



strong support for the great target

“2023 target: USD 500 billion worth of exports”

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>> Annual Report Statement of Compliance



CONVENIENCE TRANSLATION OF
THE REPORT ON COMPLIANCE OF ANNUAL REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH

To the General Assembly of Türkiye İhracat Kredi Bankası A.Ş.

We have audited the compliance and consistency of the financial information included in the annual report of Türkiye İhracat Kredi Bankası A.Ş. ("the Bank") as of 31 December 2010 with the audited financial statements and explanatory notes. The annual report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on the audited annual report.

We conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual report in the Banking Law No.5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information represented in the accompanying annual report presents fairly, in all material respects, the information regarding the financial position of Türkiye İhracat Kredi Bankası A.Ş. at 31 December 2010 in accordance with the principles and procedures set out by the regulations in conformity with article 40 of the Banking Law No.5411 and includes a summary of the Board of Directors' report and the independent auditor's report originally issued by us in Turkish and is consistent with the audited financial statements and explanatory notes originally issued in Turkish.

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

A handwritten signature in black ink, appearing to be "Haluk Yalçın", written over a white background.

Haluk Yalçın, SMMM

Istanbul, 3 May 2011

>> Corporate Profile

Turkey's official export credit agency, Türk Eximbank, acts as the Turkish government's major export incentive vehicle in Turkey's sustainable export strategy.

Export Credit Bank of Turkey (Türk Eximbank), which was established in 1987, is the sole official export credit agency in Turkey. The Bank is a fully state-owned bank acting as the Turkish government's major export incentive vehicle in Turkey's sustainable export strategy. As Turkey's official export credit agency, Türk Eximbank has been mandated to support foreign trade and Turkish contractors/investors operating overseas. Türk Eximbank is making rapid progress towards fulfilling its mission and taking its place amongst export credit agencies in the world.

The Bank currently supports Turkish exporters, contractors and investors through various credit, guarantee and insurance programs similar to export credit agencies of developed countries. However, it is different in that, it is one of the few export credit agencies in the world which engages in direct lending activities as well as implementing insurance and guarantee schemes within the same institution. Currently, Türk Eximbank offers a total of 28 main programs, 22 of which are loan and 6 are insurance/guarantee programs.

Türk Eximbank has introduced export credit insurance to Turkish exporters in 1989. Currently, Türk Eximbank provides cover for Turkish exporters, against commercial and political risks by offering a variety of insurance programs for their exports to 204 countries.

Apart from its Head Office in Ankara, Türk Eximbank has two branches, one in İstanbul and the other in İzmir, and six liaison offices in Denizli, Kayseri, Gaziantep, Bursa, Adana and Trabzon. Opened in 1994 and 1995 respectively,

the İstanbul and İzmir branches aim at providing better service to the dynamic export sector and carrying out certain transactions. These branches also provide information to exporters regarding the Bank's programs, find solutions to problems on the spot and convey their suggestions to the Headquarters.

Türk Eximbank has opened liaison offices in Kayseri and Denizli in 2004, Gaziantep in 2005, and Bursa, Adana and Trabzon in 2006; six of the industrialized provinces with high export potential. These offices give exporters information on Türk Eximbank's programs, and provide help for their credit applications.

The specialized nature of Türk Eximbank's operations requires highly qualified and professional staff. As a result, the contribution of the Bank's very few, but competent and exceptionally skilled personnel are very important. As of end-2010, Türk Eximbank employs a total of 360 personnel, 21 in the İstanbul and 10 in the İzmir branches, and a total of 7 personnel in the liaison offices. 3 personnel have a Ph.D. degree, 79 have a post-graduate degree, 169 have a graduate degree, and 28 have an associate degree. 158 employees have a second language.

>> Financial Highlights

66.13%

Loans-to-assets ratio of Türk Eximbank is over the Turkish banking sector average.

4.07%

Türk Eximbank has a high return on assets ratio.

Loans
(TL thousand)

| | |
|------|-----------|
| 2010 | 4,159,138 |
| 2009 | 3,908,666 |

Net Income
(TL thousand)

| | |
|------|---------|
| 2010 | 256,221 |
| 2009 | 342,488 |

Major Balance Sheet Accounts (TL thousand)

| | 2010 | 2009 |
|-----------------------------|-----------|-----------|
| Loans | 4,159,138 | 3,908,666 |
| Total Assets | 6,289,153 | 6,488,070 |
| Loans Borrowed | 1,798,712 | 2,025,884 |
| Shareholders' Equity | 3,629,360 | 3,656,670 |
| Total Paid-in Share Capital | 2,000,000 | 2,000,000 |

Major Income Statement Accounts (TL thousand)

| | 2010 | 2009 |
|---------------------------------------|----------|----------|
| Interest Income | 315,753 | 437,972 |
| Interest Income on Loans | 171,921 | 323,090 |
| Interest Expenses | (27,045) | (50,725) |
| Net Interest Income | 288,708 | 387,247 |
| Other Operating Income | 42,466 | 35,007 |
| Provisions for Loans and Other Claims | (21,016) | (55,635) |
| Other Operating Expenses | (63,792) | (58,370) |
| Net Income | 256,221 | 342,488 |

Financial highlights for the 2006-2010 period are given on page 57.

>> Operational Highlights

Total Credit/Insurance/Guarantees (USD million)

| | |
|------|-------|
| 2010 | 8,906 |
| 2009 | 9,339 |

Total Short-Term Credits (TL thousand)

| | |
|------|-----------|
| 2010 | 5,738,632 |
| 2009 | 7,251,066 |

Credit Activities

| Short-Term Credit Activities (TL thousand) | 2010 | 2009 |
|--|-----------|-----------|
| Total Short-Term Credits | 5,738,632 | 7,251,066 |
| Short-Term TL Export Credits | 2,414,582 | 3,020,763 |
| Short-Term FX Export Credits | 3,324,050 | 4,230,303 |

| Medium and Long-Term Credit Activities (USD million) | 2010 | 2009 |
|--|------|-------|
| Medium and Long-Term Credits | 78.7 | 149.7 |

Insurance Activities

| Short-Term Export Credit Insurance (USD million) | 2010 | 2009 |
|--|-------|-------|
| Total Covered Shipments | 5,010 | 4,524 |
| Total Buyer Limit Approvals (Total Commitments) | 4,907 | 5,330 |
| Claims Paid | 13.9 | 10.1 |

| Medium and Long-Term Export Credit Insurance (USD million) | 2010 | 2009 |
|--|------|------|
| Total Commitments | 2.5 | - |

>> Chairman's Message



Although the recovery in the world economy has gained strength, there still remain a number of fragilities. As it pursues integration with the global economy, the Turkish economy's goal is to have annual exports worth USD 500 billion by 2023.

The effects of the global financial crisis diminished significantly last year: having shrunk by 0.5% in 2009, the world economy grew by 5% in 2010. Similarly the volume of world trade, which contracted by 10.9% in 2009, expanded by 12.4% in 2010 with the result that the total value of the world's goods and services exports reached USD 18.7 trillion. Despite such positive developments in economic growth and trade volumes however, there remain persistent uncertainties about the new global economic order. In the current environment, the possibility of restrictions being imposed on global capital movements, of protectionist foreign trade policies, and of "manageable exchange rate practices" have also become matters for discussion once again.

In 2010 the developing countries registered an average 7.3% rate of growth, thereby making a much bigger contribution to overall global economic growth than the developed

economies managed to do. In the post-crisis process, the developing economies generally achieved their high growth rates as a result of high levels of domestic demand. The Turkish economy for its own part grew by 8.9% in 2010 after having suffered a 4.8% contraction in 2009. During this period, it was to be observed that the growth in Turkey stemmed very much more from private-sector investment and consumption.

Turkey's exports increased by 11.5% and reached USD 114 billion in value in 2010. Our country's exports are directed largely towards developed countries however and the slowness of economic recovery among them stifled the recuperation of our own export trade. However it is to be noted that while EU countries, which make up our most important export market, registered a paltry 1.7% average rate of year-on economic growth in 2010, our exports to those same countries grew by 12% and reached USD 53

Türk Eximbank's export credit insurance programs will help Turkey's exporters to mitigate their risk exposures in what is a highly risky business environment. Similarly, its country credit and guarantee programs will give Turkish exporters new opportunities to overcome the limitations imposed by weak international markets while its export credits will give export industries convenient access to the suitably-priced financing that they require.

billion in value during the same period. The upshot of this is that EU countries took a 46.3% share of Turkey's exports last year. In the ranking of the countries that we export the most to, Germany stood first, having bought Turkish exports worth USD 11.5 billion. EU economies are expected to grow by another 1.6% next year; therefore the demand for Turkish goods and services is still likely to go on increasing even more. Nevertheless, concerns about the sustainability of Eurozone countries' indebtedness remains an element of risk that threatens our exports to them.

Successful results were achieved within the framework of Turkey's "Export to Neighboring Countries" strategy. Turkey's exports to Iraq for example increased by 18% and amounted to USD 6 billion in value. Exports to Iran were also up by 16.3% year-on and reached the USD 3.8 billion level.

Under the heading of market diversification, there were rises in our exports to the Americas. In particular, the total value of Turkish goods and services sent to South American was up by a hefty 83% year-on.

Turkey's exports to African countries on the other hand were down by 8.4% in 2010. Political developments taking place in the region were particularly influential in this decline. With political risks on the rise throughout the region, concerns of contagion among its countries and expectations that oil prices would continue to rise caused risk perceptions to worsen. By the same token, our own country's risk premium was seen to increase as well. Political tensions in North Africa stifled the recovery in Turkey's export trade by depressing local external demand even as rising oil prices drove up the value of Turkey's imports. In this respect, the continued rise of commodity prices (particularly oil) poses an element of risk in our foreign trade balance.

One needs to be circumspect about the possible developments that may take place in the global economy in 2011. Thus even as we strive to achieve our growth targets, we must nevertheless remain aware of the risks that exist. For this reason, it is a matter of particular importance that our country's exporters take all contingencies into account and that they adhere to effective risk management strategies. As Türk Eximbank, we shall continue to make an ongoing effort to increase our support for our exporters and other foreign currency-earning sectors even in an environment which is, on the one hand, the scene of accelerated positive economic growth and development but which is, on the other, also fraught with non-negligible international risks. Türk Eximbank's export credit insurance programs will help Turkey's exporters to mitigate their risk exposures in what is a highly risky business environment. Similarly, its country credit and guarantee programs will give Turkish exporters new opportunities to overcome the limitations imposed by weak international markets while its export credits will give export industries convenient access to the suitably-priced financing that they require.



Cavit DAĞDAŞ
Deputy Chairman of the Board of Directors

>> Chief Executive Officer's Message



Türk Eximbank has set itself a cash loan and insurance/guarantee support for Turkish export industries target of USD 10.9 billion in 2011. In the period immediately ahead of us, the Bank's actions will be guided by strategies that will make it possible to achieve this target and to make this vision a reality.

While the world economy began to recover in 2010 in the wake of the global crisis, it appeared that, when this recovery was examined in terms of "developed vs. developing" economies, its progress was unfolding at different rates and that the latter were contributing rather more to the global economy's 5% rate of growth. In such economies, it was improvements in domestic demand that were reviving economic activity whereas among the developed economies, it was persistently weak domestic demand that was the most important factor delaying recovery.

By causing a significant contraction in world trade volumes, the global crisis had both a direct and an indirect impact on Turkey's export sector. Exports played a major role in Turkey's emergence from the 2001 economic crisis and in the country's subsequent economic growth. The contraction in world trade brought on by the global crisis had an adverse impact on our foreign trade during this period.

