

TÜRKİYE HALK BANKASI AŞ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

ASSETS	Note	Audited			Audited		
		Current period			Prior period		
		31 December 2010			31 December 2009		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.782.649	1.866.916	4.649.565	2.116.679	1.299.045	3.415.724
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	46.631	43.356	89.987	27.003	28.959	55.962
2.1 Trading financial assets		46.631	43.356	89.987	27.003	28.959	55.962
2.1.1 Public sector debt securities		44.720	8.958	53.678	25.227	8.337	33.564
2.1.2 Share certificates		77	-	77	92	-	92
2.1.3 Financial assets held for trading		3	34.304	34.307	-	20.528	20.528
2.1.4 Other marketable securities		1.831	94	1.925	1.684	94	1.778
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	103.332	909.336	1.012.668	120.758	1.051.151	1.171.909
IV. MONEY MARKET PLACEMENTS		216.125	-	216.125	203	-	203
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		95.719	-	95.719	199	-	199
4.3 Receivables from reverse repurchase agreements		120.406	-	120.406	4	-	4
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	5.929.654	1.565.336	7.494.990	3.562.401	1.328.473	4.890.874
5.1 Share certificates		4.774	8.861	13.635	4.405	7.214	11.619
5.2 Public sector debt securities		5.924.880	1.556.475	7.481.355	3.557.996	1.321.259	4.879.255
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	32.227.015	12.069.472	44.296.487	23.576.324	8.881.747	32.458.071
6.1 Loans and receivables		31.933.792	12.069.472	44.003.264	23.266.840	8.881.747	32.148.587
6.1.1 Loans extended to risk group of the Bank		9.130	66.574	75.704	921	57.690	58.611
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		31.924.662	12.002.898	43.927.560	23.265.919	8.824.057	32.089.976
6.2 Loans under follow-up		1.757.753	-	1.757.753	1.667.912	-	1.667.912
6.3 Specific provisions (-)		1.464.530	-	1.464.530	1.358.428	-	1.358.428
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	10.838.368	1.911.472	12.749.840	13.938.090	2.635.458	16.573.548
8.1 Public sector debt securities		10.838.368	1.911.472	12.749.840	13.938.090	2.635.458	16.573.548
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	72.356	115.566	187.922	48.743	127.922	176.665
9.1 Accounted under equity method		64.723	115.566	180.289	-	127.922	127.922
9.2 Unconsolidated associates		7.633	-	7.633	48.743	-	48.743
9.2.1 Financial investments		6.581	-	6.581	47.691	-	47.691
9.2.2 Non-financial investments		1.052	-	1.052	1.052	-	1.052
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Accounted with equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair value risk hedging		-	-	-	-	-	-
13.2 Cash flow risk hedging		-	-	-	-	-	-
13.3 Net abroad investment risk hedging		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	1.234.390	47	1.234.437	1.141.486	44	1.141.530
XV. INTANGIBLE ASSETS (Net)	(13)	18.655	-	18.655	12.090	-	12.090
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		18.655	-	18.655	12.090	-	12.090
XVI. INVESTMENT PROPERTIES (Net)	(14)	-	-	-	489	-	489
XVII. TAX ASSET	(15)	222.820	-	222.820	207.562	-	207.562
17.1 Current assets for tax		-	-	-	-	-	-
17.2 Deferred assets for tax		222.820	-	222.820	207.562	-	207.562
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	98.131	-	98.131	84.091	-	84.091
18.1 Held for sale purpose		98.131	-	98.131	84.091	-	84.091
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	714.198	41.054	755.252	529.156	64.917	594.073
TOTAL ASSETS		54.504.324	18.522.555	73.026.879	45.365.075	15.417.716	60.782.791

