

**CONVENIENCE TRANSLATION INTO ENGLISH
OF FINANCIAL STATEMENTS AND
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**FINANCIAL STATEMENTS
AT 31 DECEMBER 2010
TOGETHER WITH AUDITOR'S REPORT**



INDEPENDENT AUDITOR'S REPORT

To the Central Bank of the Republic of Turkey

1. We have audited the accompanying financial statements of the Central Bank of the Republic of Turkey (the "Bank") which comprise the balance sheet as of 31 December 2010 and the income statement, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law of the Central Bank of the Republic of Turkey (the "Central Bank Law") and related legislation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the 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

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Central Bank of the Republic of Turkey as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the Central Bank Law and related legislation.

Without qualifying our opinion, we draw attention to the following matter:

5. As explained in Note I.B.3, effects of differences between accounting principles and standards set out by related legislation in Turkey and the Central Bank Law, and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Zeynep Uras, SMMM
Partner

Istanbul, 25 February 2011

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

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

ASSETS	Note (Section II)	31 December 2010	31 December 2009
I. GOLD	1	8,361,219	6,374,873
A. International Standards		8,138,467	6,205,039
B. Non-international Standards		222,752	169,834
II. FOREIGN CURRENCY RESERVES	2, 12, 20	124,794,215	106,476,995
A. Foreign Currency Banknotes		461,465	410,946
B. Correspondent Bank Accounts		124,062,823	105,799,336
C. Reserve Tranche Position		269,927	266,713
III. COINS		104,946	88,416
IV. DOMESTIC CORRESPONDENTS	3	-	221,338
V. SECURITIES PORTFOLIO	4	20,022,980	39,692,302
A. Government Securities		20,022,980	39,692,302
a) Coupon		13,572,419	32,905,435
b) Discount		6,450,561	6,786,867
B. Other		-	-
VI. DOMESTIC LOANS	5	689,345	485,836
A. Banking Sector		689,345	485,836
a) Discount Loans		689,345	485,836
b) Loans Given according to Law 1211 40/1-c		-	-
c) Other		-	-
B. Loans to Savings Deposit Insurance Fund		-	-
VII. OPEN MARKET OPERATIONS	4	12,014,961	35,265,340
A. Repurchase Agreements		12,014,961	35,265,340
a) Cash		12,014,961	33,249,340
i. Foreign Exchange		-	-
ii. Securities		12,014,961	33,249,340
b) Securities		-	2,016,000
B. Other		-	-
VIII. FOREIGN LOANS	5	29,299	33,564
IX. EQUITY PARTICIPATIONS	6	39,446	23,698
X. PROPERTY AND EQUIPMENT (Net)	7	281,319	280,849
XI. LOANS UNDER LEGAL FOLLOW-UP (Net)	5	-	-
XII. TREASURY LIABILITIES DUE TO SDR ALLOCATION	12	2,564,228	2,533,695
XIII. VALUATION ACCOUNT	17	-	-
XIV. INTEREST AND INCOME ACCRUALS	10	26,659	139,814
XV. MISCELLANEOUS RECEIVABLES	8	367,842	483,483
XVI. OTHER ASSETS	9	41,844	57,525
TOTAL ASSETS		169,338,303	192,157,728

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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

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

LIABILITIES	Note (Section II)	31 December 2010	Restated (*) 31 December 2009
I. CURRENCY IN CIRCULATION	11	48,937,560	38,340,278
II. DUE TO TREASURY	12	368,215	330,883
A. Gold		24,224	18,469
B. Reserve Tranche Position		269,927	266,713
C. Other (Net)		74,064	45,701
III. FOREIGN CORRESPONDENTS	13	21,280	1,193
IV. DEPOSITS	14	89,269,411	89,359,637
A. Public Sector		14,881,043	20,471,316
a) Treasury, General and Annexed Budget Administrations		14,708,274	20,352,142
b) Public Economic Enterprises		21	29
c) State Economic Enterprises		44,143	60,062
d) Other		128,605	59,083
B. Banking Sector		56,150,507	46,652,131
a) Domestic Banks		34,636,803	33,570,380
b) Foreign Banks		7,975	9,335
c) Reserve Requirements (Central Bank Law 1211 Article 40)		21,505,485	13,072,370
d) Other		244	46
C. Miscellaneous		17,589,614	19,471,706
a) Foreign Exchange Deposits By Citizens Abroad		17,539,030	19,406,635
b) Other		50,584	65,071
D. International Institutions		6,687	7,148
E. Funds		641,560	2,757,336
a) Saving Deposit Insurance Fund		25	18,771
b) Other		641,535	2,738,565
V. LIQUIDITY BILLS		-	-
VI. OPEN MARKET OPERATIONS	4	13,101,902	47,331,936
A. Repurchase Agreements		12,000,002	35,017,436
a) Cash		-	2,017,436
i. Foreign Exchange		-	-
ii. Securities		-	2,017,436
b) Securities		12,000,002	33,000,000
B. Other		1,101,900	12,314,500
VII. FOREIGN LOANS		13,899	13,862
VIII. IMPORT TRANSFER ORDERS AND DEPOSITS		747,358	679,679
IX. NOTES AND REMITTANCES PAYABLE		3,293	37,382
X. SDR ALLOCATION	12	2,564,228	2,533,695
XI. SHARE CAPITAL	15	46,234	46,234
A. Paid-in Share Capital		25	25
B. Adjustment to Paid-in Share Capital		46,209	46,209
XII. LEGAL RESERVES	15	4,588,399	3,691,281
A. Ordinary and Extraordinary Reserves		4,232,648	3,335,530
B. Special Reserves (Central Bank Law 1211 Article 59)		2,379	2,379
C. Inflation Adjustment to Ordinary and Extraordinary Reserves and Special Reserves		353,372	353,372
XIII. PROVISIONS	16	371,154	606,314
XIV. VALUATION ACCOUNT	17	7,245,849	5,010,104
XV. INTEREST AND EXPENSE ACCRUALS	19	628,421	919,143
XVI. MISCELLANEOUS PAYABLES	18	32,748	53,478
XVII. OTHER LIABILITIES	18	110,223	464,386
XVIII. NET PROFIT FOR THE YEAR		1,288,129	2,738,243
TOTAL LIABILITIES		169,338,303	192,157,728

(*) Please refer to Note I.A.2.ii.i

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

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

	Note (Section III)	1 January - 31 December 2010	Restated (*) 1 January - 31 December 2009
I - INTEREST INCOME	1	4,724,633	6,325,580
A. Interest Income from Foreign Correspondent Accounts		838,113	2,273,809
B. Interest Income from Open Market Operations		2,970,925	3,021,797
C. Interest Income from Foreign Loans		5,579	8,053
D. Positive Valuation Differences		904,250	1,012,540
E. Other Interest Income		5,766	9,381
II - INTEREST EXPENSE	2	2,864,321	4,062,481
A. Interest Expense on Deposits by Citizens Abroad		430,859	569,911
B. Interest Expense on Open Market Operations		1,174,799	1,273,587
C. Interest Expenses on Interbank Money Market Transactions		452,620	832,913
D. Interest Expense on Other Deposits		798,855	1,383,050
E. Negative Valuation Differences		-	-
F. Other Interest Expense		7,188	3,020
III - NET INTEREST INCOME {I-II}		1,860,312	2,263,099
IV - NET COMMISSION AND SERVICE INCOME/(EXPENSE)		72,945	54,080
A. Commission and Service Income		83,416	63,862
B. Commission and Service Expense		10,471	9,782
V - NON-INTEREST INCOME	3	1,119,415	3,401,294
A. Portfolio Purchase and Sales Income		-	437,035
B. Foreign Exchange Purchase-Sales Gains		1,096,429	2,958,369
C. Marketable Security Valuation		-	-
D. Other Non-Interest Income		22,986	5,890
VI - NON-INTEREST EXPENSE	4	1,542,454	2,514,480
A. Portfolio Purchase and Sales Expense		186,363	-
B. Foreign Exchange Purchase-Sales Losses		373,657	41,124
C. Marketable Security Valuation		304,184	1,889,895
D. Personnel Expense		431,114	398,450
E. Provisions		80,723	13,826
F. Depreciation Expense		16,899	14,737
G. Other Non-Interest Expense		149,514	156,448
VIII - PROFIT BEFORE TAX PROVISION {III+IV+V-VI}		1,510,218	3,203,993
IX - TAX PROVISION	Section II Note 16	222,089	465,750
X - NET PROFIT FOR THE YEAR {VIII-IX}		1,288,129	2,738,243