Exports, which declined in 2009 because of the crisis, rose by 11.5% to USD 114 billion in 2010 as a result of positive developments observed in both the world and the Turkish economies. Nevertheless we were still unable to return to our 2008 levels in exports.

It is during times of economic crisis that the support provided by export financing agencies (widely referred to as "eximbanks") gains importance. Thus, the rapid declines in world trade taking place during this most recent turmoil prompted many countries to support their exports through policies conforming to their particular needs. When we examine eximbanks' practices during the crisis, we observe that these agencies developed solutions to contend with market conditions and that they introduced new programs accordingly. It is expected that the support which eximbanks are providing will continue at least until some sort of balance has been restored to international markets.

It is a matter of critical importance that the financing needs of the export sector and of foreign currency-earning services, both of which will be the engines of growth in the period ahead, be dealt with under suitable conditions. As Turkey's only official export financing agency, Türk Eximbank will be playing a major role in this effort.

It was during this same period that, taking into account such issues as the positive developments in the Turkish economy in 2010, the demands of the country's exporters, and the decrease in the Bank's cost of foreign currency resources, Türk Eximbank took steps to encourage making short-term export credits accessible to a broader group under more favorable conditions. To this end, the interest rates on short-term Turkish lira lendings was reduced by 0.75-1.25 points, with the cuts in the case of foreign currency lendings were in the 0.50-1.50 point range. The term structure of the Bank's short-term credit programs was diversified, with the maximum term in the case of Turkish lira loans being increased from 360 days to 540 days. In the Pre-Shipment Export Credit and the Pre-Export Credit Programs, company limits were raised to USD 15 million (or the Turkish lira equivalent thereof). In the case of Tourism Credits and International Transportation Marketing Credits, which are categorized under the "foreign currency-earning activities", company limits were doubled to USD 8 million and USD 6 million respectively. Additionally and to allow more firms to take advantage of the Bank's lending programs, the minimum performance requirement for Tourism Credits and for International Transportation Marketing Credits and the minimum transaction limit for Short-Term Pre-Shipment Rediscount Program were reduced from USD 500,000 to USD 200,000. The "company limit" on Pre-Export Credits, on Tourism Credits and on International Transportation Marketing Credits was also raised to 100%, which made it possible for the Bank to provide as much credit financing as the value of the borrower's export commitment. Initially these changes were put into place primarily to provide Turkish exporters with a variety of facilities in the pursuit of their business; however it became clear, in view of significant developments taking place in world trade and of the impact of the crisis, that this was not going to be adequate.

The most important reason for this is that it looks very likely that the effects of the global economic crisis on world trade balances may prove to be permanent. For this reason, the ability of our country to rapidly increase its exports in the post-crisis landscape will be dependent upon its not losing market share in any of its principal export territories or product groups due to the crisis process. That process's impairment of trade relationships which our country has built up over many years makes life easier for the exporters of other countries who compete with our own. Since the very beginnings of the crisis, Turkey has been suffering market share attrition even in those sectors in which it is the most competitive and to which it also exports the most. For this reason, in order to avoid loss of export markets and to protect market shares at a time when the effects of the global financial crisis are still being felt, it becomes important to support Turkish exporters at such a level as to allow them to contend with their international competitors from the standpoints of financing opportunities as well as those of labor costs, quality, and technology. In the process immediately ahead of us, the ability to tap global financial markets for resources will remain limited and costs are expected to remain high. In such a context, the ability of Turkish exporters to deploy financing costs and terms as an element of international competition will also allow them to increase their performance in the exportation of capital goods and of high value-added products. This is why it is a matter of critical importance that the financing needs of the export sector and of foreign currency-earning services, both of which will be the engines of growth in the period ahead, be dealt with under suitable conditions. As Turkey's only official export financing agency, Türk Eximbank will be playing a major role in this effort.

In the 2011 Program of Türk Eximbank, priority is given to efforts to increase both medium- and long-term country/buyer credits as well as export credit insurance and guarantees.

At the same time, Turkey has also remobilized itself to add new momentum to its export sector. The country has set itself the goal of increasing the value of its exports to at least USD 500 billion a year by 2023, the centennial celebration of the founding of the Turkish Republic. This export target is not just a numerical objective; it also symbolizes a huge transformation of Turkey's export industries away from consumer goods in favor of medium-level-technology-intensive capital goods. Türk Eximbank is indisputably one of the institutions that will enable our country to achieve this goal.

To this end, Türk Eximbank has defined for itself a new vision, according to which it will act with greater effectiveness by making it possible to achieve this goal through currently valid and suitable practices in support of Turkish exporters and of Turkish contractors and investors who do business outside the country. In defining this vision, attention was given both to the knowledge and experience which our Bank has gained in the 23 years since its founding and to successful eximbank practices elsewhere around the world. Another issue that must be taken into consideration is the emergence, in the post-crisis period, of difficulties which importers in other countries have in accessing financing. This is an additional factor (along with the downward pressures that a greater propensity to save among consumers abroad exerts on demand) that hinders the growth in Turkey's exports. In keeping with its new vision, Türk Eximbank will be giving greater emphasis in the period ahead to medium- and long-term country/buyer credits and to export credit insurance and guarantees as befits the general missions of the export financing agencies of developed countries.

Türk Eximbank in 2011

Türk Eximbank's 2011-Year Program was prepared in such a way as to make it possible to implement the strategies formulated during 2010 in harmony with the Bank's new vision. These strategies were created in line with suggestions made during the course of meetings and discussions conducted last year with exports-related professional organizations and with the representatives of sectors which have high potential from the standpoint of Turkey's achieving its 500-billion-dollar-a-year export target by 2023.

In the Bank's 2011 Program, priority is given to efforts to increase both medium- and long-term country/buyer credits as well as export credit insurance and guarantees. Nevertheless Turkey's exporters are still in need of short-term export financing and thus Türk Eximbank will continue to make such resources available to the sector. However to the degree that commercial banks increase their own short-term credit support for export industries, Türk Eximbank will gradually phase out its operations in that business line.

To sum up the principal goals of Türk Eximbank's 2011-Year Program, in the period ahead our Bank plans (1) to give greater emphasis to buyer- and project-based lendings which will increase the exportation of medium- and high-technology products and of high value-added products and which will establish and strengthen the "Made In Turkey" image in international markets; (2) to continue Türk Eximbank's efforts to expand its lendings under the heading of "country/buyer credits"; and (3) to issue letters of guarantee addressed to both national and international banks and financial intermediaries which will channel the funds available to the Turkish banking sector into medium- and long-term export financing, with particular attention being given to supporting international projects and to expanding the availability of medium-term export credit insurance.

To achieve these objectives, we plan to make a variety of changes, including the introduction of new programs. In 2011 we intend to increase the amount of medium- and long-term credit provided under the “Buyer’s Credit Program for Turkish Machinery Industry”, which was launched in December 2010 and which provides for terms of up to five years. In April 2011 we introduced an “option” instrument –a type of hedging instrument– that will make it possible for our country’s exporters to better manage their exchange rate risks. Forward instruments are also to be introduced in the very near future for the same purpose. These hedging instruments are intended to make it possible for small and medium-sized enterprises, which find it particularly difficult to work with commercial banks on such matters, to protect themselves against losses arising from movements in exchange rates. Türk Eximbank’s “Overseas Chain Stores Investment Credit Program”, whose aim is to increase export opportunities for retailers and to assist shopping center chains to penetrate international markets, will be revised and put into the service of the retail sector. In addition to all of the foregoing, we also plan in 2011 to finalize and implement activities to make use of medium- and long-term credit in support of strategically-important defense industry product-, system-, and project-based exports that are aimed at targeted regions and countries. Work has also be speeded up to put the “Political Risk Insurance Program for Overseas Contracting Services” into effect, as this has become a matter of some urgency in light of events taking place throughout the Middle East and North Africa. Attention should also be drawn to the importance given to neighboring and regional countries as well as to Central Asian and African countries in the Bank’s 2011 Program.

In conclusion, 2011 is a year of particular importance for Türk Eximbank from the standpoint of the inauguration of a new vision that is compatible with Turkey’s 2023 export target. By providing capital goods exporters and high-value-added goods and services exporters with the medium- and long-term financing support within the framework of the Bank’s own credit and insurance/guarantee facilities, we will be making an important contribution towards our country’s efforts to achieve its export targets as well. In this respect, the interactive relationship which we have established with our exporters and with our investors and contractors operating abroad to support the export sector by addressing its needs quickly and appropriately will continue in 2011 as well. Our goal as Türk Eximbank in 2011 is to provide a total of USD 10.9 billion worth of support consisting of USD 5.1 billion in cash lendings and USD 5.8 billion worth of insurance and guarantee facilities.



Hayrettin KAPLAN
Chief Executive Officer

1987...

Türk Eximbank was established in 1987 as the sole official export credit agency in Turkey and commenced implementing its programs in the beginning of 1988.

Türk Eximbank regularly presents its annual programs to the Supreme Advisory and Credit Guidance Committee chaired by the State Minister in charge of the Bank's activities. The Committee approves Türk Eximbank's annual programs, including country limit ceilings for the credit, insurance and guarantee programs as well as the Bank's general strategy, targeted annual volumes and key objectives of short and medium-term credit programs for the year. The Committee meets at least once a year and the Board of Directors and General Management of Türk Eximbank are obliged to observe the limits it has set. The Committee includes as members:

- Undersecretary of the State Planning Organization,
 - Undersecretary of the Treasury,
 - Undersecretary for Foreign Trade,
 - Undersecretary of the Ministry of Finance,
 - Undersecretary of the Ministry of Industry and Commerce,
 - Governor of the Central Bank of the Republic of Turkey,
 - The Chairman and Deputy Chairman of the Board of Directors and Chief Executive Officer of Türk Eximbank.
-

Structure of the Bank's Capital

Türk Eximbank's shares are composed of two groups as (A) and (B). Group (A) shares are held by the Undersecretariat of Treasury and represent not less than 51% of the capital. Group (B) shares represent 49% of the capital and may be transferred by the Undersecretariat of Treasury to public and private banks, similar financial institutions and insurance companies and other real and legal entities.

Currently the Undersecretariat of Treasury holds 100% of the Bank's shares. The Chairman and members of the Board of Directors, the Chief Executive Officer and Assistant General Managers do not hold shares of the Bank.

Changes in the Articles of Association

Türk Eximbank's Articles of Association has not been altered in 2010.

>> History

In the early 1980s, the composition of Turkish exports shifted from predominantly agricultural goods to industrial goods. This created increased financing needs for exporters, which in turn resulted in increased pressure on commercial banks in Turkey. Therefore, the decision was taken to establish an official export credit agency, in accordance with general practices in most of the developed world. As a result, Türk Eximbank was established in 1987 as the sole official export credit agency in Turkey.

Türk Eximbank was chartered by the Cabinet on August 21, 1987 by Decree No. 87/11914, following the order of Law No. 3332 (March 31, 1987) by maintaining the juridical and legal personality of the State Investment Bank. In effect, according to the charter, Türk Eximbank took over the set up, legal entity, capital and assets of the State Investment Bank, but at the same time was transformed into a joint stock company subject to the provisions of Private Law. The Articles of Association were proclaimed in the Trade Register Newspaper on August 11, 1987.

