Anadolubank Nederland N.V
Financial Statements 2010

Independent auditor's report

To: the Supervisory Board of Anadolubank Nederland N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Anadolubank Nederland N.V. , Amsterdam, which comprise the statement of financial position as at 31 December 2010, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report, in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Anadolubank Nederland N.V. as at 31 December 2010 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b-h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 06 May 2011
KPMG ACCOUNTANTS N.V.

M. A. Huiskers RA

ANADOLUBANK NEDERLAND N.V.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

	Note	2010	2009
Assets			
Cash and cash equivalents	5	46,204	32,899
Derivative financial assets	6	97	513
Loans and advances to banks	7	194,838	135,046
Loans and advances to customers	8	52,504	89,008
Investment securities	9	38,346	48,864
Property and equipment	10	293	432
Intangible assets	11	3	8
Other assets	12	77	72
Total assets		332,362	306,842
Liabilities			
Derivative financial liabilities	6	3,695	695
Due to banks	13	15,335	23,789
Due to customers	14	272,629	248,250
Current tax liabilities	25	122	278
Other liabilities	15	493	816
Total liabilities		292,274	273,828
Equity			
Share capital	16	30,000	30,000
Retained earnings	16	3,014	264
Profit for the year	16	7,074	2,750
Total equity attributable to equity holder of the Bank		40,088	33,014
Total liabilities and equity		332,362	306,842
Commitments and contingencies	17	782	10

The notes on pages 68-93 are an integral part of these financial statements.

ANADOLUBANK NEDERLAND N.V.
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

	Note	2010	2009
Interest income	20	15,694	15,648
Interest expense	20	(8,010)	(9,336)
Net interest income		7,684	6,312
Fee and commission income	21	509	710
Fee and commission expense	21	(158)	(452)
Net fee and commission income		351	258
Net trading income		4	33
Results from financial operations	22	4,367	167
Operating income		12,406	6,770
Personnel expenses	23	(1,787)	(1,610)
Depreciation and amortization		(145)	(146)
Other expenses	24	(994)	(1,331)
Profit before income tax		9,480	3,683
Income tax expense	25	2,406	933
Profit for the period		7,074	2,750
Attributable to:			
Equity holders of the Bank	16	7,074	2,750
Profit for the period		7,074	2,750

The notes on pages 68-93 are an integral part of these financial statements.

ANADOLUBANK NEDERLAND N.V.
STATEMENT OF CASH FLOW
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

For the year ended 31 December	Note	2010	2009
Cash flows from operating activities			
Profit for the period		7,074	2,750
Adjustments for:			
Depreciation and amortization	10, 11	145	146
Net interest income	20	(6,484)	(6,312)
Income tax expense	25	2,406	933
		3,141	(2,483)
Change in derivative financial instruments (assets)	6	416	(252)
Change in loans and advances to banks	7	(59,792)	(83,915)
Change in loans and advances to customers	8	36,504	2,253
Change in other assets	12	139	(2)
Change in derivative financial instruments (liabilities)	6	3,000	468
Change in deposits from banks		(8,453)	15,089
Change in deposits from customers	14	24,379	81,114
Change in other liabilities and provisions	15, 25	(479)	459
		(1,145)	12,731
Interest received		17,970	12,735
Interest paid		(16,257)	(6,501)
Income tax paid	25	(2,284)	(655)
Net cash from/used in operating activities			
		(1,716)	18,310
Cash flows from investing activities			
Acquisition of investment securities	9	10,518	(17,622)
Proceeds from sale of investment securities	22	4,367	33
Acquisition of property and equipment	10	(1)	(1)
Net cash used in investing activities		14,884	(17,590)
Net increase in cash and cash equivalents		13,168	720
Cash and cash equivalents at 1 January	5	32,899	32,179
Effect of exchange rate fluctuations on cash and cash equivalents held		137	-
Cash and cash equivalents at 31 December	5	46,204	32,899

The notes on pages 68-93 are an integral part of these financial statements.

ANADOLUBANK NEDERLAND N.V.

CAPITAL AND RESERVES
RECONCILIATION OF MOVEMENT IN CAPITAL AND RESERVE
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

	Share capital	Retained earnings	Profit for the year	Total
Balance at 1 January 2009	30,000	(615)	879	30,263
Share capital increase	-	-	-	-
Profit allocation	-	879	(879)	-
Net income for the year	-	-	2,750	2,750
Balance at 31 December 2009	30,000	264	2,750	33,014
Balance at 1 January 2010	30,000	264	2,750	33,014
Share capital increase	-	-	-	-
Profit allocation	-	2,750	(2,750)	-
Net income for the year	-	-	7,074	7,074
Balance at 31 January 2010	30,000	3,014	7,074	40,088

The notes on pages 68-93 are an integral part of these financial statements.

ANADOLUBANK NEDERLAND N.V.
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

1. Overview of the Bank

Anadolubank Nederland N.V. (the "Bank") is a public limited liability company domiciled in the Netherlands. The Bank was established on 5 April 2006 and was granted a full banking licence by De Nederlandsche Bank (Dutch Central Bank) on 2 August 2007. The Bank has been operational since early 2008. The Bank primarily is involved in corporate and retail banking-retail banking deposit activities. The registered office of the Bank is De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands.

The Bank is 100% owned by Anadolubank A.S incorporated in Turkey. Anadolubank A.S. belongs to the Habas Sınai ve Tıbbi Gazlar İstihsal Endüstrisi AS, which is one of the biggest industrial conglomerates of Turkey, operating in industrial and medical gases production, LPG and natural gas distribution, electricity generation, iron and steel manufacturing and industrial facilities construction. Anadolubank A.S. is a commercial bank with 86 branches. Its branch network is still expanding. The Bank is comparatively young in the industry, but already has reached a leading position in the sector, thanks to the strength of its shareholders, well-chosen experienced management team and most diligent employees. The Bank provides small to medium sized companies with short-term working capital and trade finance facilities. The financial information of the Bank will be consolidated in the financial statements of Anadolubank A.S.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and in accordance with the legal requirements for the annual accounts of banks contained in Part 9, Book 2 of the Netherlands Civil Code.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention, except for trading securities and derivative financial instruments that have been measured at fair value. The financial figures and tables are stated in thousands.