(*) Please refer to Note I.A.2.ii.i

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

OFF - BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2010 AND 2009

OFF - BALANCE SHEET COMMITMENTS	31 December 2010	31 December 2009
A. Securities in Custody	237,541,112	220,786,624
1. Marketable Securities in Custody - Free (*)	227,675,372	210,723,183
2. Deal Securities (*)	3,820,186	939,778
3. Marketable Security Exchange Market Banks Guarantee Letters Depot	219,329	183,650
4. Government Debt Security Depot of Savings Deposits Insurance Fund, Exempt From Income Tax	4,701,287	3,711,416
5. Other (*)	1,124,938	5,228,597
B. Guarantees Taken	20,225,241	23,238,935
1. Government Debt Security Depots of Banks under Foreign Exchange Market Guarantee (*)	5,453,537	4,900,693
2. Bonds as Interbank Money Market Operations Guarantees (*)	8,523,592	9,673,247
3. Government Debt Security Depots Accepted as Guarantee for Money Market Transactions	5,777,649	8,081,676
4. Intermediary Institutions' Pledged Government Debt Security Depots	18,530	18,090
5. Other (*)	451,933	565,229
C. Reserve Banknotes	34,014,955	34,704,132
1. Reserve Banknotes - Head Office	6,408,086	11,452,975
2. Reserve Banknotes - Branches	26,951,924	22,669,409
3. Reserve Banknotes - Banknotes Depots	352,555	327,512
4. Obsolete Banknotes	302,390	254,236
D. Other	122,941,002	128,078,053
1. Repurchase Agreements Pledged Account (*)	10,011,670	11,539,012
2. Bank Treasury Bonds Portfolio	19,052,922	37,626,587
3. Customer Transactions Portfolio - Takasbank (*)	93,013,266	73,556,678
4. Branches' Marketable Security Portfolio in Electronic Security Fund Transfer System	65,932	4,637,141
5. Stock Exchange Market Members' Treasury Bond Depot	45,032	68,809
6. Other (*)	752,180	649,826
E. Electronic Marketable Security Transfer Recording Follow-up Account for Marketable Securities, Classified with Physical Values in Above Accounts	358,603,442	340,913,033
TOTAL (A+B+C+D+E)	773,325,752	747,720,777

(*) The balances presented in the Off Balance Sheet Commitments table consists of the total of TL, foreign currency and units of securities. TL and foreign currency securities presented in the total balances are expressed in terms of the original amount of currency over their nominal values; blank letter of credits, letter of credits that account owners entrust for maintenance, gold and silver medallions and badges obtained as service award, banknote samples, specimen catalogues, cheques with unknown costs are expressed in terms of units.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

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

	Share Capital	1 st and 2 nd Group Legal Reserves	Share Premium	Other Legal Reserves	Bank Property and Equipment Revaluation Fund	Cost Increase Fund	Retained Earnings/ (Accumulated Deficit)	Net Profit for the Year	Total Shareholders' Equity
Balance at 31 December 2009	46,234	-	-	-	3,691,281	-	-	2,736,709	6,474,224
Restatement Effect (Note I.A.2.ii.i)	-	-	-	-	-	-	-	1,534	1,534
Balance at 1 January 2010 - restated	46,234	-	-	-	3,691,281	-	-	2,738,243	6,475,758
Net-off of Previous Year Losses:	-	-	-	-	-	-	-	-	-
Profit Distribution:									
- Dividends (Section II Note 15)	-	-	-	-	-	-	-	(1,841,125)	(1,841,125)
- Treasury	-	-	-	-	-	-	-	(1,833,455)	(1,833,455)
- Other Shareholders	-	-	-	-	-	-	-	(3)	(3)
- Employees	-	-	-	-	-	-	-	(7,667)	(7,667)
- Transferred to Equity Reserves (Section II Note 15)	-	-	-	-	897,118	-	-	(897,118)	-
- Share Premium	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-
Increase in Paid-in Share Capital:									
- Cash	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-
- Transfers of Income Related to Sales of Associates, Subsidiaries (Financial Investments) and Fixed Assets (Property and Equipment)	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-
Net Profit for the Year	-	-	-	-	-	-	-	1,288,129	1,288,129
Balance at 31 December 2010	46,234	-	-	-	4,588,399	-	-	1,288,129	5,922,762

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

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

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

	Share Capital	1 st and 2 nd Group Legal Reserves	Share Premium	Other Legal Reserves	Legal Reserves	Bank Property and Equipment Revaluation Fund	Cost Increase Fund	Retained Earnings/ (Accumulated Deficit)	Net Profit Shareholders' for the year	Total Equity
Balance at 1 January 2009	46,234	-	-	-	3,037,218	-	-	-	1,990,768	5,074,220
<u>Net-off of Previous Year Losses:</u>	-	-	-	-	-	-	-	-	-	-
<u>Profit Distribution:</u>										
- Dividends	-	-	-	-	-	-	-	-	(1,338,194)	(1,338,194)
- Treasury	-	-	-	-	-	-	-	-	(1,334,622)	(1,334,622)
- Other Shareholders	-	-	-	-	-	-	-	-	(3)	(3)
- Employees	-	-	-	-	-	-	-	-	(3,569)	(3,569)
- Transferred to Equity Reserves	-	-	-	-	652,574	-	-	-	(652,574)	-
- Share Premium	-	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-	-
<u>Increase in Paid-in Share Capital:</u>										
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers of Income Related to Sales of Associates, Subsidiaries (Financial Investments) and Fixed Assets (Property and Equipment)	-	-	-	-	-	-	-	-	-	-
- Other (*)	-	-	-	-	1,489	-	-	-	-	1,489
Net Profit for the Year	-	-	-	-	-	-	-	-	2,738,243	2,738,243
Balance at 31 December 2009	46,234	-	-	-	3,691,281	-	-	-	2,738,243	6,475,758

(*) "Other" includes the amount of expired banknotes transferred to special reserves according to the 59th article of the Central Bank Law.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**PROFIT DISTRIBUTION TABLES FOR THE
YEARS ENDED 31 DECEMBER 2010 AND 2009**

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

PROFIT DISTRIBUTION TABLE	31 December 2010 (**)	Restated (*) 31 December 2009 (***)
A. DISTRIBUTION OF PROFIT FOR THE YEAR		
1. Profit for the year	1,510,218	3,203,993
2. Taxes Payable and Legal Liabilities	(222,089)	(465,750)
- Corporate Tax (Income Tax)	(222,089)	(465,750)
- Income Tax	-	-
- Other Taxes and Legal Liabilities	-	-
NET PROFIT FOR THE YEAR	1,288,129	2,738,243
3. Prior Year Losses	-	-
4. Legal Reserves	-	897,118
5. Other Legal Funds	-	-
DISTRIBUTABLE PROFIT FOR THE YEAR	-	1,841,125
6. Dividends to Shareholders	-	3
7. Dividends to Employees	-	7,667
DUE TO REPUBLIC OF TURKEY PRIME MINISTRY UNDERSECRETARIAT OF TREASURY ("TURKISH TREASURY") ACCORDING TO THE CENTRAL BANK LAW NO. 1211	-	1,833,455

(*) Please refer to Note I.A.2.ii.i

(**) As of the preparation date of these financial statements, profit appropriation decision of the year 2010 net profit has not been taken by the Board. However, it is assumed to distribute dividend to officers amounting to 2-month in calculation of corporate tax provision. The profit appropriation of the Bank for the year 2010 will be finalized after the approval of the decision by the General Assembly of the Bank at 12 April 2011.

(***) In accordance with the decision taken at the General Assembly, dated 20 April 2010, the Bank allocated reserves according to Article 60 of the Banking Law, and the remaining amount was distributed to Turkish Treasury.

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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**STATEMENTS OF CASH FLOWS FOR THE
YEARS ENDED 31 DECEMBER 2010 AND 2009**

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

STATEMENTS OF CASH FLOWS	1 January - 31 December 2010	Restated (*) 1 January - 31 December 2009
I- Cash Flows from Banking and Commercial Activities (Main Operations)		
Interest and Similar Income	4,846,988	6,230,620
Interest and Similar Expense	(3,377,123)	(5,077,799)
Dividends Received	12,731	4,997
Commissions and Fees Income/Expense, net	71,220	53,010
Payments to Personnel and Service Providers	(436,304)	(404,095)
Cash Flow from Employees Operational Income Before Changes in Operating Assets and Liabilities	1,117,512	806,733
Changes in Operating Assets and Liabilities:		
<u>(Increase)/Decrease in Operating Assets:</u>		
Decrease in Marketable Securities, net	(1,330,676)	4,945,200
(Increase) in Loans, net	(199,245)	(480,900)
(Decrease) in Other Assets, net	23,268,367	(15,743,251)
<u>Increase/(Decrease) in Operating Liabilities:</u>		
(Decrease)/Increase in Deposits, net	(90,226)	(1,076,154)
Increase in Funds Borrowed, net	(13,229,999)	4,396,738
Increase in Other Liabilities, net	12,336,008	5,001,276
Net Cash Flow from Banking and Commercial Activities	21,871,741	(2,150,358)
II- Cash Flows from Financial and Non-financial Investments		
Property and Equipment Purchased	(17,369)	(9,408)
Other Cash Inflows	912,867	3,396,204
Other Cash Outflows	(827,356)	(2,087,468)
Net Cash Flow Used in Financial and Non-financial Investments	21,939,883	(851,030)
III- Cash Flows Related to Equity Financing Activities	(1,841,125)	1,338,194
Net Increase in Cash and Cash Equivalents	20,098,758	487,164
Cash and Cash Equivalents at the Beginning of the Period	113,161,622	112,674,458
Cash and Cash Equivalents at the End of the Period	133,260,380	113,161,622

(*) Please refer to Note I.A.2.ii.i

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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2010**

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

I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE

A. Notes and explanations related to current year

(1) The financial statements of the Central Bank of the Republic of Turkey ("the Bank") have not yet been approved by the Board as of 31 December 2010.