The Bank's main objectives are;

- increasing the volume of Turkish exports,
- diversification of export goods and services,
- developing new export markets,
- increasing the share of Turkish exporters in international trade, and
- providing support and risk free environment for Turkish exporters, investors and overseas contractors.

As a means of aiding export development, Türk Eximbank offers specialized financial services to exporters, export-oriented manufacturers and overseas investors and contractors through a variety of short, medium and long-term cash and non-cash credit, insurance and guarantee programs.

Türk Eximbank has a crucial and expanding role in the implementation of the export-led growth strategies pursued by all Turkish governments since 1980, and its operations reflect Turkish government policies. Türk Eximbank's strategy is set in its annual programs and is formulated according to the economic policies put forth by the authorities.

According to article 4/C of chartering Law No. 3332 that was appended by Act No. 3659 and article 10 of Law No. 4749, the Undersecretariat of Treasury covers losses incurred by Türk Eximbank in its credit, insurance and guarantee transactions arising from political risks.

Türk Eximbank has played a critical role in securing the stable export growth experienced in the late 1980s following Turkey's agreement to eliminate export subsidies in accordance with GATT/WTO provisions and the subsequent elimination of all direct incentives to exports. After the establishment of the Customs Union between Turkey and the EU in 1996, Turkey made the arrangements to harmonize its legislation with that of the EU in related fields, such as officially supported export credits with repayment terms of two years and more (93/112/EEC). Türk Eximbank's buyers' credit, guarantee and insurance programs are subject to this legislation.

services...

Türk Eximbank meets the changing demands of the Turkish export sector, including both manufacturers and foreign currency earning services providers, such as overseas contractors, tourism agencies, international transportation companies, consultancy companies, etc.

>> Relations with the Export Sector

Since its inception, taking into account the changing needs and demands of the Turkish export sector, Türk Eximbank regularly implements new credit, insurance and guarantee programs, while making adjustments to its existing programs.

Being in close relationship with the export sector, Türk Eximbank points out that in addition to financial problems, the structural problems of the real sector must also be addressed and policies must be generated accordingly. In this regard, the Bank actively participates in the “sector meetings”, initiated by the Undersecretariat for Foreign Trade in 1998 that aim to constitute the technical infrastructure of sectoral policies. Besides, under the framework of the “Export Strategic Plan” released by the Undersecretariat for Foreign Trade, Türk Eximbank plays an active role in classifying the structural problems of Turkish exports and identifying the long-term solutions to these problems, together with the regarding parties involved in exports.

All companies residing in Turkey and conducting merchandise and services exports can benefit from the Bank’s programs. Türk Eximbank refrains from discrimination between sectors and therefore, the sectoral distribution of the Bank’s credits is in parallel with the sectoral distribution of Turkey’s exports.

On the other hand, Türk Eximbank presents its credit and insurance programs and gets feedback on its activities by visiting exporters. Also, directors and specialists of the Bank participate in the meetings and seminars arranged by different institutions, such as, Export Promotion Center, Small and Medium Industry Development Organization, the Union of Chambers and Commodity Exchanges of Turkey (TOBB), İstanbul Chamber of Commerce Foreign Trade Institute etc., and inform exporters on the Bank’s activities.

Furthermore, the Bank holds various meetings, especially in cities where SMEs are large in number, to present its programs.

Türk Eximbank gives special importance to SMEs, as they play a significant role in the economy thus; SMEs are given priority in all credit applications. Also, intermediary banks are obliged to extend at least 30% of their limits allocated by Türk Eximbank, to SMEs. As a result of this policy, SMEs have attained a 30-35% share in Türk Eximbank’s export credits, whereas they have about 24% share in all banking sector credits.

Türk Eximbank also believes that priority development areas should be given special importance in order to eliminate the social and economic gaps amongst regions. In this framework, companies located in the provinces regarded as Turkey’s priority development areas are given priority in all credit applications. Besides, intermediary banks are required to extend at least 5% of their credit limits allocated by Türk Eximbank to companies located in these areas. The Bank also implements the Priority Development Areas Export Credit Program under the Pre-Shipment Export Credits; in which discounted interest rates are applied to such companies.

strong...

As of end-2010, the Türk Eximbank's return on assets ratio was 4.1% and return on equity ratio was 7%. The capital adequacy ratio of the Bank was 143%.

As the sole officially supported export credit agency in Turkey, Türk Eximbank aims to increase the competitiveness of Turkish exporters and overseas contractors and to create opportunities for them in new markets. For this purpose, since its establishment, the Bank has supported Turkish exports through various export credit, guarantee and insurance programs.

Türk Eximbank, in addition to Law No. 3332, is also subject to the Banking Law No. 5411. According to the Banking Law, Türk Eximbank is classified under the "development and investment banking group" and represents this group in the Board of Directors of the Banks Association of Turkey. The Bank also conforms to internationally accepted rules and regulations set by organizations such as the WTO, OECD and EU. Furthermore, after the establishment of a customs union between Turkey and the EU in 1996, Türk Eximbank made the necessary arrangements to harmonize its legislation with that of the EU in related fields, including officially supported export credits. Türk Eximbank is a full member of the Berne Union and represents Turkey at the Group on Export Credits and Credit Guarantees (a subsidiary body of the OECD Trade Committee) and is an observer in the Participants Group. In this respect, the Bank differs from commercial, participation and other development and investment banks in the sector.

The global credit crisis has also affected the Turkish banking sector together with the economy. However, Turkish banks differ from their counterparts in other countries in that they have gained experiences as a result of various crises previously occurred. The implementation of financial discipline, tight monetary policies and the structural reforms applied in various areas, especially in the banking sector, after the 2001 crisis have increased the resistance of the Turkish economy against external shocks. Besides, Turkish banks are facing the crisis in a better position owing to the strength of the sector's capital structure, minimum liquidity risk, lack of complex derivatives, an established risk management system and the transparency of banks' balance sheets. The banking sector doesn't need any capital support from the government in Turkey contrary to many other countries.

The Turkish banking sector showed a great performance during 2010. Thus, the banking sector became stronger in terms of main indicators and has provided a greater support to the real sector during the period of economic recovery following the global crisis. Besides, the delayed consumption during the crisis period, together with the decrease in interest rates spurred the demand in loans, which in turn had an important effect in the sector's growth.

The total assets of the Turkish banking sector, which was TL 834 billion as of December 2009, grew by 21% and reached over TL 1 trillion as of December 2010, owing mainly to the increase in loans. That is, total loans of banking sector increased by 34%, whereas securities portfolio by 9.5% during 2010. As a result, the share of loans in total assets increased to 52% in December 2010 from 47% the year-earlier, while the share of securities portfolio in total assets decreased 29% from 32%. The main reason behind this was the change in the banks' portfolio preferences towards loans rather than securities due to the decreasing trend in interest rates in Turkey, in parallel with the general trend in the world, during the global crisis. This also indicates that the banks gradually engaged in more their main function, the financial intermediation, in 2010.

The total loans, which rose in general during the year, increased by about 11% in the last quarter of 2010 due to the surge in particularly both corporate/commercial loans and loans allocated to SMEs. As a result, the loan stock reached at the level of TL 526 billion as of end-2010. Of the TL 133.3 billion rise in loan stock in 2010, TL 48.8 billion was corporate/commercial loans, TL 42.8 billion was consumer loans and TL 41.7 billion was loans allocated to SMEs. In 2010, the highest increase (50%) was observed in loans allocated to SMEs, the most affected ones from the economic crisis in 2009.

The ratio of non-performing loans to total loans, which was 5.3% as of end-2009, decreased by 1.6 points and realized as 3.8% as of December 2010. Thus, it has maintained its decreasing trend. The reasons behind this were the increase in the total amount of loans, the sale of the non-performing loans to asset management companies during 2010, together with the increase in sector's ability to collect non-performing loans and the decrease in non-performing loans. The highest non-performing loans to total loans ratio (4.6%) was in the loans allocated to SMEs as of December 2010.

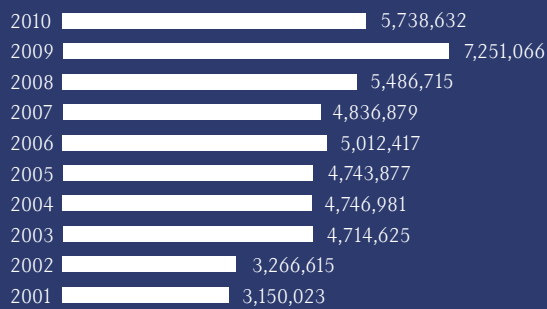
As mentioned above, the loans-to-assets ratio of the banking sector has increased by 5 percentage points and realized as 52% as of end-2010. The total loans in this ratio also include loans extended in the form of credit cards and consumer loans. When these loans are excluded, the share of corporate loans in total assets declines to 35%. Türk Eximbank holds an important place in the banking sector with a loans-to-assets ratio of 66%, due to the fact that the Bank allocates most of its funds to export finance. Turkish banks, however, are still reluctant to extend loans to the export sector. As a result, loans extended in the form of credit cards and consumer loans constitute 33% of total loans, whereas export loans constitute only 7%. On the other hand, Türk Eximbank provides 12% of the banking sector's export loans on its own. The share of non-performing loans in total loans is 2.9% in Türk Eximbank, well below the 3.8% of the banking sector's average.

Although Türk Eximbank is not a profit-oriented institution, it has always operated profitably, as this is important to sustain its sound financial structure. Therefore, Türk Eximbank generated a net profit of TL 256 million in 2010. As of end-2010, the Bank's return on assets ratio was 4.1%, return on equity ratio was 7% and the capital adequacy ratio was 143%.

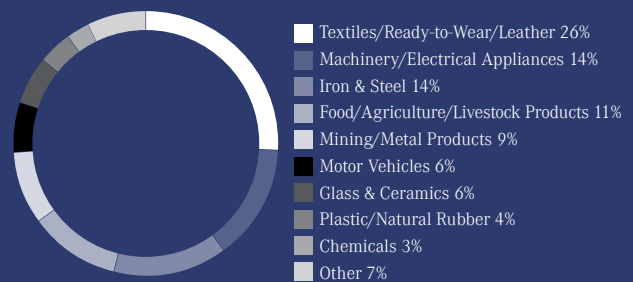
support...

Türk Eximbank supports exporters, export-oriented manufacturers, overseas contractors and investors with short, medium and long-term credit, insurance and guarantee programs.

Short-Term Credits
(TL thousand)



Sectoral Distribution of Short-Term Credits



>> Türk Eximbank in 2010

CREDITS

General Overview

Türk Eximbank supports exporters, export-oriented manufacturers, overseas investors and companies engaged in foreign currency earning services with short, medium and long-term cash and non-cash credit programs. Moreover, export receivables are discounted in order to increase the export volume and to ease access into new and target markets through the promotion of sales on deferred payment conditions.

The total amount of short-term Turkish Lira (TL) and foreign currency credits provided by Türk Eximbank was realized as TL 5,739 million (USD 3.8 billion) in 2010.

42% of total short-term credits was provided in TL and 58% in foreign currency.

55% of total short-term export credits was disbursed via intermediary commercial banks.

2,294 companies benefited from Türk Eximbank's short-term credits in 2010.

Companies in priority development regions and small and medium scale enterprises (SMEs) have been given priority in all credit applications. As a result of this policy, SMEs have attained a 35% share in short-term export credits and the amount of credits provided to SMEs was realized as TL 1,988 million (USD 1.3 billion). Additionally, 68% of the total companies that benefited from Türk Eximbank's short-term credit programs were SMEs. The support directed to encourage the model of Sectoral Foreign Trade Companies, formed by SMEs has continued within the framework of various credit programs.

