

(Convenience Translation of Consolidated Financial Report Originally Issued in Turkish)

Tekstil Bankası Anonim Şirketi

Consolidated Interim Financial Statements

As of and for the Period Ended

30 September 2010

With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi
10 November 2010

*This report contains 1 page of
independent auditor's review report
and 56 pages of consolidated financial
statements together with their
explanatory notes.*

**Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish (See Note 3.I)**

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

We have reviewed the consolidated financial statements of Tekstil Bankası Anonim Şirketi (“the Bank”) and its subsidiaries, which comprise the consolidated balance sheet as at 30 September 2010, and the consolidated statements of income, changes in equity and cash flows for the nine month interim period then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Bank’s management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations related with the “Accounting and Recording Rules” and “Independent Auditing Standards” of the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiaries as at 30 September 2010, and of the results of its operations and its cash flows for the nine month interim period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and directives announced by the Banking Regulation and Supervision Agency.

Istanbul,
10 November 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Orhan Akova
Partner

Additional paragraph for convenience translation to English:

As explained in Note 3.I, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

TEKSTİL BANKASI A. Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 SEPTEMBER 2010

Address of the Bank's

Headquarters: : Büyükdere Caddesi No: 63 34398 Maslak - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.tekstilbank.com.tr

The interim consolidated financial report prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REVIEW REPORT

The subsidiaries, associates and jointly controlled companies included in the interim consolidated financial report are as follows:

1. **Tekstil Yatırım Menkul Değerler A.Ş.**
2. **The Euro Textile International Banking Unit Ltd.**

The interim consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira.

Akgün TÜRER	İ.Sencan DEREBEYOĞLU	H.Çim GÜZELAYDINLI	Nuriye PLOTKIN	M.Sercan ÇOBAN
Chairman of Board of Directors and Audit Committee	Member of Board of Directors and Audit Committee	Chief Executive Officer and Member of Board of Directors	Executive Vice President in charge of Financial Reporting	Unit Manager

Contact information for questions on this financial report:

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SECTION ONE GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Tekstil Bankası A.Ş. ("the Parent Bank") was established on 29 April 1986, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 24 June 1985 and started its operations on 13 October 1986. "Articles of Association" of the Bank was published in the Official Gazette dated 31 January 1986. The statute of the Parent Bank was not changed since its establishment.

II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to

The capital of the Parent Bank is TL 420,000 as at 30 September 2010 and is fully paid. GSD Holding Anonim Şirketi ("GSD Holding") owns 75.50% of the outstanding shares of the Bank. The Bank is a subsidiary of GSD Holding. Remaining shares have been listed on Istanbul Stock Exchange since 23 May 1990.

The ultimate business of GSD Holding, which was initially established as a foreign trade company in 1986 and became a holding company to build a more efficient corporate structure for GSD Group Companies in 1996, is management of assets. GSD Holding also aims to manage the growth of the Group, finance and invest in profitable businesses. GSD Holding's shares have been listed on Istanbul Stock Exchange since November 1999. Almost all of its shares, which have nominal value of TL 250,000 as at 30 September 2010, are held by public.

Main operations of GSD Group Companies are;

Foreign Trade:	GSD Dış Ticaret A.Ş.
Banking:	Tekstil Bankası A.Ş., GSD Yatırım Bankası A.Ş., The Euro Textile International Banking Unit Ltd ("ETB")
Financial Services:	Tekstil Finansal Kiralama A.Ş., Tekstil Faktoring Hizmetleri A.Ş., Tekstil Yatırım Menkul Değerler A.Ş. ("Tekstil Yatırım")
Others:	Tekstil Bilişim Hizmetleri ve Ticaret A.Ş., GSD International Ltd., GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Plan Proje Etüd A.Ş., GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Bank's shares they hold

Title	Name	Job Description	Education
Chairman of the Board of Directors and Audit Committee	Akgün TÜRER	Chairman of the Board of Directors and Audit Committee	Graduate
Member of Audit Committee:	I.Sencan DEREBEYOĞLU	Member of Audit Committee and Board of Directors	Graduate
Member of Board of Directors:	I.Sühan ÖZKAN	Vice Chairman of Board of Directors	Under-Graduate
	Cezmi ÖZTÜRK	Member	Under-Graduate
	Murat ATIM	Member	Under-Graduate
General Manager:	H. Çim GÜZELAYDINLI	Chief Executive Officer and Member of Board of Directors	Graduate
Head of Board of Inspectors:	Senan DAĞAL	President of Inspectors' Group	Under-Graduate
Executive Vice Presidents:	Ümit ALTINAY (*)	Information Technologies and Operations Group (*)	Graduate
	Nuriye PLOTKIN	Financial Control Group	Under-Graduate
	D.Halit DÖVER	International Relations Group	Graduate
	Bozok EVRENOSOĞLU (**)	Loans Group	Under-Graduate
	Hüseyin H. İMECE	Treasury and Investors Relations Group	Under-Graduate
	Başbuğ Y. SAMANCIOĞLU	Corporate and Commercial Banking Group	Under-Graduate
Statutory Auditors:	M.Sedat ÖZKANLI	Statutory Auditor	Under-Graduate
	Sedat TEMELTAŞ	Statutory Auditor	Under-Graduate

(*) Yasef Coyaş; Executive Vice President of "Operations and Support Group" has resigned in April 2010. "Operations and Support Group" and "Information Technologies and Organization Group" were gathered under the responsibility of Ümit Altınay and reorganized as "Information Technologies and Operations Group".

(**) Bozok Evrenosoğlu was appointed as the Executive Vice President of Loans Group in May 2010.

These people mentioned above do not own any share of the Bank.

IV. Type of services provided and the areas of operations of the Bank

The operations of the Parent Bank consist of corporate and commercial banking services, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Bank also operates, through its branches, as insurance agent of Güneş Sigorta A.Ş., Aviva Sigorta A.Ş., Vakıf Emeklilik A.Ş., Ergo Emeklilik ve Hayat A.Ş. and Acıbadem Sigorta A.Ş.

As at 30 September 2010, the Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Bank has 916 employees as at 30 September 2010 (As at 31 December 2009 number of branches was 45, number of employees was 940).

The Parent Bank and its subsidiaries Tekstil Yatırım Menkul Değerler A.Ş. and The Euro Textile International Banking Unit Ltd. have been consolidated. The Parent Bank and its subsidiaries are named as "the Group" as a whole.

As at 30 September 2010, the Group has 974 employees (31 December 2009: 984).

V. Other information

Bank's Official Title	: Tekstil Bankası Anonim Şirketi
Reporting Period	: 1 January – 30 September 2010
Address of Bank's Headquarters	: Büyükdere Caddesi No: 63 34398 Maslak - Istanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank's Internet Address	: www.tekstilbank.com.tr
Reporting currency	: Thousands of Turkish Lira

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

ASSETS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		30/09/2010			31/12/2009		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	43,546	72,571	116,117	58,837	82,359	141,196
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	2,223	3,260	5,483	918	2,883	3,801
2.1 Trading Securities		2,223	3,260	5,483	918	2,883	3,801
2.1.1 Public Sector Debt Securities		88	332	420	296	410	706
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Positive Value of Trading Derivatives		1,638	2,928	4,566	622	2,473	3,095
2.1.4 Other Securities		497	-	497	-	-	-
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	5,009	58,075	63,084	12	59,443	59,455
IV. INTERBANK MONEY MARKET		-	-	-	-	-	-
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)	(5.1.4)	287,807	19,301	307,108	209,864	20,578	230,442
5.1 Share Certificates		-	268	268	-	278	278
5.2 Public Sector Debt Securities		287,807	10,451	298,258	209,864	9,936	219,800
5.3 Other Securities		-	8,582	8,582	-	10,364	10,364
VI. LOANS	(5.1.5)	1,246,762	303,784	1,550,546	1,363,686	223,877	1,587,563
6.1 Loans		1,207,611	303,784	1,511,395	1,321,808	223,877	1,545,685
6.1.1 Loans Utilized to the Bank's Risk Group		26,405	92	26,497	71,035	7,662	78,697
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		1,181,206	303,692	1,484,898	1,250,773	216,215	1,466,988
6.2 Loans under Follow-Up		96,523	-	96,523	98,390	-	98,390
6.3 Specific Provisions (-)		57,372	-	57,372	56,512	-	56,512
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Public Sector Debt Securities		-	-	-	-	-	-
8.2 Other Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	1	-	1	50	-	50
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		1	-	1	50	-	50
9.2.1 Financial Associates		1	-	1	50	-	50
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	48	-	48	54	-	54
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		48	-	48	54	-	54
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. HEDGING DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		68,155	2	68,157	71,212	2	71,214
XV. INTANGIBLE ASSETS (Net)		1,737	-	1,737	2,048	-	2,048
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		1,737	-	1,737	2,048	-	2,048
XVI. INVESTMENT PROPERTY (Net)	(5.1.12)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.13)	1,431	-	1,431	2,022	-	2,022
17.1 Current Tax Assets		-	-	-	-	-	-
17.2 Deferred Tax Assets		1,431	-	1,431	2,022	-	2,022
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.14)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.15)	43,558	3,385	46,943	39,315	2,847	42,162
TOTAL ASSETS		1,700,277	460,378	2,160,655	1,748,018	391,989	2,140,007

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			30/09/2010			31/12/2009		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	746,743	657,733	1,404,476	724,391	735,912	1,460,303	
1.1 Deposits of the Bank's Risk Group		48,693	11,577	60,270	23,245	20,608	43,853	
1.2 Others		698,050	646,156	1,344,206	701,146	715,304	1,416,450	
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)	1,827	2,155	3,982	1,137	2,507	3,644	
III. FUNDS BORROWED	(5.II.3)	13,381	38,794	52,175	7,588	138,778	146,366	
IV. DUE TO MONEY MARKETS		140,368	-	140,368	5,653	-	5,653	
4.1 Interbank Money Market		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange		5,009	-	5,009	-	-	-	
4.3 Obligations under Repurchase Agreements		135,359	-	135,359	5,653	-	5,653	
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-	
5.1 Bills		-	-	-	-	-	-	
5.2 Asset Backed Securities		-	-	-	-	-	-	
5.3 Bonds		-	-	-	-	-	-	
VI. FUNDS		-	-	-	-	-	-	
6.1 Bank Borrowers' Funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES		12,532	1,770	14,302	9,157	512	9,669	
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	31,541	8,647	40,188	22,932	5,653	28,585	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.II.5)	-	6	6	-	137	137	
10.1 Financial Lease Payables		-	6	6	-	141	141	
10.2 Operational Lease Payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	-	4	4	
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)	-	-	-	-	-	-	
11.1 Fair Value Hedge		-	-	-	-	-	-	
11.2 Cash Flow Hedge		-	-	-	-	-	-	
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	
XII. PROVISIONS	(5.II.7)	17,799	-	17,799	17,483	-	17,483	
12.1 General Provisions		9,886	-	9,886	9,777	-	9,777	
12.2 Restructuring Provisions		-	-	-	-	-	-	
12.3 Reserve for Employee Benefits		4,945	-	4,945	4,665	-	4,665	
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-	
12.5 Other Provisions		2,968	-	2,968	3,041	-	3,041	
XIII. TAX LIABILITIES	(5.II.8)	5,861	-	5,861	5,355	1	5,356	
13.1 Current Tax Liability		5,861	-	5,861	5,355	1	5,356	
13.2 Deferred Tax Liability		-	-	-	-	-	-	
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-	
14.1 Held For Sale		-	-	-	-	-	-	
14.2 Discontinued Operations		-	-	-	-	-	-	
XV. SUBORDINATED LOANS		-	-	-	-	-	-	
XVI. SHAREHOLDERS' EQUITY	(5.II.9)	480,493	1,005	481,498	462,311	500	462,811	
16.1 Paid-In Capital		420,000	-	420,000	420,000	-	420,000	
16.2 Supplementary Capital		9,992	1,005	10,997	7,795	500	8,295	
16.2.1 Share Premium		(814)	-	(814)	(814)	-	(814)	
16.2.2 Share Cancellation Profits		-	-	-	-	-	-	
16.2.3 Valuation Differences of Securities		5,779	1,005	6,784	3,582	500	4,082	
16.2.4 Revaluation Fund on Tangible Assets		5,027	-	5,027	5,027	-	5,027	
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-	
16.2.6 Revaluation Fund on Investment Property		-	-	-	-	-	-	
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-	
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-	
16.2.10 Other Supplementary Capital		-	-	-	-	-	-	
16.3 Profit Reserves		34,516	-	34,516	18,357	-	18,357	
16.3.1 Legal Reserves		4,929	-	4,929	4,252	-	4,252	
16.3.2 Status Reserves		-	-	-	-	-	-	
16.3.3 Extraordinary Reserves		29,587	-	29,587	14,105	-	14,105	
16.3.4 Other Profit Reserves		-	-	-	-	-	-	
16.4 Profit or Loss		15,985	-	15,985	16,159	-	16,159	
16.4.1 Prior Periods' Profit or Loss		-	-	-	-	-	-	
16.4.2 Current Period Profit or Loss		15,985	-	15,985	16,159	-	16,159	
16.5 Minority Shares		-	-	-	-	-	-	
TOTAL LIABILITIES AND EQUITY		1,450,545	710,110	2,160,655	1,256,007	884,000	2,140,007	