(2) Detailed explanations of all basic accounting policies applied by the Bank:

The basis of presentation of the financial statements and the significant accounting policies applied are as follows:

i. Basis of Presentation of the Financial Statements

The Bank maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code and Tax Legislation and Central Bank Law No: 1211. According to the 57th and 58th articles of the Central Bank Law, the accounting period of the Bank is the calendar year. At the end of each calendar year, the Bank submits its balance sheet and income statement to the Prime Ministry along with the annual report prior to the General Assembly meeting and publishes the balance sheet in the Official Gazette.

ii. Application of Accounting Principles

Apart from the policies listed above, significant accounting principles applied in the preparation of the financial statements are as follows:

a. Accounting Principles

Financial statements have been prepared in accordance with the current Turkish legislation in effect as expressed in article "i" above.

b. Accounting of Income and Expense

All income and expenses are recognised on an accrual basis.

In accordance with the amendment, with the Law No:4651, to the 61st article of the Central Bank Law changed with the Law No:6009 on 23 July 2010, in the event of a change in the value of the Turkish currency, the unrealised gains and losses arising from the revaluation of gold, foreign exchange and foreign currency indexed assets and liabilities of the Bank are classified into a transitory account "Valuation Differences" on the balance sheet.

The expressed valuation account with in the determination of corporate tax base is not take into account as income and expense. Realised foreign exchange differences originated from foreign currency sales and purchase transactions are reflected in the income statement at the transaction date.

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**NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2010**

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

**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL
STRUCTURE (Continued)**

c. Provisions

Provisions include the retirement pay provision, tax provision and insurance provision for money in transit amounts deemed appropriate by the Board and that is provided for over the gross annual profit of the Bank in order to meet losses that may occur in the following years, in accordance with the 59th article of the Central Bank Law.

d. Foreign Currency Transactions

Foreign currency transactions are recorded at the foreign currency exchange rate applicable on the date of the transactions.

Gold is valued with the gold price quoted at the London Bullion market exchange at 10:30 am at 31 December 2010 and 2009, on the basis of 1 ounce being equal to 31.1035 grams.

Foreign currency denominated assets and liabilities are translated using the foreign currency bid rate of the Bank at the balance sheet date. Foreign exchange differences resulting from the translation are recorded as stated in article 'b' above.

In accordance with the process of compliance with the European Union set of rules and legislation, the foreign exchange gains or losses resulting from foreign exchange purchase and sale transactions is calculated using the 'weighted average' basis starting from 1 January 2006, in accordance with the "European Central Banks Guide" published by the European Central Bank.

e. Employment Termination Benefits

According to the Turkish legislation and labor union agreements, employment termination benefits are paid upon the retirement of employees or in the case of layoff. The amount payable depends on the rank and years of service, as defined in The Pension Fund for Civil Servants of the Republic of Turkey and Social Security and Public Health Insurance Law No: 5510. As of 31 December 2010 and 2009, the Bank calculated full provision for the employment termination benefits liability and recorded this provision in its financial statements.

f. Taxation

The Bank is subject to corporation tax in accordance with the Turkish tax legislation. In addition, the Bank is liable for income withholding tax of third parties.

The Corporate Tax Law ("New Corporate Tax Law") No.5520 has come into effect with the announcement at the official Gazette No: 26205 dated 21 June 2007. Most of the articles of the New Corporate Tax Law are effective from 1 January 2006. Accordingly, in accordance with No:32 corporation tax is payable, at a rate of 20% effective from 1 January 2006, on the total income of the Bank after adjusting for certain disallowable expenses and exempt income in accordance with tax legislation and Central Bank Law No:1211.

As of 31 December 2010, the Bank recorded current year corporate tax provision amounting to TL222,089 thousand (2009: TL465,750 thousand).

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL
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g. Securities Portfolio

The securities portfolio consists of directly purchased government bonds and securities purchased under agreements to resell in order to regulate the money supply and liquidity in the economy in line with the monetary policy targets based on the 52nd article of the Central Bank Law related with the Open Market Operations.

The securities purchased by the Bank on its own account are measured at their fair values. The marketable security portfolio account represents the fair values of these securities.

Fair value of the securities is determined with reference to quoted market prices; in case the securities are not traded in a stock exchange fair value is determined using prices declared by the Bank and published in the Official Gazette. Positive valuation differences between cost and revalued amount are included in the "Securities Portfolio" in the balance sheet and in the "Interest Income-Positive Valuation Differences" account in the income statement. In case there exists negative valuation differences, they are included in the "Securities Portfolio" account in the balance sheet and in the "Interest Expense-Negative Valuation Differences" account in the income statement.

Securities purchased under agreements to resell will be resold in the future at value that has been previously determined in transaction date. Incurred cash receivables are classified under "Repurchase Agreements" under "Open Market Operations" in the asset side and incurred liabilities are classified under "Repurchase Agreements" under "Open Market Operations" in the liability side. Interest income is calculated on an accrual basis using the straight-line method over the difference of the purchase and sale prices for the securities purchased under agreements to resell. It is recorded in the "Interest and Income Accruals" account.

Securities sold under agreements to repurchase will be repurchased in the future at value that has been previously determined in transaction date. They are removed from the securities portfolio and classified under "Repurchase Agreements" under "Open Market Operations" in the asset side where the cash debts that will be paid at maturity are classified under "Repurchase Agreements" under "Open Market Operations" in the liability side. The difference between the purchase and sale price is classified in income statement at the value date, then at the maturity date the securities are recorded to the securities portfolio account at the repurchase price.

h. Equity Participations

The Bank recognizes its equity participations denominated in foreign currency at acquisition cost and translates them with the foreign currency bid rate announced by the Bank at the balance sheet date.

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL
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i. Comparative Information and Restatement of Prior Year Financial Statements

Restatement of Corporate Tax provision as of 31 December 2009

According to the decision taken at the General Assembly, dated 20 April 2010, the Bank paid dividend in the amount of TL7,667 thousand to its employees dated 21 April 2010 with reference to Central Bank Law Article 60 and has recognised the dividend amounts paid to the employees as expense in the 2009 corporate tax declaration.

Since the General Assembly of the Bank has not decided the employee dividend amount as of the preparation date of the financial statements dated 31 December 2009, this amount has not been deducted from the 2009 tax base, accordingly the corporate tax provision has been overstated by TL1,534 thousand. The financial statements as of 31 December 2009 presented as the comparative of 31 December 2010 financial statements have been restated to include this adjustment.

Reclassifications related to the foreign currency marketable security portfolio income/expense accounts

As of 31 December 2010, the difference between the quoted market price and cost of the foreign currency marketable securities portfolio, classified under the "Correspondent Bank Accounts"; has been broken down into fair value difference and accumulated interest income components and classified accordingly in the income statement. In order to conform to these changes in the presentation of the current year, the necessary reclassifications have been made in the financial statements prepared as of 31 December 2009. The reclassifications are stated as follows:

- 1) The difference between the fair value of the bills and the sum of the cost value and accumulated interest income rediscount, TL16,722 thousand in the "Positive Valuation Differences" account under the "Interest Income" account, has been classified in the "Marketable Security Valuation" account under the "Non-Interest Expense" account.
- 2) Interest income amounting to TL161,770 thousand in the "Portfolio Purchase and Sales Income" under the "Non-Interest Income" account, arising from the difference between the cost value of the bills sold throughout the year and the selling price, has been classified in "Interest Income from Foreign Correspondent Accounts" account under the "Interest Income" account.

Reversal of the accumulated interest amount within the year 2010, accrued as of 31 December 2009, which belongs to the foreign currency securities portfolio in the "Correspondent Accounts" as of 31 December 2010 and valued at fair value, was presented in "Interest Income from Foreign Correspondent Accounts" as of 31 December 2010. The cancellation of the accumulated interest amount of TL 551,588 thousand accrued as of 31 December 2008 in the financial statements prepared as of 31 December 2009 within the year 2009, in order to ensure compliance with the presentation of current period financial statements classified in "Interest Income from Foreign Correspondent Accounts" under the "Interest Income" account.

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iii. Demonetized Currency - Turkish Lira and New Turkish Lira

The legal circulation period of Turkish Lira banknotes, which were in circulation along with New Turkish Lira banknotes between 1 January 2005 and 31 December 2005 according to provisional article 1 of the Law on the Currency Unit of the Republic of Turkey No:5083, expired as of 31 December 2005 and these banknotes will be redeemed for a period of ten years starting from 1 January 2006 to the close of the working hours at 31 December 2015 which is the end of the 10-year legal redemption period, at the branches of the Bank and T.C. Ziraat Bankası A.Ş.. The banknotes will be of no value as of 1 January 2016.

With the Council of Ministers' decision issued in Official Gazette on 5 May 2007, it was decided that the phrase "New" on the New Turkish Lira and New Kuruş that were put into circulation on 1 January 2005, are removed as of 1 January 2009, and Turkish Lira banknotes have been put into circulation as of the same date. Accordingly, the legal circulation period of New Turkish Lira banknotes that were in circulation between 1 January 2009 and 31 December 2009 along with Turkish Lira banknotes are expired as of 31 December 2009. New Turkish Lira banknotes will be redeemed for a period of 10 years starting from 1 January 2010 to 31 December 2019 in the branches of the Bank and T.C. Ziraat Bankası A.Ş..