Textiles/ready-to-wear/leather industries had the largest share in the sectoral distribution of short-term credits with 26% in 2010.

European Union countries were foremost in the regional distribution of the credits with a share of 57% in 2010.

Türk Eximbank has continued to provide interest rate reduction for short-term export credits extended to short-term export credit insurance policyholders. This reduction was 1 point for short-term export credits extended in TL and 0.25 points for the short-term export credits extended in foreign currency.

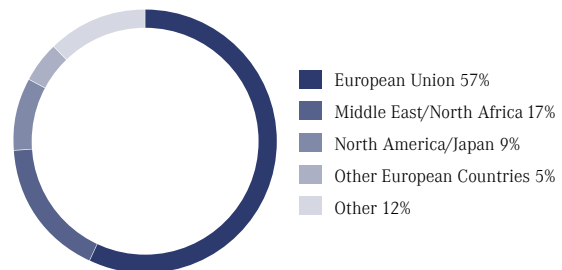
Recent Adjustments and Revisions

In 2010, several arrangements and revisions have been made in the export credit implementations in order to meet the demands of exporters on the basis of economic and political developments in the world and Turkey.

In this framework;

- Interest rates charged for short-term TL credits and short-term foreign currency credits have been reduced in the ranges of 0.75-1.25 points and 1.00-1.50 points, respectively.
- Maturity options of short-term credit programs have been diversified and longer term repayment period options have been put into effect. The maximum maturity in TL credits has been increased from 360 days to 540 days. Maturity terms of 120, 180, 360 and 540 days are available in short-term TL and FX credits.
- The company limit, which is the total of TL and FX limits allocated to the company at any given time, has been increased to USD 15 million in the Pre-Shipment Export Credits and the Pre-Export Credits. This limit can be used either in TL or in FX depending on the preference of the company.

Regional Distribution of Short-Term Credits



Several arrangements and revisions have been made in the export credit implementations in 2010 in order to meet the demands of exporters on the basis of economic and political developments in the world and Turkey.

- The upper limit, applied as 25% of the general limit allocated to the intermediary commercial banks by Türk Eximbank, in Priority Development Areas Export Credits has been abolished.
 - The minimum operation limit for the Short-Term Pre-Shipment Rediscount Program has been decreased to USD 200,000 from USD 500,000.
 - The company limit in the Pre-Export Credits Program and the Free Trade Zone Pre-Export Foreign Currency Credits Program were increased from 50% of its past export performance to 100%. Besides, the credit limit has been raised from USD 100,000 to USD 200,000 for the companies which either carry out an export transaction for the first time or have a past export performance of less than USD 200,000.
 - The company limit, which is the total of TL and FX credits, has been increased from USD 100,000 to USD 200,000 in the Pre-Export Credits Program for SMEs.
 - Within the International Transportation Marketing Credit Program, the freight revenue realized which should be at least USD 500,000 to apply for the credit program was decreased to USD 200,000. Besides, in determining the past freight revenue performance, invoice list approved by Certified Public Accountant or Sworn-in Certified Public Accountant has started to be used. Furthermore, the company limit was increased from 30% of its freight performance to 100% on the condition that it didn't exceed the maximum credit exposure per company which was also raised from USD 3 million to USD 6 million.
 - On June 14, 2010, the Tourism Marketing Credit Program was renamed as Tourism Credit Program and its scope has been extended to provide financial support for the tourism companies which are accepted as exporters according to the Cabinet Decree No. 2009/15299 and have obtained certificate from the Ministry of Culture and Tourism. These companies are also expected to attract more than USD 1 million worth of foreign currency annually and mainly function in accommodation.
- Furthermore, the past performance criteria considered for this Program was reduced to USD 200,000 from USD 500,000. The company limit was increased from 15% of its tourism service performance to 100% on the condition that it didn't exceed the maximum credit exposure per company which was also raised from USD 4 million to USD 8 million.
- In direct credit programs, the procedure of annual demanding notarized identification card copies that belongs to company shareholders was terminated. This procedure was modified as demanding the copies only at the first application stage or in case of a change in the identification information.
 - The guarantee limit allocated to KGF (Credit Guarantee Fund) has been raised. Besides, KGF guarantee limit for each company was increased from TL 500,000 to TL 1 million and group guarantee limit was increased from TL 750,000 to TL 1.5 million.
 - Within the regulations realized in the Application Principles of the Bridge Credit Program for Overseas Contractor Services, the company limit, which is determined by the level of progress payment that has not been collected, increased to USD 25 million.
 - Within the scope of the Export Finance Intermediation Loan 7539-TU (EFIL-IV), it is thought that utilization of the loan should better be opened to other industries towards the demands of various sectors to accelerate the drawdown from the loan. Sector expansion request which was brought into attention of the World Bank teams during the missions has been expected for World Bank's approval.
 - Working capital loans have also launched to be provided along with the investment loans under the European Investment Bank Credit Program since December 2, 2010.
 - "The International Islamic Trade Finance Corporation Backed Production Finance Credit Program" has been put into force.

Short-Term Export Credits

Türk Eximbank extends short-term export credits to exporters and export-oriented manufacturers to meet their financing needs especially at the pre-shipment stage. These credits are extended in Turkish Lira or in foreign currency either directly by Türk Eximbank or via intermediation of selected Turkish commercial banks.

1. Credits Extended via Commercial Banks

Pre-Shipment Export Credits are short-term credit facilities covering all sectors and providing financial support to exporters starting from the early stages of production. Under this program, credits are extended either in TL or in foreign currency for a maximum maturity of 540 days.

Through the **Pre-Shipment Turkish Lira Export Credits (PSEC-TL)**, TL 1,888.6 million (USD 1,252.7 million) worth of credits was disbursed in 2010.

Intermediary banks are obliged to extend at least 30% of their limits allocated by Türk Eximbank, to SMEs. Within this framework, TL 932 million (USD 619.1 million) was disbursed to SMEs through the PSEC-TL program in 2010.

Under the **PSEC-Priority Development Areas Export Credit Program**, which is a sub-program of the PSEC-TL program and is extended with discounted interest rates to companies located in the 50 provinces regarded as priority development areas, TL 395.5 million (USD 262.8 million) was disbursed in 2010.

Under the **Pre-Shipment Foreign Currency Export Credit (PSEC-FX) Program**, USD 853.3 million (TL 1,281.9 million) was disbursed in 2010.

Within the framework of the obligation of intermediary banks to extend at least 30% of their limits allocated by Türk Eximbank to SMEs, USD 538.4 million (TL 809.8 million) was disbursed to SMEs through the PSEC-FX program in 2010.

Under the **Free Trade Zone Pre-Shipment Foreign Currency Export Credit Program**, USD 2.5 million was disbursed in 2010.

2. Credits Extended Directly by Türk Eximbank

Within the **Foreign Trade Companies Short-Term Export Credits Program**, credits are extended to foreign trade corporate companies and sectoral foreign trade companies that are granted these titles by the Undersecretariat for Foreign Trade. Under this program, a total of TL 351.8 million (USD 232.8 million) was disbursed in 2010, of which, TL 348.8 million (USD 230.8 million) was disbursed in “TL” and USD 2 million (TL 3 million) in “foreign currency”.

Under the **Pre-Export Foreign Currency Credit Program**, USD 173.2 million (TL 260.4 million), and under the **Pre-Export Turkish Lira Credit Program**, TL 167.9 million (USD 111.1 million) were disbursed in 2010.

Under the **Pre-Export Credit Program for SMEs**, a total of TL 1.6 million (USD 1.1 million) was disbursed, of which, TL 1.5 million (USD 973 thousand) was disbursed under the **Pre-Export Turkish Lira Credit for SMEs** and USD 90 thousand (TL 137 thousand) was disbursed under the **Pre-Export Foreign Currency Credit for SMEs**.

3. Credits Funded by the Central Bank of Turkey

The **Short-Term Export Credit Discount Program**, is a post-shipment finance facility, aiming at increasing the competitiveness of Turkish exporters in international markets by enabling them to sell Turkish goods on deferred payment terms and eliminating overseas risks thereby encouraging them to enter into new and target markets.

The **Short-Term Pre-Shipment Rediscount Program**, which requires an export commitment, aims at providing support to exporters with maturity up to 120 days, in the pre-shipment stage.

Under these programs, a total of USD 1.1 billion was disbursed in 2010.

Türk Eximbank helps establish and promote Turkish brands in overseas markets.

Medium and Long-Term Export Credits

Medium-term and long-term export credits are specific credit programs, available for export transactions that cannot be covered under the standard credit and guarantee programs.

The **Overseas Chain Stores Investment Credit Program** supports overseas investments of Turkish entrepreneurs for the establishment of shopping malls and chain stores in order to help establish and promote Turkish brands in overseas markets.

The **Ship-Building Finance and Guarantee Program** supports Turkish dockyards to increase their share in international markets. Under this program, guarantees are provided for the Turkish companies involved in ship-building and/or the export of ships in order to obtain pre-financing either in advance payment or in installments from the buyer. Cash loans are also provided under this program.

The **Specific Export Credit Program** is a short and medium-term pre-shipment financing facility provided to the foreign currency generating projects of manufacturer/exporters and overseas contractors that cannot be subject to the standard credit programs of Türk Eximbank.

The **Letter of Guarantee Program for Overseas Contractors' Services** aims to enable Turkish contractors to sustain their current share in international markets and thus encourage them to enter into new markets. Within this program, Turkish overseas contractors, who participate in tenders abroad, are provided letters of guarantee by Türk Eximbank under the counter-guarantee of Turkish commercial banks.

Bridge Credit Program for Overseas Contractor Services

has been put into effect in 2009 in order to minimize the effects of the financial crises in the international markets on Turkish construction sector and to ensure the stability of the investments and their competitive capacity in this market by keeping existent construction site and mobilization-engine park in function. Within the scope of the program, a total amount of TL 108.9 million (USD 71.1 million) was disbursed in 2010, of which, TL 47.4 million (USD 30.7 million) as short-term and TL 61.5 million (USD 40.4 million) as medium-term credit.

Credits for Foreign Currency Earning Services

The **Tourism Credit Program** provides finance to travel agencies and private airlines for their promotion and marketing activities abroad and thus contributes to Turkey's balance of payments via increasing tourism revenues. A total of TL 8.8 million (USD 6 million) was disbursed within the year.

The **International Transportation Marketing Credit Program**, which is extended directly by Türk Eximbank, provides finance to international transportation companies in order to reduce the transportation cost of exporter companies. Within this program, TL 13.9 million (USD 9.3 million) was disbursed in 2010.

The Credit Program for Foreign Currency Earning Services contributes to Turkey's foreign exchange earnings through financing of Turkish companies' foreign currency earning services abroad and export of services like software projects, consultancy services, etc.

The Credit Program for Participating to Overseas Trade Fairs has been put into effect in order to support companies to increase their market shares by attending foreign fairs, enter new/target markets, obtain information about new technologies and products, and contribute to the development of exports. In 2010, TL 1.4 million (USD 938 thousand) worth of credits were disbursed under this program.

World Bank Credit

The **Export Finance Intermediation Loan (EFIL-IV)**, which is assigned to ship/yacht-building and machinery manufacturing sectors, has been put into effect by the agreement between Türk Eximbank and the International Bank for Reconstruction and Development (World Bank) in 2008. During 2010, the credit demands of the ship-building industry, which is the most affected sector by the global crisis, have been met. The whole limit that was assigned to ship/yacht-building industry allocated to the ship-building companies and USD 25.3 million was disbursed in 2010.