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS
AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		30/09/2010			31/12/2009		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		6,368,543	1,085,459	7,454,002	1,172,498	1,685,834	2,858,332
I. GUARANTEES	(5.IV.1)	424,988	392,725	817,713	375,483	380,083	755,566
1.1. Letters of Guarantee		424,988	306,177	731,165	375,472	283,023	658,495
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		424,988	306,177	731,165	375,472	283,023	658,495
1.2. Bank Acceptances		-	1,980	1,980	-	305	305
1.2.1. Import Letter of Acceptance		-	1,980	1,980	-	305	305
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	65,884	65,884	11	70,629	70,640
1.3.1. Documentary Letters of Credit		-	30,399	30,399	-	46,361	46,361
1.3.2. Other Letters of Credit		-	35,485	35,485	11	24,268	24,279
1.4. Prefinancing Given As Guarantee		-	1,352	1,352	-	1,402	1,402
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		-	17,332	17,332	-	24,724	24,724
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	5,565,365	-	5,565,365	308,311	-	308,311
2.1. Irrevocable Commitments		311,422	-	311,422	308,311	-	308,311
2.1.1. Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		40,373	-	40,373	38,723	-	38,723
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		75,693	-	75,693	68,107	-	68,107
2.1.8. Tax and Fund Obligations from Export Commitments		12	-	12	63	-	63
2.1.9. Commitments for Credit Card Limits		194,699	-	194,699	200,692	-	200,692
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		645	-	645	726	-	726
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		5,253,943	-	5,253,943	-	-	-
2.2.1. Revocable Loan Granting Commitments		5,253,943	-	5,253,943	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		378,190	692,734	1,070,924	488,704	1,305,751	1,794,455
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		378,190	692,734	1,070,924	488,704	1,305,751	1,794,455
3.2.1. Forward Foreign Currency Purchases/Sales		58,413	219,361	277,774	77,752	462,172	539,924
3.2.1.1. Forward Foreign Currency Purchases		29,549	109,636	139,185	27,273	242,269	269,542
3.2.1.2. Forward Foreign Currency Sales		28,864	109,725	138,589	50,479	219,903	270,382
3.2.2. Currency and Interest Rate Swaps		31,308	149,606	180,914	210,231	623,017	833,248
3.2.2.1. Currency Swaps-Purchases		-	90,633	90,633	-	416,796	416,796
3.2.2.2. Currency Swaps-Sales		31,308	58,973	90,281	210,231	206,221	416,452
3.2.2.3. Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4. Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3. Currency, Interest Rate and Security Options		288,469	323,767	612,236	200,721	220,562	421,283
3.2.3.1. Currency Options-Purchases		141,745	164,516	306,261	100,633	110,017	210,650
3.2.3.2. Currency Options-Sales		146,724	159,251	305,975	100,088	110,545	210,633
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		-	-	-	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		1,584,813	710,703	2,295,516	1,487,634	724,723	2,212,357
IV. ITEMS HELD IN CUSTODY		170,503	20,482	190,985	136,545	24,722	161,267
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		99,905	7,350	107,255	81,524	7,726	89,250
4.3. Checks Received for Collection		47,636	2,493	50,129	38,190	3,174	41,364
4.4. Commercial Notes Received for Collection		17,121	5,680	22,801	11,843	7,231	19,074
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		92	-	92	82	-	82
4.8. Custodians		5,749	4,959	10,708	4,906	6,591	11,497
V. PLEDGED ITEMS		1,414,310	689,931	2,104,241	1,351,089	700,001	2,051,090
5.1. Securities		4,476	-	4,476	5,447	-	5,447
5.2. Guarantee Notes		4,447	10,778	15,225	3,178	10,971	14,149
5.3. Commodities		51,422	21,171	72,593	54,894	37,164	92,058
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		1,053,864	559,503	1,613,367	1,033,440	578,569	1,612,009
5.6. Other Pledged Items		300,101	98,479	398,580	254,130	73,297	327,427
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	290	290	-	-	-
TOTAL OFF BALANCE SHEET ITEMS (A+B)		7,953,356	1,796,162	9,749,518	2,660,132	2,410,557	5,070,689

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA			
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2010 - 30/09/2010)	(01/01/2009 - 30/09/2009)	(01/07/2010 - 30/09/2010)	(01/07/2009 - 30/09/2009)
I. INTEREST INCOME	(5.III.1)	141,807	205,015	47,587	59,161
1.1 Interest from Loans		116,416	163,039	38,256	46,055
1.2 Interest from Reserve Deposits		-	74	-	-
1.3 Interest from Banks		2,158	5,988	722	1,051
1.4 Interest from Money Market Transactions		38	4,849	6	96
1.5 Interest from Securities Portfolio		21,767	30,992	7,903	11,890
1.5.1 Trading Securities		50	87	24	23
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		21,717	28,575	7,879	11,867
1.5.4 Held to Maturity Securities		-	2,330	-	-
1.6 Interest from Financial Leases		-	-	-	-
1.7 Other Interest Income		1,428	73	700	69
II. INTEREST EXPENSE	(5.III.2)	65,197	103,263	23,157	26,235
2.1 Interest on Deposits		58,140	88,571	20,975	24,121
2.2 Interest on Funds Borrowed		2,970	13,712	751	1,928
2.3 Interest on Money Market Transactions		3,980	814	1,430	175
2.4 Interest on Securities Issued		-	-	-	-
2.5 Other Interest Expense		107	166	1	11
III. NET INTEREST INCOME (I - II)		76,610	101,752	24,430	32,926
IV. NET FEE AND COMMISSION INCOME		15,004	17,312	5,116	5,384
4.1 Fees and Commissions Received		17,821	20,594	5,976	6,562
4.1.1 Non-Cash Loans		5,596	8,487	2,276	2,426
4.1.2 Other		12,225	12,107	3,700	4,136
4.2 Fees and Commissions Paid		2,817	3,282	860	1,178
4.2.1 Non-Cash Loans		104	245	37	136
4.2.2 Other		2,713	3,037	823	1,042
V. DIVIDEND INCOME		-	-	-	-
VI. TRADING INCOME/LOSS (Net)	(5.III.3)	7,953	16,238	3,279	3,712
6.1 Profit / Loss on Trading Account Securities		5,587	10,509	1,242	1,901
6.2 Derivative Instruments Gain / Loss		(13,795)	(4,309)	2,546	(2,773)
6.3 Foreign Exchange Gain / Loss		16,161	10,038	(509)	4,584
VII. OTHER OPERATING INCOME	(5.III.4)	12,218	8,395	3,481	1,597
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		111,785	143,697	36,306	43,619
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.5)	14,999	45,403	6,208	15,681
X. OTHER OPERATING EXPENSES (-)	(5.III.6)	75,040	80,448	25,552	24,527
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		21,746	17,846	4,546	3,411
XII. NEGATIVE GOODWILL		-	-	-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		21,746	17,846	4,546	3,411
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.7)	(5,761)	(2,790)	(2,207)	(503)
16.1 Current Tax Provision		(5,392)	(1,790)	(1,982)	(820)
16.2 Deferred Tax Provision		(369)	(1,000)	(225)	317
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		15,985	15,056	2,339	2,908
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Assets Held for Sale		-	-	-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Current Tax Provision		-	-	-	-
21.2 Deferred Tax Provision		-	-	-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XVIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.8)	15,985	15,056	2,339	2,908
23.1 Group's Profit / Loss		15,985	15,056	2,339	2,908
23.2 Minority Shares		-	-	-	-
Earnings / Losses per Share (Full TL)		0.0038	0.0036	0.0006	0.0007

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

TEKSTIL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2010 - 30/09/2010)	PRIOR PERIOD (01/01/2009 - 30/09/2009)
I. ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	2,924	5,319
II. REVALUATION ON TANGIBLE ASSETS	-	138
III. REVALUATION ON INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES	-	-
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAXES ON VALUATION DIFFERENCES	(222)	(7)
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	2,702	5,450
XI. CURRENT PERIOD PROFIT/LOSS	15,985	15,056
11.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	338	(952)
11.2 Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-
11.3 Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-
11.4 Others	15,647	16,008
XII. TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	18,687	20,506

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

CHANGES IN SHAREHOLDERS' EQUITY	Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Difference of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Rev. Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Minority Shares	Total Shareholders' Equity	
PRIOUR PERIOD																			
30/09/2009																			
I. Balances at the Beginning of Period-01/01/2009	420,000	-	(814)	-	3,623	-	9,468	-	5,266	-	(963)	4,896	-	-	-	441,476	-	441,476	
II. Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Beginning Balance (I + II)	420,000	-	(814)	-	3,623	-	9,468	-	5,266	-	(963)	4,896	-	-	-	441,476	-	441,476	
Changes in the Period																			
IV. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	5,319	-	-	-	-	5,319	-	5,319	
VI. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	131	-	-	-	131	-	131	
VIII. Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Capital Bonus of Associates,Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2 Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Issuences of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIX. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	15,056	-	-	-	-	-	-	15,056	-	15,056	
XX. Profit Distribution	-	-	-	-	629	-	4,637	-	(5,266)	-	-	-	-	-	-	-	-	-	
20.1 Dividends	-	-	-	-	629	-	4,637	-	(5,266)	-	-	-	-	-	-	-	-	-	
20.2 Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the End of Period (III+IV+V...+XVIII+XIX+XX) - 30/09/2009	420,000	-	(814)	-	4,252	-	14,105	-	15,056	-	4,356	5,027	-	-	-	461,982	-	461,982	
CURRENT PERIOD																			
30/09/2010																			
I. Balances at the Beginning of Period-01/01/2010	420,000	-	(814)	-	4,252	-	14,105	-	16,159	-	4,082	5,027	-	-	-	462,811	-	462,811	
Changes in the Period																			
II. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	2,702	-	-	-	-	2,702	-	2,702	
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital Bonus of Associates,Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2 Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Issuences of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	15,985	-	-	-	-	-	-	15,985	-	15,985	
XVIII. Profit Distribution	-	-	-	-	677	-	15,482	-	(16,159)	-	-	-	-	-	-	-	-	-	
18.1 Dividends	-	-	-	-	677	-	15,482	-	(16,159)	-	-	-	-	-	-	-	-	-	
18.2 Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the End of Period (I+II+III+...+XVI+XVII+XVIII) - 30/09/2010	420,000	-	(814)	-	4,929	-	29,587	-	15,985	-	6,784	5,027	-	-	-	481,498	-	481,498	