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Audited Current period 31 December 2010			Audited Prior period 31 December 2009		
		TRY	FC	Total	TRY	FC	Total
		I. DEPOSITS	(1)	39.449.915	15.104.500	54.554.415	29.364.171
1.1 Deposits Held by the Risk Group of the Parent Bank		50.153	6.274	56.427	35.566	9.562	45.128
1.2 Other		39.399.762	15.098.226	54.497.988	29.328.605	14.505.513	43.834.118
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	7	39.144	39.151	-	88.956	88.956
III. BORROWING FUNDING LOANS	(3)	203.429	3.622.658	3.826.087	201.722	1.829.795	2.031.517
IV. MONEY MARKET BALANCES		2.666.667	614.156	3.280.823	5.229.113	547.976	5.777.089
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank takings		125.768	-	125.768	19.422	-	19.422
4.3 Funds from repurchase agreements		2.540.899	614.156	3.155.055	5.209.691	547.976	5.757.667
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Treasury bills		-	-	-	-	-	-
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS	(4)	1.295.232	-	1.295.232	1.315.802	-	1.315.802
6.1 Borrower Funds		121.084	-	121.084	204.776	-	204.776
6.2 Other		1.174.148	-	1.174.148	1.111.026	-	1.111.026
VII. SUNDRY CREDITORS		755.869	19.362	775.231	549.528	16.363	565.891
VIII. OTHER LIABILITIES	(5)	392.985	140.658	533.643	163.850	95.988	259.838
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(6)	565	1	566	137	2	139
10.1 Finance lease payables		830	1	831	194	2	196
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		265	-	265	57	-	57
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(7)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net abroad investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(8)	1.059.388	15.869	1.075.257	853.744	15.499	869.243
12.1 General loan provisions		390.121	-	390.121	275.695	-	275.695
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		276.605	-	276.605	243.822	-	243.822
12.4 Insurance technical reserves (Net)		216.750	-	216.750	136.567	-	136.567
12.5 Other provisions		175.912	15.869	191.781	197.660	15.499	213.159
XIII. TAX LIABILITY	(9)	274.148	1	274.149	218.919	1	218.920
13.1 Current tax liability		274.148	1	274.149	218.919	1	218.920
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(10)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED CAPITAL	(11)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(12)	7.436.636	(64.311)	7.372.325	5.828.133	(51.983)	5.776.150
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital Reserves		1.398.353	(64.311)	1.334.042	1.288.854	(51.983)	1.236.871
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		177.841	(64.311)	113.530	78.429	(51.983)	26.446
16.2.4 Tangible assets revaluation reserves		-	-	-	-	-	-
16.2.5 Intangible assets revaluation reserves		-	-	-	-	-	-
16.2.6 Revaluation reserves of real estates for investment purpose		-	-	-	-	-	-
16.2.7 Non-paid-up shares of subsidiaries, associates and joint ventures		61	-	61	61	-	61
16.2.8 Hedging Funds (effective portion)		-	-	-	(10.087)	-	(10.087)
16.2.9 Value Increase on Non-current Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other capital reserves		1.220.451	-	1.220.451	1.220.451	-	1.220.451
16.3 Profit reserves		2.893.106	-	2.893.106	1.610.916	-	1.610.916
16.3.1 Legal reserves		620.349	-	620.349	515.312	-	515.312
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		2.225.576	-	2.225.576	1.048.423	-	1.048.423
16.3.4 Other profit reserves		47.181	-	47.181	47.181	-	47.181
16.4 Profit/Loss		1.888.693	-	1.888.693	1.671.769	-	1.671.769
16.4.1 Prior years income/loss		45.998	-	45.998	7.104	-	7.104
16.4.2 Period profit/loss		1.842.695	-	1.842.695	1.664.665	-	1.664.665
16.5 Minority shares		6.484	-	6.484	6.594	-	6.594
TOTAL LIABILITIES AND EQUITY		53.534.841	19.492.038	73.026.879	43.725.119	17.057.672	60.782.791