Although it is most unlikely that significant amounts of demonetized currency will be returned for redemption, the Bank is not able to derecognize any part of the liability unless and until it is legally released from the obligation.

The Bank has no banknotes in circulation which ceased to be redeemable during the year 2010. As of 31 December 2009, the Bank has recorded gain under equity reserves in the amount of TL1,489 thousand since the legal redemption period of banknotes in the same amount has been expired as of 31 December 2009.

(3) Changes in accounting policies in the current year and their financial effects:

There are no changes in accounting policies in the current year.

(4) Compliance of the Bank with the fundamental accounting principles of going concern, matching and consistency:

These financial statements have been prepared based on the going concern assumption which is one of the fundamental principles of accounting, assuming that the Bank will continue its operations without interruption in the future.

(5) The effect of any changes in the valuation methods affecting the year-end results of the Bank:

There are no changes in the valuation methods in the current year.

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STRUCTURE (Continued)**

**(6) Detailed explanation of the valuation methods used for securities (Including Equity
Participations, Subsidiaries, and Long-term Securities) in the order given below:**

a. Securities Portfolio:

As of 31 December 2010 and 2009:

TL Denominated Securities

- 1- Equity Shares - None (2009: None).
- 2- Other Securities:
 - a) Securities Indexed to Inflation and Foreign Currency - None (2009: Outright purchase securities of the Bank are valued with prices announced daily in the Official Gazette).
 - b) Fixed Income Securities - Securities purchased under agreements to resell are carried at cost and interest income accrual is calculated as the difference between purchase price and sales price of the repurchase agreement for the related reporting period.

Securities obtained from secondary markets have been valued at the weighted average prices of securities declared daily by the İstanbul Stock Exchange.

- c) Securities with Variable Interest Rate - None (2009: None).

Foreign Currency Denominated Securities

Foreign currency denominated securities is classified in the "Correspondent Bank" account in the balance sheet.

- 1- Equity Shares - None (2009: None).
- 2- Other Securities
 - a) Securities Indexed to Inflation and Foreign Currency - None (2009: None).
 - b) Fixed Income Securities - Foreign currency denominated securities are marked to market with prices determined in the foreign stock exchange markets in which they are traded.
 - c) Securities with Variable Interest Rate - None (2009: None).
- 3- Gold (*) - Gold is valued according to the gold price quoted at the London Bullion Market at 10:30 am at 31 December 2010 and 31 December 2009, on the basis of 1 ounce being equal to 31.1035 grams.

- (*) Gold is classified in the balance sheet under the "Gold" account.

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STRUCTURE (Continued)**

b. Equity Participations:

TL Denominated

None (2009: None).

Foreign Currency Denominated

They are valued at the Bank's foreign exchange bid rate at the balance sheet date.

c. Subsidiaries:

The Bank has no TL or foreign currency denominated subsidiaries as of 31 December 2010 and 2009.

d. Long-term Securities:

The Bank has no TL or foreign currency denominated securities as of 31 December 2010 and 2009.

**(7) Method of depreciation, any changes in method during the current year and monetary
effects of such changes:**

Property and equipment are subject to depreciation on a straight-line basis based on their economic useful lives. There has been no change in the depreciation method during the current year. The annual depreciation rates applied are as follows:

Buildings	2 - 4%
Vehicles, Furniture and Fixtures	2 - 33%
Leasehold Improvements	20%

The property and equipments that are acquired by the Bank after 1 January 2005, have been depreciated by using the useful lives stated in the communiqués numbered 333, 339 and 365 of the Tax Law.

The effect of revaluation on property and equipment until 31 December 2004 has been removed, due to the adjustments on property and equipment in accordance with Law No: 5024 that stipulates the application of inflation accounting on tangible assets.

In accordance with the tax law that was published in the Official Gazette dated 30 December 2003, and effective from 1 January 2004, the statutory financial statements have been prepared by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. Since the conditions stated in the tax law for the application of inflation accounting have not been realised after 1 January 2005, the statutory financial statements are not adjusted for the changes in the general purchasing power of Turkish Lira after this date.

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I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL STRUCTURE (Continued)

- (8) The US dollar ("US\$") and Euro ("EUR") bid rates used in the preparation of the balance sheet at year-end and the US\$ bid rates announced by the Bank for the last five working days prior to balance sheet date are as follows:

	31 December 2010	31 December 2009
a. The Bank's "Exchange Rate for the Translation of Foreign Currency Items"		
(1 EUR = TL)	TL2.0491	TL2.1603
(1 US\$ = TL)	TL1.5460	TL1.5057
b. EUR and US\$ Bid Rates at the Date of Balance Sheet Date and for the Last Five Working Days Prior to Balance Sheet Date are as follows:		
EUR and US\$ Bid Rates at the Date of Balance Sheet		
EUR	TL2.0491	TL2.1603
US\$	TL1.5460	TL1.5057
EUR Bid Rates for the Five Working Days Prior to Balance Sheet Date		
Bid rate of the 1st Day	TL2.0437	TL2.1680
Bid rate of the 2nd Day	TL2.0406	TL2.1686
Bid rate of the 3rd Day	TL2.0260	TL2.1702
Bid rate of the 4th Day	TL2.0204	TL2.1680
Bid rate of the 5th Day	TL2.0225	TL2.1654
US\$ Bid Rates for the Five Working Days Prior to Balance Sheet Date		
Bid rate of the 1st Day	TL1.5567	TL1.5026
Bid rate of the 2nd Day	TL1.5416	TL1.5065
Bid rate of the 3rd Day	TL1.5403	TL1.5052
Bid rate of the 4th Day	TL1.5392	TL1.5070
Bid rate of the 5th Day	TL1.5446	TL1.5186

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**I. NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL
STRUCTURE (Continued)**

**(9) Information on assets and liabilities denominated in foreign currencies, their US\$ and TL
equivalents and the foreign currency position is as follows:**

	31 December 2010		31 December 2009	
	Thousand TL	Million US\$	Thousand TL	Million US\$
I-Foreign Currency Assets				
1) Gold	8,361,219	5,408	6,374,873	4,234
2) Foreign Currency Reserves	124,794,215	80,721	106,476,995	70,716
3) Coins	-	-	-	-
4) Domestic Correspondents	-	-	221,338	147
5) Securities Portfolio	-	-	-	-
6) Domestic Loans	689,345	446	485,836	323
7) Open Market Operations	-	-	-	-
8) Foreign Loans	29,299	19	33,564	22
9) Equity Participations	39,446	26	23,698	16
10) Property and Equipment (Net)	-	-	-	-
11) Loans under Legal Follow-Up (Net)	-	-	-	-
12) Treasury Liabilities Due To SDR Allocations	2,564,228	1,659	2,533,695	1,683
13) Valuation Account	-	-	-	-
14) Interest and Income Accruals	13,490	9	5,299	4
15) Miscellaneous Receivables	2,338	2	2,339	2
16) Other Assets	-	-	147	-
Off-Balance Sheet Items				
17) Forward Purchase Transactions	-	-	-	-
Total Foreign Currency Assets	136,493,580	88,290	116,157,784	77,147
II-Foreign Currency Liabilities				
1) Currency in Circulation	-	-	-	-
2) Due to Treasury	294,179	190	285,221	189
3) Foreign Correspondents	21,280	14	1,193	1
4) Deposits				
a) Public Sector	9,209,056	5,957	15,486,429	10,285
b) Banking Sector	29,344,549	18,981	20,473,464	13,597
c) Miscellaneous	17,586,136	11,375	19,469,083	12,930
d) International Institutions	6,687	4	7,148	5
e) Funds	536,864	347	2,621,683	1,741
5) Open Market Operations	-	-	-	-
6) Foreign Loans	13,899	9	13,862	9
7) Import Transfer Orders and Deposits	747,355	483	679,675	451
8) Notes and Remittances Payable	3,293	2	37,382	25
9) SDR Allocation	2,564,228	1,659	2,533,695	1,683
10) Provisions	-	-	-	-
11) Valuation Account	-	-	-	-
12) Interest and Expense Accruals	586,287	379	673,837	448
13) Miscellaneous Payables	31,447	20	51,099	34
14) Other Liabilities	82,384	53	193,832	129
Off-Balance Sheet Items				
15) Forward Sale Transactions	-	-	-	-
Total Foreign Currency Liabilities	61,027,644	39,473	62,527,603	41,527
Net Foreign Currency Position	75,465,936	48,817	53,630,181	35,620

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(10) Book value of property and equipment, the accumulated depreciation and their insurance
coverage:

	31 December 2010				31 December 2009			
	Cost	Accumulated depreciation	Net book value	Insurance coverage	Cost	Accumulated depreciation	Net book value	Insurance coverage
Movables	112,380	91,415	20,965	102,113	100,355	83,540	16,815	100,098
Immovables	332,030	71,676	260,354	294,000	329,121	65,087	264,034	290,408
	444,410	163,091	281,319	396,113	429,476	148,627	280,849	390,506

(11) Information on significant contingent losses and gains that cannot be quantified:

As of 31 December 2010, there are number of legal proceedings outstanding against the Bank amounting to TL64,748 thousand, US\$64,106,853 and EUR174,473 (2009: TL65,928 thousand, US\$247,352 and EUR162,810). No provision has been made in the accompanying financial statements for such legal proceedings.

