	14,569
Taxation on Securities Income	7,698	3,359
Foreign Exchange Transaction Tax	-	1,390
Taxation on Real Estates Income	710	574
Other	34,975	22,367
Total	64,574	64,215

The Bank disclosed the net "Corporate Taxes Payables" in "Current Tax Assets" account by netting with advance taxes. Other taxes are shown in "Other Liabilities" account (December 31, 2007- the corporate tax payable in the amount of YTL 21,956 was accounted for in "Corporate Tax Payable" line and other taxes in "Other Liabilities").

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9.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	3,288	2,938
Social Security Premiums - Employer Share	3,503	4,163
Unemployment Insurance - Employee Share	231	207
Unemployment Insurance - Employer Share	462	414
Total	7,484	7,722

9.2. Information on deferred tax liabilities

Net deferred tax liability amounting to YTL 27,334 has been disclosed in the accompanying financial statements (December 31, 2007 - YTL 20,123 net deferred tax asset).

According to the TAS 12, the deferred tax assets and liabilities are reflected to the financial statements after netting off with each other.

The Bank has presented the net amount of deferred tax asset of YTL 44,979 (December 31, 2007 –YTL 32,861) and deferred tax liability of YTL 72,313 (December 31, 2007 –YTL 12,738) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to YTL 8,478 (December 31, 2007 –YTL 2,730 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

10. Information on payables related to assets held for sale

None. (December 31, 2007 – None)

11. Information on subordinated loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	993,482	-	-
From Other Foreign Institutions	-	308,905	-	237,739
Total	-	1,302,387	-	237,739

The Bank obtained a subordinated loan on October 7, 2004 from international markets via special purpose entities (SPE's) with leadership of an international investment bank with ten years maturity, semi annual interest payments and principal payment at the maturity amounting to USD 200 million. The interest rate of this loan is 9% and there is a repayment option at the end of the 5th year.

The Bank used 650 million US Dollar subordinated loan from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of each 5 year.

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12. Information on shareholder's equity

12.1. Paid-in capital

	Current Period	Prior Period
Common Stock	1,500,000	1,400,000
Preferred Stock	-	-

12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling
Registered Capital System	1,500,000	3,000,000

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

At the current period the capital of the Bank has been increased by YTL 100,000. YTL 70,000 of the increase is provided by the first dividend of 2007 profit and YTL 30,000 is transferred from extraordinary reserves.

Date of Increase	Amount of Increase	Cash	Reserves	Revaluation Fund
22 Eylül 2008	100,000	-	100,000	-

12.4. Information on share capital increases from revaluation funds

Revaluation of Securities	Revaluation of Tangible and Intangible Assets	Associates, Subsidiaries and Entities Under Common Control Bonus Shares Sales Profit	Other
-	-	-	-

12.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitment, all of the capital is fully paid-in.

12.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2007- None).

12.7. Information on the privileges given to stocks representing the capital

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these, after deducting the statutory and fiscal obligations of the Bank, of 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital is distributed to shareholders as first dividend and 10 % of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

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13. Common stock issue premiums, shares and equity instruments

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Number of Shares (in Thousands)	15,000,000	-	14,000,000	-
Preferred Stocks	-	-	-	-
Common Stock Issue Premium	-	-	-	-
Common Stock Cancelling Profit	-	-	-	-
Other Equity Instruments	-	-	-	-
Total Common Stock Issued	15,000,000	-	14,000,000	-

14. Securities value increase fund

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Associates, Subsidiaries and Entities under Common Control	(6,720)	-	69,759	-
Valuation Difference	(6,720)	-	69,759	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(17,762)	(14,733)	(3,653)	(111)
Valuation Difference	(17,762)	(14,733)	(3,653)	(111)
Foreign Exchange Rate Difference	-	-	-	-
Total	(24,482)	(14,733)	66,106	(111)

15. Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Deposits	78,260	29,665	68,157	27,142
Trading Purpose Derivatives	188,589	63,860	831,226	2,350
Funds Borrowed	3,801	39,530	2,516	19,680
Interbank Money Markets	135	284	27	194
Liabilities arising from hedging purpose derivatives	128,802	-	-	-
Other Accruals	5,262	3	15,311	2
Total	404,849	133,342	917,237	49,368