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

OFF BALANCE SHEET	Note	Audited Current period			Audited Prior period		
		31 December 2010			31 December 2009		
		TRY	FC	Total	TRY	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		17.089.689	10.385.583	27.475.272	10.028.306	12.782.239	22.810.545
I. GUARANTEES AND SURETYSHIPS	(1)	6.747.813	5.978.539	12.726.352	3.722.965	5.591.977	9.314.942
1.1 Letters of guarantee		5.140.511	3.802.506	8.943.017	3.680.889	3.094.424	6.775.313
1.1.1 Guarantees subject to public procurement law		477.740	3.006.494	3.484.234	353.921	2.375.248	2.729.169
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3 Other letters of guarantee		4.662.771	796.012	5.458.783	3.326.968	719.176	4.046.144
1.2 Bank loans		-	149.594	149.594	-	138.242	138.242
1.2.1 Import acceptances		-	88.531	88.531	-	74.508	74.508
1.2.2 Other bank acceptances		-	61.063	61.063	-	63.734	63.734
1.3 Letters of credit		1.521.453	1.855.885	3.377.338	-	2.243.228	2.243.228
1.3.1 Documentary letters of credit		1.521.453	1.855.885	3.377.338	-	2.243.228	2.243.228
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to Central Bank of Turkish Republic		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase guarantees on marketable security issuance		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		85.619	170.554	256.173	41.846	116.083	157.929
1.9 Other suretyships		230	-	230	230	-	230
II. COMMITMENTS	(1)	9.198.369	689.509	9.887.878	4.988.824	828.762	5.817.586
2.1 Irrevocable commitments		9.195.150	689.509	9.884.659	4.985.605	828.762	5.814.367
2.1.1 Forward asset purchase commitments		248.007	383.194	631.201	169.106	510.342	679.448
2.1.2 Forward deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3 Capital commitments to subsidiaries and associates		2.000	-	2.000	2.250	-	2.250
2.1.4 Loan granting commitments		296.308	306.315	602.623	722.229	318.420	1.040.649
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Payment commitments for reserve deposits		-	-	-	-	-	-
2.1.7 Payment commitments for cheques		3.604.999	-	3.604.999	1.255.978	-	1.255.978
2.1.8 Tax and fund liabilities from export commitments		34.849	-	34.849	11.284	-	11.284
2.1.9 Commitments for credit card expenditure limits		4.089.791	-	4.089.791	2.793.507	-	2.793.507
2.1.10 Commitments for credit cards and banking services promotions		26.217	-	26.217	27.446	-	27.446
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		892.979	-	892.979	3.805	-	3.805
2.2 Revocable commitments		3.219	-	3.219	3.219	-	3.219
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		3.219	-	3.219	3.219	-	3.219
III. DERIVATIVE FINANCIAL INSTRUMENTS	(1)	1.143.507	3.717.535	4.861.042	1.316.517	6.361.500	7.678.017
3.1 Derivative financial instruments for hedging		-	-	-	-	-	-
3.1.1 Fair value risk hedging transactions		-	-	-	-	-	-
3.1.2 Cash flow risk hedging transactions		-	-	-	-	-	-
3.1.3 Net foreign investment risk hedging transactions		-	-	-	-	-	-
3.2 Transactions for trading		1.143.507	3.717.535	4.861.042	1.316.517	6.361.500	7.678.017
3.2.1 Forward foreign currency buy/sell transactions		43.389	61.207	104.596	22.859	523.002	545.861
3.2.1.1 Forward foreign currency transactions-buy		15.883	36.443	52.326	6.012	266.585	272.597
3.2.1.2 Forward foreign currency transactions-sell		27.506	24.764	52.270	16.847	256.417	273.264
3.2.2 Currency and interest rate swaps		814.044	2.365.756	3.179.800	1.095.588	5.318.678	6.414.266
3.2.2.1 Currency swap-buy		154.773	1.451.293	1.606.066	-	2.871.470	2.871.470
3.2.2.2 Currency swap-sell		659.271	914.463	1.573.734	788.498	2.129.008	2.917.506
3.2.2.3 Interest rate swap-buy		-	-	-	-	318.200	318.200
3.2.2.4 Interest rate swap-sell		-	-	-	307.090	-	307.090
3.2.3 Currency, interest rate and marketable securities options		88.004	104.185	192.189	-	-	-
3.2.3.1 Currency call options		43.922	52.174	96.096	-	-	-
3.2.3.2 Currency put options		44.082	52.011	96.093	-	-	-
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Marketable securities call options		-	-	-	-	-	-
3.2.3.6 Marketable securities put options		-	-	-	-	-	-
3.2.4 Currency futures		-	-	-	-	-	-
3.2.4.1 Currency futures-buy		-	-	-	-	-	-
3.2.4.2 Currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate buy/sell futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		198.070	1.186.387	1.384.457	198.070	519.820	717.890
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		357.507.925	151.968.388	509.476.313	266.734.789	107.979.743	374.714.532
IV. CUSTODIES		65.622.963	6.599.017	72.221.980	56.546.837	5.412.880	61.959.717
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		27.486.898	279.199	27.766.097	27.988.177	271.653	28.259.830
4.3 Cheques in collection process		4.208.585	2.885.911	7.094.496	2.859.578	1.845.612	4.705.190
4.4 Commercial notes in collection process		19.368.036	191.272	19.559.308	9.685.107	178.807	9.863.914
4.5 Other assets in collection process		1.099	-	1.099	679	-	679
4.6 Underwritten securities		129	-	129	321	6.956	7.277
4.7 Other custodies		3.114	7.881	10.995	2.440	8.072	10.512
4.8 Custodians		14.555.102	3.234.754	17.789.856	16.010.535	3.101.780	19.112.315
V. PLEDGED ASSETS		291.884.962	145.369.371	437.254.333	210.187.952	102.566.863	312.754.815
5.1 Marketable securities		1.356.594	184.735	1.541.329	802.955	209.987	1.012.942
5.2 Collateral notes		3.483.737	166.385	3.650.122	2.729.862	170.390	2.900.252
5.3 Commodity		25.830	-	25.830	25.830	-	25.830
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		56.223.803	17.792.541	74.016.344	40.485.819	11.866.210	52.352.029
5.6 Other pledged assets		228.225.320	127.085.348	355.310.668	164.097.650	89.571.870	253.669.520
5.7 Pledges		2.569.678	140.362	2.710.040	2.045.836	748.406	2.794.242
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		374.597.614	162.353.971	536.951.585	276.763.095	120.761.982	397.525.077