(12) Other matters that may have a material effect on, or be explained for the clear
understanding of the financial statements:

Valuation Account

As explained in the article 2-ii-b, Section "A. Notes and Explanations related to the Current Year" of the section - I "Notes and Explanations related to the Bank and its Financial Structure", the "Valuation Account" in the balance sheet represents the unrealized foreign exchange gains and losses as at the balance sheet date. Realized foreign exchange gains and losses are recognized in the income statement at the transaction date.

B. Other notes and explanations

(1) Events occurred after the balance sheet date, affecting the financial activities and/or
financial structure significantly and therefore require explanation:

In the meeting of General Assembly of the Bank that will be held on 12 April 2011, the General Assembly will make a decision on the payment of dividend to employees and on the allocation of the extraordinary reserves both of which are calculated as 5% , not exceeding their two months salary, and 10% of the remaining amount, respectively; for which the remaining amount is calculated after making deductions from the 2010 net profit amounting to TL1,510,218 thousand in relation with the percentages specified in article 60 paragraphs (a) and (b) of the Central Bank Law.

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(2) Information on the Bank's foreign branches:

There are no foreign branches; however the Bank has representatives in Frankfurt, London, New York and Tokyo.

(3) Explanation Added for Convenience Translation into English

The effects of differences between accounting principles and standards set out by the related legislation in Turkey and the Central Bank Law, and accounting principles generally accepted in countries in which these financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these financial statements. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

C. The Independent Audit Firm and the Independent Auditor's Report

The financial statements for the year ended 31 December 2010 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("a member of PricewaterhouseCoopers") and an unqualified opinion is expressed in the auditor's report. The independent audit opinion is presented prior to the financial statements and notes to the financial statements.

**II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS**

(1) Gold Account

In accordance with the 53rd article of the Central Bank Law, the Bank manages gold and foreign exchange reserves in the context of the monetary policy targets and applications. For this purpose the Bank performs banking operations in domestic and foreign markets including forward or spot purchase/sale of gold, foreign currency, marketable securities, derivative instruments and lending/borrowing transactions in accordance with the procedures and rules determined by its own safe investment, liquidity and yield priorities.

As of 31 December 2010, the Bank owns 116,103,753 (2009: 116,103,753) net grams of gold in international standards and 3,177,798 (2009: 3,177,798) net grams of gold in non-international standards. 82,433,108 (2009: 82,433,108) grams of the gold in international standards is kept at the Bank of England and Federal Reserve Bank of New York and 33,670,645 (2009: 33,670,645) grams is kept at the Head Office of the Bank. The total amount of gold in non-international standards is kept at the Head Office of the Bank; 345,575 (2009: 345,575) grams of gold in non-international standards belongs to the Turkish Treasury and the related liability is presented in the balance sheet under the "Due to Treasury" account.

The gold amount as of 31 December 2010 and 31 December 2009 is valued with the gold prices quoted on the London Bullion Market at 10:30 am, as of 31 December 2010 and 2009, on the basis of 1 ounce being equal to 31.1035 grams.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE SHEET COMMITMENTS (Continued)

(2) The Foreign Currency Reserves Account

Correspondent Bank Accounts

	31 December 2010		31 December 2009	
	Thousand TL	Million US\$	Thousand TL	Million US\$
Current Accounts	13,920,154	9,004	9,842,177	6,537
Marketable Securities Portfolio	110,142,669	71,244	95,957,159	63,729
Total	124,062,823	80,248	105,799,336	70,266

Correspondent bank accounts consist of the current accounts and marketable securities held as foreign currency reserve in foreign correspondent banks. The marketable securities portfolio consists of foreign currency government bonds and treasury bills issued by foreign financial institutions and kept in foreign banks.

As of 31 December 2010, marketable securities held for reserve purposes amounting to TL110,142,669 thousand (2009: TL95,957,159 thousand) are valued with the quoted prices in the international markets at the balance sheet date.

Under the current accounts of the Bank, there are bank placements deposited in the foreign correspondents amounting to TL50,140 thousand (2009: TL252,678 thousand) against the deposit of the Turkish Defense Fund amounting to TL119,469 thousand (2009: TL320,041 thousand).

(3) Domestic Correspondents

Interbank Money Market transactions where the Bank acts as an intermediary are recognized in the domestic correspondents account under assets and in the bank deposits accounts under liabilities. The Bank carries the default risk of the borrower counterparty in these transactions against the collaterals taken from these counter parties.

The interest accrual amount of the Interbank Money Market Transactions, where the Bank acts as intermediary, is recorded under the account "Interest and Income/Expense Accrual" in the balance sheet and under the accounts "Other Interest Income" and "Other Interest Expense" in the income statement.

As of 31 December 2010, there are no foreign currency interbank money market transactions where the Bank acts as intermediary. The amount of foreign currency interbank money market transactions where the Bank acts as intermediary is TL221,338 thousand as of 31 December 2009. As of 31 December 2010 and 2009, there are no TL interbank money market transactions where the Bank acts as intermediary.

As of 31 December 2010, the Bank acted as a counterparty in TL interbank transactions where the borrowing amount is TL1,101,900 thousand (2009: TL12,314,500 thousand), which is classified in the "Open Market Operations - Other" account under liabilities. The interest expense accrual amounting to TL46 thousand (2009: TL2,223 thousand) related to this account is classified under "Interest and Expense Accruals" account.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE SHEET COMMITMENTS (Continued)

(4) Marketable Securities and Open Market Operations

(a) Information on the marketable securities account

As of 31 December 2010, the marketable securities portfolio amounting to TL8,022,978 thousand (2009: TL6,690,057 thousand) consists of government bonds with outright purchase and marketable securities portfolio consists of securities purchased under agreements to resell amounting to TL12,000,002 thousand (2009: TL33,000,000 thousand).

As of 31 December 2010, "Interest and Income Accruals" account also includes TL6,945 thousand (2009: TL130,033 thousand) of income accrual of the securities purchased under agreements to resell calculated by using simple interest rate and straight line method.

Breakdown of securities portfolio as at 31 December 2010 is as follows:

	31 December 2010			
	Acquisition Cost	Accrual (net)	Carrying Amount	Fair Value
<u>Purchases under Agreements to Resell:</u>				
Treasury Bills and Government Bonds				
1. Fixed Income	12,000,002	6,945	12,000,002	12,000,002
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Outright Purchases:</u>				
Treasury Bills and Government Bonds				
1. Fixed Income	7,611,036	411,942	8,022,978	8,022,978
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Other Marketable Securities:</u>				
Accrued income from securities sold under agreements to repurchase	-	-	-	-
TOTAL	19,611,038	418,887	20,022,980	20,022,980

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**II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS (Continued)**

Breakdown of securities portfolio as at 31 December 2009 is as follows:

	31 December 2009			
	Acquisition Cost	Accrual (net)	Carrying Value	Official Gazette Value
<u>Purchases under Agreements to Resell:</u>				
Treasury Bills and Government Bonds				
1. Fixed Income	33,000,000	130,033	33,000,000	33,000,000
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Outright Purchases:</u>				
Treasury Bills and Government Bonds				
1. Fixed Income	263,346	2,823	266,169	266,169
2. Indexed to Inflation	6,379,242	44,646	6,423,888	6,423,888
3. Indexed to Foreign Currency	-	-	-	-
4. Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Other Marketable Securities:</u>				
Accrued income from securities sold under agreements to repurchase	-	2,245	2,245	2,245
TOTAL	39,642,588	179,747	39,692,302	39,692,302

As of 31 December 2010 and 2009, the nominal values of TL marketable securities acquired by outright purchases amounts to TL8,000,001 thousand and TL6,423,247 thousand, respectively. As of 31 December 2010, the nominal values of TL marketable securities purchased under agreements to resell amounts to TL11,052,921 thousand (2009: TL31,203,340 thousand).

(b) Information on open market operations

As of 31 December 2010, the amount of TL12,014,961 thousand (2009: TL33,249,340 thousand) under the account "Open Market Operations" on the asset side of the balance sheet are the return and sale amounts of the TL marketable securities purchased under agreements to resell. As of 31 December 2009, the amount of TL2,016,000 thousand under the account "Open Market Operations" on the asset side of the balance sheet are the marketable securities sold under agreements to repurchase.

As of 31 December 2010, the account "Repurchase Agreements" under "Open Market Operations" on the liability side of the balance sheet amounting to TL12,000,002 thousand (2009: TL33,000,000 thousand represents the purchase amount of the marketable securities and the amount of TL2,017,436 thousand represents the return amount of marketable securities sold under agreements to repurchase) represents the purchase amount of the marketable securities purchased under agreements to resell. The "Other" account amounting to TL1,101,900 thousand (2009: TL12,314,500 thousand) represents the borrowing of the Bank through the Interbank Money Market.