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III. Explanations and Disclosures Related to Off-Balance Sheet Items

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,855,262	1,565,936
Letters of Guarantee in YTL	2,182,907	2,050,555
Letters of Credit	346,071	615,825
Bills of Exchange and Acceptances	1,026,512	778,607
Other Guarantees	64,801	126,931
Total	5,475,553	5,137,854

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

100% specific provision is provided for the non-cash loans amounting to YTL 49,591 (December 31, 2007-33,015) followed in the off-balance sheet accounts that are not indemnified and liquidated.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	122,075	196,511
Final Letters of Guarantee	2,758,566	2,320,070
Advance Letters of Guarantee	335,653	294,544
Letters of Guarantee Given to Customs Offices	138,666	174,791
Other Letters of Guarantee	683,209	630,575
Total	4,038,169	3,616,491

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash		
Loans	562,159	546,694
Less Than or Equal to One Year with Original Maturity	28,029	6,198
More Than One Year with Original Maturity	534,130	540,496
Other Non-Cash Loans	4,913,394	4,591,160
Total	5,475,553	5,137,854

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3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	YTL	%	FC	%	YTL	%	FC	%
Agricultural	28,156	1.30	75,569	2.34	19,474	0.96	74,534	2.52
Farming and Raising Livestock	4,931	0.23	20,911	0.65	5,258	0.26	9,723	0.33
Forestry	22,840	1.05	53,903	1.67	14,078	0.69	63,742	2.15
Fishing	385	0.02	755	0.02	138	0.01	1,069	0.04
Manufacturing	413,122	18.92	1,828,197	56.66	442,831	21.60	1,489,590	50.32
Mining and Quarrying	12,674	0.58	18,097	0.56	24,996	1.22	21,218	0.72
Production	375,001	17.17	1,754,359	54.37	392,436	19.14	1,432,414	48.39
Electricity, gas and water	25,447	1.17	55,741	1.73	25,399	1.24	35,958	1.21
Construction	522,479	23.91	485,242	15.04	504,445	24.59	353,601	11.94
Services	975,279	44.65	723,445	22.42	1,003,017	48.91	941,433	31.80
Wholesale and Retail Trade	705,492	32.30	435,859	13.51	676,058	32.97	451,654	15.26
Hotel, Food and Beverage Services	6,431	0.29	14,720	0.46	5,785	0.28	10,344	0.35
Transportation&Communication	57,501	2.63	54,062	1.68	59,000	2.88	77,844	2.63
Financial Institutions	101,474	4.65	134,065	4.15	123,704	6.03	310,515	10.49
Real Estate and Renting Services	916	0.04	637	0.02	2,523	0.12	1,271	0.04
Self Employment Services	96,298	4.41	82,428	2.55	129,036	6.29	88,924	3.00
Educational Services	572	0.03	83	0.00	534	0.03	6	0.00
Health and Social Services	6,595	0.30	1,591	0.05	6,377	0.31	875	0.03
Other (*)	244,953	11.22	114,310	3.54	80,801	3.94	101,197	3.42
Total	2,183,989	100.00	3,226,763	100.00	2,050,568	100.00	2,960,355	100.00

(*) Does not include "Other Guarantees" amounting to YTL 64,801 (December 31, 2006- YTL 126,931).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	YTL	FC	YTL	FC
Letters of Guarantee	2,105,697	1,684,611	56,770	141,560
Bill of Exchange and Acceptances	800	989,343	-	36,308
Letters of Credit	282	343,681	-	2,109
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	64,801	-	-
Non-cash Loans	2,106,779	3,082,436	56,770	179,977

(*) Does not include 100% provisioned non cash loans amounting to YTL 49,591 that are not idemnified and liquidated.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	14,885,525	24,033,877
Forward transactions	1,073,668	3,441,907
Swap transactions	11,385,534	12,522,813
Futures transactions	206,998	197,072
Option transactions	2,219,325	7,872,085
Interest Related Derivative Transactions (II)	1,854,992	820,844
Forward rate transactions	-	-
Interest rate swap transactions	1,854,992	820,844
Interest option transactions	-	-
Futures interest transactions	-	-
Other trading derivative transactions (III)	-	-
A.Total Trading Derivative Transactions (I+II+III)	16,740,517	24,854,721
Types of hedging transactions		
Fair value hedges	7,062,243	-
Cash flow hedges	-	-
Net investment hedges	-	-
B.Total Hedging Related Derivatives	-	-
Total Derivative Transactions (A+B)	23,802,760	24,854,721