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

III. CONSOLIDATED STATEMENT OF INCOME

			Audited	Audited
			Current period	Prior period
			1 January-31 December	1 January-31 December
			2010	2009
INCOME AND EXPENSES		Note		
I.	INTEREST INCOME	(1)	6.363.935	6.829.199
1.1	Interest on loans		4.256.240	4.225.937
1.2	Interest received from reserve deposits		177	304
1.3	Interest received from banks		73.470	126.483
1.4	Interest received from money market placements		263	4.498
1.5	Interest income on marketable securities		2.019.832	2.451.134
1.5.1	Financial assets held for trading		3.372	4.135
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		616.755	546.417
1.5.4	Investments held-to-maturity		1.399.705	1.900.582
1.6	Finance lease income		-	-
1.7	Other interest income		13.953	20.843
II.	INTEREST EXPENSE	(2)	3.151.775	3.700.152
2.1	Interest on deposits		2.763.395	3.204.498
2.2	Interest on borrowings		66.207	74.367
2.3	Interest on money market borrowings		272.513	331.285
2.4	Interest on marketable securities issued		-	-
2.5	Other interest expense		49.660	90.002
III.	NET INTEREST INCOME [I – II]		3.212.160	3.129.047
IV.	NET FEES AND COMMISSIONS INCOME		509.975	453.796
4.1	Fees and commissions income		615.500	535.854
4.1.1	Non-cash loans		78.714	63.333
4.1.2	Other	(12)	536.786	472.521
4.2	Fees and commissions expenses		105.525	82.058
4.2.1	Non-cash loans		58	3
4.2.2	Other		105.467	82.055
V.	DIVIDEND INCOME	(3)	1.223	6.595
VI.	NET TRADING PROFIT (NET)	(4)	133.355	18.151
6.1	Profit/loss from capital market operations		221.758	137.156
6.2	Profit/loss from financial derivative transactions		(72.840)	(75.805)
6.3	Foreign exchange gains/losses		(15.563)	(43.200)
VII.	OTHER OPERATING INCOME	(5)	597.805	395.105
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		4.454.518	4.002.694
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	458.470	646.144
X.	OTHER OPERATING EXPENSES(-)	(7)	1.653.949	1.301.569
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.342.099	2.054.981
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		10.911	3.792
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	2.353.010	2.058.773
XVI.	TAX INCOME PROVISION (±)	(9)	(509.719)	(393.404)
16.1	Current tax provision		(544.120)	(557.911)
16.2	Deferred tax provision		34.401	164.507
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	1.843.291	1.665.369
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Property and equipment income held for sale		-	-
18.2	Sale profits from associates, subsidiaries and joint ventures (business partners)		-	-
18.3	Other income from terminated operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Property and equipment expense held for sale		-	-
19.2	Sale losses from associates, subsidiaries and joint ventures (business partners)		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/(LOSS) (XVII+XXII)	(11)	1.843.291	1.665.369
	Group's profit/loss		1.842.695	1.664.665
	Minority shares profit/loss		596	704
	Earnings/losses per share (Full TRY)		1.47416	1.33230

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

	Audited	Audited
	Current period	Prior period
	1 January -	1 January -
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	31 December 2010	31 December 2009
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	97.648	184.622
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	69	708
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective portion of fair value differences)	-	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS (Effective portion of fair value differences)	12.609	10.557
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	-	61
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(13.212)	(35.151)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	97.114	160.797
XI. PROFIT/LOSS	1.843.291	1.665.369
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	31.486	58.272
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	(10.087)	-
11.4 Other	1.821.892	1.607.097
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	1.940.405	1.826.166