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As of 31 December 2010, TL14,959 thousand (2009: TL249,340 thousand), the amount to be received at the sales date of the securities purchased under agreements to resell, is recognised under the "Other Liabilities" account. As of 31 December 2010, there exist no securities sold under agreements to repurchase. As of 31 December 2009, TL1,436 thousand the amount to be paid at the purchase date of the securities sold under agreements to repurchase, is recognised under "Other Assets" account.

(5) Loans

(a) Information on domestic loans:

As of 31 December 2010, TL689,345 thousand (2009: TL485,836 thousand) classified under domestic loans represents the discount loans extended to Türkiye İhracat ve Kredi Bankası A.Ş. ("Eximbank").

(b) Information on loans and advances given to shareholders and bank personnel

None (2009: None).

(c) Information on the foreign loans account:

Foreign loans accounts were initially used to follow the receivables for the commercial transactions made under treaties with the relevant countries' central banks which are subsequently converted to loans.

(d) Information on loans under legal follow-up (net) account:

The total balance consists of receivables related with the trading transactions with Iraq and became uncollectible due to the Gulf Crisis. Full allowance for these receivables has been established in these financial statements.

Movements in the allowance for loans and receivables under legal follow-up account:

	31 December 2010		31 December 2009	
	Thousand TL	Thousand US\$	Thousand TL	Thousand US\$
Opening balance	2,281,704	1,515,377	2,284,171	1,510,395
- Increases During the Period (+) (*)	5,821	3,857	7,803	4,982
- Transfers from Other Follow-up Accounts (+)	-	-	-	-
- Transfers to Other Follow-up Accounts (-)	-	-	-	-
- Collections During the Period (-)	-	-	-	-
- Write-offs (-)	-	-	-	-
- Foreign Exchange Differences	61,211	-	(10,270)	-
Closing balance	2,348,736	1,519,234	2,281,704	1,515,377
- Special Allowance (-)	2,348,736	1,519,234	2,281,704	1,515,377
Net balance after allowance	-	-	-	-

(*) As of 31 December 2010, TL5,821 thousand (2009: TL7,803 thousand) represents interest accruals of the loans and receivables under follow-up in the reporting period.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE SHEET COMMITMENTS (Continued)

According to the 61st article of the Central Bank Law, foreign currency denominated loans under follow-up are revalued at period ends and unrealized gains and losses arising from the revaluation are classified into the transitory "Valuation Differences" account. Allowances for the related receivables including foreign currency rate differences are recorded in the income statement according to the 59th article of the Central Bank Law.

(6) Equity Participations

Equity participations are stated at acquisition cost and valued with the Bank's foreign currency bid rate at year-end.

As of 31 December 2010 and 2009, the Bank's equity participations can be analysed as follows:

Name	Share (%)	Total Paid-in Share Capital	31 December 2010 Acquisition Cost	31 December 2009 Acquisition Cost	31 December 2010 Carrying Amount	31 December 2009 Carrying Amount
Bank for International Settlements (BIS) (*)	1.5	SDR684 million	(*) SDR10,000,000	(*) SDR10,000,000	23,935	23,650
S.W.I.F.T.	0.007	EUR14 million	EUR24,960	EUR22,000	51	48
International Islamic Liquidity Management Corporation	0.01	US\$1,000,000,000	US\$10,000,000	-	15,460	-
Total equity participations					39,446	23,698

(*) The Bank owns 8,000 shares in BIS with respect to the paid capital of SDR10,000,000 and unpaid (capital commitment) capital of SDR30,000,000.

During the year 2010, CHF8,697 thousand equivalent to TL12,731 thousand (2009: CHF3,555 thousand equivalent to TL4,997 thousand) was collected as dividend income and TL10,723 thousand (2009: TL3,864 thousand) has been accrued as dividend accrual as of 31 December 2010.

With the Bank Board's decision on 25 November 2010, it is decided that Bank is affiliated as shareholder to International Islamic Liquidity Management Corporation ("IILM") with the capital amounting to USD 10 million and the payment was incurred on 20 December 2010.

There have been no disposals to the equity participation account in within the year ended 31 December 2010.

(7) Property and Equipment

The Bank has no repossessed immovables due to receivables. As of 31 December 2010, the cost of immovables and related accumulated depreciation amounts to TL332,030 thousand (2009: TL329,121 thousand) and TL71,676 thousand (2009: TL65,087 thousand), respectively, whereas the cost of movables and related accumulated depreciation amounts to TL112,380 thousand (2009: TL100,355 thousand) and TL91,415 thousand (2009: TL83,540 thousand), respectively.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE SHEET COMMITMENTS (Continued)

(8) Miscellaneous Receivables

Receivables from third parties other than the banking and public sector institutions are followed in this account.

The breakdown of miscellaneous receivables is as follows:

	31 December 2010	31 December 2009
Temporary tax that will be deducted from corporate income tax	210,626	347,700
TL deposit accounts that are held in the foreign banks	74,293	61,652
Withholding tax that will be deducted from corporate income tax	66,080	67,025
Letter of credit amount of banknote printing plant	9,283	701
Corporate income tax receivable	1,534	2,057
Deposits and advances given	1,285	1,124
Other	4,741	3,224
Total Miscellaneous Receivables	367,842	483,483

(9) Other Assets

The breakdown of other assets is as follows:

	31 December 2010	31 December 2009
Printing plant inventory	22,527	36,461
Construction in progress	9,289	9,610
Other materials and warehouses	2,801	2,754
Collection banknote depot	2,276	2,115
Amounts to be written off according to court decision	928	924
Medallion depot	508	570
Prepaid expenses	815	535
Fair value difference changes of marketable securities	-	1,436
Fees paid for property and equipment purchases	-	356
Amounts that will be recorded to correspondent accounts at settlement date	-	147
Other	2,700	2,617
Total Other Assets	41,844	57,525

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**II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS (Continued)**

(10) Interest and Income Accruals

	31 December 2010	31 December 2009
Dividend income accruals	10,723	3,864
Accrued interest income on securities purchased under agreements to resell	6,945	130,033
EFT commission income accrual	6,204	4,478
Foreign currency deposit accrued interest income	959	272
Foreign loans accrued interest income	10	14
Other	1,818	1,153
Total	26,659	139,814

(11) Currency in Circulation

According to the Central Bank Law 1st article, the Bank has the privilege of issuing banknotes in Turkey. As of 31 December 2010, the banknotes in circulation amount to TL48,937,560 thousand (2009: TL38,340,278 thousand).

(12) Due to Treasury

As of 31 December 2010, TL24,224 thousand (2009: TL18,469 thousand) in the "Due to Treasury" account consists of gold in non-international standards, kept by the Bank on behalf of the Turkish Treasury and TL74,064 thousand (2009: TL45,701 thousand) of Due to Treasury account consists of tax and other liabilities payable to the Turkish Treasury.

As of 1 November 2006, under the scope of the membership to the International Monetary Fund ("IMF"), the country quota of Turkey increased by SDR227,300,000, reaching SDR1,191,300,000. 25% of the quota increase amounting to SDR56,825,000 has been paid in reserve currency and the rest of the increase, amounting to SDR170,475,000, has been paid in securities accounts denominated in TL to the IMF account at the Bank.

As of 31 December 2010, Reserve Tranche Position represents the prepayment of the total IMF quota of SDR1,191,300,000, amounting to SDR112,775,000 and is recorded in the "Foreign Currency Reserves - Reserve Tranche Position" account under the assets and in the "Due to Treasury - Reserve Tranche Position" account under liabilities. As of 31 December 2010, the balance of the account amounts to TL269,927 thousand (2009: TL266,713 thousand).

SDR112,307,000 (2009: SDR112,307,000) allocated to Turkey as of the date of the protocol signed with the IMF has been used by the Turkish Treasury and is classified as "Treasury Liabilities due to SDR Allocation" under "Assets" and as "SDR Allocation" under "Liabilities". Additionally, as of 28 August 2009 and 9 September 2009, the amounts of SDR883,122,365 and SDR75,900,364 have been used by Turkish Treasury as General SDR allocation and Special SDR allocation, respectively and are accounted for as explained. As of 31 December 2010, the balance is TL2,564,228 thousand (2009: TL2,533,695 thousand).

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**II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS (Continued)**

(13) Foreign Correspondents

This account represents the foreign currency accounts of the correspondent banks.

(14) Deposit Accounts

The deposits balance is composed of deposits from the Turkish Treasury, public institutions, the banking sector, citizens abroad, international institutions and other funds.

Public and Banking Sector Deposits

According to the Central Bank Law article 41, the Turkish Treasury and public institutions accounts are non-interest bearing accounts with no maturity.

The balance of the banking sector consists of two-day notice foreign currency accounts, TL demand deposits accounts and reserve deposits.

Deposits by citizens abroad

As of 31 December 2010 and 2009, deposits by citizens abroad amounting to TL17,539,030 thousand and TL19,406,635 thousand, respectively consist of deposits by Turkish citizens living abroad.

Maturities of the deposits by citizens abroad vary between 1 to 3 years and interest rates vary according to the maturity and balance of the deposit account.