As of December 31, 2008 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their YTL equivalents:

	Forward Buy	Forward Sell	Swap Buy(*)	Swap Sell (*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
YTL	101,575	184,531	1,955,161	7,427,518	467,609	566,181	1,523	1,523
USD	281,676	199,291	6,845,210	2,726,161	642,248	493,889	101,976	101,976
EURO	124,899	129,920	935,901	47,202	9,971	9,754	-	-
OTHER	26,873	24,903	37,134	328,482	14,836	14,837	-	-
Total	535,023	538,645	9,773,406	10,529,363	1,134,664	1,084,661	103,499	103,499

(*) This account also includes hedging purpose derivatives.

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
YTL	314,557	248,262	766,799	6,054,854	1,161,138	1,162,909	11,656	11,656
USD	626,814	905,456	4,770,844	1,243,841	1,842,098	1,861,843	86,880	86,880
EURO	633,621	433,852	232,341	180,180	693,176	690,908	-	-
OTHER	148,275	131,070	72,198	22,600	229,507	230,506	-	-
Total	1,723,267	1,718,640	5,842,182	7,501,475	3,925,919	3,946,166	98,536	98,536

As of December 31, 2008, the Bank has no derivatives designated for cash flow hedges.

As of December 31, 2008, the Bank has no hedge of net investment in foreign operations.

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6. Information on contingent liabilities and assets

None. (December 31, 2007 – None)

7. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

8. Information on the Bank's rating by international rating institutions

MOODY's October 2008		FITCH September 2008		CI September 2008	
Long term deposit (foreign currency)	B1	Long term foreign currency		Long term foreign currency	BB-
	A3	Short term foreign currency		Short term foreign currency	B
Long term deposit (YTL)	Prime-2	Long term YTL		Financial strength at local market	BBB+
Short term YTL	C-	Short term YTL		Support	2
Financial strength	Stable	Long term national Outlook		AAA Outlook	Stable
Outlook		Individual Support		Stable C 3T	

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IV. EXPLANATIONS ON DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest on loans(*)				
Short Term Loans	1,602,273	85,635	1,161,127	73,814
Medium and Long-term Loans	1,197,393	90,087	928,345	111,687
Loans Under Follow-up	17,228	-	15,875	3,242
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	2,816,894	175,722	2,105,347	188,743

(*) Includes fees and commissions obtained from cash loans amounting to YTL 177,869 (December 31, 2007 - YTL 135,990)

b) Information on interest income from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	63,786	3,051	47,194	13,058
Domestic Banks	4,438	639	2,667	184
Foreign Banks	18,200	25,324	53,718	43,013
Foreign Headquarters and Branches	-	-	-	-
Total	86,424	29,014	103,579	56,255

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	14,827	-	-	-
Financial Assets at FVTPL	52,293	-	16,403	-
Financial Assets Available for Sale	384,604	24,472	345,015	25,792
Investments Held to Maturity	109,220	-	-	-
Total	560,944	24,472	361,418	25,792

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	-	-

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2. Interest expense

a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	10,336	2,902	8,699	3,141
Foreign Banks	44,063	168,302	40,195	170,725
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	54,399	171,204	48,894	173,866

(*) Includes fees and commissions expenses paid for borrowings amounting to YTL 7,859 (December 31, 2007 - YTL 5,669)

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	811	537

c) Information on interest expense paid to securities issued: None. (December 31, 2007 – None)

d) Information on maturity structure of interest expenses on deposits (Current Period)

Account	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	26,644	854	-	-	491	-	27,989
Saving Deposits	42	472,917	494,730	17,307	2,870	1,060	-	988,926
Public Sector Deposits	53	933	3,512	17	1	-	-	4,516
Commercial Deposits	26	182,683	89,631	7,455	1,845	85	-	281,725
Other Deposits	14	13,210	34,267	2,729	95	-	-	50,315
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	135	696,387	622,994	27,508	4,811	1,636	-	1,353,471
Foreign Currency								
Foreign Currency Deposits	12	107,330	87,662	13,587	6,540	10	1,172	216,313
Bank Deposits	703	12,321	4,263	839	6,142	17,356	-	41,624
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	715	119,651	91,925	14,426	12,682	17,366	1,172	257,937
Grand Total	850	816,038	714,919	41,934	17,493	19,002	1,172	1,611,408