(c) Functional and presentation of currency

The financial statements are presented in euros, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand euro unless otherwise is stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

ANADOLUBANK NEDERLAND N.V.
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

3. Significant Accounting Policies

(a) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into euros at the exchange rates ruling at balance sheet date with the resulting exchange differences recognized in the income statement as foreign exchange gain or loss. Gains and losses arising from foreign currency transactions are reflected in the income statement as realized during the course of the period.

(b) Interest

Interest income and expense are recognized in the income statement using the effective interest rate 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 (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received regarding transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

(c) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognized as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

(d) Net trading income

Net trading income consists of the results arising from any trading activity including related interest income and expense and gains and losses from changes in fair value.

(e) Lease payments made

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

(f) Income taxes

The effective tax rate is determined with consideration of all material timing differences between the profit before tax per commercial accounts and the fiscal profit described per the tax legislation. Tax is calculated according to the current Dutch nominal tax rate of 20% for the first EUR 200,000 and 25.5% of the remaining amount.

(g) Financial instruments

(i) Recognition

The Bank initially recognizes loans and advances, deposits, and held-to-maturity investment securities on the date at which they are originated. Financial assets designated at fair value through profit or loss is recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument. From this date any gains and losses arising from changes in fair value of the assets are recognized.

ANADOLUBANK NEDERLAND N.V.
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010
(CURRENCY-THOUSANDS OF EUROS)

(ii) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(iv) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition. The principal repayment is deducted and cumulative amortization is applied by using the effective interest method of any difference between the initial amount recognized and the maturity amount. Any reduction for impairment is deducted. Financial instruments are measured initially at cost, including transaction costs. All non-trading financial liabilities, loans and receivables and held-to-maturity investment securities are measured at amortized cost less impairment losses.

(v) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates. The discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are recognized in the income statement as interest income.

(vi) Identification and measurement of impairment

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of loans and receivables is calculated as the present value of the expected future cash flows, discounted at the instrument's original effective interest rate. Short-term balances are not discounted.

Loans and receivables are presented net of specific allowance for uncollectability. Specific allowances are made against the carrying amount of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivables to their recoverable amounts.

The Bank has fully evaluated its financial assets according to the above-mentioned principles. There has been an impairment expectation calculated in the period, but no loss provision has been made in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
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(h) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the balance sheet.

(i) Derivatives held for risk management purposes

Derivative financial instruments consisting of foreign currency forward contracts and currency swaps are initially recognized at cost, with subsequent measurement to their fair value at each balance sheet date. Fair values are obtained or determined from quoted market prices in active markets. All derivatives are separately evaluated and carried as assets when each transaction's fair value is positive and as liabilities when each transaction's fair value is negative. Derivative contracts are included in derivative financial instruments lines of assets and liabilities and changes in the fair value are included in the income statement, under net trading income. No hedge accounting has been applied.

(j) Loans and advances to banks and customers

These are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the bank provides funds directly to a debtor with no intention of trading the receivable. Such assets are carried at amortized cost using the effective interest method less any impairment in value. Interest income and gains and losses with respect to the amortization of the financial assets as well as derecognition and impairment costs are recognized in the income statement.

(k) Investment securities

Investments held for the purpose of short-term profit taking are classified as trading instruments. As at 31 December 2010, the Bank has no trading investment in its portfolio.

Debt investment securities which the Bank has the intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank had to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

Held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment in value. Amortized cost is calculated by taking into account all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. For investments carried at amortized cost, gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process. Interest earned whilst holding held-to-maturity investments is reported as interest income in the income statement.

(l) Property and equipment

The property and equipment purchased are recorded at their historical costs. Accordingly, property and equipment are carried at cost, less accumulated depreciation and impairment losses, if any.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to the income statement in the year in which the costs are incurred. Expenditures incurred that have resulted in an increase in the future economic benefits expected from the use of premises are capitalized as an additional cost of property and equipment.

ANADOLUBANK NEDERLAND N.V.
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Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The yearly depreciation percentages are as follows:

	Years
IT equipment	20%
Furniture, fixtures and vehicles	20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

(m) Intangible assets

Intangible assets mainly comprise acquired computer software. Costs associated with developing or maintaining computer software programs are recognized as an expense incurred. They are recorded at acquisition cost and are amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the acquisition date. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

(n) Repurchase transactions

The Bank enters into purchases/(sales) of investments under agreements to resell/(repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for assets held-to-maturity. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest income.

(o) Provisions

A provision is recognized when, and only when, the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in the provision reflecting the passage of time is recognized as interest expense.

(p) Employee benefits

The Bank has a defined contribution plan for the majority staff.

(q) Share capital & reserves

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the balance sheet date are disclosed in the events after balance sheet date note, if any.

ANADOLUBANK NEDERLAND N.V.
NOTES TO THE FINANCIAL STATEMENTS
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(r) New standards and interpretations not yet adopted

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of Anadolubank Nederland NV, with the exception of:

IFRS 9 Financial Instruments

In November 2009, the IASB issued IFRS 9 'Financial Instruments' ('IFRS 9') which introduced new requirements for the classification and measurement of financial assets. In October 2010, the IASB issued additions to IFRS 9 relating to financial liabilities. Together, these changes represent the first phase in the IASB's planned replacement of IAS 39 'Financial Instruments: Recognition and Measurement' ('IAS 39') with a less complex and improved standard for financial instruments.