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2010 - 30/09/2010)	PRIOR PERIOD (01/01/2009 - 30/09/2009)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit before Changes in Operating Assets and Liabilities	55,360	102,340
1.1.1 Interest Received	143,776	244,552
1.1.2 Interest Paid	(64,776)	(115,462)
1.1.3 Dividend Received	-	-
1.1.4 Fees And Commissions Received	16,099	17,312
1.1.5 Other Income	10,868	18,944
1.1.6 Collections from Non-performing Loans	21,827	15,077
1.1.7 Payments to Personnel and Service Suppliers	(44,488)	(50,316)
1.1.8 Taxes Paid	(7,500)	(1,314)
1.1.9 Other	(20,446)	(26,453)
1.2 Changes in Operating Assets and Liabilities	9,379	(698,385)
1.2.1 Net (Increase) Decrease in Trading Securities	(197)	370
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3 Net (Increase) Decrease in Banks	3,345	21,849
1.2.4 Net (Increase) Decrease in Loans	7,604	241,086
1.2.5 Net (Increase) Decrease in Other Assets	(58)	16,785
1.2.6 Net Increase (Decrease) in Bank Deposits	1,688	22,575
1.2.7 Net Increase (Decrease) in Other Deposits	(58,082)	(248,609)
1.2.8 Net Increase (Decrease) in Funds Borrowed	40,670	(749,293)
1.2.9 Net Increase (Decrease) in Due Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	14,409	(3,148)
I. Net Cash (Used in)/ Provided by Banking Operations	64,739	(596,045)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash (Used in) / Provided by Investing Activities	(81,246)	151,200
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries	49	-
2.3 Fixed Asset Purchases	(329)	(466)
2.4 Fixed Asset Sales	11	89
2.5 Cash Paid for Purchase of Investments Available for Sale	(163,268)	(1,129)
2.6 Cash Obtained From Sale of Investments Available for Sale	82,291	-
2.7 Cash Paid for Purchase of Investment Securities	-	-
2.8 Cash Obtained from Sale of Investment Securities	-	152,706
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash from Financing Activities	(131)	(984)
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	-	-
3.5 Payments for Finance Leases	(131)	(984)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(1,476)	(2,440)
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	(18,114)	(448,269)
VI. Cash and Cash Equivalents at the Beginning of Period	152,182	693,667
VII. Cash and Cash Equivalents at the End of Period (V+VI)	134,068	245,398

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Procedures and Principles for Accounting Practices and Retention of Documents by Banks:

The accompanying consolidated financial statements and the related disclosures and footnotes are prepared in accordance within the framework of standards as described in the Regulation on Procedures and Principles for Accounting Practices and Retention of Documents by Banks (“Regulation”), dated 1 November 2006 which is published in the Official Gazette No.26333, in accordance with the Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and interpretations of these standards (totally “Turkish Accounting Standards” or “TAS”) promulgated by the Turkish Accounting Standards Board (“TASB”) and in accordance with all other regulations, explanations and circulars related to the accounting and reporting promulgated by the Banking Regulation and Supervision Agency (“BRSA”). The Parent Bank keeps its statutory accounting records in Turkish Lira, in accordance with Banking Law, Turkish Commercial Law and the Turkish tax regulation.

Unless stated otherwise, the consolidated financial statements and balances in related information and disclosures are presented in thousands of Turkish Lira.

Preparation of financial statements according to TAS requires the Bank management to make assumptions and forecasts about assets and liabilities in the balance sheet. These assumptions and forecasts are regularly revised, adjusted and the effects of these adjustments are reflected to income statement.

Additional paragraph for convenience translation to English

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

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

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are explained in footnotes II through XXVII in the following pages.

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

Strategy for the use of financial instruments

The Parent Bank's main area of activities consist corporate, commercial and retail banking, fund management transactions and international banking services. The Parent Bank gives loans mainly to domestic customers by external sources of funds comprised mainly of domestic deposits and foreign borrowings and invests in marketable securities and banks placements to maintain liquidity.

The liability side of the balance sheet is intensively composed of short-term deposits and medium/long term borrowings in line with the general trend in the banking sector. Foreign currency borrowings are predominately floating rate and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

In order to avoid currency risk, the Parent Bank aims to balance foreign currency assets and liabilities through currency swaps. Currency risk, interest rate risk and liquidity risk are monitored and measured instantly by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

The Parent Bank designates its loan strategy considering international and national economic data and expectations, market conditions, interest, liquidity, currency, credit and other risks. Loan portfolio of the Bank is not concentrated on a specific segment and concentration risk is taken in consideration as much as possible.

Transactions denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated by using currency exchange rates on the balance sheet date. The resulting exchange differences are recorded in the income statement as "Foreign Exchange Gain/Loss".

There is no goodwill related to the Parent Bank's foreign operations.

No foreign operation has been disposed of during the period.

III. Presentation of information regarding the Bank and consolidated subsidiaries and associates

The Parent Bank has no consolidating associate.

Tekstil Yatırım and ETB which are financial subsidiaries of the Bank are consolidated to accompanying financial statements by using "Full Consolidation" method as of 30 September 2010 and 31 December 2009.

The Parent Bank and the consolidated companies are named as "the Group".

The carrying amount of the Parent Bank's investment in each subsidiary and the Bank's portion of equity of each subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiaries and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 30 September 2010 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances.

Tekstil Bilişim, subsidiary of the Parent Bank, is not consolidated in consideration of not being a financial subsidiary as per the BRSA Communiqué; “Regulation on Preparation of Banks’ Consolidated Financial Statements” article 5, division 1 published on the Official Gazette no.26340 dated 6 November 2006.

IV. Forward transactions, options and derivative instruments:

The derivative transactions of the Group mainly consist of foreign currency swaps, foreign currency options and forward contacts.

Derivatives are classified as held for trading in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. Group does not have any embedded derivatives.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are valued at fair value subsequent to initial recognition and are presented in the “Positive Value of Trading Derivatives” under the “Financial Assets at Fair Value through Profit or Loss” and “Negative Value of Trading Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the consolidated income statement. Fair values of derivatives are determined using quoted market prices in active markets or using discounted cash flow techniques within current market interest rates.

V. Interest income and expense:

Interest is recognized using the effective interest method (the effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability) defined in TAS 39. Interest income and expense computed by using internal rate of return are recognized on an accrual basis. In accordance with the related legislation, the Parent Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection.

VI. Fees and commissions:

Fee and commission income/expenses are accounted on accrual or cash basis relatively, regarding the nature of the transactions.

VII. Financial assets:

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

Financial assets at fair value through profit or loss consist of “trading assets” and “financial assets designated at fair value”. The Group does not have any financial assets classified as “financial assets designated at fair value”.

Trading assets are financial assets acquired for generating a profit from short term fluctuations in price or dealer’s margin. Trading assets are recognized and derecognized on settlement date basis when purchased and disposed of. Trading assets are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading assets are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Interest earned whilst holding trading assets is reported as interest income.

2. Investment securities available-for-sale

Available-for-sale assets are financial assets other than financial assets at fair value through profit or loss, loans and advances to banks and customers, or financial assets held to maturity.

Financial assets available-for-sale are measured at their fair values subsequently following the initial recognition at cost. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in "securities value increase fund" under the shareholders' equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

3. Loans and receivables:

Loans and receivables arise when the Bank provides money, goods or services directly to a debtor. Such assets are initially recognized at cost and are carried at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are not considered as part of transaction costs and are recorded as expense.

Specific and collective allowances are made against the loans, which the Parent Bank assesses and estimates as having limited or doubtful collectability or being uncollectible, in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published on the Official Gazette no.26333 dated 1 November 2006. Provisions are deducted from the income of the current year. When collections are made on loans that have been provided for, they are credited to the income statement accounts "Provision for Loan Losses or Other Receivables" if the provision was made in the current year, otherwise such collections are credited to "Other Operating Income" account with respect to allowances made in the prior years.

4. Investment securities held-to-maturity:

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Parent Bank has the intent and ability to hold until maturity, excluding loans and receivables. Investment securities held-to-maturity are initially recognized at cost. Investment securities held-to-maturity are accounted for by using a discounting method based on internal rate of return applied on the net investment amounts after the deduction of provision for impairments. Interest earned on held-to-maturity securities are recognized as interest income in the consolidated income statement.

In the first quarter of 2009, the Parent Bank has sold a significant portion of its securities classified in held to maturity portfolio before the maturity dates of such securities. Financial assets would not be classified as held to maturity securities in 2010 and 2011.

VIII. Impairment of financial assets:

As financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is an objective indicator of impairment. If any such indicator exists, Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of the financial asset or group of financial assets are adversely affected by an event or events ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and collective allowances for loans and other receivables classified in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside” published on the Official Gazette no.26333 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

IX. Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

X. Sale and Repurchase Agreements and Transactions Related To the Lending Of Securities

Securities sold under repurchase agreements (“repo”) are classified as “trading”, “available for sale” or “held to maturity” based on the Parent Bank’s management’s intention and measured with the measurement principles of the portfolio they belong to. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis based on the difference between selling and repurchase prices using effective interest rate method.

Securities purchased under resale agreements are classified under “Receivables from Reverse Repurchase Agreements”. An income accrual using the effective interest rate method is accounted for the positive difference between the purchase and resale prices earned during the period. The Parent Bank does not have any securities related to the lending.

XI. Assets held for sale and discontinued operations:

Assets held for sale consist of assets that have high sales probability, have been planned to be sold, and an active programme has been started to complete the plan and determine the buyers. Asset should be marketed the price compatible with fair value. Furthermore, the sales, starting from the day of classification as held for sale, should be expected to be completed at within a year and the necessary activities should demonstrate that the possibility of having significant change in the plan or the cancellation of the plan is low.

Group does not have any assets held for sale.

Group does not have any discontinued operations.

XII. Goodwill and other intangible assets:

There is no goodwill in the accompanying consolidated financial statements as at 30 September 2010 and 31 December 2009.

Intangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Intangibles are reflected in the consolidated balance sheet at cost less amortization and any accumulated impairment losses.

Intangible assets have been restated for the effects of inflation, until 31 December 2004. The new additions to intangible assets after 31 December 2004 are recorded with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Intangible assets are amortized on amortization rates between 2% and 33%.

Intangible assets are amortized on a straight-line basis based on their estimated useful lives. Useful life of an asset is estimated by assessment of the expected life span of the asset and technical and technological wear outs of the asset. The amortization rates used approximate the useful lives of the assets.

XIII. Tangible assets:

Tangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets (except buildings as stated below) are reflected in the consolidated financial statements at cost less accumulated depreciation and any accumulated impairment.

Tangible assets that are acquired before 31 December 2004 have been restated for the effects of inflation, until 31 December 2004. The new additions to tangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Tangible assets are depreciated on a straight-line basis based on the in estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture and fixtures	3 – 50 years
Leasehold improvements	5 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

In cases where the expected future benefits of the assets are less than their book values, the book values of such assets are reduced to their net realizable values and impairment losses are recorded as expense.