The European Investment Bank Credit Program

A Credit Agreement was signed with the European Investment Bank on September 24, 2008 with the aim of supporting the export-oriented projects for expansion and modernization of existing equipment and new fixed capital investments in Turkey realized by SMEs operating in the manufacturing industry, logistic and tourism sectors. The Operation Manual of this credit program came into force in 2009. During 2010, USD 6.5 million was disbursed under this credit program.

The International Islamic Trade Finance Corporation Backed Production Finance Credit Program

The Islamic Development Bank (IDB) mandated all existing funds and facilities related with the trade finance to an autonomous international trade finance entity within the IDB Group, namely "The International Islamic Trade Finance Corporation (ITFC)", which was established for consolidating all IDB's trade finance transactions under a single umbrella. "The International Islamic Trade Finance Corporation Backed Production Finance Credit Program" has been put into force on April 20, 2010 within the scope of the agreement providing a source of USD 50 million signed with the IDB in November 2009. The finance of the purchases of raw materials, intermediate goods and investment goods that will be used in the production of export goods of the companies located in Turkey is aimed within the scope of the limit allocated to Türk Eximbank by the ITFC.

Türk Eximbank's Country Credit and Guarantee Programs aim at creating opportunities for and boosting the competitive strength of Turkish exporters and overseas contractors in emerging markets by enabling foreign buyers to purchase Turkish goods and services on deferred payment conditions.

COUNTRY CREDIT AND GUARANTEE PROGRAMS

In line with Turkey's foreign economic policy and goals, Türk Eximbank, under its Country Credit and Guarantee Programs, provides financial support for goods and services exported by Turkish firms. The main objectives of these programs are to establish long-term bilateral relations, to strengthen the competitiveness of Turkish exporters and contractors in international markets and to provide a risk-free environment for their activities in the markets pertaining high political and commercial risks.

While "sovereign guarantee" is a priority, Türk Eximbank may consider other guarantee mechanisms including a bank guarantee, taking into account the country risk, the nature of the project and the requested financial terms.

Under these programs, loans totaling over USD 2.2 billion have been disbursed since 1989 to Turkish contracting firms/exporters operating in 23 countries located in Central and Southern Asia, Central and Eastern Europe, Africa, the Caucasus and Balkans. The amount disbursed was utilized for the exports of goods such as food, medicine, medical equipment, textile products, automotive products, machinery and equipment, and other industrial goods and for projects such as trade centers, medical centers, industrial plants, telecommunication, bridge/transportation, energy, petrochemicals, construction and renovation of hotels and business centers.

Within the framework of the Country Credit and Guarantee Programs, USD 6.5 million was disbursed and USD 43.4 million was collected in 2010. Thus, under these programs, the total amount collected to date has exceeded USD 2.6 billion.

In 2010, Türk Eximbank issued 9 "letters of intent" for projects to be undertaken by Turkish firms in Belarus, Ghana, Serbia and Turkmenistan.

As the Undersecretariat of Treasury fully indemnified Türk Eximbank for its political risk losses, the collections from countries have been transferred to the Undersecretariat of Treasury. In this context, USD 424.5 million was transferred as of end-2010.

During the year, Türk Eximbank continued to be in close co-operation with other export credit agencies and international financial institutions in order to extend its financial support to Turkish overseas companies.

In line with the purpose of offering financial support up to a maturity of 5 years particularly to machine manufacturing industry, facilities to extend credits to buyers under bank guarantees or credit lines to banks for on-lending to buyers, in OECD 0-5 Category countries have been provided in 2010.

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Türk Eximbank Buyers' Credit/Guarantee Programs (USD million)

| Countries | Credit Limit | Cumulative Disbursements (1988-2010) |
|---------------------------------|----------------|--------------------------------------|
| Albania | 15 | 13.9 |
| Export Credit | 15 | 13.9 |
| Algeria | 100 | 99.5 |
| Export Credit | 100 | 99.5 |
| Azerbaijan | 250 | 91.7 |
| Export Credit | 100 | 59.6 |
| Project Credit | 150 | 32.1 |
| Belarus | 71 | 18.5 |
| Project Credit | 71 | 18.5 |
| Bulgaria | 50 | 20.9 |
| Export Credit | 50 | 20.9 |
| Cuba | 32 | 12.4 |
| Export Credit | 32 | 12.4 |
| Georgia | 50 | 41.5 |
| Export Credit | 50 | 41.5 |
| Hungary | 10 | 0.1 |
| Export Credit | 10 | 0.1 |
| Kazakhstan | 240 | 213.1 |
| Export Credit | 55.7 | 40 |
| Project Credit | 184.3 | 173.1 |
| Kyrgyz Republic | 75 | 48.1 |
| Export Credit | 37.5 | 35.7 |
| Project Credit | 37.5 | 12.4 |
| Libya | 100 | 128.7 |
| Project Credit | 100 | 128.7 |
| Moldova | 35 | 15 |
| Project Credit | 35 | 15 |
| Nakhichevan | 20 | 19.6 |
| Export Credit | 20 | 19.6 |
| Pakistan | 100 | 58.3 |
| Project Credit | 100 | 58.3 |
| Romania | 50 | 45.7 |
| Export Credit | 50 | 45.7 |
| Russian Federation | 1,150 | 835 |
| Export Credit | 800 | 599.4 |
| Project Credit | 350 | 235.6 |
| Sudan | 79.6 | 46.9 |
| Project Credit | 79.6 | 46.9 |
| Syria | 15 | 7 |
| Export Credit | 15 | 7 |
| Tajikistan | 50 | 28 |
| Export Credit (*) | 50 | 28 |
| Tunisia | 40 | 1.9 |
| Export Credit | 40 | 1.9 |
| Turkish Rep. of Northern Cyprus | 3.7 | 3.7 |
| Project Credit | 3.7 | 3.7 |
| Turkmenistan | 163.3 | 133 |
| Export Credit | 75 | 75 |
| Project Credit | 88.3 | 58 |
| Uzbekistan | 397.2 | 369.1 |
| Export Credit | 125 | 124.6 |
| Project Credit (*) | 272.2 | 244.5 |
| Total | 3,096.8 | 2,251.6 |

(*): IDB transactions are included.

RISK ANALYSIS AND ASSESSMENT

Activities of Information and Company Analysis Departments

The Information and Analysis Report, which is an important element of risk management, is prepared by Information Department and Company Analysis Department in coordination for the companies that apply for a credit line for the first time or that have a risk in Türk Eximbank in order to determine the credibility of these companies. Within this context, the annual and semi-annual financial figures of the companies are gathered and the domestic and overseas sectoral developments are followed up in accordance with the requests of the Bank's departments. The Information and Analysis Reports of 429 companies were prepared in 2010 and submitted to related credit departments.

To support the company information operations, "Corporate Information Sharing Agreement" has been signed with Credit Reference System (CRS) in 2010. Within the context of this agreement, access to the information of Bank's customers in other financial institutions that they do business with, has been provided. Besides, sentences of prohibition against the issuing cheques and the opening of cheque accounts and removal of these prohibitions that will be delivered to Central Bank through National Judiciary Informatics System (UYAP) have begun to be delivered to Türk Eximbank through "Electronic Data Transfer System" and necessary arrangements have been made within the "Unpaid Cheque Inquiry Module of Türk Eximbank".

Company Analysis Department also provides information reports requested by the Insurance Department for buyers' risk assessment and limit assignment. In 2010, 24,948 credit information reports on foreign buyers were procured via online connections and e-mail. Continuous developments in information technologies are enriching

the content of information reports as well as shortening delivery time and lowering costs. Due to the continuing insufficient fiscal transparency, the cost of the reports provided from developing countries was not subject to decrease; however content and reliability of the reports were remarkably improved. The average prices of information reports that decreased to USD 51 in 2008 and stayed at the same level in 2009, diminished to USD 48 in 2010. The total spending on information reports was USD 1,206,546 in 2010.

Bank Analysis Department

Türk Eximbank determines and monitors short-term cash and short/long-term non-cash credit limits concerning the credits extended via Turkish banking system and the Letters of Guarantee given by banks in order to constitute the warranty of credit programs that allocated directly to the beneficiary firms, and treasury operation limits for each bank.

In this context, the limits of each bank are determined upon financial analysis based on Independent Audit Reports of banks published quarterly, and risk assessment studies. Besides, domestic and foreign markets are monitored, economic and financial developments are evaluated for each bank and the sector as a whole by making periodic contacts with banks, taking the regulations of the banking sector into consideration.

Also, credit/treasury limits and outstanding risks of banks are monitored and reported on daily, weekly and monthly basis and submitted to the top management. Furthermore, reconciliation of limits and risks are carried out with banks. Bank Analysis Department also provides the assessment reports of foreign banks that are required for the activities of the Country Credits Department.

Türk Eximbank’s Export Credit Insurance Programs aim at providing cover for Turkish exporters and overseas contractors against commercial and political risks, and creating a risk-free environment for them.

EXPORT CREDIT INSURANCE

Export receivables are insured against commercial and political risks within certain limits by means of export credit insurance programs, which is one of Türk Eximbank’s main areas of activity. The additional advantage of the programs stands as enabling exporters to obtain funding from financial institutions at favorable terms using the insurance policies issued by Türk Eximbank as collateral.

Short-Term Export Credit Insurance

Within the scope of the **Short-Term Export Credit Insurance Program**, all shipments to be made by an exporter in the duration of a one-year policy period and with payments deferred up to 360 days are insured against commercial and political risks. The Short-Term Export Credit Insurance has become a widespread facility among Turkish exporters since its introduction in 1989. In fact, 1,204 exporters were insured as of end-2010 and more than 7,000 exporters enjoyed this facility at least once since its inception.

Türk Eximbank was on-cover towards 204 countries and a total of USD 5 billion worth of shipments were insured in 2010. Premium amounting to USD 18.5 million was collected throughout the year.

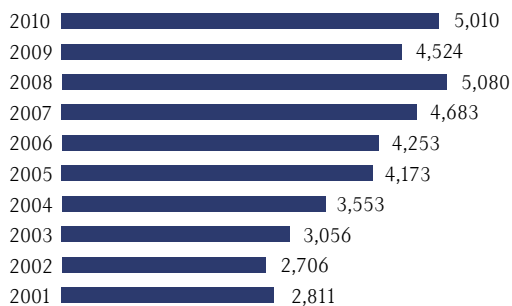
In 2010, textiles/ready-to-wear/leather was foremost in the sectoral distribution of exports insured, with a 33% share and the European Union countries were the leading markets with regard to the regional distribution, with a total share of 60%.

During the year of 2010, 10,664 new buyers were registered in the underwriting archives raising the total number of the records to 155,339 by the end of the year.

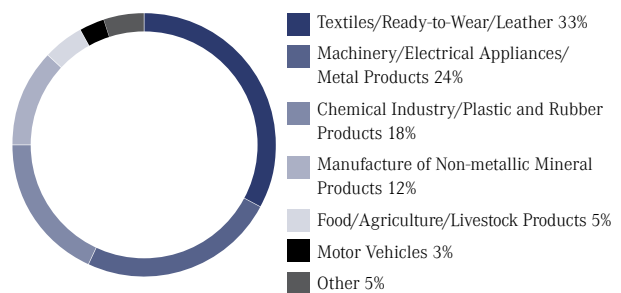
Under the Program, USD 13.9 million worth of claims were paid out in 2010 arising from the shipments to various countries. This total amount was paid out due to commercial losses.