The standard is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. IFRS 9 is required to be applied retrospectively. If the standard is adopted prior to 1 January 2012, an entity will be exempt from the requirement to restate prior period comparative information. IFRS 9 is subject to EU endorsement, the timing of which is uncertain. Accordingly, Anadolubank Nederland NV is unable to provide a date by which it plans to apply IFRS 9.

The main changes to the requirements of IAS 39 are summarised below.

- All financial assets that are currently in the scope of IAS 39 will be classified as either amortised cost or fair value. The available-for-sale, held-to-maturity and loans and receivables categories will no longer exist.
- Classification of financial assets is based on an entity's business model for managing the financial assets and their contractual cash flow characteristics. Reclassifications between the two categories are prohibited unless there is a change in the entity's business model.
- A financial asset is measured at amortised cost if two criteria are met: i) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows; and ii) the contractual cash flows of the instrument are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Movements in the fair value of financial assets classified at fair value are recognised in profit or loss, except for equity investments where an entity takes the option to designate an equity instrument that is not held for trading at fair value through other comprehensive income. If this option is taken, all subsequent changes in fair value are recognised in other comprehensive income with no recycling of gains or losses to the income statement. Dividend income would continue to be recognised in the income statement.
- An entity is only permitted to designate a financial asset otherwise meeting the amortised cost criteria at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch. This designation is made on initial recognition and is irrevocable.
- Financial assets which contain embedded derivatives are to be classified in their entirety either at fair value or amortised cost depending on whether the contracts as a whole meet the relevant criteria under IFRS 9.
- Most of IAS 39's requirements for financial liabilities are retained, including amortised cost accounting for most financial liabilities. The guidance on separation of embedded derivatives will continue to apply to host contracts that are financial liabilities. However, fair value changes attributable to changes in own credit risk for financial liabilities designated under the fair value option other than loan commitments and financial guarantee contracts are to be presented in the statement of other comprehensive income unless the treatment would create or enlarge an accounting mismatch in profit or loss. These amounts are not subsequently reclassified to the income statement but may be transferred within equity.

The second and third phases in the IASB's project to replace IAS 39 will address the impairment of financial assets measured at amortised cost and hedge accounting. The IASB has indicated that it expects to finalise the replacement of IAS 39 by June 2011.

The impact of IFRS 9 may change as a consequence of further developments resulting from the IASB's project to replace IAS 39. As a result, it is impracticable to quantify the impact of IFRS 9 as at the date of publication of these financial statements.

ANADOLUBANK NEDERLAND N.V.

NOTES TO THE FINANCIAL STATEMENTS
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(CURRENCY-THOUSANDS OF EUROS)

4. Segment reporting

Segment reporting is a distinguishable component of the Bank. It is engaged in providing products or services in which is called a business segment. Providing products or services within a particular economic environment, is called a geographical segment. The Bank's primary format for segment reporting is based on operating segments. Measurement of segment assets and liabilities and segment results is based on the accounting policies set out in the accounting policy notes. For geographical segments, refer to Note 27 (b) Credit risk.

Operating segments

31 December 2010	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations of Bank
Net interests, fees, and commissions income	(7,690)	11,439	4,285	0	8,034
Other operating income and expenses, net	-	-	4,371	(2,926)	1,446
Profit before taxes	(7,690)	11,439	8,656	(2,926)	9,480
Segment assets		247,342	84,647	373	332,362
Total assets	-	247,342	84,647	373	332,362
Segment liabilities	272,629	-	19,031	615	292,274
Shareholders' equity and minority interest	-	-	-	40,087	40,088
Total liabilities	272,629	-	19,031	40,702	332,362
Other segment assets	-	-	-	-	-

31 December 2009	Retail Banking	Corporate and Commercial Banking	Treasury	Other	Total Operations of Bank
Net interests, fees, and commissions income	(9,001)	12,414	3,161	57	6,630
Other operating income and expenses, net	-	-	140	(3,086)	(2,947)
Profit before taxes	(9,001)	12,414	3,301	(3,030)	3,683
Segment assets	-	224,054	82,276	512	306,842
Total assets	-	224,054	82,276	512	306,842
Segment liabilities	248,250	-	24,484	1,094	273,828
Shareholders' equity and minority interest	-	-	-	33,013	33,014
Total liabilities	248,250	-	24,484	34,107	306,842
Other segment assets					

ANADOLUBANK NEDERLAND N.V.
NOTES TO THE FINANCIAL STATEMENTS
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5. Cash and cash equivalents

	2010	2009
Cash and balances with banks	5,732	1,229
Unrestricted balances with central banks	5,165	10,206
Money market placements less than in three months	35,307	21,464
Total cash and cash equivalents in the balance sheet	46,204	32,899

The amounts of blocked deposits with banks are EUR 59 as at 31 December 2010 (31 December 2009: EUR 58).

6. Derivatives held for risk management purposes

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

Derivative financial instruments include forwards and swaps. The Bank uses derivative financial instruments to manage its exposure to foreign currency risk. The notional amounts of long positions in currency forwards and currency swaps are:

	31 December 2010			
	Notional Amounts	Up to 1 Month	Fair Value Assets	Fair Value Liabilities
Forward purchase contract	1,524	1,524	14	-
Forward sale contract	1,512	1,512	-	1
Currency swap purchase	74,533	74,533	83	-
Currency swap sale	78,144	78,144	-	3,694
Total	155,713	155,713	97	3,695

Maturity dates of all derivative transactions are up to one month as of 31 December 2010.

	31 December 2009			
	Notional Amounts	Up to 1 Month	Fair Value Assets	Fair Value Liabilities
Forward purchase contract	201	201	1	-
Forward sale contract	200	200	-	-
Currency swap purchase	258,751	258,751	512	-
Currency swap sale	258,933	258,933	-	695
Total	518,085	518,085	513	695

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7. Loans and advances to banks

	2010	2009
Bank loans	179,442	135,046
Reverse repo	15,396	-
	194,838	135,046

Related to reverse repo, the carrying value of debt instruments given as collateral under repurchase agreements is EUR 15,100 (USD 19,992) at 31 December 2010.