Gains and losses on disposal of an item of assets are determined by deducting the carrying amount of the asset from the proceeds from disposal.

The regular maintenance and repair expenditures are accounted as expense. The investment expenditures, made to increase the future benefits of the asset by improving the capacity of the asset, are added to the cost of the asset. Investment expenditures comprised of the costs which increase the useful life of the asset, improve the capacity of the asset, increase the quality or decrease the cost of production.

As at 31 December 2007, the Parent Bank has started to implement revaluation model for the buildings as permitted by TAS 16 “Property, Plant and Equipment”. For this purpose, fair values of the buildings are determined by a third party appraiser. The fair value difference is recognized in “Revaluation Fund on Tangible Assets” within the equity items. As at 30 September 2010, revaluation difference on tangible assets amounts to TL 5,292 (31 December 2009: TL 5,292).

XIV. Leasing activities:

Leased assets are recognized by recording an asset and a liability at the same amount. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Tangible assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with tangible assets group they relate to. In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. The obligations under financial leases arising from the lease contracts are presented under “Financial Lease Payables” account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement. Group does not enter into financial lease transactions by acting as the “lessor”.

In operating leases, the rent payments are charged to the income statement on an accrual basis.

XV. Provisions and contingencies:

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 Parent Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the notes to the consolidated financial statements.

XVI. Contingent assets:

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XVII. Obligations concerning employee rights:

Obligations concerning employee severance indemnities and vacation pay are accounted in accordance with the Turkish Accounting Standard 19 (“TAS 19”) “Employee Benefits”.

In accordance with existing legislation in Turkey, Group have to make certain lump-sum payments to employees who has completed one year of service with the bank and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

XVIII. Taxation:

a. Current taxes:

In Turkey, the corporate tax rate is 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Corporate tax rate for Parent Bank’s subsidiary ETB which is located in Turkish Republic of Northern Cyprus is 2%.

In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 20%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance are deducted from the final corporate tax liability.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred taxes:

In accordance with TAS 12 "Income Taxes", the Parent 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 taxes are based on tax rates (and tax laws) that have been enacted at the balance sheet date.

Parent Bank has to account for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities of the Parent Bank have been offset in the Parent Bank's financial statements. Net deferred tax assets or liabilities of the subsidiaries in the Group which are calculated individually have not been offset.

The Parent Bank has calculated deferred tax based on the principles above and reflected to the consolidated financial statements.

c. Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Corporate tax-payers required in "section 7.1 annual documentation" part of related communiqué, have to fill the "form relating to transfer pricing, controlled foreign companies and thin capitalization" ("the Form") as associated with purchasing and selling goods or services with related parties in an accounting

period and send it to the tax office submitted as an appendix to the corporate tax return. The Parent Bank fills the related form and submits to tax office in the required time.

XIX. Additional explanations on borrowings:

Financial liabilities held for trading and negative value of derivative instruments are carried at fair value and all other financial liabilities are carried at amortized cost using effective interest rate method.

XX. Issued shares:

There is no issued share in the current period.

XXI. Acceptances:

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

XXII. Government grants:

As at 30 September 2010 and 31 December 2009, the Group does not have any government grants.

XXIII. Reserves and profit distribution:

Retained earnings at statutory books are allowed for distribution except for the following clause on legal reserves.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital.

XXIV. Related parties:

For the purpose of the consolidated financial statements, shareholders, top management and members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related parties in accordance with TAS 24 "Related Party Disclosures".

XXV. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and balances with central banks, deposits with banks and other financial institutions and other money market placements with an original maturity of three months or less. The reserve requirements blocked at the Central Bank of Turkey are not regarded as "cash equivalents" in the statement of cash flows.

XXVI. Segment reporting:

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment reporting is presented in Section Four, Footnote VI.

XXVII. Reclassifications:

In order to meet the consistency with the presentation of financial statements as of 30 September 2010; comparative figures are reclassified in the consolidated income statement and the consolidated statement of cash flow for the period ended 30 September 2009.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

As at 30 September 2010, the Group's consolidated capital adequacy ratio is 20.96% (31 December 2009: 20.54%).

Risk measurement methods used in the calculation of consolidated capital adequacy ratio is the sum of risk weighted assets and non-cash loans weighted based on the regulation; and market risk on marketable securities, specific risk and foreign currency exchange risk also based on the regulation, which are aggregately defined as Value at Risk calculated by standardized method. The following tables present details of "risk weighted assets" and determination of "capital" which are basis for the calculation of capital adequacy ratio.

Consolidated Capital Adequacy Ratio:

	Risk Weights						Risk Weights						
	Unconsolidated						Consolidated						
	0%	20%	50%	100%	150%	200%	0%	20%	50%	100%	150%	200%	
Credit Risk Based													
Balance Sheet Items (Net)	441,675	65,040	391,344	1,252,154	888	2	448,713	65,048	391,344	1,242,584	888	2	
Cash in Vault	19,582	-	-	-	-	-	19,582	-	-	-	-	-	
Due Dated Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Central Bank of Turkey	51,404	-	-	-	-	-	51,404	-	-	-	-	-	
Domestic and Foreign Banks, Foreign Branches	-	63,074	-	-	-	-	-	63,082	-	-	-	-	
Interbank Money Market	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Reverse Repos	-	-	-	-	-	-	-	-	-	-	-	-	
Reserve Deposits	44,637	-	-	-	-	-	44,637	-	-	-	-	-	
Loans	32,414	-	391,344	1,057,460	888	2	32,414	-	391,344	1,060,600	888	2	
Non-performing Loans (Net)	-	-	-	39,151	-	-	-	-	-	39,151	-	-	
Receivables from Leasing Operations	-	-	-	-	-	-	-	-	-	-	-	-	
Investments Available-for-Sale	284,004	-	-	8,721	-	-	291,030	-	-	8,721	-	-	
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Receivables	-	1,856	-	3,767	-	-	-	1,856	-	3,879	-	-	
Accrued Interest and Other Income	7,722	110	-	26,276	-	-	7,722	110	-	26,451	-	-	
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	13,204	-	-	-	-	-	49	-	-	
Tangible Assets	-	-	-	81,966	-	-	-	-	-	82,105	-	-	
Other Assets	1,912	-	-	21,609	-	-	1,924	-	-	21,628	-	-	
Off-Balance Sheet Items	6,429	24,523	17,678	439,470	-	-	6,429	24,523	17,678	441,160	-	-	
Non-Cash Loans and Commitments	6,429	22,861	17,678	435,292	-	-	6,429	22,861	17,678	436,982	-	-	
Derivatives	-	1,662	-	4,178	-	-	-	1,662	-	4,178	-	-	
Accounts Not Risk Weighted	-	-	-	-	-	-	-	-	-	-	-	-	
Total Risk Weighted Assets	448,104	89,563	409,022	1,691,624	888	2	455,142	89,571	409,022	1,683,744	888	2	

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Unconsolidated		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets (RWA)	1,915,384	1,917,204	1,907,505	1,914,342
Market Risk (MR)	45,988	13,813	47,150	13,363
Operational Risk (OR)	323,371	301,371	327,543	304,612
Shareholders' Equity	478,667	463,786	478,295	458,448
Shareholders' Equity /(RWA+MR+OR) *100	20.95	20.78	20.96	20.54

Components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	420,000	420,000
Nominal Capital	420,000	420,000
Capital Commitments (-)	-	-
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	-	-
Share Premium	(814)	(814)
Share Cancellation Profit	-	-
Legal Reserves	4,929	4,252
I. Legal Reserve (Turkish Commercial Code 466/1)	4,929	4,252
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Other Legal Reserve per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	29,587	14,105
Reserve Allocated at the General Assembly	-	-
Retained Earnings	29,587	14,105
Accumulated Losses	-	-
Foreign Currency Translation Differences	-	-
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	15,985	16,159
Current Period Profit	15,985	16,159
Prior Periods' Profit	-	-
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	-	-
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Share Capital	-	-
Primary Subordinated Loans (Up to 15% of the Core Capital)	-	-
Accumulated Losses (-)	-	-
Current Period Loss	-	-
Prior Periods' Loss	-	-
Leasehold Improvements (-)	972	1,319
Prepaid Expenses (-)	1,893	1,898
Intangible Assets (-)	1,737	2,048
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	-	-
Amount Excess of Article 56/3 of the Law (-)	-	-

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Total Core Capital	465,085	448,437
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	9,886	9,777
45% of Revaluation Fund of Tangible Assets	-	-
45% of Revaluation Fund of Real Estate	2,262	2,262
Bonus Shares from Subsidiaries and Joint Ventures	-	-
Amount not Included in Core Capital for Primary Subordinated Loans	-	-
Secondary Subordinated Loans	-	-
45% of Securities Value Increase Fund (100% in case of a deficit)	3,053	1,837
Associates and Subsidiaries	-	-
Investments Available-for-Sale	3,053	1,837
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	-	-
Total Supplementary Capital	15,201	13,876
TIER III CAPITAL	-	-
CAPITAL	480,286	462,313
DEDUCTIONS FROM CAPITAL	1,991	3,865
Shares in Unconsolidated Banks and Financial Institutions	-	-
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	-	-
Shares in Banks and Financial Institutions Accounted under the Equity Method	-	-
Loans Granted in Violation of the Articles 50 and 51 of the Law	-	-
Amount in Excess of 50% of the Equities of the Net Book Value of the Real Estate of the Banks, and Net Book Value of the Assets Held for Sale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years	1,991	3,865
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	478,295	458,448

II. Consolidated market risk

Consolidated market risk is the potential risk of loss arising from changes in interest rates, foreign currency exchange rates and equity prices regarding the assets and liabilities of the Parent Bank's on-off balance sheet.

Standard method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 26333 dated 1 November 2006 is used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis.

Market risk is calculated by employing the Standard Method and internal risk measurement models using value at risk (VaR) methodology. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

The internal methods used by the Parent Bank are Parametric Method, Historical Simulation and Monte Carlo Simulation. In calculating VaR, a one-tailed 99% confidence level is used regarding one-day holding period. The results are regularly reported to the Senior Level Risk Committee and Asset-Liability Committee.

Consolidated market risk:

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	1,794
(II) Capital Obligation against Specific Risk - Standard Method	56
(III) Capital Obligation against Currency Risk - Standard Method	754
(IV) Capital Obligation against Commodity Risk - Standard Method	-
(V) Capital Obligation against Clearing Risk - Standard Method	-
(VI) Capital Obligation against Options Subject to Market Risk – Standard Method	1,168
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI) (*)	3,772
(IX) Value-At-Risk Amount (12.5 x VIII) or (12.5 x VII)	47,150

(*) Value at Risk does not represent all of TL 47,150 but 8% of which is TL 3,722 as the market risk. This amount, TL 3,722, is also the minimum capital obligation to eliminate the market risk.

III. Consolidated foreign currency exchange rate risk

Foreign currency risk indicates the possibilities of the potential losses that banks are subject to due to adverse movements between currencies. The Parent Bank monitors foreign currency exchange rate risk in currency/TL and parity basis and uses different risk methods and tools for each. The Parent Bank hedges parity risks through spot/arbitrage and future transactions.

The Parent Bank's foreign currency exchange rate risk is measured by Standard Method and Value at Risk Method.

The Parent Bank considers all foreign currency assets and liabilities and currency forward transactions in measuring capital obligation against currency risk. Net short and long positions of TL equivalents of all types of currencies are calculated. Position with the higher absolute value, which is the basis for the capital obligation, is used measuring the capital obligation for currency risk.