The breakdown of the deposits by citizens abroad according to foreign currency type is as follows:

Foreign Currency Type	31 December 2010			31 December 2009		
	Foreign Currency Balance (000)	Thousand TL Equivalent	Interest Rates (*)	Foreign Currency Balance (000)	Thousand TL Equivalent	Interest Rates (*)
EUR	8,106,451	16,610,928	0.25%-1.00%	8,528,274	18,423,630	0.25%-3.25%
US\$	545,558	843,433	0.25%	597,451	899,582	0.25%-2.75%
CHF	47,862	78,676	0.25%	52,506	76,092	0.25%-0.75%
Other	2,514	5,993	0.25%	3,073	7,331	0.25%-1%
Total		17,539,030			19,406,635	

(*) Prior to 6 March 2006, accounts denominated in EUR, US\$, GBP and CHF are rolled over, unless there is a customer request to the contrary, at the rate of 0.25%. Minimum interest rates of the deposit accounts other than the ones mentioned above are 0.25%, 0.25%, 0.25% and 0.25% for EUR, US\$, CHF and GBP respectively as of 31 December 2009 (2009: 1.00%, 1.00%, 0.50% and 1.00% for EUR, US\$, CHF and GBP respectively).

International Institutions Deposits

The International Institutions deposit balance is the TL thousand equivalent of the balance transferred by IMF as "special drawing rights" ("SDR"). The Bank is designated as "the depositor" to regulate the relations of the Turkish Treasury and the IMF. As of 31 December 2010, in line with the agreements between IMF and the Turkish Treasury, the amount of TL6,687 thousand (2009: TL7,148 thousand) which represents the minimum quota amount is recorded in the "Deposit" accounts.

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS (Continued)

Deposits of Funds

Deposits of funds consist of the demand accounts of various funds controlled by the Prime Ministry of the Republic of Turkey.

(15) Capital and Reserves

According to the 5th article of the Central Bank Law, the capital of the Bank is TL25,000 and it is divided into 250,000 shares, with a value of Kr10 each. The capital may be increased with the approval of the Government. The shares are divided into (A), (B), (C) and (D) classes. The (A) group shares belong solely to the Turkish Treasury and cannot be lower than 51% of capital.

As of 31 December 2010 and 2009, the capital of the Bank is presented below:

	31 December 2010	31 December 2009
Share capital	25	25
Adjustment to share capital	46,209	46,209
Total capital	46,234	46,234

The shareholders of the Bank are as listed below:

	31 December 2010		31 December 2009	
	Participation Amount TL	Share %	Participation Amount TL	Share %
Turkish Treasury	13,680	55	13,680	55
T.C. Ziraat Bankası A.Ş.	4,806	19	4,806	19
TCMB Mensupları Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı	1,280	5	1,280	5
Türkiye Garanti Bankası A.Ş.	621	3	621	3
Türkiye İş Bankası A.Ş.	582	2	582	2
T.C. Sosyal Güvenlik Kurumu	350	2	350	2
Türkiye Kızılay Derneği	301	1	301	1
Türkiye Halk Bankası A.Ş.	277	1	277	1
Other	3,103	12	3,103	12
Total nominal share capital	25,000	100	25,000	100

20% of the annual gross profit of the Bank is allocated as special reserves each year. In addition, after the deduction of legal reserves on gross profit and first dividends to shareholders, 10% of the remaining balance is allocated as extraordinary reserves.

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In accordance with the decision of the General Assembly dated 20 April 2010, the Bank distributed TL7,667 thousand to its employees, TL3 thousand to shareholders as dividend out of the 2009 profit amounting to TL2,738,243 thousand and TL897,118 thousand was transferred to special reserves. The remaining amounting to TL1,833,455 thousand was transferred to Turkish Treasury as dividend.

(16) Provisions

Retirement Pay Provision

As of 31 December 2010, the Bank calculated retirement pay provision amounting to TL98,835 thousand (2009: TL92,527 thousand) and recorded the full provision under the provision account.

Corporate Tax Provision

As of 31 December 2010, the Bank has calculated current year corporate tax provision amounting to TL222,089 thousand (2009: TL465,750 thousand) and recorded this amount under the provision account.

Insurance Provision for Money in Transit

As of 31 December 2010, the Bank, calculated provision for the transfer insurance of banknotes, cash and securities amounting to TL50,230 thousand (2009: TL48,037 thousand) and recorded the provision amount under the provision account.

(17) Valuation Account

As explained in the article 2-ii-b, Section "A. Notes and Explanations related to the Current Year" of the section - I "Notes and Explanations related to the Bank and its Financial Structure", the "Valuation Account" in the balance sheet represents the unrealized foreign exchange gains and losses as at the balance sheet date. Realized foreign exchange gains and losses are recognized in the income statement at the transaction date.

(18) Other Liabilities and Miscellaneous Payables

Other Liabilities

	31 December 2010	31 December 2009
Correspondent account transactions with value dates on the next financial year	82,128	193,655
Fair value difference changes of marketable securities	14,959	249,340
The amount of money that will be liquidated in the following period	10,661	-
Withholding tax of accrued income on reverse repo transactions	1,042	19,505
Other	1,433	1,886
Total	110,223	464,386

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II. NOTES AND EXPLANATIONS TO THE BALANCE SHEET AND OFF BALANCE
SHEET COMMITMENTS (Continued)

Miscellaneous Payables

	31 December 2010	31 December 2009
Blocked accounts for pending court cases	11,312	30,640
Interest accrued on deposit accounts below specified limits	6,641	7,038
Blocked accounts of tax courts and courts for claim	3,504	4,878
Amount pending due to late application of beneficiary	3,431	2,354
Creditors of foreign currencies that were deposited as trust	557	570
Other	7,303	7,998
Total	32,748	53,478

(19) Interest and Expense Accruals

	31 December 2010	31 December 2009
Interest expense accruals on deposits by citizens abroad	583,489	671,936
Interest expense accruals on reserve deposits	40,340	240,948
Interest expense accruals on IMF charges	1,628	1,052
Interest expense accruals on interbank transactions in which the Bank acts as a counterparty	46	2,223
Interest expense accruals on bank deposits with two days notice	-	140
Other	2,918	2,844
Total	628,421	919,143

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As of 31 December 2010 and 2009, TL and foreign currency denominated securities expressed in TL thousand over their nominal values; blank letter of credits, letter of credits that account owners entrust for maintenance, gold and silver medallions and badges obtained as service award, banknote samples, specimen catalogues, cheques with unknown costs are expressed in units:

OFF - BALANCE SHEET COMMITMENTS	31 December 2010			31 December 2009		
	TL	FC	UNITS	TL	FC	UNITS
A. Securities in Custody	236,480,034	1,657,989	28	215,330,747	8,531,908	29
1. Marketable Securities in Custody - Free	227,633,825	96,279	-	207,290,823	5,493,443	1
2. Deal Securities	3,817,396	4,866	8	937,753	3,357	8
3. Marketable Security Exchange Market Banks' Guarantee Letters	219,329	-	-	183,650	-	-
4. Government Debt Security Depot of Savings Deposits Insurance Fund, Exempt from Income Tax	4,701,287	-	-	3,711,416	-	-
5. Other	108,197	1,556,844	20	3,207,105	3,035,108	20
B. Guarantees Taken	19,635,931	963,507	260	19,435,223	6,367,999	260
1. Government Debt Security Deposits of Bank under Foreign Exchange Market Guarantee	5,315,913	215,451	-	1,763,656	5,363,243	-
2. Bonds as Interbank Money Market Operations Guarantees	8,523,592	-	-	9,044,857	947,469	-
3. Government Debt Security Deposits Accepted as Guarantee for Money Market Transactions	5,777,649	-	-	8,081,676	-	-
4. Intermediary Institutions' Pledged Government Debt Security Deposits	18,530	-	-	18,090	-	-
5. Other	247	748,056	260	526,944	57,287	260
C. Reserve Banknotes	34,014,955	-	-	34,704,132	-	-
1. Reserve Banknotes - Head Office	6,408,086	-	-	11,452,975	-	-
2. Reserve Banknotes - Branches	26,951,924	-	-	22,669,409	-	-
3. Reserve Banknotes - Banknotes Deposits	352,555	-	-	327,512	-	-
4. Obsolete Banknotes	302,390	-	-	254,236	-	-
D. Other	121,926,915	584,051	638,284	126,130,515	2,474,836	524,599
1. Repurchase Agreements Pledge Account	10,011,670	-	-	11,497,704	70,763	-
2. Bank Treasury Bonds Portfolio	19,052,922	-	-	37,626,587	-	-
3. Customer Transactions Portfolio - Takasbank	92,749,236	408,191	-	72,290,140	2,224,046	-
4. Branches' Marketable Security Portfolio in Electronic Security Fund	-	-	-	-	-	-
5. Transfer System	65,932	-	-	4,637,141	-	-
6. Stock Exchange Market Members' Treasury Bond Depot	45,032	-	-	68,809	-	-
7. Other	2,123	175,860	638,284	10,134	180,027	524,599
E. Electronic Marketable Security Transfer Recording Follow-up Account for Marketable Securities, Classified with Physical Values in Above Accounts	358,603,442	-	-	340,913,033	-	-
TOTAL (A+B+C+D+E)	770,661,277	3,205,547	638,572	736,513,650	17,374,743	524,888

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III - NOTES AND EXPLANATIONS RELATING TO THE INCOME STATEMENT

(1) Interest Income

For the year ended 31 December 2010, interest income amounting to TL838,113 thousand (2009: TL2,273,809 thousand) from foreign correspondents accounts includes interest income from foreign currency marketable security portfolio amounting to TL815,690 thousand (2009: TL2,259,491 thousand).