Anadolubank N.V. has to fund an amount of EUR 2,125 to fund the deficit of DSB Bank under the Deposit Guarantee Fund. During 2010 the Bank paid EUR 1,758 to DNB, whilst the remaining part of the contribution, EUR 367, will be paid in 2011 and has been shown as off balance sheet commitment in the financial statements. In 2009 EUR 390 of the total contribution was provided for. During 2010 there was no need for amending this provision, which is now netted with the 2010 contribution.

8. Loans and advances to customers

	2010	2009
Corporate loans	52,504	89,008

The decrease of the corporate loans in 2010 is majorly replaced with the bank loans.

9. Investment securities

	2010	2009
Held-to-maturity investment securities	38,346	48,864
	38,346	48,864

Held-to-maturity investment securities	2010	2009
Government bonds	18,273	29,988
Corporate bonds	4,878	9,177
Credit institution	11,405	6,192
Multilateral bank	3,790	3,507
	38,346	48,864

The Bank has given the ECB eligible bonds with carrying values of EUR 38,346 as collateral to DNB (De Nederlandsche Bank) for compulsory minimum cash reserve requirements (2009: EUR 18,876).

Movement Schedule of investment securities

	2010	2009
Beginning balance 01 january 2010	48,864	31,242
Purchases	24,229	18,130
Sales	(32,379)	-
Redemption	(5,098)	-
Fx evaluation	2,730	(508)
Balance 31 st december 2010	38,346	48,864

The Bank had to sell the Turkish Government Bond securities from held-to-maturity portfolio (EUR 27,5 million notional value) in 2010 due to changes in statutory requirements by the regulatory supervisor in 2010. Based on the specific circumstances in IAS 39.AG22f, this sale does not breach the tainting rules for HTM assets as the criteria in the specific articles are met. The sale is an 'isolated event beyond the control of the entity and is non-recurring'.

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10. Property and equipment

	IT equipment	Fixtures and fittings	Total
Cost			
Balance at 1 January 2009	342	376	718
Acquisitions	-	1	1
Disposals	(22)		(22)
Balance at 31 December 2009	320	377	697
Balance at 1 January 2010	320	377	697
Acquisitions	1	-	1
Balance at 31 December 2010	321	377	698
Depreciation and impairment losses			
Balance at 1 January 2009	54	76	130
Depreciation for the period	60	75	135
Balance at 31 December 2009	114	151	265
Balance at 1 January 2010	114	151	265
Depreciation for the period	76	64	140
Balance at 31 December 2010	190	215	405
Carrying amounts			
Balance at 1 January 2009	288	300	588
Balance at 31 December 2009	206	226	432
Balance at 31 December 2010	131	162	293

11. Intangible assets

Cost	Software	Total
Balance at 1 January 2009	20	20
Disposal	(4)	(4)
Balance at 31 December 2009	16	16
Balance at 1 January 2010	16	16
Balance at 31 December 2010	16	16
Amortization and impairment losses		
Balance at 1 January 2009	2	2
Amortization for the period	6	6
Balance at 31 December 2009	8	8
Balance at 1 January 2010	8	8
Amortization for the period	5	5
Balance at 31 December 2010	13	13
Carrying amounts		
Balance at 31 December 2009	8	8
Balance at 31 December 2010	3	3

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12. Other assets

	2010	2009
Prepaid expenses	77	72
	77	72

13. Due to banks

	2010	2009
Obligations under repurchase agreements	12,434	23,789
Due to banks	2,901	-
	15,335	23,789

14. Due to customers

	2010	2009
Retail customers:		
Term deposits	97,916	93,789
Current deposits	142,956	139,356
Corporate customers:		
Term deposits	27,901	13,475
Current deposits	3,856	1,630
	272,629	248,250

EUR 3,058 of term deposits served as cash collateral as of 31 December 2010 (2009: EUR 4,741).

15. Other liabilities

	2010	2009
Expense payable	241	125
Taxes other than income	73	66
Liability for unused vacations	112	22
Short-term employee benefits	50	28
Other	17	575
Total	493	816

The major difference in other liabilities is related to the proportional contribution of the Bank to the Deposit Guarantee Fund in 2009. In 2010 this provision was netted with the loan to the Trust of DSB (reference is made to note 7).

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16. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital	Retained earnings	Profit for the year	Total
Balance at 1 January 2009	30,000	(615)	879	30,264
Share capital increase	-	-	-	-
Profit allocation	-	879	(879)	-
Net income for the year	-	-	2,750	2,750
Balance at 31 December 2009	30,000	264	2,750	33,014
Balance at 1 January 2010	30,000	264	2,750	33,014
Share capital increase	-	-	-	-
Profit allocation	-	2,750	(2,750)	-
Net income for the year	-	-	7,074	7,074
Balance at 31 January 2010	30,000	3,014	7,074	40,088

The last capital increase was registered on 29 September 2008. The authorized nominal share capital of the Bank is EUR 30,000 as at 31 December 2009 and 31 December 2010.

As at 31 December 2010, Anadolubank A.S is the owner of 100% of the shares issued by Anadolubank Nederland N.V.

The Bank has issued 30,000 shares of EUR 1,000 nominal value as at 31 December 2010.

17. Contingencies

Commitment and contingencies

	2010	2009
Guarantees issued	49	10
Letter of credit issued	366	-
Commitment to DGS for 2011	367	-
	782	10

18. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial and operating decisions. The Bank is controlled by Anadolubank A.S. which owns 100% of the ordinary shares. Anadolubank belongs to Habas Group controlled by Habas Sınai ve Tıbbi Gazlar İstihsal Endüstrisi AS. For the purpose of consolidated financial information, shareholders and Habaş Group companies are referred to as related parties. Related parties also include individuals that are principal owners and management and members of the Board of Directors and their families.