The Bank's Board of Directors, determines the Parent Bank's limits, within regulatory limitations, related to short/long positions at any period. The Treasury Department of the Parent Bank is responsible from the management of price and liquidity risks on Turkish Lira or foreign currency in the domestic and international markets. Risk Management Department, exercise continuous control on risks in the money markets and transactions creating these risks and reports to the Assets-Liability Committee of the Bank weekly.

The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date (TL full):

	23/09/10	24/09/10	27/09/10	28/09/10	29/09/10	30/09/10
USD	1.4773	1.4809	1.4786	1.4686	1.4669	1.4512
GBP	2.3131	2.3189	2.3212	2.3244	2.3220	2.2937
EURO	1.9717	1.9753	1.9803	1.9778	1.9724	1.9754
JPY	0.0174	0.0175	0.0175	0.0174	0.0174	0.0173

The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days from 30 September 2010 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	1.4911
GBP	2.3136
EURO	1.9410
JPY	0.0176

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Information on consolidated exchange rate risk:

Current Period	EURO	USD	JPY	OTHER FC	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	5,477	66,706	20	368	72,571
Banks	27,320	28,899	453	1,403	58,075
Financial Assets at Fair Value Through Profit or Loss (*)	43	289	-	-	332
Interbank Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	-	19,301	-	-	19,301
Loans (**)	125,003	351,884	34,101	2,676	513,664
Investments in Subsidiaries and Associates	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-	-
Tangible Assets	-	2	-	-	2
Intangible Assets	-	-	-	-	-
Other Assets	928	2,455	-	2	3,385
Total Assets (*)	158,771	469,536	34,574	4,449	667,330
Liabilities					
Bank Deposits	39	4,737	-	-	4,776
Foreign Currency Deposits	176,253	460,888	18	15,798	652,957
Interbank Money Markets	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	8,728	30,066	-	-	38,794
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	1,466	304	-	-	1,770
Hedging Purpose Financial Derivatives	-	-	-	-	-
Other Liabilities (*)	3,493	4,790	-	370	8,653
Total Liabilities (*) (***)	189,979	500,785	18	16,168	706,950
Net On Balance Sheet Position	(31,208)	(31,249)	34,556	(11,719)	(39,620)
Net Off Balance Sheet Position	25,489	26,979	(34,165)	18,533	36,836
Financial Derivatives (Assets)	97,732	233,011	8,665	25,377	364,785
Financial Derivatives (Liabilities)	72,243	206,032	42,830	6,844	327,949
Non-cash Loans (****)	121,144	270,637	642	302	392,725
Prior Period					
Total Assets (*) (**)	155,904	443,364	37,267	8,482	645,017
Total Liabilities (*) (***)	259,903	614,897	14	6,179	880,993
Net On Balance Sheet Position	(103,999)	(171,533)	37,253	2,303	(235,976)
Net Off Balance Sheet Position	103,443	167,862	(36,676)	(2,216)	232,413
Financial Derivatives (Assets)	279,256	352,181	115,019	22,626	769,082
Financial Derivatives (Liabilities)	175,813	184,319	151,695	24,842	536,669
Non-cash Loans (****)	92,321	286,571	598	593	380,083

(*) As at 30 September 2010, accrual differences in "Financial Assets At Fair Value Through Profit Or Loss" and "Negative Value Of Trading Derivatives" amounting to TL 2,928 and TL 2,155, respectively are not included in the table (31 December 2009: TL 2,473 and TL 2,507).

(**) As at 30 September 2010, "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 209,880 (31 December 2009: TL 255,501).

(***) As at 30 September 2010, "Security valuation differences" in equity amounting to TL 1,005 (31 December 2009: TL 500) were not included.

(****) Has no effect on net off balance sheet position.

The table below demonstrates prospective increase and decrease in equities and profit/loss as at 30 September 2010 and 31 December 2009 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TL. This analysis has been prepared under the circumstances of assumption of other variables, especially interest rates, to be constant.

	30 September 2010				31 December 2009			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(527)	527	(427)	427	(417)	417	(367)	367
EURO	(572)	572	(572)	572	(56)	56	(56)	56
Other FC	721	(721)	721	(721)	66	(66)	66	(66)
Total, net	(378)	378	(278)	278	(407)	407	(357)	357

* Equity effect consists of income statement effect in the table.

IV. Consolidated interest rate risk

Consolidated interest rate risk is the probability of loss due to changes in interest rates depending on the Parent Bank's position regarding the interest bearing financial instruments.

Interest rate risk arises as a result of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves. Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities.

Interest rate risk is a key component of the Bank's market risk and asset and liability management.

As part of asset and liability management, duration and sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet. The Parent Bank daily monitors interest rate movements in the market and revises the Bank's interest rates.

Interest sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates)

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	32,585	-	-	-	-	83,532	116,117
Banks	57,658	-	-	-	-	5,426	63,084
Financial Assets at Fair Value Through Profit or Loss	4,103	628	420	151	181	-	5,483
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	103,209	12,535	157,629	23,015	10,452	268	307,108
Loans	721,649	95,556	291,867	313,364	88,959	39,151	1,550,546
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	283	-	-	-	-	118,034	118,317
Total Assets	919,487	108,719	449,916	336,530	99,592	246,411	2,160,655
Liabilities							
Bank Deposits	218	-	-	-	-	4,592	4,810
Other Deposits	1,037,432	228,159	25,905	69	-	108,101	1,399,666
Interbank Money Market Placements	140,368	-	-	-	-	-	140,368
Miscellaneous Payables	-	-	-	-	-	14,302	14,302
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	1,361	11,816	31,213	7,785	-	-	52,175
Other Liabilities	3,517	1,168	372	-	-	544,277	549,334
Total Liabilities	1,182,896	241,143	57,490	7,854	-	671,272	2,160,655
Balance Sheet Long Position	-	-	392,426	328,676	99,592	-	820,694
Balance Sheet Short Position	(263,409)	(132,424)	-	-	-	(424,861)	(820,694)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(263,409)	(132,424)	392,426	328,676	99,592	(424,861)	-

(*) Tangible and intangible assets amounting to TL 69,894, subsidiaries amounting to TL 49, assets to be disposed of amounting to TL 16,911, tax assets amounting to TL 1,431 and other assets amounting to TL 29,749 are presented within other assets as non-interest bearing; provisions amounting to TL 17,799, tax liability amounting to TL 5,861, other liabilities amounting to TL 39,119 and equity amounting to TL 481,498 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Current Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.00
Banks	0.67	0.23	-	7.79
Financial Assets at Fair Value Through Profit or Loss	3.86	3.80	-	7.43
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	5.16	-	6.05
Loans	6.10	5.82	8.29	12.63
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	0.25	-	-
Other Deposits	3.01	3.05	-	9.21
Interbank Money Market Placements	-	-	-	6.88
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	3.67	2.27	-	8.00

(*) Stated at compound interest rates.

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	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	51,694	-	-	-	-	89,502	141,196
Banks	49,564	3,449	1,280	-	-	5,162	59,455
Financial Assets at Fair Value Through Profit or Loss	2,754	394	214	160	279	-	3,801
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	83,882	119,303	2,723	14,320	9,936	278	230,442
Loans	890,486	164,841	220,713	214,044	55,601	41,878	1,587,563
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	311	-	-	-	-	117,239	117,550
Total Assets	1,078,691	287,987	224,930	228,524	65,816	254,059	2,140,007
Liabilities							
Bank Deposits	3,011	-	-	-	-	110	3,121
Other Deposits	930,307	399,982	26,248	44	-	100,601	1,457,182
Interbank Money Market Placements	5,653	-	-	-	-	-	5,653
Miscellaneous Payables	-	-	-	-	-	9,669	9,669
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	18,123	91,867	36,376	-	-	-	146,366
Other Liabilities	3,016	1,554	91	2	-	513,353	518,016
Total Liabilities	960,110	493,403	62,715	46	-	623,733	2,140,007
Balance Sheet Long Position	118,581	-	162,215	228,478	65,816	-	575,090
Balance Sheet Short Position	-	(205,416)	-	-	-	(369,674)	(575,090)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	118,581	(205,416)	162,215	228,478	65,816	(369,674)	-

(*) Tangible and intangible assets amounting to TL 73,262, subsidiaries amounting to TL 104, assets to be disposed of amounting to TL 18,287, tax assets amounting to TL 2,022 and other assets amounting to TL 23,564 are presented within other assets as non-interest bearing; provisions amounting to TL 17,483, tax liability amounting to TL 5,356, other liabilities amounting to TL 27,703 and equity amounting to TL 462,811 are presented within other liability as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Prior Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	5.30
Banks	0.46	0.56	-	-
Financial Assets at Fair Value Through Profit or Loss	4.21	4.14	-	7.95
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	6.13	-	8.87
Loans	7.38	6.49	8.04	13.70
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	2.85	-	-
Other Deposits	2.72	2.80	-	9.75
Interbank Money Market Placements	-	-	-	6.88
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	4.22	2.50	-	9.41

(*) Stated at compound interest rates.

Possible effects of financial assets and debts' sensitivity to interest on net income and equities in the future

The interest rate sensitivity of the income statement as at 30 September 2010 and 31 December 2009 is calculated by the effect of possible changes in interest rates on the floating rate, non-trading financial assets and liabilities. The sensitivity of the equity is calculated by the revaluation of the available for sale securities portfolio based on possible interest rate changes. Tax effects are ignored during calculations. Other variables, especially foreign exchange rates are held constant in the analysis.

	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 September 2010				
Financial assets at fair value through profit or loss	(17)	17	(17)	17
Financial assets available for sale	-	-	(2,158)	2,180
Floating rate financial liabilities	(56)	41	(56)	41
Total, net	(73)	58	(2,231)	2,238
	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2009				
Financial assets at fair value through profit or loss	(20)	20	(20)	20
Financial assets available for sale	-	-	(1,632)	1,641
Floating rate financial liabilities	(474)	432	(474)	432
Total, net	(494)	452	(2,126)	2,093

(*) Equity effect includes the sensitivity of income statement when interest rate increases or decreases 100 bp.

V. Consolidated liquidity risk

Liquidity risk occurs when there is an insufficient amount of cash or cash inflows to fulfill the cash outflows in full and on time, resulting from the unstable cash inflows.

Liquidity risk may occur when there is an inadequate market penetration and the open positions cannot be closed on a timely basis with an appropriate price and sufficient amount due to barriers and break-ups at the markets.

The Parent Bank monitors the liquidity position on a daily basis. Cash flow projections are examined and accordingly appropriate amounts of positions are determined in the weekly Asset-Liability Commission meetings. Alternative strategies are evaluated in case of a liquidity shortage. The available free lines in the ISE Settlement and Custody Bank's Stock Exchange Money Market, Interbank and secondary market are monitored frequently. Regarding maturity mismatch risk in the balance sheet, the maximum limits have been set by the Board of Directors.

Major part of the liquidity has been maintained by the deposits in the Parent Bank. The volume of deposits has retained a stable path during the period. The parent Bank executes the strategy of increasing long-term loans from international markets rather than loans from domestic secondary market.