In 2010, Türk Eximbank recovered USD 2,079 thousand of the former claims paid, whereof USD 1,791 thousand of this amount was related to commercial risk losses.

Exports Insured under Short-Term Export Credit Insurance Program (USD million)



Sectoral Distribution of Exports Insured under Short-Term Export Credit Insurance Program



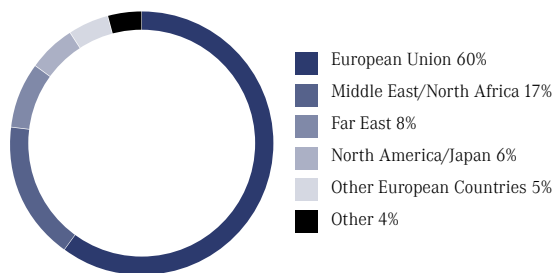
The premium discount facility, introduced in 2002 and applied to a limited number of exporters at lower rates starting from May 2009, was applied at higher rates in 2010 to the eligible exporters which met certain criteria, in order to maintain the demand for the Program under the increased competitiveness of the export credit insurance market provoked by private credit insurance companies operating in Turkey. As of end-2010, 16 firms were found eligible for a premium discount and the discount rate has been 16% on average.

Under the Short-Term Export Credit Insurance Program, exporters are also insured against commercial and political risks arising at the pre-shipment stage.

Türk Eximbank has continued to cede 70% of the commercial and political risks borne under the Short-Term Export Credit Insurance Program to domestic and overseas reinsurance firms during 2010.

Türk Eximbank aims to offer guarantee schemes to commercial banks in an effort to create a risk free environment for them to engage directly in export financing. In line with this aim, cooperation agreements were signed with Citibank A.Ş., Yapı ve Kredi Bankası A.Ş., HSBC Bank A.Ş., T.C. Ziraat Bankası A.Ş. and Türk Ekonomi Bankası A.Ş. Within the scope of these agreements, USD 9 million worth of export transactions were financed in 2010 and the total amount of export transactions financed through this facility reached to a level of USD 27.3 million as of end-2010. Negotiations with Türkiye Garanti Bankası A.Ş. were completed in 2010 and the protocol signed and was put into effect in January 2010.

Regional Distribution of Exports Insured under Short-Term Export Credit Insurance Program



Medium and Long-Term Export Credit Insurance

Receivables arising from exports of capital and semi-capital goods with a maximum maturity of five-years, under a single sales contract are covered under the **Specific Export Credit Insurance Program** against political and commercial risks both for the pre- and post-shipment stages.

During 2010, the Bank continued to offer Turkish exporters the **Specific Export Credit Insurance Post-Shipment Political Risk Program**, which provides cover against political risks only for the post-shipment stage of medium and long-term exports and the **Specific Export Credit Insurance Post-Shipment Comprehensive Risk Program**, in which cover is provided for commercial risks as well. Furthermore, within the scope of these programs, a letter of guarantee can be issued in favor of the financing commercial bank upon demand in order to pave the way for exporters to have their export receivables discounted.

Under the Specific Export Credit Insurance Post-Shipment Political Risk Program, Euro 1.9 million of the Euro 2.2 million worth of transaction to Azerbaijan was insured in 2010.

Additionally, the **Insurance Program for Unfair Calling of Bonds** facility was available during the year. Within the framework of this Program, the risk of unfair calling of bonds (bid bonds, advance payment bonds and performance bonds) issued by Turkish commercial banks on behalf of Turkish contractors in favor of public buyers for the overseas projects undertaken by Turkish contractors is covered.

Other

Studies for improving and diversifying the insurance programs were carried on during the year.

Under the Short-Term Export Credit Insurance Program, close cooperation was maintained with the export credit/credit insurance agencies of various countries during 2010, in order to enlarge the support given to Turkish exporters and entrepreneurs.

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In 2010, Türk Eximbank became a net debt payer in terms of foreign exchange denominated funding.

FUNDING AND TREASURY

Capital

The fully paid-up capital of TL 2 billion as of end-2009 did not change during 2010. On the other hand, TL 282 million was transferred to the Treasury as dividend in July 2010.

Funding

During 2010, like previous years, the short-term Turkish Lira denominated loan portfolio was funded entirely through the capital and internally generated sources (i.e. interest earned on loans and placements).

In 2010, in order to fund the loans extended and to fulfill the debt obligations, Türk Eximbank raised a total of USD 490 million loans by considering its cash flow. The details are as follows:

- A one-year, Euro 150 million (approximately USD 185 million) “club loan” was raised from 14 international banks in May 2010.
- A Euro 50 million (approximately USD 68 million) short-term loan borrowed from a domestic bank was rolled-over for an additional 1 year in February 2010.
- Within the context of the agreement signed with the World Bank in 2008, a total of USD 36 million for project finance was withdrawn in 2010.
- A one-year, Euro 150 million (approximately USD 201 million) “club loan” was raised from 12 international banks in December 2010.

Beside the borrowings mentioned above, Türk Eximbank also utilized the Central Bank of the Republic of Turkey’s rediscount facility by using the promissory notes issued by exporters and avalised by both banks and Türk Eximbank. As a matter of fact, the year-end outstanding balance of this facility increased from USD 323 million in 2009 to USD 447 million in 2010.

Debt Servicing

During the year 2010, USD 703 million debt servicing was fulfilled. Of this amount, USD 270 million and USD 246 million were the syndicated loans (including interest) repaid in April 2010 and September 2010, respectively.

Fund Management

The Turkish Lira and foreign currency liquid assets placed by the Treasury Department in the interbank money market with the aim of liquidity management increased as a result of the slowdown in short-term Turkish Lira export loans in 2010. In that conjuncture, the Bank invested the present liquid assets in money market and treasury bills/ government bonds market, and since the capital market operations were thought to be more profitable than the money market operations, more weight was given to the former. As a result, there has been a 150% increase in the securities portfolio, compared to the previous year. The interest income from money and capital market operations comprised 45% of the total interest income in 2010.

Short-term currency swap transactions carried out during the year to meet the exporters’ foreign exchange loan demand and to manage the Bank’s foreign currency risk, reached a total volume of USD 2.2 billion throughout 2010. The net trading profit from the foreign exchange and swap transactions performed mainly in order to manage foreign exchange position, amounted to TL 19 million in 2010.

Türk Eximbank continued to maintain close cooperation with other export credit and insurance agencies and international financial institutions in 2010.

INTERNATIONAL RELATIONS

The close relation with the International Union of Credit and Investment Insurers (Berne Union) has continued. The Bank was elected as a member of the Berne Union Management Committee in 2009. The Bank's membership in this Committee has also continued during 2010.

The Bank's relations with the Islamic Corporation for Insurance of Investments and Export Credits (ICIEC), an affiliate of the IDB, also continued during the year. In 2010, ICIEC has participated to the quota-share reinsurance treaty providing reinsurance for the commercial and political risks covered under the Short-Term Export Credit Insurance Program.

In compliance with the aim of increasing trade and investments among the members of the Organization of Islamic Countries (OIC), the "Aman Union" was founded in 2009 with joint efforts of the ICIEC and Arab Investment and Export Credit Guarantee Corporation, to enhance the cooperation in reinsurance, export credit insurance and co-insurance activities between ICIEC and export credit agencies of other OIC member countries. Türk Eximbank, who is also one of the Executive Committee members, attended to the Annual Meeting of the Union which was held in November 23-24, 2010. The Bank will host the 2011 Annual Meeting of the Union.

Close cooperation was maintained with export credit and insurance agencies and international financial institutions in the framework of cooperation agreements signed with US Eximbank/USA, EDC/Canada, COFACE/France, Hermes/Germany, OND/Belgium, IFTRIC/Israel, Eximbank of China/PRC, MECIB/Malaysia, NEXI/Japan, SEC/Slovenia, KUKI/Poland, EDBI/Iran, EGFI/Iran, ECGE/Egypt, Export Development Bank of Egypt/Egypt, Eximbanka S.R./Slovak Republic, Eximbank of Romania/Romania, Eximbank of Russia-Vnesheconombank/Russia, KEIC/South Korea, EKF/Denmark, SINOSURE/PRC, HBOR/Croatia, MBDP/Macedonia, TEBC/PRC, ICIEC, MIGA, ADB and EBRD.

The Bank's relations with the OECD Working Party on Export Credits and Credit Guarantees (ECG) (as member since April 1998) and the Participants Group (as observer since November 2006) continued in 2010. Both groups aim at establishing a level playing field amongst the export credit agencies in complying with the OECD Arrangement and other international regulations and to facilitate the exchange of information. Türk Eximbank has completed its internal regulations related to environment, combating bribery and sustainable lending to fulfill the obligations arising from the decisions taken in both Groups.

During the year, Türk Eximbank, as the official export credit agency of Turkey, was represented in the National Task Force meetings, which were held under the coordination of the Ministry of Justice to organize the works undertaken within the framework of Combating Bribery Phase II Examination of Turkey by OECD Working Group on Bribery.

Türk Eximbank participated in the annual meetings of the World Bank, IMF, OECD, EBRD and Berne Union and maintained close contacts with institutions concerning its funding activities in international markets and foreign credit activities during the year.

Close cooperation has been maintained with other export credit agencies to finance projects undertaken by the Turkish and foreign contractors collectively in third countries within the framework of the Bank's country credit/guarantee and insurance programs.

Besides strengthening its relations with foreign commercial and investment banks in treasury and funding operations, Türk Eximbank maintained close relations in 2010 with the IBRD, the European Investment Bank (EIB), Japan Finance Corporation (JFC), the International Islamic Trade Finance Corporation (ITFC) and the Black Sea Trade and Development Bank. In this framework, bilateral business opportunities have been evaluated during international meetings with the above mentioned institutions.

Arrangements Initiated in Accordance with International Rules and Regulations

Compliance with Basel II

In the framework of Basel II, the utilization of operational risk amount calculated on the basis of basic indicator approach has been started in the capital adequacy calculations since June 30, 2007. The Banking Regulation and Supervision Agency of Turkey (BRSA) announced on June 25, 2008 that the implementation of capital adequacy measurement based on credit risk ratings was postponed. On the other hand, BRSA sent the draft regulations within the framework of Basel II to the public institutions, including the Banks Association of Turkey on April 5, 2010. Within the coordination of BRSA, all Turkish banks including Türk Eximbank participated in the Third Quantitative Impact Study (QIS TR-3) utilising the data of March 31, 2010.

As other Turkish banks, Türk Eximbank is also making preparations to comply with the Basel II Rules. The cost of risk management system including credit rating model of the Bank will be financed from the Institutional Development Credit obtained in the framework of the Fourth Export Finance Intermediation Loan (EFIL-IV) Project of the World Bank. The development and establishment of the risk management system will be started in 2011.

INFORMATION TECHNOLOGIES

Türk Eximbank, in parallel with the emerging world trends and computer technology, has targeted to develop parametric and standard software modules. Studies have been carried on to reach this target in order to increase productivity, feature efficiency and provide decisions to be taken quickly by executive management.

Throughout the year, revisions of software due to the changes in the "operation manuals" were made and new credit and insurance products' software were released without delay so that the Bank's customers would not be negatively affected.

Management Information System (MIS), which has been developed 12 years ago for the credit, insurance and finance applications, has been provided to include lots of managerial analysis with additional reports. Executive Management Information System, which aims the credit, insurance and finance operations to be monitored by executive management with the help of consolidated tables will be put into practice in the near future. By this way, the information requirements of executive management will be fulfilled effectively.