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/(loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and int. assets	Free shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.	Total equity excluding minority shares	Minority shares	Total equity
1 January 2009 – 31 December 2009																			
I. Balance at the beginning of prior period		1.250.000	1.220.451	-	-	434.671	-	333.180	32.739	1.016.297	35.042	(113.037)	-	-	(18.533)	-	4.190.810	-	4.190.810
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I + II)		1.250.000	1.220.451	-	-	434.671	-	333.180	32.739	1.016.297	35.042	(113.037)	-	-	(18.533)	-	4.190.810	-	4.190.810
Changes within the period																			
IV. Increase/decrease generated by merger		-	-	-	-	7.544	-	13.573	-	29.409	(9.875)	1.635	-	-	-	-	42.286	6.610	48.896
V. Valuation changes in marketable securities		-	-	-	-	-	-	-	-	-	-	151.582	-	-	-	-	151.582	-	151.582
VI. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	(7.423)	623	-	-	8.446	-	1.646	-	1.646
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedges for investment made in foreign countries		-	-	-	-	-	-	-	-	-	(7.423)	623	-	-	8.446	-	1.646	-	1.646
VII. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Free shares from investment and associates, subsidiaries and joint ventures (business partners).		-	-	-	-	-	-	-	-	-	-	-	-	61	-	-	61	-	61
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	85	-	-	-	-	85	-	85
XI. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(720)	(720)
XIV. Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 From internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Issuance of share certificates at end of period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	14.442	-	-	(14.442)	-	-	-	-	-	-	-
XIX. Net profit or losses		-	-	-	-	-	-	-	-	1.664.665	-	-	-	-	-	-	1.664.665	704	1.665.369
XX. Profit distribution		-	-	-	-	73.097	-	701.670	-	(1.045.706)	(10.640)	-	-	-	-	-	(281.579)	-	(281.579)
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(281.579)	-	-	-	-	-	(281.579)	-	(281.579)
20.2 Transfers to legal reserves		-	-	-	-	73.097	-	701.670	-	-	(774.767)	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	(1.045.706)	1.045.706	-	-	-	-	-	-	-	-
Closing balance		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.665	7.104	26.446	-	61	(10.087)	-	5.769.556	6.594	5.776.150
1 January 2010 – 31 December 2010																			
I. Balance at end of prior period		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.665	7.104	26.446	-	61	(10.087)	-	5.769.556	6.594	5.776.150
Changes within the period																			
II. Increase or decrease generated by merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities		-	-	-	-	-	-	-	-	-	-	87.001	-	-	-	-	87.001	(43)	86.958
IV. Hedging Funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	10.087	-	10.087	-	10.087
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries		-	-	-	-	-	-	-	-	-	-	-	-	-	10.087	-	10.087	-	10.087
V. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Free shares from investment and associates, subsidiaries and joint ventures (business partners)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	69	-	-	-	-	69	-	69
IX. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	35	-	-	-	-	-	14	-	-	-	-	49	(663)	(614)
XII. Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of share certificates at end of period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other(*)		-	-	-	-	-	-	-	-	-	14.205	-	-	-	-	-	14.205	-	14.205
XVII. Net profit or losses		-	-	-	-	-	-	-	-	1.842.695	-	-	-	-	-	-	1.842.695	596	1.843.291
XVIII. Profit distribution		-	-	-	-	105.002	-	1.177.153	-	(1.664.665)	24.689	-	-	-	-	-	(357.821)	-	(357.821)
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(357.821)	-	-	-	-	-	(357.821)	-	(357.821)
18.2 Transfers to legal reserves		-	-	-	-	105.002	-	1.177.153	-	-	(1.282.155)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(1.664.665)	1.664.665	-	-	-	-	-	-	-	-
Closing balance		1.250.000	1.220.451	-	-	620.349	-	2.225.576	47.181	1.842.695	45.998	113.530	-	61	-	-	7.365.841	6.484	7.372.325

(*) Effect of the financial associates taken into consolidation due to communiqué published in official gazette numbered 27824 on 23.01.2011 related to the "Communiqué related to the Change in Communiqué on Preparation of Consolidated Financial Statements of Banks" in the current period.