Presentation of assets and liabilities according to their residual maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	83,532	32,585	-	-	-	-	-	116,117
Banks	5,426	57,658	-	-	-	-	-	63,084
Financial Assets at Fair Value Through Profit or Loss	-	4,103	628	420	151	181	-	5,483
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	268	-	342	133,209	140,119	33,170	-	307,108
Loans	-	362,764	201,241	534,264	324,166	88,960	39,151	1,550,546
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	29,307	-	244	-	1,431	87,335	118,317
Total Assets	89,226	486,417	202,211	668,137	464,436	123,742	126,486	2,160,655
Liabilities								
Bank Deposits	4,592	218	-	-	-	-	-	4,810
Other Deposits	108,101	1,037,432	228,159	25,905	69	-	-	1,399,666
Funds Borrowed from Other Financial Institutions	-	1,361	4,342	38,687	7,785	-	-	52,175
Interbank Money Markets	-	140,368	-	-	-	-	-	140,368
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	9,134	5,168	-	-	-	-	-	14,302
Other Liabilities	39,119	6,678	3,868	372	-	-	499,297	549,334
Total Liabilities	160,946	1,191,225	236,369	64,964	7,854	-	499,297	2,160,655
Net Liquidity Gap	(71,720)	(704,808)	(34,158)	603,173	456,582	123,742	(372,811)	-
Prior Period								
Total Assets	94,942	797,006	297,837	341,051	396,931	78,200	134,040	2,140,007
Total Liabilities	136,651	949,729	407,482	132,606	33,245	-	480,294	2,140,007
Net Liquidity Gap	(41,709)	(152,723)	(109,645)	208,445	363,686	78,200	(346,254)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 69,894, subsidiaries amounting to TL 49, stationary supplies amounting to TL 481, assets to be disposed of amounting to TL 16,911, loans in follow-up amounting to TL 39,151 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 17,799 and equity amounting to TL 481,498 are included.

As per the BRSA Communiqué published on 1 November 2006 and became effective starting from 1 January 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Parent Bank's liquidity ratios for the first nine months of 2010 are as follows:

Liquidity Ratios	First Maturity Bracket		Second Maturity Bracket	
	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio
30 September 2010	188.2	197.7	106.5	121.1
Average (%)	196.0	206.0	113.1	134.9
Max. (%)	267.2	249.1	139.9	150.7
Min. (%)	139.4	165.7	87.3	121.1

The undiscounted cash outflows of the residual contractual maturities of the Parent Bank's financial liabilities are shown below.

30 September 2010	Book Value	Gross Nominal Disposal	Undated	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more
Bank Deposits	4,810	4,810	4,592	218	-	-	-	-
Deposits from Customers	1,399,666	1,403,852	108,101	1,039,560	229,783	26,318	90	-
Due to Money Markets	140,368	140,368	-	140,368	-	-	-	-
Funds Borrowed	52,175	54,190	-	1,374	4,428	40,248	8,140	-
Total	1,597,019	1,603,220	112,693	1,181,520	234,211	66,566	8,230	-

31 December 2009	Book Value	Gross Nominal Disposal	Undated	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more
Bank Deposits	3,121	3,121	110	3,011	-	-	-	-
Deposits from Customers	1,457,182	1,462,507	100,601	932,300	402,791	26,750	65	-
Due to Money Markets	5,653	5,653	-	5,653	-	-	-	-
Funds Borrowed	146,366	148,992	-	2,287	4,648	107,468	34,589	-
Total	1,612,322	1,620,273	100,711	943,251	407,439	134,218	34,654	-

Presentation of residual maturities of the derivative financial assets and liabilities:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more	Total
Currency Derivative Instruments (I)	738,172	114,444	218,308	-	-	1,070,924
Forward Foreign Currency Purchases	110,061	24,593	4,531	-	-	139,185
Forward Foreign Currency Sales	109,780	24,381	4,428	-	-	138,589
Currency Swaps-Purchases	87,336	752	2,545	-	-	90,633
Currency Swaps-Sales	86,877	784	2,620	-	-	90,281
Currency Futures-Purchases	-	-	-	-	-	-
Currency Futures-Sales	-	-	-	-	-	-
Currency Options-Purchases	172,150	32,020	102,091	-	-	306,261
Currency Options-Sales	171,968	31,914	102,093	-	-	305,975
Interest Rate Derivative Instruments (II)	-	-	-	-	-	-
Forward Foreign Currency Purchases/Sales	-	-	-	-	-	-
Interest Rate Swaps-Purchases/Sales	-	-	-	-	-	-
Interest Rate Options-Purchases/Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases/Sales	-	-	-	-	-	-
Others (III)	-	-	-	-	-	-
Total (I+II+III)	738,172	114,444	218,308	-	-	1,070,924

VI. Consolidated Segment Reporting:

The Group is active in three areas, namely, retail banking, corporate banking and investment banking and treasury.

Corporate banking offers TL and foreign currency loans, corporate deposit operations, cash management, foreign currency purchases and sales, non-cash transactions (letters of credit, letters of guarantee, prefinancing, bills of exchange) and custody services.

Treasury department is consisted of marketing, foreign currency-TL and securities units and markets, both in the name of the Bank and its customers, bonds, foreign exchange transactions and hedging purpose derivative products including swaps and options. Tekstil Yatırım gives agency services in capital markets products and provides investment fund and portfolio management services.

Servicing the middle-upper segment of retail customers who require sophisticated banking and investment services falls within the scope of retail banking. Credit card services is also within the activities of retail banking.

Information related to the Segments of the Group:

Segment reporting is prepared according to the 28th article of the BRSA's "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 1 November 2006 which is published in the Official Gazette No. 26333.

Current Period	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating income	13,285	51,633	46,867	111,785
Others	-	-	-	-
Operating Income	13,285	51,633	46,867	111,785
Operating profit of segment	2,319	27,778	(8,351)	21,746
Costs not distributed	-	-	-	-
Operating profit	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit before tax	2,319	27,778	(8,351)	21,746
Tax provision	-	-	5,761	5,761
Profit after tax	2,319	27,778	(14,112)	15,985
Minority interests	-	-	-	-
Net Profit	2,319	27,778	(14,112)	15,985
Segment assets (*)	252,845	1,297,701	610,060	2,160,606
Investments in subsidiaries	-	-	49	49
Total Assets	252,845	1,297,701	610,109	2,160,655
Segment liabilities (*)	951,332	453,144	274,681	1,679,157
Equity	-	-	481,498	481,498
Total Liabilities	951,332	453,144	756,179	2,160,655
Other Segment Items	264	749	9,935	10,948
Capital expenditure	-	-	329	329
Depreciation and amortization	264	749	2,901	3,914
Impairment losses (**)	-	-	6,705	6,705
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets, assets held for sale and associates.

In the table above, corporate banking, retail banking and investment banking and others represent 60%, 12% and 28%, respectively, of the balance sheet. Corporate banking, investment banking and others, and retail banking represent 46%, 42% and 12%, respectively, of the operating income.

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to assets

1. Information related to cash and balances with the Central Bank of Turkey:

a) Cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	10,788	8,794	7,116	10,385
Central Bank of Turkey	32,758	63,777	51,721	71,974
Others	-	-	-	-
Total	43,546	72,571	58,837	82,359

b) Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	32,758	19,140	51,721	23,992
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	44,637	-	47,982
Total	32,758	63,777	51,721	71,974

c) Explanation related to reserve deposits:

According to the circular no. 2005/1 of the Central Bank of Turkey, "Circular on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 5% of the liabilities in Turkish Lira (changed according to the Central Bank of Turkey communiqué which is published at Official Gazette numbered 27378, dated 16 October 2009) and 10% of the liabilities in foreign currencies (changed according to the Central Bank of Turkey communiqué which is published at Official Gazette numbered 27656, dated 29 July 2010). The Central Bank of Turkey makes interest payments on a quarterly basis. As at 30 September 2010, the interest rates applied for Turkish Lira reserve deposits by the Central Bank is 5% and interest rate is nil for foreign currency reserve deposits.

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

a) Financial assets at fair value through profit or loss given as collateral/blocked and subject to repurchase agreements:

As at 30 September 2010 and 31 December 2009, the financial assets at fair value through profit or loss are all unrestricted.

b) Positive value of trading derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	713	2,102	356	754
Swap transactions	1	719	165	1,680
Futures	-	-	-	-
Options	924	107	101	39
Other	-	-	-	-
Total	1,638	2,928	622	2,473

3. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	5,009	12,325	12	50,163
Foreign	-	45,750	-	9,280
Foreign branches	-	-	-	-
Total	5,009	58,075	12	59,443

4. Information on investment securities available-for-sale (net):

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as collateral or blocked	35,476	10,451	31,133	9,936
Subject to repurchase agreements	141,919	-	5,696	-
Total	177,395	10,451	36,829	9,936

As at 30 September 2010 investment securities available-for-sale other than given as collateral or subject to repurchase agreements amounting to TL 119,262 (31 December 2009: TL 183,677).

b) Available-for-sale securities

	Current Period	Prior Period
Debt instruments	314,947	233,494
Listed	306,365	223,130
Unlisted	8,582	10,364
Equity instruments	268	278
Listed	268	278
Unlisted	-	-
Impairment provision (-)	(8,107)	(3,330)
Total	307,108	230,442

5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	-	7,607	-
Corporate shareholders	-	-	7,607	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	26,497	3,438	71,090	3,874
Loans granted to employees	1,361	-	1,456	-
Total	27,858	3,438	80,153	3,874

b) Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled.

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	1,472,969	-	32,009	6,417
Discount Notes	29,283	-	-	-
Export Loans	196,786	-	1,516	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	102,577	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	212,648	-	11,306	-
Credit Cards	27,179	-	2,952	-
Precious Metal Loans	-	-	-	-
Other	904,496	-	16,235	6,417
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1,472,969	-	32,009	6,417

(*) Loans which are classified in Group II have been restructured or rescheduled in accordance with the Temporary Article 3-1(a) of the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside".

c) Information on consumer loans, credit cards, loans given to employees and employee credit cards:

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	10,535	190,954	201,489
Real estate Loans	2,404	102,203	104,607
Automotive Loans	215	7,232	7,447
Consumer Loans	7,824	81,003	88,827
Other	92	516	608
Consumer Loans-Indexed to FC	237	18,831	19,068
Real estate Loans	237	17,711	17,948
Automotive Loans	-	293	293
Consumer Loans	-	827	827
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards-TL	27,259	-	27,259
Installment	5,227	-	5,227
Non installment	22,032	-	22,032
Credit Cards-FC	329	-	329
With Installment	-	-	-
Without Installment	329	-	329
Loans Given to Employees-TL	132	371	503
Real estate Loans	-	12	12
Automotive Loans	-	-	-
Consumer Loans	132	359	491
Other	-	-	-
Loans Given to Employees – Indexed to FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Loans Given to Employees – FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Employee Credit Cards-TL	757	-	757
With Installment	286	-	286
Without Installment	471	-	471
Employee Credit Cards-FC	101	-	101
Without Installment	-	-	-
Without Installment	101	-	101
Overdraft Account-TL (Individual)	2,894	-	2,894
Overdraft Account-FC (Individual)	-	-	-
Total	42,244	210,156	252,400

d) Information on installment corporate loans and corporate credit cards:

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	27,184	91,922	119,106
Real Estate Loans	-	5,682	5,682
Automotive Loans	3,318	15,297	18,615
Consumer Loans	4,609	-	4,609
Other	19,257	70,943	90,200
Installment Corporate Loans – Indexed to FC	4,901	44,124	49,025
Real Estate Loans	-	249	249
Automotive Loans	-	4,561	4,561
Consumer Loans	4,548	3,327	7,875
Other	353	35,987	36,340
Installment Corporate Loans – FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	1,637	-	1,637
With Installment	178	-	178
Without Installment	1,459	-	1,459
Corporate Credit Cards – FC	48	-	48
With Installment	-	-	-
Without Installment	48	-	48
Overdraft Account-TL (Corporate)	5,282	-	5,282
Overdraft Account-FC (Corporate)	-	-	-
Total	39,052	136,046	175,098

e) Loan concentration according to counterparty:

	Current Period	Prior Period
Domestic loans	1,511,395	1,545,685
Foreign loans	-	-
Total	1,511,395	1,545,685

f) Loans granted to subsidiaries and associates: None.

g) Specific provisions for loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	1,671	3,375
Loans and Receivables with Doubtful Collectability	8,409	20,886
Uncollectible Loans and Receivables	47,292	32,251
Total	57,372	56,512

h) Information on non-performing loans (Net):

h.1) Information on loans under follow-up, loans and other receivables those are restructured/rescheduled: None.

h.2) Information on total non-performing loans:

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at Beginning of Period	8,106	39,848	50,436
Additions (+)	15,368	4,703	16
Transfers from Other Categories of Non- Performing Loans (+)	-	15,751	39,346
Transfers to Other Categories of Non-Performing Loans (-)	15,751	39,346	-
Collections (-)	2,442	6,860	12,521
Write-offs (-)	-	-	131
Corporate and Commercial Loans	-	-	131
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	5,281	14,096	77,146
Specific Provisions (-)	1,671	8,409	47,292
Net Balance on Balance Sheet	3,610	5,687	29,854

h.3) Information on non-performing loans in foreign currencies: None.

h.4) Information on non-performing loans according to beneficiary group:

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	3,610	5,687	29,854
Loans Allowed to Real Persons and Corporate Bodies (Gross)	5,281	14,096	77,146
Specific provision (-)	1,671	8,409	47,292
Loans Allowed to Real Persons and Corporate Bodies (Net)	3,610	5,687	29,854
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	4,731	18,962	18,185
Loans Allowed to Real Persons and Corporate Bodies (Gross)	8,106	39,848	50,436
Specific provision (-)	3,375	20,886	32,251
Loans Allowed to Real Persons and Corporate Bodies (Net)	4,731	18,962	18,185
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

6. Information on investment securities held-to-maturity (Net):

- a) Information on subject to repurchase agreement and given as collateral or blocked:
 As at 30 September 2010 and 31 December 2009, there are no financial assets held-to-maturity.
- b) Information on accounts in which government securities held-to-maturity are reflected :
 As at 30 September 2010 and 31 December 2009, there are no financial assets held-to-maturity.
- c) Information on investment securities held-to-maturity:
 As at 30 September 2010 and 31 December 2009, there are no financial assets held-to-maturity.
- d) Information on the movement of investment securities held-to-maturity during the period :

	Current Period	Prior Period
Balance at the beginning of the period	-	364,068
Foreign exchange differences	-	-
Purchases	-	-
Sales and redemptions	-	(174,536)
Transfers to available for sale portfolio	-	(189,532)
Impairment (-)	-	-
Balance at the end of the period	-	-

In year 2009, the Parent Bank has sold a significant portion of its securities amounting to TL 364,068 as at 31 December 2008 classified in held to maturity portfolio before the maturity dates of such securities. For this reason, the Parent Bank would not classify its financial assets as held to maturity securities in 2010 and 2011.

7. Investments in associates (Net):

Tekstil Yatırım Menkul Değerler A.Ş., the subsidiary of the Parent Bank, participated in “Gelişen İşletmeler Piyasaları A.Ş.” 1% of the company’s share capital.

8. Investments in subsidiaries (Net):

Information related to subsidiaries:

a) Information on subsidiaries not consolidated:

Description	Address (City/Country)	Bank’s share percentage- If different from voting percentage(%)	Bank’s Risk Group Share Percentage (%)
Tekstil Bilişim Hizmetleri ve Ticaret A.Ş. (*) (Bilişim)	Istanbul/Turkey	99.97	100.00

(*)As explained in Section 3, Note III Bilişim is not consolidated.

b) Information on subsidiaries according to information above:

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
48	48	1	3	-	(6)	(1)	-

c) Movement of subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	54	55
Movements during the Period	(6)	(1)
Purchases	-	-
Bonus shares received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision (+)	(6)	(1)
Balance at the End of the Period	48	54
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

d) Sectoral distribution of subsidiaries:

	Current Period	Prior Period
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	-	-
Other Non Financial Subsidiaries	48	54
Total	48	54

e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Banks Risk Group Share Percentage (%)
Tekstil Yatırım Menkul Değerler A.Ş. *(Tekstil Yatırım)	Istanbul/Turkey	99.92	100.00
The Euro Textile International Banking Unit Ltd. (ETB)	Lefkoşa/Cyprus	99.99	100.00

*The name of the subsidiary was changed as "Tekstil Yatırım Menkul Değerler A.Ş." on 21 July 2010.

f) Information on subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
18,389	12,646	148	710	3,831	1,828	2,198	-
1,775	274	2	223	-	(306)	(375)	-

g) Movement of consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	10,293	10,794
Movements during the Period	2,863	(501)
Purchases (*)	6,676	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	(3,555)	(501)
Revaluation Increase/(Decrease), Effect of Inflation and F/X Difference	(258)	-
Balance at the End of the Period	13,156	10,293
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

(*) Share capital of Tekstil Yatırım has been increased to TL 10,000 by TL 5,000 of which TL 4,796 in cash and the remaining amount by transferring from reserves. The Parent Bank has increased its subsidiaries according to funded in cash amount TL 4,792. The Parent Bank has also increased the share capital of ETB by USD 1,250 thousands (TL 1,884) from USD 4,000 thousands to USD 5,250 thousands.

h) Sectoral distribution of consolidated subsidiaries:

	Current Period	Prior Period
Subsidiaries		
Banks	274	2,203
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	12,882	8,090
Other Non Financial Subsidiaries	-	-
Total	13,156	10,293

i) Listed subsidiaries: None.

j) Subsidiaries disposed during the current period: None.

k) Subsidiaries purchased in the current period: None.

9. Information on joint ventures:

None.

10. Information on financial lease receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

12. Information on investment properties:

None.

13. Information on deferred tax assets:

a) Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax credits:

The Parent Bank has net deferred tax asset amounting TL 1,431 (31 December 2009: TL 2,022) which was calculated on deductible temporary differences except general provisions at 30 September 2010.

Deferred tax effects of items charged or credited to equity are also charged or credited directly to equity.

b) Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet: None.

14. Information on assets held for sale and discontinued operations

The Parent Bank has no asset held for sale and discontinued operation as at 30 September 2010 and 31 December 2009.

15. Other assets

The Group has property and real assets acquired against non performing loans and are recorded under assets to be disposed of account and presented under other assets amounting TL 16,911 (31 December 2009: TL 18,287).

Other assets, other than assets to be disposed of, amounting to TL 30,032 (31 December 2009: TL 23,875) do not exceed 10% of total assets.

II. Information and disclosures related to liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

The Parent Bank does not have any deposits callable in 7 days informed deposits.

a.1) Current Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	20,418	162,552	376,096	2,097	1,106	-	64	562,333
Foreign Currency Deposits	49,198	189,105	386,537	14,134	13,022	956	5	652,957
Residents in Turkey	45,052	181,431	377,250	9,717	5,247	546	5	619,248
Residents Abroad	4,146	7,674	9,287	4,417	7,775	410	-	33,709
Public Sector Deposits	5,956	509	-	-	-	-	-	6,465
Commercial Deposits	31,704	73,951	67,744	1,609	7	-	-	175,015
Other Ins. Deposits	825	920	1,109	8	34	-	-	2,896
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	4,592	218	-	-	-	-	-	4,810
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	4,399	218	-	-	-	-	-	4,617
Foreign Banks	193	-	-	-	-	-	-	193
Special Financial Inst.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	112,693	427,255	831,486	17,848	14,169	956	69	1,404,476

a.2) Prior Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	7,157	154,348	363,522	16,607	1,450	1	40	543,125
Foreign Currency Deposits	54,773	256,563	389,160	16,749	14,571	993	4	732,813
Residents in Turkey	52,842	251,598	372,571	10,957	5,311	621	4	693,904
Residents Abroad	1,931	4,965	16,589	5,792	9,260	372	-	38,909
Public Sector Deposits	4,733	7	-	-	-	-	-	4,740
Commercial Deposits	33,124	100,589	29,286	11,488	6	-	-	174,493
Other Ins. Deposits	814	531	654	8	4	-	-	2,011
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	110	3,011	-	-	-	-	-	3,121
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	21	3,011	-	-	-	-	-	3,032
Foreign Banks	89	-	-	-	-	-	-	89
Special Financial Inst.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	100,711	515,049	782,622	44,852	16,031	994	44	1,460,303

b) Information on Deposit Insurance:

b.1) Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit:

Saving Deposits	Covered by	Covered by	Exceeding the	Exceeding the
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	257,374	253,926	294,477	280,218
Foreign Currency Savings Deposits	103,529	108,780	278,068	278,997
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	360,903	362,706	572,545	559,215

b.2) Explanations on savings deposits, held at Foreign Bank's branch located in Turkey, and covered at the country where HQ is located: None.

b.3) Savings deposits not covered by deposit insurance: TL 22,044 (31 December 2009: TL 25,617).

Saving deposits that are not covered under the guarantee of deposit insurance fund:

	Current Period	Prior Period
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	9,709	10,297
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	10,861	10,444
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established in Turkey.	1,474	4,876

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	544	1,775	241	1,727
Swaps	67	267	613	721
Futures	-	-	-	-
Options	1,216	113	283	59
Other	-	-	-	-
Total	1,827	2,155	1,137	2,507

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	13,381	28,115	7,588	31,989
Foreign Banks, Institutions and Funds	-	10,679	-	106,789
Total	13,381	38,794	7,588	138,778

b) Maturities of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	13,381	20,533	7,588	61,792
Medium and Long-Term	-	18,261	-	76,986
Total	13,381	38,794	7,588	138,778

4. Information on other external resources:

Other external resources are amounting to TL 40,188 (31 December 2009: TL 28,585) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases:

Lease rent payments are determined according to related asset's cost, market interest rates and lease term. The Group does not have significant obligations on financial lease agreements.

Obligations under financial leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	6	6	139	135
Between 1-4 years	-	-	2	2
More than 4 years	-	-	-	-
Total	6	6	141	137

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for Loans and Receivables in Group I	7,918	7,689
Provisions for Loans and Receivables in Group II	750	913
Provisions for Non Cash Loans	1,140	1,072
Other	78	103
Total	9,886	9,777

b) Information on reserve for employee rights:

In accordance with existing legislation in Turkey, the Bank and its subsidiary in Turkey have to make certain lump-sum payments to employees who has completed one year of service with the Bank and whose employment is terminated due to retirement (retirement age for women and men are 58 and 60, respectively) or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

Such payments are calculated on the basis of 30 days' pay, as at 30 September 2010, at ceiling amount of TL-full 2,517 (31 December 2009: TL-full 2,365), per year of employment at the rate of pay applicable at the date of retirement of termination. The liability is not funded, since there is no funding requirement.

The Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits". The major actuarial assumptions used in the calculation of the total liability are as follows:

	Current Period	Prior Period
Discount Ratio (%)	5.92	5.92
Expected Salary/ETI Liability Ceiling Increase Rate (%)	4.80	4.80

It is assumed that the ceiling amount would increase by the rate of inflation.

Movement of ETI liability is below:

	Current Period	Prior Period
Prior Period End Amount	2,144	1,456
Current year provisions/ (reversal of provision)	1,216	2,626
Paid in current year	(887)	(1,938)
Period end amount	2,473	2,144

The Group also has vacation pay liability amounting TL 2,472 (31 December 2009: TL 2,521) as at 30 September 2010.