Institutional Development Project as part of the Fourth Export Finance Intermediation Loan (EFIL-IV) obtained

from the World Bank has been continued. In this context, by the implementation of "CS4 – COBIT Training and Consultancy" program, which was purchased last year, great advancement has been taken to comply with the "Communiqué on Principles to be Considered in Information Systems Management in Banks", prepared by BRSA. These studies are based on COBIT (Control Objectives for Information and Related Technology), an IT governance framework model published by ISACA (Information Systems Audit and Control Association), and applications of the standardized documentation of the Bank's Information Systems Software Project Development Phases have been completed in the prescribed time schedule. COBIT provides a framework that unifies information systems processes, resources, measurement techniques and information that supports strategic decision making processes. With this point of view, with the accomplishment of the governance of technological processes and risks by the implementation of the COBIT compliance project, minimization of risks and utilization of information and technology in parallel with the world standards will be provided. Also, in 2010, "Information Technology Strategic Plan" has been developed and based on this plan, "Tactical Plans" have been prepared and put into practice. Besides, for the governance of IT risks, "IT Risk Management System" software has been implemented based on COBIT criteria and studies have been carried on for developing risk mitigation methodologies and monitoring of whole IT risks by the help of the related software mentioned above.

In recent years, studies in the public sector for the transition to e-government have accelerated and an important level has been reached in terms of competition, speed and efficiency in our country. Executing all possible processes of the Bank in an electronic environment (e-agency development) will be an important step for the transition to e-government. In this context, analysis, design, training and consultancy studies of the new software projects have continued in 2010.

In addition, the preparation of the bidding process of "G1-Supply and Installation of IT Disaster Recovery System" was completed and announced. After the purchasing of the International Competitive Bidding procedure, the business continuity in case of a disaster will permanently be provided in the Bank. This process is planned to be completed in the coming year.

To maintain IT infrastructure of the Bank effective, uninterrupted, accurate and secure, the necessary arrangements were made with regulatory compliance to make the business processes more efficient. To inform users about policies and procedures that were arranged by this way were continued to be shared with the users on Intranet also in 2010.

target...

Türk Eximbank intends to place more emphasis on guarantee and insurance programs, and medium and long-term trade and project finance in the forthcoming period.

>> Targets and Activities of Türk Eximbank in the Forthcoming Period

Türk Eximbank, in line with its new vision, aims to concentrate on guarantee and insurance programs and medium and long-term buyers' credits, tying in with the general mission of export credit agencies in developed countries.

TARGETS FOR THE FORTHCOMING PERIOD

Focus on Medium and Long-Term Project Finance Programs and Export Credit Insurance/Guarantee Programs

Turkey targets an export of USD 500 billion in 2023 and Türk Eximbank, as Turkey's official export credit agency, will play an active role in reaching this target along with other related institutions. In line with this aim, Türk Eximbank determined its new vision and strategy. Türk Eximbank's new vision was approved in April 2010 in the Economy Coordination Committee headed by the Minister and Vice Prime Minister Mr. Ali Babacan. Türk Eximbank, in line with its new vision, will concentrate on guarantee and insurance programs and medium and long term buyers' credit, tying in with the general mission of export credit agencies in developed countries. On the other hand, in order to finance the working capital needs of Turkish exporters and thereby maintain and increase their competitiveness in international markets, short-term export credit and credit insurance operations will be sustained.

Foreign Exchange Derivative Instruments for Exporters

In order to increase the competitiveness of Turkish exporters, derivative instruments such as foreign exchange option and forward contracts are planned to be introduced for our exporters in 2011. By this facility, a protection right is to be given against foreign exchange risk of the exporters especially SMEs who do not have an opportunity to make such transactions with commercial banks.

Support for Turkish Exporters/Contractors Penetrate New Markets under the Medium/Long-Term Credit Guarantee and Insurance Programs

In line with one of the main goals of Türk Eximbank to help Turkish exporters/contractors penetrate new markets, Türk Eximbank will take into account Turkish foreign and economic policies and strategies such as "Strategy for the Development of Trade with the Neighboring and Peripheral Countries" and the "Strategy for the Development of Trade with the African and Asia Pacific Countries" while determining the target markets.

The support for entrance into new and targeted markets is mainly carried out through Country Credit/Guarantee Programs. The Bank will also launch the "Political Risk Insurance Program for Overseas Contracting Services" urged by the Turkish contractors operating especially in politically high-risk countries, following the meetings with the sector representatives.

The process of adjusting Türk Eximbank's programs to the regulations of EU, WTO and OECD is being carried out, and in the programs these regulations are taken into consideration.

INTERNATIONAL OBLIGATIONS

International Rules and Regulations

Türk Eximbank, within its programs, has to comply with the legal regulations of WTO, OECD and EU arising from Turkey's obligations in relation to its membership to the WTO, OECD Working Party on Export Credits and Credit Guarantees (ECG), OECD Participants Group and the agreement of the Customs Union and EU accession process. Violation of these increasingly challenging rules and regulations causes subsidy and anti-dumping investigations and sanctions like anti-dumping tax and countervailing duties. In this context, the process of adjusting Türk Eximbank's programs to the regulations of EU, WTO and OECD is being carried out.

Studies under the ECG are in three main topics:

1. Combating Bribery of Foreign Public Officials in International Business Transactions

OECD Recommendation approved by the Council of Ministers on December 14, 2006, elaborates the actions that Member countries must take into account to combat bribery of foreign public officials in international business transactions. In 2007, Türk Eximbank set the guidelines to deter bribery and imposed sanctions according to the provisions of the Recommendation. The studies of the group will be followed.

2. Environment

The Environmental Guidelines of Türk Eximbank was modified according to the Common Approaches which were revised in 2007 and became effective with the approval of the Council of Ministers in February 2008. The Environmental Guidelines will be revised in accordance with the new revision.

3. Officially Supported Export Credits within the Framework of Principles and Guidelines for the Promotion of Sustainable Lending Practices to Low Income Countries (LICs)

Principles and Guidelines for the Promotion of Sustainable Lending Practices to Low Income Countries (LICs) have entered into force upon the consensus of the ECG in 2008. The mentioned principles will be binding upon the concessional loans to be extended by Türk Eximbank administered by the Undersecretariat of Treasury under a governmental decree.

Harmonization with the EU Acquis

Türk Eximbank's activities are covered under the "Competition Policy" and "External Relations" chapters of the EU Acquis.

Although currently Türk Eximbank covers both short and medium/long-term export credit insurance transactions, the EU Acquis requires that marketable risks under short-term export credit insurance facilities should be carried out by separate entities that do not benefit from state aid. Therefore, according to the related EU Directive, it will be required for Türk Eximbank to perform its short-term insurance activities under the roof of another entity. The restructuring involved in this process is expected to be carried out according to the instructions and guidance of the Undersecretariat of Treasury. In this framework, the Bank aims to work collectively with other insurance companies, banks and the Turkish Exporters' Assembly.

Under the "External Relations" chapter, regarding the technical aspects of medium/long-term export credit insurance transactions and of co-insurance activities with other member export credit agencies and with the target to determine the mutual obligations of the mentioned parties, studies to harmonize the national legislation with the related EU Directives will be undertaken.

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>> Board of Directors and Auditors



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Following the retirement of H. Ahmet KILIÇOĞLU on March 8, 2010, Necati YENİARAS was appointed as the Acting Chief Executive Officer and the member of the Board of Directors in Türk Eximbank until February 11, 2011.

Türk Eximbank Board of Directors meets twice a month. In 2010, the Board of Directors had 24 meetings, 22 of which took place in Ankara and 2 in İstanbul. 18 of these meetings were held with full participation of members and 6 meetings took place with the excused absence of 3 members.

1- CAVİT DAĞDAŞ

Vice Chairman and Member of the Audit Committee

Born in 1955 in Siirt. Mr. Dağdaş holds a BS in Mathematics, Boğaziçi University, an MSc in Statistics, Gazi University and an MA in Economics, Western Michigan University, USA. For many years Mr. Dağdaş held positions in the public sector including those of Acting General Manager to the State Planning Organization and Counselor at the Central Bank of the Republic of Turkey. He is currently the Deputy Undersecretary of Treasury. Mr. Dağdaş has been a member of the Board of Directors in Türk Eximbank since January 6, 2005 and member of the Audit Committee since October 31, 2006. Mr. Dağdaş was appointed as Vice Chairman on January 8, 2008.

2- HAYRETTİN KAPLAN

Chief Executive Officer and Member of the Board

Born in 1963 in Mersin. Mr. Kaplan holds a degree in Economics from the Marmara University, Faculty of Economics and Administrative Sciences. Following his masters degree on Economics in Northeastern University in Boston, USA, he also received a Ph.D. degree from the School of Banking and Insurance Institute in Marmara University. Mr. Kaplan started his professional career at the Undersecretariat of Treasury, Board of Sworn Bank Auditors as an Assistant Sworn Bank Auditor (1987-1990), and became Chief Sworn Bank Auditor (1990-2000). He served as an Assistant General Manager in Türkiye Finans Katılım Bankası (2000-2006), as President of the Black Sea Trade and Development Bank (2006-July 2010) and as a member of the Board in Ziraat Bank (July 2010-February 2011). He was appointed as Chief Executive Officer and member of the Board of Directors on February 11, 2011.

3- ZİYA ALTUNYALDIZ

Member of the Board

Born in 1963 in Konya. Mr. Altunyaldiz received a Bachelor's degree in Law from İstanbul University. Following his masters degree on International Business Administration in West Coast University in USA, he also received a postgraduate diploma in International Comparative Commercial Law from London Guildhall University. He started his professional career at the State Planning Organization as an Assistant Expert in 1989 and worked as specialist, branch manager, head of department, Assistant General Manager, General Manager and Deputy Undersecretary in Undersecretariat for Foreign Trade. He also worked as a Commercial Counsellor in the Turkish Embassy in London. He has been appointed as the Undersecretary of Customs on November 11, 2010. Mr. Altunyaldiz has been a member of the Board of Directors of Türk Eximbank since February 22, 2010.

4- OĞUZ SATICI

Member of the Board

Born in 1965 in İstanbul. Mr. Satici holds a BS in Management, Washington International University. He was the President of the Turkish Exporters' Assembly (TİM), a Board Member of the Economic Development Foundation (İKV) and Chairman of the Board of Directors of İstanbul Textile and Raw Material Exporters' Association (İTHİB). Mr. Satici was also Assembly Member of the İstanbul Chamber of Industry and İstanbul Chamber of Commerce. Mr. Satici has been a member of the Board of Directors of Türk Eximbank since March 12, 2002.

5- MEHMET BÜYÜKEKŞİ

Member of the Board

Born in 1961 in Gaziantep. Mr. Büyükekşi graduated from the Faculty of Architecture, Yıldız Technical University. He has been Founder Chairman of Turkish Footwear Industry Research, Development and Education Foundation (TASEV); Chairman of Turkish Shoes Industrialists' Association (AYSAD) and İstanbul Leather and Leather Products Exporters' Association (İDMİB); member of the Board in Turkish Leather Foundation (TÜRDEV), in TOBTİM International Business Centers and in Corporation of TOBB-BIS Organized Industrial and Technology Regions. He is currently Board Member in Turkish Do&Co, in İstanbul Development Agency, in İDMİB and in Turkish Airlines A.O.; Assembly Member in İstanbul Chamber of Industry and General Coordinator of Ziyilan Group. Mr. Büyükekşi has been the President of the Turkish Exporters' Assembly since September 2008 and a member of the Board of Directors in Türk Eximbank since October 24, 2002.