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The following significant balances exist and transactions have been entered into with related parties:

31 December 2010

Outstanding balances	Parent	Significant influence over the entity	Other Related parties	Key Management	Total
Cash and cash equivalent	44	-	-	-	44
Cash Loans	14,899	-	-	-	14,899
Deposit taken	-	2,489	2,901	-	5,390
Guarantees issued by the Bank	-	-	-	-	-

31 December 2009

Outstanding balances	Parent	Significant influence over the entity	Other Related parties	Key Management	Total
Cash and cash equivalent	54	-	-	-	54
Cash loans	-	-	4,464	1,051	5,315
Deposit taken	-	1,207	-	-	1,207
Guarantees issued by the Bank	4,995	-	-	-	4,995

31 December 2010

Transactions	Parent	Significant influence over the entity	Other Related parties	Key Management	Total
Interest income	206	-	222	112	540
Interest expense	43	47	9	-	99

31 December 2009

Transactions	Parent	Significant influence over the entity	Other Related parties	Key Management	Total
Interest income	-	-	64	45	109
Interest expense	-	110	-	-	110

The Bank enters into transactions with its parent company and other related parties in the ordinary course of business at arm's-length conditions.

The remuneration and fees of the members of Board of Supervisory Directors and the Management Board for the year ended 31 December 2010 are as follows:

Key management personnel compensation

	2010	2009
Board of Supervisory Directors	20	18
Board of Management	385	434
	405	452

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19. Lease commitments

The Bank has entered into a long-term financial obligation in 2007 with duration of 5 years for the rent of the office amounting to EUR 231 a year in 2010 (EUR 240 a year in 2009).

20. Net interest income

	2010	2009
Interest income		
Cash and cash equivalents	129	224
Loans and advances to banks	7,171	6,714
Loans and advances to customers	3,918	5,443
Investment securities	4,476	3,267
Total interest income	15,694	15,648
Interest expense		
Deposit from banks	320	331
Deposit from customers	7,690	9,001
Other	-	4
Total interest expense	8,010	9,336
Net interest income	7,684	6,312

21. Net fee and commission income

	2010	2009
Fee and commission income		
Corporate banking credit related fees	509	709
Total fee and commission income	509	710
Fee and commission expense		
Interbank transaction fees	158	452
Total fee and commission expense	158	452
Net fee and commission income	351	258

22. Results from Financial Operations

	2010	2009
Net income from securities held to maturity	4,367	-
Foreign exchange gain (net)	-	167
Other operating income (net)	4,367	167

The major changes in the other operating income are related to the process of the sale of the Turkish Bonds held to maturity in 2010.

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23. Personnel expenses

	2010	2009
Wages and salaries	1,233	1,189
Compulsory social security obligations	224	140
Contributions to defined contribution plans	301	269
Other fringe benefits	29	12
	1,787	1,610

The number of staff is 20 employed by the Bank as of 31 December 2010. (2009; 21)

The Bank has a defined contribution plan for the majority of staff; the pension scheme is insured at an insurance company.

24. Other expenses

	2010	2009
Operating lease expense	231	235
Communication expenses	289	158
Business travel & accommodation	23	9
Audit fee	68	81
Software licensing and other information technology expenses	106	145
Paid taxes other than income	13	21
Deposit Guarantee Scheme	-	469
Other	264	213
	994	1,331

Audit-related fees	2010	2009
Audit related to the annual report	68	81
Tax advisory services	39	24
Total	107	105

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25. Income tax expense

Major components of income tax expense:

	2010	2009
Profit before taxation	9,480	3,683
Use of compensable loss	-	-
Taxable profit	9,480	3,683
Tax (20.0% for 200)	40	40
Tax (25.5% for remaining)	2,336	877
Other (not analyzed)	16	16
Income tax payable	2,406	933
Prepaid tax	2,284	655
Income tax payable	122	278

The total tax burden for the year 2010 is amounted to EUR 2,406 or 25.38% of the result before taxation (2009: EUR 933 or 25.33% of the result before taxation). The deviation from the Dutch nominal tax rate of 20% for the first EUR 200 and 25.5% of the remaining amount is calculated over the taxable profit amounting to EUR 9,480. In 2010, EUR 2,284 of the total tax burden has been prepaid. As of 31 December 2010, only EUR 122 of the amount of income tax has remained payable.

26. Fair value information

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The estimated fair values of financial instruments have been determined by the Bank using available market information, and generally accepted valuation methodologies where there is not an appropriate market data. However, judgement is required to interpret market data to determine the estimated fair value.

Current period investment securities comprise interest-bearing assets held-to-maturity. The fair value of the held to maturity assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The book value of demand deposits, money market placements with floating interest rate and overnight deposits represents their fair values due to their short-term nature. The book value of the sundry creditors reflects their fair values since they are short-term.

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The fair value of loans and advances is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The following table compares the carrying amount of financial assets and liabilities at amortized cost to estimated fair values as of 31 December 2010 and 31 December 2009 respectively.