- c) Provision for foreign exchange gain/loss on foreign currency indexed loans:

As at 30 September 2010, foreign exchange differences on foreign currency indexed loans amounting TL 5,902 (31 December 2009: TL 753) are netted with loans on the asset side.

- d) Information on other provisions:

d.1) Information on provision for possible risks: None.

d.2) Information on provision for promotions related with banking services:

As at 30 September 2010, the Parent Bank has provision for credit card service promotions amounting TL 269 (31 December 2009: TL 357).

8. Taxation:

- a) Current tax liability: As at 30 September 2010, corporate taxes payable, net-off prepaid income taxes, of the Group is TL 1,684 (31 December 2009: TL 634).

- b) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	1,684	634
Taxation on securities	976	1,255
Capital gains tax on property	95	118
Banking Insurance Transaction Tax (BITT)	1,070	1,282
Taxes on foreign exchange transactions	-	-
Value added tax payable	43	54
Other	1,039	1,134
Total	4,907	4,477

- c) Information on premiums payable:

	Current Period	Prior Period
Social security premiums- employee share	415	383
Social security premiums- employer share	448	413
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	31	29
Unemployment insurance- employer share	56	52
Other	4	2
Total	954	879

- d) Information on deferred tax liabilities:

Parent Bank's deferred tax liability is netted off with deferred tax assets.

9. Information on shareholders' equity:

a) Paid in capital:

	Current Period	Prior Period
Common Stock	420,000	420,000
Preferred Stock	-	-

The paid-in share capital of the Bank is represented by 4,200 million registered shares of one 0.1 Turkish Liras each.

- b) 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: Not applicable at the Bank.
- c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period:
 None.
- d) Information on share capital increases from revaluation funds:
 None.
- e) Capital commitments for current financial year and following period: None.
- f) Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators: None.
- g) Information on the privileges given to stocks representing the capital: The Parent Bank's share capital is consisting of 70% A Type Shares and 30% B Type Shares. Three out of five Board of Directors members are voted by A Type shareholders, two out of five members are voted by B Type shareholders. There are no other privileges.
- h) Information on valuation of securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates and subsidiaries	-	-	-	-
Financial assets available-for-sale	5,779	1,005	3,582	500
Marketable securities subject to structural position	-	-	-	-
Total	5,779	1,005	3,582	500

Information on portion of foreign currency securities that are related to marketable securities valuation funds:

Portion of foreign currency securities which are related with the marketable securities valuation funds is presented as difference between fair values and amortized costs of the government bonds classified as investment securities available-for-sale.

III. Information on disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term	70,874	8,332	113,651	12,991
Medium and Long Term	28,864	3,524	32,083	2,362
Loans Under Follow-Up	4,822	-	1,952	-
Source Utilization Support Fund	-	-	-	-
Total	104,560	11,856	147,686	15,353

(*) Includes fees and commissions income from cash loans.

b) Information on interest income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	1,434	-	2,825	-
Domestic Banks	451	129	1,617	54
Foreign Banks	16	128	375	1,117
Foreign Branches	-	-	-	-
Total	1,901	257	4,817	1,171

c) Information on interest income received from associates and subsidiaries: None.

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks (*)	774	2,196	1,352	12,360
Central Bank of Turkey	-	-	-	-
Domestic Banks	719	617	1,352	1,122
Foreign Banks	55	1,579	-	11,238
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	774	2,196	1,352	12,360

(*) Includes fees and commission expenses related with funds borrowed.

b) Information on interest expense paid to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	3	4

3. Trading income / loss (net)

	Current Period	Prior Period
Profit	205,163	290,713
Capital Market Gains	5,809	10,621
Derivative Gains	127,340	185,041
Foreign Exchange Gains	72,014	95,051
Loss (-)	(197,210)	(274,475)
Capital Market Losses	(222)	(112)
Derivative Losses	(141,135)	(189,350)
Foreign Exchange Losses	(55,853)	(85,013)

Net loss from foreign currency exchange rate changes of derivatives is amounted to TL 11,630 (30 September 2009: TL 6,076 net loss).

4. Other operating income:

There is not any extraordinary event that would affect the Parent Bank's other operating income.

5. Impairment on loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	10,062	38,779
<i>Loans and Receivables in Group III</i>	802	4,582
<i>Loans and Receivables in Group IV</i>	4,972	22,219
<i>Loans and Receivables in Group V</i>	4,288	11,978
General Provision Expenses	109	-
Provision for Possible Losses	-	-
Impairment Losses on Securities:	4,822	6,623
<i>Trading securities</i>	2	-
<i>Investment Securities Available-for-Sale</i>	4,820	6,623
Other Impairment Losses:	6	1
<i>Associates</i>	-	-
<i>Subsidiaries</i>	6	1
<i>Joint Ventures</i>	-	-
<i>Investment Securities Held-to-Maturity</i>	-	-
Other	-	-
Total	14,999	45,403

6. Information related to other operational expenses:

	Current Period	Prior Period
Personnel Expenses	44,488	48,693
Reserve for Employee Termination Indemnity Benefits	280	344
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	699
Depreciation Expenses of Tangible Assets	3,272	3,422
Impairment of Intangible Assets	-	-
<i>Impairment of Goodwill</i>	-	-
Amortization Expenses of Intangible Assets	415	576
Impairment of Investments in Associates	-	-
Impairment of Securities Held for Sale	1,877	-
Depreciation of Securities Held for Sale	227	659
Impairment of Assets Held for Sale and	-	-
Other Operating Expenses	17,310	18,807
<i>Operational Leases</i>	6,686	7,306
<i>Repair and Maintenance</i>	968	830
<i>Advertising</i>	317	497
<i>Other Expenses</i>	9,339	10,174
Loss on Sale of Assets	783	2,062
Other	6,388	5,186
Total	75,040	80,448

7. Profit / loss before taxes for continued and discontinued operations:

- a) Information on current tax income or expense and deferred tax income or expense:

For the interim period ended 30 September 2010, current tax expense is TL 5,392 (30 September 2009: TL 1,790).

For the interim period ended 30 September 2010 deferred tax expense is TL 369 (30 September 2009: TL 1,000 expense).

- b) Deferred tax charge arising from origination or reversal of temporary differences:

For the interim period ended 30 September 2010, deferred tax expense arising from temporary differences amounting TL 369 (30 September 2009: TL 1,000).

Besides, for the interim period ended 30 September 2010, the change in the deferred tax liabilities amounting to TL 222 is accounted under equity accounts.

- c) Information on deferred tax income or expense by temporary difference, statutory loss and tax deduction and exception reflected to the income statement.

For the interim period ended 30 September 2010, deferred tax expense arising from temporary differences is TL 369 (30 September 2009: TL 1,000 expense).

For the interim period ended 30 September 2010, there is no deferred tax income resulted from statutory loss (30 September 2009: None).

8. Information on net profit and loss:

- a) Any further explanation on operating results needed for better understanding of the Parent Bank's performance: None.
- b) Any changes in estimations that might have a material effect on current and subsequent period results: None.

9. Information related to the components of other items in the income statement exceeding 10% of the group total or 20% of the sub-accounts belonging to this group:

None.

IV. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities

a) Type and amount of irrevocable commitments: As at 30 September 2010, loan granting commitments amount to TL 40,373 (31 December 2009: TL 38,723), commitments for credit card limits amount to TL 194,699 (31 December 2009: TL 200,692) commitments for cheque payments amount to TL 75,693 (31 December 2009: TL 68,107), commitments for promotional operations re-credit cards amount to TL 645 (31 December 2009: TL 726) and tax and fund obligations from export commitments amount to TL 12 (31 December 2009: TL 63). As of 30 September 2010, loan limit allocations amounting to TL 5,253,943, which cannot be readily used by customers, have been started to be followed up under revocable commitments according to the amendments to the Uniform Chart of Account.

b) Type and amount of possible losses and commitments from off-balance sheet items: None.

Guarantees from off-balance sheet commitments are shown in Off-balance Sheet Items Statements.

As at 30 September 2010, the Group has letters of guarantee amounting to TL 731,165 (31 December 2009: TL 658,495), bills of exchange and acceptances amounting to TL 1,980 (31 December 2009: TL 305), letters of credit amounting to TL 65,884 (31 December 2009: TL 70,640), prefinancing given as guarantee amounting to TL 1,352 (31 December 2009: TL 1,402) and other guarantees amounting to TL 17,332 (31 December 2009: TL 24,724).

c) Non-cash loans:

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	39,235	59,228
With Original Maturity of 1 Year or Less	530	124
With Original Maturity of More Than 1 Year	38,705	59,104
Other Non-Cash Loans	778,478	696,338
Total	817,713	755,566

d) There is not any fiduciary service rendered on behalf of third parties.

V. Information and disclosures related to the Parent Bank's risk group

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

a) Current Period:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	78,697	3,874	-	-
Balance at the End of the Period	-	-	26,497	3,438	-	-
Interest and Commission Income Received(**)	-	-	3,582	63	-	-

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

(**) Interest and commission income received includes commissions from non-cash loans and other banking commissions.

The Parent Bank also has placements at the banks in its risk group amounting to TL 6,285 (31 December 2009- TL 6,991).

b) Prior Period:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	40,932	5,722	-	-
Balance at the End of the Period	-	-	78,697	3,874	-	-
Interest and Commission Income Received(**)	-	-	3,458	70	-	-

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

(**) Interest and commission income received includes commissions from non-cash loans and other banking commissions.

c) Information on deposits held by the Bank's risk group:

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the beginning of the Period	53	52	43,800	77,169	-	-
Balance at the End of the Period	46	53	60,224	43,800	-	-
Interest on Deposits	3	4	2,934	4,355	-	-

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

d) Information on forward transactions and option agreements and similar other agreements related with the Bank's risk group:

As at 30 September 2010, the Parent Bank has forward, foreign currency swap and option transactions amounting to TL 4,099 and TL 4,049 (31 December 2009: TL 14,064 and TL 14,623, respectively) with the Parent Bank's risk group.

VI. Domestic, foreign and off-shore banking branches and foreign representatives

	Number	Number of Employees			
Domestic branches	44	916			
				Country of Incorporation	
Foreign representation	1	1	Berlin, Germany		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore banking region branches	-	-	-	-	-

VII. Information and disclosure related to subsequent events

Transactions that have not been finalized and their effect on the consolidated financial statements and disclosures in accordance with TAS 10 “Events after the balance sheet date”:

According to Central Bank of Turkey Communiqué, which is published at Official Gazette numbered 27708, dated 23 September 2010; effective as of 1 November 2010, reserve deposit rate for Turkish Lira liabilities are increased to 5.5% from 5%, reserve deposit for foreign currency liabilities are increased to 11% from 10% and the application of interest on Turkish Lira reserve deposits has been cancelled.

In accordance with Extraordinary General Meeting resolution of the Parent Bank’s subsidiary “The Euro Textile International Banking Unit Ltd.” dated 4 November 2010, it has been decided to officially end the activities of the company due to the decreasing trend of the operations in the course of time.

SECTION SIX

INDEPENDENT AUDITORS' REVIEW REPORT

I. Information on the independent auditor's review report

The consolidated financial statements of the Parent Bank and its subsidiaries as at 30 September 2010 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (the Turkish member firm of KPMG International Cooperative, a Swiss Cooperative). It was noted in their review report dated 10 November 2010 that nothing has come to their attention that caused them to believe that accompanying consolidated interim financial statements do not present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiaries as at 30 September 2010, and of the results of its operations and its cash flows for the period then ended, in all material respects in accordance with regulations described in Articles 37 and 38 of the (Turkish) Banking Law No. 5411.

II. Information and disclosures prepared by the independent auditors

None.