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Information on maturity structure of interest expense on deposits (Prior Period)

Account	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
New Turkish Lira								
Bank Deposits	-	22,673	-	-	1,193	-	-	23,866
Saving Deposits	9	349,863	292,783	43,303	2,319	680	-	688,957
Public Sector Deposits	5	599	390	8	-	-	-	1,002
Commercial Deposits	20	109,635	21,466	8,360	11,799	105	-	151,385
Other Deposits	5	6,128	2,577	1,582	19	-	-	10,311
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	39	488,898	317,216	53,253	15,330	785	-	875,521
Foreign Currency								
Foreign Currency Deposits	94	118,413	56,347	10,618	5,750	221	630	192,073
Bank Deposits	634	19,192	-	-	-	-	-	19,826
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	728	137,605	56,347	10,618	5,750	221	630	211,899
Grand Total	767	626,503	373,563	63,871	21,080	1,006	630	1,087,420

e) **Information on interest expense on repurchase agreements**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expense on Repurchase Agreements(*)	161,797	946	75,372	1,376

(*) Disclosed in "Interest on Money Market Transactions"

f) **Information on finance lease expense**

	Current Period	Prior Period
Finance Lease Expenses	2,099	1,772

g) **Information on interest expense on factoring payables**

None. (December 31, 2007 – None)

3. **Information on dividend income**

	Current Period	Prior Period
Trading Securities	-	-
Financial Assets at Fair Value Through Profit/Loss	-	-
Investment Securities Available for Sale	5,821	-
Other (*)	15,650	1,210
Total	21,471	1,210

(*)YTL 15,650 (December 31,2007- YTL 1,210) dividend income comes from the bonus shares of Finans Finansal Kiralama A.S. and Finans Yatirim Ortakligi A.S.

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4. Information on trading income/loss

	Current Period	Prior Period
Income	9,355,433	3,943,403
Trading Account Income	2,158,320	959,296
Derivative Financial Instruments	2,075,099	914,007
Other	83,221	45,289
Foreign Exchange Gains	7,197,113	2,984,107
Loss (-)	9,643,112	4,234,892
Trading Account Losses	2,442,148	1,289,433
Derivative Financial Instruments	2,392,553	1,267,529
Other	49,595	21,904
Foreign Exchange Losses	7,200,964	2,945,459
Net Trading Income/Loss	(287,679)	(291,489)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	457,106	214,125
Loans and Receivables in Group III	138,752	14,604
Loans and Receivables in Group IV	73,468	58,018
Loans and Receivables in Group V	244,886	141,503
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	41,157	34,954
Provision for Free Reserves on Possible Losses	-	-
Impairment Losses on Securities	13	-
Financial assets at fair value through profit or loss	13	-
Financial Assets - Available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Held-to-maturity investment securities	-	-
Other	15,876	24,483
Total	514,152	273,562

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7. Information on other operating expense

	Current Period	Prior Period
Personnel costs	464,599	390,090
Reserve for employee termination benefits	2,310	1,853
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation expenses of tangible assets	59,917	46,072
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization expenses of intangible assets	12,512	10,629
Impairment losses on investments accounted for under equity method	-	-
Impairment losses on assets to be disposed	-	67
Depreciation on assets to be disposed	677	1,430
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	418,801	389,333
Operational lease expenses	72,233	55,924
Repair and maintenance expenses	24,006	17,538
Advertisement expenses	62,356	50,093
Other expenses	260,206	265,778
Losses on sales of assets	169	16
Other	147,239	49,219
Total	1,106,224	888,709

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

For the period ended December 31, 2008, net interest income of YTL 1,707,388 (December 31, 2007 – YTL 1,462,694), net fees and commission income of YTL 575,346 (December 31, 2007 – YTL 414,212) and other operating income of YTL 105,909 (December 31, 2007 – YTL 136,990) constitute an important part of the income.

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9. Explanations on tax provision for continued and discontinued operations

9.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of December 31, 2008, the Bank recorded tax charge of YTL 80,746 (December 31, 2007 – YTL 53,386) and a deferred tax charge of YTL 58,665 (December 31, 2007 – YTL 44,766 benefit).