As at 31 December 2010	Note	Carrying value	Fair value
Financial assets			
Cash and cash equivalents	5	46,204	46,204
Derivative financial assets	6	97	97
Loans and advances to banks	7	194,838	198,757
Loans and advances to customers	8	52,504	55,390
Investment securities	9	38,346	44,546
		331,989	344,994
Financial liabilities			
Derivative financial liabilities	6	3,695	3,695
Due to banks	13	15,335	15,335
Due to customers	14	272,629	274,867
		291,660	293,898

As at 31 December 2009	Note	Carrying value	Fair value
Financial assets			
Cash and cash equivalents	5	32,899	32,899
Derivative financial assets	6	513	513
Loans and advances to banks	7	135,046	134,971
Loans and advances to customers	8	89,008	89,293
Investment securities	9	48,864	53,745
		306,330	311,421
Financial liabilities			
Derivative financial liabilities	6	695	695
Due to banks	13	23,789	23,789
Due to customers	14	248,250	253,372
		272,734	277,856

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As at 31 December 2010	Note			
Financial assets		Level 1	Level 2	Level 3
Cash and cash equivalents	5	-	46,204	-
Derivative financial assets	6	-	97	-
Loans and advances to banks	7	-	198,757	-
Loans and advances to customers	8	-	55,390	-
Investment securities	9	44,546	-	-
		44,546	300,448	-

As at 31 December 2009	Note			
Financial assets		Level 1	Level 2	Level 3
Cash and cash equivalents	5	-	32,899	-
Derivative financial assets	6	-	513	-
Loans and advances to banks	7	-	134,971	-
Loans and advances to customers	8	-	89,293	-
Investment securities	9	53,745	-	-
		53,745	257,676	-

27. Financial risk management

(a) Introduction and overview

This note presents information about the Bank's exposure to each of the below mentioned risks, the Bank's objectives, policies and processes for measuring and managing risks, and the Bank's management of capital. The Bank has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

Risk management framework

The Board of Management has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Management monitors the effectiveness of the risk management system through the several committees. The Risk Management Committee which includes one member of the Board of Supervisory Directors and two members of the Board of Management takes the main decisions in this framework.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The risks are measured with the internationally accepted methodologies in compliance with local and international regulations, the Bank's structure, policy and procedures. They are effectively managed and assessed in a continuously growing manner. At the same time, studies for compliance with the international banking applications, such as Basel II, are carried out.

Audit Committee: The Audit Committee is including one member of the Board of Supervisory Directors who does not have any executive functions and two members of the Board of Management. The Audit Committee, established to assist the Board of Management in its auditing and supervising activities, is responsible for providing the efficiency and effectiveness of the internal control and risk management of the Bank, the functioning of these systems as well as accounting and reporting systems within the framework of related procedures, and the integrity of information generated.

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(b) Credit risk

Credit risk is defined as the probability of loss if the customer or counterparty fails to meet its obligations partially or completely on the terms set. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Exposure to credit risk

	Loan and advances to customers		Loan and advances to banks		Investment securities	
Assets at amortized cost	2010	2009	2010	2009	2010	2009
Neither past due nor impaired:	-	-	-	-	-	-
Grade 1-3: low-fair risk	52,504	89,008	194,838	135,046	34,346	48,864
Grade 4: medium risk	-	-	-	-	4,000	-
Carrying amount	52,504	89,008	194,838	135,046	38,346	48,864

The Bank has issued Letter of Credit contracts in respect of debtors in grade 1-3 at the amount of EUR 366 outstanding as of 31 December 2010 (the Bank has no non-cash loans as of 31 December 2009).

Impaired loans and investment debt securities

Impaired loans and securities are loans and advances and investment debt securities (other than those carried at fair value through profit or loss) for which the bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/investment security agreement(s). These loans are graded 6-8 in the Bank's internal credit risk grading system. As of 31 December 2010, the Bank has no allowance either for loans and advances or for investment securities

Past due but not impaired loans

As of 31 December 2010, the Bank has no past due loans and advances.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to temporary deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring. However, the Bank has no loans and advances with renegotiated terms as of 31 December 2010.

Collateral policy

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

The breakdown of performing cash loans and advances by type of collaterals is as follows:

	Loan and advances to customers		Loan and advances to banks	
Cash loans	2010	2009	2010	2009
Against neither past due nor impaired:	-	-	-	-
Secured by cash collateral	3,033	4,856	-	-
Secured by cash bonds	-	1,051	-	-
Secured by mortgages	3,778	6,556	-	-
Other collateral (pledges on assets, corporate and personal guarantees, promissory notes)	27,067	43,092	51,757	-
Unsecured loans	18,626	33,453	143,081	135,046
	52,504	89,008	194,838	135,046

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Sectoral and geographical concentration of loans & advances and investment securities

The Bank monitors concentrations of credit risk by sector and geographic location. An analysis of concentrations of credit risk from loans and advances and investments securities at balance sheet date is shown below:

	Loan and advances to customers		Loan and advances to banks		Investment securities	
Concentration by sector	2010	2009	2010	2009	2010	2009
Corporate:						
Basic materials	9,871	13,821	-	-	-	-
Consumer products non-food	9,302	14,055	-	-	-	-
Non-bank financial intermediation	11,675	20,536	-	-	4,878	9,177
Construction & infrastructure	4,134	9,720	-	-	-	-
Automotive	5,292	3,277	-	-	-	-
Transport & logistic	3,062	9,267	-	-	-	-
Food, beverages & tobacco	644	7,178	-	-	-	-
Building materials	331	243	-	-	-	-
Leisure & tourism	-	1,296	-	-	-	-
Chemicals	1,154	-	-	-	-	-
Oil & Gas	5,127	6,723	-	-	-	-
Others	1,912	2,892	-	-	-	-
Government	-	-	-	-	22,063	33,495
Banks	-	-	194,838	135,046	11,405	6,192
	52,504	89,008	194,838	135,046	38,346	48,864
Concentration by location						
Turkey	31,315	67,417	90,750	111,188	-	29,988
Russia	3,988	5,999	29,631	18,449	-	-
Switzerland	-	-	-	466	-	-
Croatia	-	-	-	4,943	-	-
Antigua Barbuda	404	1,325	-	-	-	-
France	-	-	-	-	-	993
Australia	-	1,051	-	-	-	-
Netherlands	958	7	17,069	-	11,444	14,376
Saudi Arabia	2,941	5,767	-	-	-	-
Greece	-	-	-	-	22,063	-
United Kingdom	7,567	7,442	7,552	-	-	3,507
Germany	5,331	-	-	-	-	-
Slovenia	-	-	4,897	-	-	-
Multilateral	-	-	6,956	-	-	-
Azerbaijan	-	-	4,625	-	-	-
Austria	-	-	5,029	-	-	-
Luxembourg	-	-	8,448	-	-	-
Kingdom of Bahrain	-	-	19,881	-	-	-
Ireland	-	-	-	-	4,839	-
	52,504	89,008	194,838	135,046	38,346	48,864