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Audited	Audited
		Current period	Prior period
		31 December 2010	31 December 2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.175.697	2.174.874
1.1.1 Interest received		6.564.846	7.364.446
1.1.2 Interest paid		(3.104.103)	(3.918.818)
1.1.3 Dividend received		1.223	2.679
1.1.4 Fees and commissions received		615.500	535.854
1.1.5 Other income		378.135	233.450
1.1.6 Collections from previously written off loans		477.630	380.472
1.1.7 Cash payments to personnel and service suppliers		(718.169)	(648.096)
1.1.8 Taxes paid		(562.814)	(526.468)
1.1.9 Other		(1.476.551)	(1.248.645)
1.2 Assets and Liabilities Subject to Banking Operations		(2.252.756)	644.052
1.2.1 Net decrease in financial assets held for sale		(19.427)	11.534
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	-
1.2.4 Net (increase) decrease in loans		(11.983.097)	(7.215.071)
1.2.5 Net (increase) decrease in other assets		(626.339)	(180.187)
1.2.6 Net increase (decrease) in bank deposits		1.304.598	659.195
1.2.7 Net increase (decrease) in other deposits		9.336.559	3.329.212
1.2.8 Net increase (decrease) in loans borrowed		1.783.419	520.733
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(2.048.469)	3.518.636
I. Net cash provided from banking operations		(77.059)	2.818.926
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		1.183.025	(3.011.833)
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		(944)	(1.989)
Cash obtained from sale of entities joint ventures, associates and subsidiaries		-	-
2.2 Fixed assets purchases		(328.588)	(190.809)
2.3 Fixed assets sales		184.137	133.266
2.4 Cash paid for purchase of financial assets available for sale		(8.872.143)	(7.177.505)
2.5 Cash obtained from sale of financial assets available for sale		6.431.573	5.974.917
2.6 Cash paid for purchase of investment securities		(2.624.557)	(3.721.412)
2.7 Cash obtained from sale of investment securities		6.408.587	1.982.864
2.8 Other		(15.040)	(11.165)
2.9			
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash used in financing activities		(357.394)	(282.098)
3.1 Cash obtained from loans borrowed and securities issued		-	-
3.2 Cash used for repayment of loans borrowed and securities issued		-	-
3.3 Marketable securities issued		-	-
3.4 Dividends paid		(357.821)	(281.579)
3.5 Payments for finance leases		(106)	(519)
3.6 Other		533	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(1)	76.689	(38.410)
V. Net increase / (decrease) in cash and cash equivalents		825.261	(513.415)
VI. Cash and cash equivalents at beginning of the period	(4)	3.732.344	4.245.759
VII. Cash and cash equivalents at end of the period	(5)	4.557.605	3.732.344

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

TÜRKİYE HALK BANKASI AŞ

STATEMENT OF PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDED 31 DECEMBER 2010

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VII. STATEMENT OF PROFIT DISTRIBUTION TABLE

	Audited	Audited
	Current period	Prior period
	31 December 2010	31 December 2009
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. CURRENT PERIOD PROFIT	2.509.285	2.017.200
1.2. TAXES AND LEGAL DUTIES PAYABLE (-)	498.892	386.109
1.2.1. Corporate tax (Income tax)	531.855	548.097
1.2.2. Withholding tax	-	-
1.2.3. Other taxes and duties	(32.963)	(161.988)
A. NET PROFIT FOR THE PERIOD (1.1-1.2)	2.010.393	1.631.091
1.3. ACCUMULATED LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	73.455
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	2.010.393	1.557.636
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	62.500
1.6.1. To owners of ordinary shares	-	62.500
1.6.2. To owners of privileged shares	-	-
1.6.3. To owners of redeemed shares	-	-
1.6.4. To profit sharing bonds	-	-
1.6.5. To holders of profit and loss sharing certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	62.000
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	231.321
1.9.1. To owners of ordinary shares	-	231.321
1.9.2. To owners of privileged shares	-	-
1.9.3. To owners of redeemed shares	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To holders of profit and loss sharing certificates	-	-
1.10. SECOND LEGAL RESERVES (-)	-	29.332
1.11. STATUS RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	1.172.483
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of privileged shares	-	-
2.3.3. To owners of redeemed shares	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To holders of profit and loss sharing certificates	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES	-	0.24
3.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES	-	0.24
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Due to regulations in Turkey, profit is not distributed over consolidated figures. Therefore, above table only includes the profit distribution of the Parent Bank. Profit distribution decisions are only made by Parent Bank's general assembly. General assembly has not been held yet as of the date when the Parent Bank's financial statements are formed.

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