	Current Period	Prior Period
Corporate Tax Provision	40,367	129,736
Adjustment to Prior Period Corporate Tax	38,881(*)	(76,350)**)
Prior Period Corporate Tax That was Paid in the Current Period	1,498	-
Total	80,746	53,386

(*) The Bank has applied for the settlement of the lawsuit filed against the tax authority by renouncing the total amount of YTL 121,739 for the overpaid tax due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income base, in line with Article 3 of Tax Law No 5736. The application for the settlement of the previously filed lawsuit has been made to be able to use 65 percent of losses realized amounting to YTL 363,733 due to inflation accounting as previous year losses and deduct the amount from the previous year corporate tax base. The tax amount of YTL 38,881 paid to the tax authority due to the settlement has been accounted for under “current tax charge” in the accompanying financial statements at December 31, 2008.

(**) Due to the fact that it was not allowed to deduct the losses incurred because of the inflation accounting application in 2001 calendar year from the corporate income in 2004 calendar year the Bank filed a lawsuit demanding the cancellation and redemption of the additional tax paid resulted in favor of the Bank. Hence, as of December 31, 2007 YTL 76,350 has been offset against the taxes that would be paid and accounted for under “current tax charge” account.

9.2. Explanations on operating profit/loss after taxes

None. (December 31, 2007 – None)

10. Explanations on net profit/(loss) from continued and discontinued operations:

The net profit of the bank from continued operations is YTL 362,648 (December 31, 2007- YTL 552,726)

11. Explanations on net income/loss for the period

11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period

None. (December 31, 2007 – None)

11.2. Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods

None. (December 31, 2007 – None)

11.3. Profit or loss attributable to minority shares

None. (December 31, 2007 – None)

11.4. Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods

None. (December 31, 2007 – None)

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12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Other fee and commission income include, credit card fee and commissions amounting to YTL 398,372 (December 31, 2007 – YTL 266,375), transfer commissions amounting to YTL 23,886 (December 31, 2007 YTL 21,474) and insurance commissions amounting to YTL 26,004 (December 31, 2007 YTL 19,078).

Other fee and commission expenses include credit card fees and commissions amounting to YTL 52,387 (December 31, 2007 – YTL 42,204).

V. Explanations and Disclosures Related with Statement of Changes In Shareholders' Equity

1. Changes resulting from valuation of available for sale securities

The decrease of YTL 39,215 after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

Foreign currency denominated investments in subsidiaries and borrowings used for acquiring of those subsidiaries are accounted for at their original foreign currency cost translated into Turkish Lira using the exchange rates prevailing at the transaction date.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no dividend distribution announced before the release of the accompanying financial statements. At the General Assembly dated March 27, 2008, it was decided to distribute the 2007 profit as below

2007 profit distribution table:

Current year profit	552,726
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(27,636)
B - The First Dividend for Shareholders	(70,000)
C - To be Paid to Founder Shareholders	(43,497)
D - II. Legal Reserve (Turkish Commercial Code 466/2)	(4,350)
E - Extraordinary Reserves	(407,243)

3.2. Dividends per share proposed subsequent to the balance sheet date

None (December 31, 2007- None).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	31,986	43,459

4. Issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2007- None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

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5. Information on the other capital increase items in the statement of changes in shareholders' equity

In the current year the Bank issued bonus shares due to capital increase of YTL 70,000 (31 December 2007- YTL 62,500) provided by the dividend of 2007 and YTL 30,000 (31 December 2007- YTL 87,500) transferred from the extraordinary reserves.

VI. Explanations and Disclosures Related to Cash Flow Statement

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

“Other items” amounting to YTL 947,929 (December 31, 2007 – YTL 75,624) in “Operating income before changes in operating assets and liabilities” consist of commissions paid by YTL 61,305 (December 31, 2007 – YTL 64,441), net trading income by YTL 606,741 (December 31, 2007 – YTL 66,309) and other operating expenses by YTL 140,451 (December 31, 2007 – YTL 52,253).

“Other items” in changes in operating assets amounting to YTL 131,353 (December 31, 2007- YTL 855,552) consist of the decrease in other assets by YTL 160,958 (December 31, 2007- YTL 912,488 decrease) and the increase in intangible assets by YTL 31,606 (December 31, 2007- YTL 56,936 increase).