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Concentration by location for loans and advances is measured based on the location of the Bank holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

	Loan and advances to customers		Loan and advances to banks		Investment securities	
Credit Quality Analysis	2010	2009	2010	2009	2010	2009
Rated BBB-to A-	3,988	6,000	62,404	27,950	20,073	18,876
Rated B+ to BB+	-	-	126,415	103,049	18,273	29,988
Unrated	48,516	83,008	6,019	4,046	-	-
	52,504	89,008	194,838	135,045	38,346	48,864

(c) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to become unavailable.

Management of liquidity risk

The Bank management is very conservative on maintaining an acceptable level of immediately available funds on hand, both in euros as well as in foreign currencies. The Treasury Department is responsible for keeping either cash on hand or liquid assets that could be exchanged into cash immediately by making use of instruments in financial markets in consideration of cash outflows within the next two weeks. To mitigate the liquidity risk, the Bank diversifies funding sources and assets are managed with liquidity in mind, maintaining balance of cash and cash equivalents. Within the risk management framework, the Treasury Department manages the liquidity position of the Bank and the liquidity ratios are monitored closely by the top management of the Bank. In order to manage the liquidity risk, the Treasury Department receives information from other business departments regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department maintains a portfolio of short-term liquid assets, short-term loans and placements to domestic and foreign banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The daily liquidity position is monitored by the Treasury Department. The prepared daily reports cover the liquidity position of the Bank. All liquidity policies and procedures are subject to review and approval of ALCO. A summary report, including any exceptions and remedial actions taken, is submitted regularly to ALCO.

Residual contractual maturities of financial assets and liabilities

	Carrying amount	Gross nominal inflow	Demand	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Not Distributable
31 December 2010									
Assets									
Cash and cash equivalents	46,204	46,218	10,898	35,320	-	-	-	-	-
Loans and advances to banks	194,838	201,969	-	4,435	7,468	141,001	49,066	-	-
Loans and advances to customers	52,504	56,329	-	945	7,978	13,458	33,947	-	-
Investment securities	38,346	44,624	-	-	-	-	38,239	6,385	-
Other assets	470	470	-	470	-	-	-	-	-
	332,362	349,610	10,898	41,170	15,446	154,460	121,252	6,385	-

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	Carrying amount	Gross nominal inflow	Demand	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Not Distributable
Liabilities									
Other money market deposits	15,335	15,477	-	2,909	-	12,568	-	-	-
Deposits from customers	272,629	290,501	146,812	15,380	28,731	38,637	60,940	-	-
Current tax liabilities	122	122	-	-	-	122	-	-	-
Other liabilities	4,188	4,188	-	3,718	-	470	-	-	-
Equity	40,088	40,088	-	-	-	-	-	-	40,088
	332,362	350,375	146,812	22,007	28,731	51,797	60,940	-	40,087
Liquidity Surplus/ Deficit	-	(765)	(135,914)	19,163	(13,285)	102,663	60,311	6,384	(40,087)

	Carrying amount	Gross nominal inflow	Demand	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Not Distributable
31 December 2009									
Assets	306,842	354,474	32,765	9,987	18,686	142,442	76,137	74,457	-
Liabilities	306,842	318,628	141,681	26,078	17,574	33,887	66,395	-	33,013
Liquidity Surplus/ Deficit	-	35,847	(108,916)	(16,091)	1,112	108,555	9,742	74,457	(33,013)

The previous tables show the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity, comparing 31 December 2010 figures with those of 31 December 2009. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or an increasing balance.

Daily liquidity and the liquidity maturity calendar are part of the Bank's Risk Management. Liquidity tests and stress test scenarios are made under ICAAP.

The liquidity test and the stress test scenario show that the liquidity is sufficiently above the requirements.

(d) Market risk

Market risk is the risk of changes in market prices. Interest rate, equity prices, foreign exchange rates and credit spreads will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios are mainly held by the Treasury Department, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

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Exposure to interest rate risk-non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by the Treasury Department in its day-to-day monitoring activities. As of 31 December 2010 the Bank has no figures subjected to interest rate risk exposure. A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

	Carrying amount	Less than 3 months	3-6 months	6-12 months	over 1 year	Non interest
31 December 2010						
Cash and cash equivalents	46,204	46,204	-	-	-	-
Loans and advances to banks	194,838	111,904	28,458	44,781	9,695	-
Loans and advances to customer	52,504	32,386	17,460	2,658	-	-
Investment securities	38,346	29,439	4,000	-	4,907	-
Other assets	470	97	-	-	-	373
Total assets	332,362	220,030	49,918	47,439	14,602	373
Deposits from banks	15,335	2,901	-	12,434	-	-
Deposits from customers	272,629	182,643	20,896	14,427	54,663	-
Current tax liabilities	122	-	-	122	-	-
Other liabilities	4,188	3,718	-	470	-	-
Total liabilities	292,274	189,262	20,896	27,453	54,663	-
	40,087	30,768	29,022	19,986	(40,061)	373

	Carrying amount	Less than 3 months	3-6 months	6-12 months	over 1 year	Non interest
31 December 2009						
Total assets	306,842	180,716	49,824	28,734	47,128	440
Total liabilities	273,828	42,380	158,102	12,631	60,438	278
	33,014	138,336	(108,278)	16,103	(13,310)	162