For the years ended 31 December 2010 and 2009, interest income from open market operations consists of marketable security interest income.

The Positive Valuation Differences account is composed of the positive differences between the market values and the total of the original acquisition costs of the TL denominated marketable securities portfolio and interest income accruals of the foreign currency denominated marketable securities as of the balance sheet date. As of 31 December 2010, the difference between the market value and the original acquisition cost and the interest income accrual of the marketable security portfolio is TL904,250 thousand (2009: TL1,012,540 thousand) and it is represented under the "Positive Valuation Differences" account.

(2) Interest Expenses

The "Negative Valuation Differences" account is composed of the negative differences between the market values and the original acquisition costs of the TL denominated marketable securities portfolio. As of 31 December 2010 and 2009, there is no negative valuation difference on TL denominated marketable securities portfolio under "Negative Valuation Differences" account.

(3) Non-interest Income

For the year ended 31 December 2010, bank has no portfolio purchase and sales income. (2009: TL437,035 thousand)

For the year ended at 31 December 2010, Foreign Exchange Gains account is composed of realized gains on foreign currency purchase and sales transactions in 2010.

(4) Non-interest Expense

For the year ended 31 December 2010, bank has portfolio purchase and sales expense amounting to 186,363 thousand (2009: None).

For the year ended 31 December 2010, Foreign Exchange Losses account consists of realized losses on foreign currency purchase and sales transactions in 2010.

Provisions account consists of the interest income accruals amounting to TL5,821 thousand (2009: TL7,803 thousand) for loans under legal follow-up calculated for the year 2010, the foreign exchange gains (2009: foreign exchange losses) amounting to TL61,211 thousand (2009: TL10,270 thousand) calculated over the loans under legal follow-up account and the interest accrual amounts due to the depreciation (2009: appreciation) of US\$ against TL, transfer insurance provision expense amounting to TL2,193 thousand (2009: TL2,684 thousand) and retirement pay provision expense amounting to TL11,498 thousand (2008: TL13,609 thousand).

Marketable Security Valuation account consists of losses from negative differences between market value and the total of cost and accrued interest income of the foreign currency denominated marketable security portfolio.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS AND
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2010**

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

IV - SUPPLEMENTARY FINANCIAL STATEMENTS (Continued)

Illustration of Assets and Liabilities according to their remaining maturities

CURRENT PERIOD (31 December 2010)	Demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
ASSETS								
Gold	8,361,219	-	-	-	-	-	-	8,361,219
Foreign Currency Reserves	5,603,141	15,747,455	27,897,949	49,640,544	25,260,325	374,874	269,927	124,794,215
Coins	104,946	-	-	-	-	-	-	104,946
Securities Portfolio	-	-	674,093	1,727,694	5,621,191	-	-	20,022,980
Domestic Loans	-	12,000,002	606,800	82,545	-	-	-	689,345
Open Market Operations	-	12,014,961	-	-	-	-	-	12,014,961
Foreign Loans	-	-	2,189	2,982	16,711	7,417	-	29,299
Equity Participations	39,446	-	-	-	-	-	-	39,446
Property and Equipment (Net)	-	-	-	-	-	-	-	281,319
Loans Under Legal Follow-up	-	-	-	-	-	-	-	2,348,736
Provisions for Loans Under Legal Follow-up (-)	-	-	-	-	-	-	-	(2,348,736)
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	-	2,564,228
Valuation Account	-	-	-	-	-	-	-	-
Interest and Income Accruals	-	14,459	1,477	10,723	-	-	-	26,659
Miscellaneous Receivables	77,302	-	-	276,706	1,534	-	-	367,842
Other Assets	-	330	-	3,048	-	-	-	38,466
Total Assets	14,186,054	39,777,207	29,182,508	51,744,242	30,899,761	382,291	3,166,240	169,338,303
LIABILITIES								
Currency in Circulation	48,937,560	-	-	-	-	-	-	48,937,560
Due to Treasury	24,224	74,064	-	-	-	-	-	368,215
Foreign Correspondents	21,280	-	-	-	-	-	-	21,280
Deposits	14,939,602	35,262,462	22,484,444	6,620,977	9,313,435	-	-	89,269,411
Liquidity Bills	-	-	-	-	-	-	-	-
Open Market Operations	-	13,101,902	-	-	-	-	-	13,101,902
Foreign Loans	-	-	-	-	-	-	-	13,899
Import Transfer Orders and Deposits	-	-	-	-	-	-	-	747,358
Notes and Remittances Payable	-	3,293	-	747,358	-	-	-	3,293
SDR Allocation	-	-	-	-	-	-	-	2,564,228
Share Capital	-	-	-	-	-	-	-	46,234
Legal Reserves	-	-	-	-	-	-	-	4,588,399
Provisions	-	-	-	-	-	-	-	149,065
Valuation Account	-	-	-	222,089	-	-	-	7,245,849
Interest and Expense Accruals	-	-	-	-	-	-	-	628,421
Miscellaneous Payables	-	4,765	41,754	91,731	490,171	-	-	32,748
Other Liabilities	8,332	52	-	7,553	-	-	-	11,838
Net profit for the year	-	97,343	-	1,042	-	-	-	1,288,129
Total Liabilities	63,930,998	48,543,881	22,526,198	7,690,750	9,803,606	-	16,842,870	169,338,303
Net Liquidity Positions	(49,744,944)	(8,766,674)	6,656,310	44,053,492	21,096,155	382,291	(13,676,630)	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS AND
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH SEE NOTE IB.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2010**

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

IV - SUPPLEMENTARY FINANCIAL STATEMENTS (Continued)

Illustration of Assets and Liabilities according to their remaining maturities

PRIOR PERIOD (31 December 2009)	Demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
ASSETS								
Gold	6,374,873	-	-	-	-	-	-	6,374,873
Foreign Currency Reserves	6,164,914	11,274,702	12,297,325	42,172,105	34,301,236	-	266,713	106,476,995
Coins	88,416	-	-	-	-	-	-	88,416
Domestic Correspondents	-	221,338	-	-	-	-	-	221,338
Securities Portfolio	-	25,002,245	8,000,000	6,423,888	266,169	-	-	39,692,302
Domestic Loans	-	-	413,712	72,124	-	-	-	485,836
Open Market Operations	-	27,119,110	8,146,230	-	-	-	-	35,265,340
Foreign Loans	-	-	2,132	2,904	20,918	7,610	-	33,564
Equity Participations	23,698	-	-	-	-	-	-	23,698
Property and Equipment (Net)	-	-	-	-	-	-	-	280,849
Loans Under Legal Follow-up	-	-	-	-	-	-	-	2,281,704
Provisions for Loans Under Legal Follow-up (-)	-	-	-	-	-	-	-	(2,281,704)
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	-	2,533,695
Valuation Account	-	-	-	-	-	-	-	-
Interest and Income Accruals	-	79,714	56,236	3,864	-	-	-	139,814
Miscellaneous Receivables	63,077	-	-	414,726	2,057	-	3,623	483,483
Other Assets	-	2,902	-	2,510	-	-	52,113	57,525
Total Assets	12,714,978	63,700,011	28,915,635	49,092,121	34,590,380	7,610	3,136,993	192,157,728
LIABILITIES								
Currency in Circulation	38,340,278	-	-	-	-	-	-	38,340,278
Due to Treasury	18,469	45,701	-	-	-	-	-	330,883
Foreign Correspondents	1,193	-	-	-	-	-	-	1,193
Deposits	20,545,722	34,341,008	14,492,283	7,686,512	9,529,582	-	2,764,530	89,359,637
Liquidity Bills	-	-	-	-	-	-	-	-
Open Market Operations	-	39,331,936	8,000,000	-	-	-	-	47,331,936
Foreign Loans	-	-	-	-	-	-	-	-
Import Transfer Orders and Deposits	-	-	-	-	-	-	-	13,862
Notes and Remittances Payable	-	37,382	-	679,679	-	-	-	679,679
SDR Allocation	-	-	-	-	-	-	-	37,382
Share Capital	-	-	-	-	-	-	-	2,533,695
Legal Reserves	-	-	-	-	-	-	-	46,234
Provisions	-	-	-	-	-	-	-	3,691,281
Valuation Account	-	-	-	-	-	-	-	140,564
Interest and Expense Accruals	-	-	-	465,750	-	-	-	606,314
Miscellaneous Payables	-	6,946	-	102,632	-	-	-	5,010,104
Other Liabilities	9,200	51	247,354	8,412	562,211	-	-	919,143
Net profit for the year	-	296,942	146,229	19,505	-	-	35,815	53,478
	-	-	-	-	-	-	1,710	464,386
	-	-	-	-	-	-	2,738,243	2,738,243
Total Liabilities	58,914,862	74,059,966	22,885,866	8,962,490	10,091,793	-	17,242,751	192,157,728
Net liquidity Positions	(46,199,884)	(10,359,955)	6,029,769	40,129,631	24,498,587	7,610	(14,105,758)	-