“Other items” in changes in operating liabilities amounting to YTL 613,104 (December 31, 2007- YTL 400,164) consist of the increase in money market borrowings by YTL 307,255 (December 31, 2007- YTL 16,909 increase) and the increase in other liabilities by YTL 305,849 (December 31, 2007- YTL 383,255 increase).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2008	January 1, 2007
Cash	193,054	148,561
Cash in YTL	95,034	74,789
Cash in Foreign Currencies	97,375	73,628
Other	645	144
Cash Equivalents	1,671,384	3,611,230
Balances with the Central Bank of Turkey	1,019,872	1,443,899
Banks and Other Financial Institutions	680,747	2,193,306
Interbank Money Market Placements	-	-
Less: Placements with Banks with Maturities		
Longer than 3 Months	(8,955)	(9,055)
Less: Accruals	(20,280)	(16,920)
Cash and Cash Equivalents	1,864,438	3,759,791

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

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3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2008	December 31, 2007
Cash	224,766	193,054
Cash in YTL	100,557	95,034
Cash in Foreign Currencies	121,325	97,375
Other	2,884	645
Cash Equivalents	1,710,162	1,671,384
Balances with the Central Bank of Turkey	1,349,821	1,019,872
Banks and Other Financial Institutions	385,514	680,747
Interbank Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(2,183)	(8,955)
Less: Accruals	(22,990)	(20,280)
Cash and Cash Equivalents	1,934,928	1,864,438

4. Restricted cash and cash equivalents due to legal requirements or other reasons

Restricted cash and cash equivalents include YTL 83,784 (December 31, 2007 YTL 43,165) cash at foreign banks held for transactions made for foreign money and capital markets transactions and borrowings from foreign markets which are not ready to daily use.

5. Additional information

5.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment

None. (December 31, 2007 – None)

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VII. Explanations and Disclosures Related to the Bank's Risk Group

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

- 1.1. As of December 31, 2008, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to YTL 742,338 (December 31, 2007-1,076,493), YTL 40,355 (December 31, 2007- YTL 59,374) and YTL 8,564 (December 31, 2007-11,106), respectively.

Current Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	860	5,822	-	-	58,514	5,284
Balance at the End of the Period	-	5,308	-	-	40,355	3,256
Interest and Commission Income	-	29	-	-	3,639	42

Prior Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	6,706	-	-	54,608	25,189
Balance at the End of the Period	860	5,822	-	-	58,514	5,284
Interest and Commission Income	-	3	-	-	1,718	10

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the loans given to the Bank's indirect subsidiaries.

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

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1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	35,959	29,204	583,136	1,742,968	457,398	1,686
Balance at the End of the Period	76,320	35,959	529,562	583,136	136,456	457,398
Interest on deposits	811	537	43,787	29,648	23,073	9,246

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the deposits received from the Bank's indirect subsidiaries.

1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	47,848	654,886	-	1,113,528	600,999
End of the Period	1,151	-	70,407	654,886	748,943	1,113,528
Total Income/Loss (***)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the derivatives transactions entered into with the Bank's indirect subsidiaries.

(***) The amount of income/loss from trading transactions with group entities cannot be separated from total income/loss.

The Bank used 650 million US Dollar subordinated loan from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of each 5 year.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

The Bank has sold its subsidiary "Finans Malta Holdings Ltd."s shares on February 24, 2009 for Euro 185 million to NBG International Holdings B.V. fully paid in cash. The nominal value of these shares was Euro 110,001,490 corresponding to 99.99% of the capital.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would effect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

In accordance with Law No: 5083 "Law on the Currency Unit of the Republic of Turkey", the name of the Republic of Turkey's monetary unit and its sub-currency unit is changed to the New Turkish Lira (TRY) and the New Kuruş (NKr), respectively. However, in accordance with the additional order of the Council of Ministers in regards to the Order on the Removal of the Expression "New" in the New Turkish Lira and the New Kuruş and Its Application Principles, the expression "New" used in the Republic of Turkey's monetary unit is removed both from TRY and NKr as of January 1, 2009.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent auditor's report dated March 13, 2009 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditor

None. (December 31, 2007 – None)