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Interest rate sensitivity is the effect of assumed changes in the interest rates to the income statement and the equity of the Bank. The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200bp parallel fall and rise in all yield curves over the present value of balance sheet reported and 200bp parallel fall and rise in all yields curves over projected net interest income after 1 year and 2 years respectively. An analysis of the Bank's sensitivity to an increase or decrease in market rates, assuming no asymmetrical movement in yield curves and a constant balance sheet position, is as follows:

Sensitivity of projected net interest income 2010

	200 bp parallel increase after 1 year	200 bp parallel decrease after 1 year	200 bp parallel increase after 2 year	200 bp parallel decrease after 2 year
At 31 December 2010	(1,010)	1,208	(6,740)	3,719

Sensitivity of reported equity to interest rate movements 2010

	200 bp parallel increase	200 bp parallel decrease
At 31 December 2010	(3,316)	4,436

Sensitivity of projected net interest income 2009

	200 bp parallel increase after 1 year	200 bp parallel decrease after 1 year	200 bp parallel increase after 2 year	200 bp parallel decrease after 2 year
At 31 December 2009	(654)	1,453	(788)	8,182

Sensitivity of reported equity to interest rate movements 2009

	200 bp parallel increase	200 bp parallel decrease
At 31 December 2009	(6,054)	7,482

Currency risk

Currency risk arises when an entity's equity is under threat as a result of exchange rate fluctuations. Naturally, a bank doing business in multiple currencies would be exposed to currency risk unless these risks are properly hedged. Any sizeable transaction that would be causing currency risk is immediately hedged with a banking counterpart, or smaller transactions are gathered until they form a sizeable amount for hedging.

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences, are recorded as foreign exchange gain or loss in the income statement except for foreign exchange gain/loss arising from the conversion of the net investments in subsidiaries in foreign countries into EUR.

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The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Bank's exposure to foreign currency exchange rate risk at 31 December 2009, on the basis of the Bank's assets and liabilities at carrying amounts, categorized by currency, is shown in the following table:

31 December 2009						
Assets	EURO	USD	YTL	JPY	OTHER	TOTAL
Cash and cash equivalents	29,554	16,609	3	37	1	46,204
Derivative financial assets	97	-	-	-	-	97
Loans and advances to banks	131,885	62,953	-	-	-	194,838
Loans and advances to customers	31,596	20,616	-	292	-	52,504
Investment securities	34,556	3,790	-	-	-	38,346
Property and equipment	293	-	-	-	-	293
Intangible assets	3	-	-	-	-	3
Other assets	74	3	-	-	-	77
Total assets	228,058	103,971	3	329	1	332,362
Liabilities						
Derivative financial liabilities	3,695	-	-	-	-	3,695
Deposits from banks	-	2,901	-	-	-	2,901
Other money market deposits	-	12,434	-	-	-	12,434
Deposits from customers	244,377	28,251	1	-	-	272,629
Current tax liabilities	122	-	-	-	-	122
Other liabilities	40,578	3	-	-	-	40,581
Total liabilities	288,772	43,589	1	-	-	332,362
Net on balance sheet position	(60,714)	60,382	2	329	1	-
Net notional amount of derivatives	57,110	(60,382)	-	(326)	-	(3,598)

31 December 2009	EURO	USD	YTL	JPY	OTHER	TOTAL
Total assets	185,028	120,144	4	615	1,051	306,842
Total liabilities	271,698	35,144	-	-	-	306,842
	-	-	-	-	-	-
Net on Balance sheet position	(86,671)	85,000	4	615	-	-
Net notional amount of derivatives	84,510	(83,121)	-	(565)	-	(182)

For purposes of the evaluation of the table above, the figures present the EUR-equivalent of the related currencies.

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(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The operational risk items in the Bank are determined in accordance with the definition of operational risk by considering the whole processes, products and departments. The control areas are set for operational risks within the Bank and all operational risks are followed by assigning the risks to these control areas. In this context, appropriate monitoring methodology is developed for each control area that covers all operational risks, and control frequencies are determined. The data and amount of operational losses to which the Bank is exposed during the its activities, are collected and analyzed regularly by the Risk Management Department and reported to the Board of Directors, Auditing Committee and senior management.

(f) Capital management-regulatory capital

From 1 January 2008, the Bank is required to comply with the Basel II framework in respect of regulatory capital. The regulatory solvency ratio is calculated in a standardized approach in accordance with the directive of De Nederlandsche Bank N.V. (DNB), which requires measurement as 8% of risk-weighted assets.

As at 31 December 2010 the BIS solvency ratio of the Bank is 16.95%.

	2010		2009	
	Required	Actual	Required	Actual
Total own funds	18,921	44,084	19,453	33,005
Tier 1 capital	18,921	44,084	19,453	33,005

Management uses regulatory capital ratios in order to monitor its capital base and the capital ratios remain within the international standards for measuring capital adequacy. The Bank ensures that regulatory capital requirements are met during its business planning process and as such controls compliance throughout the year. In 2010, within the Basel II framework, the Bank complied with the BIS and additional regulatory capital requirements entirely throughout the periods. The management of the Bank observes and supervises the effective use of capital at its business operations throughout the year.

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28. Subsequent events

Up to the date of this report no event occurred that have impacted on the financial situation of the Bank as at 31 December 2010 and the period then ended. The Bank's shared capital is increased with EUR 10 million by 1st April 2011 which has a significant impact on the financial situation of the Bank in the financial year 2011.

29. Other Information

Provisions of the articles of association concerning the appropriation of the result

Profits are at the disposition of the General Meeting of Shareholders. Distribution of profit will only take place if the shareholder's equity of the company exceeds the issued share capital, plus the reserves which have to be kept pursuant to the law.

Proposed appropriation of result

Addition accumulated results	EUR 7,074