6- ADNAN ERSOY ULUBAŞ

Member of the Board

Born in 1966 in Afyon. Mr. Ulubaş graduated from the Faculty of Economics, Anadolu University. He is the founder, Board Member and Chairman of several private companies. He has been a member of Assembly of the Kayseri Chamber of Industry, the Vice President of the Turkish Exporters' Assembly (TİM) and an Accountant in TİM. He is currently a member of the Chairman Committee in the Mediterranean Exporters Unions and the Chairman of the Board of Directors of the Ferrous and Non-Ferrous Metals Exporters' Association under the Mediterranean Exporters Union. Mr. Ulubaş has been a member of the Board of Directors in Türk Eximbank since February 26, 2003.

7- A. DOĞAN ARIKAN

Member of the Board and Member of the Audit Committee

Born in 1949 in Ankara. Mr. Arıkan is a graduate of Middle East Technical University, Department of Business Administration. He started his professional career in the Turkish State Meteorological Service and worked as Chief System Analyst and Acting Assistant Manager of Research and Development. He worked in İşbank's Board of Inspectors and served in various departments, including the Loans Department of İşbank. Mr. Arıkan was the Chief Executive Officer of Mepa Dış Ticaret ve Pazarlama A.Ş. and İzmir Demir Çelik Sanayii A.Ş. He was the Chief Executive Officer of Şişecam since June 2000 to October 2009. Mr. Arıkan has been a member of the Board of Directors and Deputy Chairman in Anadolu Insurance Company since November 2009. Mr. Arıkan was appointed as member of the Board of Directors in Türk Eximbank on February 12, 2008 and as member of the Audit Board in Türk Eximbank on December 14, 2009.

8- GÜNER GÜCÜK

Member of the Audit Board

Born in 1947 in Çorum. Mr. Gücük holds a BS in Management and an MSc in City and Regional Planning from the Middle East Technical University. He started his professional career at the General Directorate of Highways and worked in various public organizations and private sector companies as manager and managing partner. He gives management consultancy services to many domestic and foreign firms, public and private sector industrial and commercial institutions and banks. Mr. Gücük has been a member of the Audit Board in Türk Eximbank since August 11, 1997.

9- PROF. DR. ARİF ESİN

Member of the Audit Board

Born in 1956 in İstanbul. Prof. Dr. Esin graduated from the Faculty of Law and Political Sciences at the Paris University and received his masters and Ph.D. degree on EU Economic Law from the same university. He gave lectures on EU Law and Turkish Competition Law at the İstanbul University and was a lecturer at various European universities. He specializes in areas such as law, state aid, anti-trust, public procurement and privatization and has provided consultancy to the Economic Development Foundation (İKV). He has represented the private sector in the Customs Union negotiations and has worked on the preparation of Turkish Competition Law and Anti-trust Legislation. He has advised the Turkish Competition Authority during its establishment stage. Mr. Esin owns a private consultancy firm and has been a member of the Audit Board in Türk Eximbank since October 24, 2002.

>> Senior Management and Senior Management of Internal Systems



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1- NECATİ YENİARAS

Assistant General Manager in charge of Accounting Transactions and Reporting, Risk Analysis and Assessment, IT, Research and Coordination
Born in 1962 in Kars. Mr. Yeniaras holds a BA in Foreign Trade and International Operations and an MA in Economics from the Gazi University. He started his professional career in the accounting department of a private company. He served in different posts in the Development Bank of Turkey. He was an Economic Advisor to the State Minister in charge of Economy and in the Turkish Iron and Steel Works. Mr. Yeniaras has served as the Assistant General Manager in charge of Accounting Transactions and Reporting, Risk Analysis and Assessment, IT, Research and Coordination in Türk Eximbank since October 1, 1997. He was appointed as Acting Chief Executive Officer on March 8, 2010. He was the Acting Chief Executive Officer and member of the Board of Directors until February 11, 2011.

2- OSMAN ASLAN

Assistant General Manager in charge of Export Credits
Born in 1954 in Antalya. Mr. Aslan holds a degree in Economics and Statistics from the Middle East Technical University and an MA in Financial Economics and Banking from the University of Wales, England. From 1978 to 1984, Mr. Aslan was an Economist at the Central Bank of the Republic of Turkey and from 1984 to 1988 he was Economic Advisor to the Deputy Prime Minister. He joined Türk Eximbank in August 1988 and is currently the Assistant General Manager in charge of Export Credits.

3- ALEV ARKAN

Assistant General Manager in charge of Buyers' Credits and Export Credit Insurance/Guarantees
Born in 1952 in Trabzon. Ms. Arkan is a graduate in Law, University of Ankara. Following the completion of her lawyers practice program, she started her professional career in the Ministry of Energy and Natural Resources and worked as a lawyer in the Social Security Institution (SSK). She joined the State Investment Bank in 1987 and took part in its transformation to Türk Eximbank. Ms. Arkan worked in various positions in Türk Eximbank and has served as the Assistant General Manager in charge of Buyers' Credits and Export Credit Insurance/Guarantees since March 2, 1998.

4- ERTAN TANRIYAKUL

Assistant General Manager in charge of Treasury and Funding
Born in 1962 in İstanbul. Mr. Tanriyakul holds a degree in Economics from the Middle East Technical University. He started his professional career in the Project Evaluation Department of the State Investment Bank as an Assistant Specialist and worked in various posts in different departments after the transformation of the Bank to Türk Eximbank. Mr. Tanriyakul has served as the Assistant General Manager in charge of Treasury and Funding since March 2, 1998.

5- İ. TEOMAN ŞENER

Head of Internal Control
Born in 1961 in Ankara. Mr. Şener holds a degree in Economics from the Middle East Technical University. He started his professional career as an Assistant Specialist in the Turkish Ministry of Finance. Mr. Şener worked in Pamukbank between 1987 and 1991. He joined Türk Eximbank in 1991 and has worked in different posts in various departments of the Bank. Since 2001, Mr. Şener has been working as the Head of the Internal Control Department.

6- MUSTAFA K. KISACIKOĞLU

Head of Internal Audit
Born in 1959 in Ünye. Mr. Kısacıkoğlu graduated from the Economics Department of the Faculty of Political Sciences, University of Ankara. He started his professional career as Clerk in the State Investment Bank and took part in its transformation to Türk Eximbank. Mr. Kısacıkoğlu worked in various positions in the Bank's Export Credit Insurance Department until 2002. Since October 10, 2002, Mr. Kısacıkoğlu has been serving as the Head of the Internal Audit Department.

7- CENAN AYKUT

Chief Risk Officer
Born in 1956 in Şebinkarahisar. Mr. Aykut graduated from the Economics and Finance Department of the Faculty of Political Sciences, Ankara University. He started his professional career as an Assistant Specialist in the Project Evaluation Department of the State Investment Bank and took part in its transformation to Türk Eximbank. Mr. Aykut has worked as Manager in the Credit and Insurance Analysis Departments of the Bank since 1987. Since 2002, Mr. Aykut has been serving as the Chief Risk Officer.

Risk Management and Committees in Türk Eximbank

Audit Committee

Member : Cavit DAĞDAŞ (Member of the Board of Directors),

Member : A. Doğan ARIKAN (Member of the Board of Directors).

The Audit Committee was established by the Board of Directors Decree dated October 31, 2006. On behalf of the Board of Directors, the Audit Committee is authorized and responsible for; ensuring the efficiency and adequacy of the internal control, risk management and internal audit systems; monitoring the operations of the internal systems, accounting and reporting systems and the integrity of the information generated by them in compliance with the related legislation; during the process of choosing the independent auditors, rating institutions, evaluation and support services firms by the Board of Directors, performing the preassessment of the candidates and regularly monitoring the activities of the selected institutions. The Decree on the Procedure and Principles of the Operations of the Audit Committee was approved by the Board Decision dated February 5, 2007.

Executive Committee

Chairman : Hayrettin KAPLAN (Chief Executive Officer),

Member : Necati YENİARAS (Assistant General Manager in charge of Accounting Transactions and Reporting, Risk Analysis and Assessment, IT, Research and Coordination),

Member : Osman ASLAN (Assistant General Manager in charge of Export Credits),

Member : Alev ARKAN (Assistant General Manager in charge of Buyers' Credits and Export Credit Insurance/Guarantees),

Member : Ertan TANRIYAKUL (Assistant General Manager in charge of Treasury and Funding).

The Executive Committee was established by the Board of Directors Decree no. 97/17-70, dated August 6, 1997. The main function of the Committee is to negotiate the issues to be submitted to the Board of Directors for approval. Also, the Committee analyzes/evaluates the draft arrangements on the credit principles, and technical and administrative issues. The main responsibilities of this Committee are; asset/liability management; to evaluate credit applications of both domestic and overseas projects and submits eligible ones to the Board of Directors for approval; to accomplish duties assigned by the Board of Directors. Reports on the balance sheet, income statement, financial structure, placement and funding activities are submitted to the Board of Directors at least quarterly. In 2010, the Executive Committee has met 24 times and taken 105 decisions on issues in its agenda.

Credit Committee

Chairman : Hayrettin KAPLAN (Chief Executive Officer),

Member : Osman ASLAN (Assistant General Manager in charge of Export Credits),

Member : Ertan TANRIYAKUL (Assistant General Manager in charge of Treasury and Funding).

The Credit Committee, which meets at least once a week, is responsible for the approval of credit allocations within the limits of authorities delegated by the Board of Directors. Accordingly, the short-term Turkish Lira and FX credit applications under 1% of the company's shareholders' equity are evaluated and approved by the Credit Committee upon the proposal of the Head and Directors of the Credits Departments.

Following the retirement of H. Ahmet KILIÇOĞLU on March 8, 2010, Necati YENİARAS was appointed as the Acting Chief Executive Officer. Necati YENİARAS was Chairman of the Executive Committee and the Credit Committee of Türk Eximbank from March 8, 2010 till February 11, 2011.

Summary Report of the Board of Directors of Türk Eximbank for 2010 Presented to the General Assembly

As it is well known, after the 2008-09 recession, the world economy is seen on a revival path. The economic activity began to recover in 2010 all around the world. Thus, the world economy grew by 5% in 2010, following the contraction of 0.6% in 2009. Yet, the recovery is not uniform across the globe. The main drive behind the economic growth was the growth in the emerging economies. The emerging economies grew by 7.1% depending on the strong demand, while the developed economies grew just by 3% in 2010. The sluggish demand in advanced economies restrained the economic recovery. The Turkish economy, which is considered as one of the emerging economies, grew by 8.9% in the first nine months of 2010. The economic growth in Turkey is expected to be over 8.5% for the year as a whole in 2010.

However, although the economic recoveries of emerging economies are proceeding, foreign demand still plays an important role for their recovery. When we look at the situation for Turkey, the recovery of economies in the European countries, the main export market of Turkey (almost half of Turkish exports directed to the European countries), are proceeding at a sluggish pace, excluding Germany, and that restrained the foreign demand for Turkish goods. Growth in Euro Zone is expected to reach only 1.8% in 2010, following the contraction of 4.1% in 2009. Within this framework, Turkey's exports were increased by 11.5% and reached USD 114 billion during 2010, after contracting seriously in 2009 due to the global financial crisis. On the other hand, the current account deficit was widened to USD 48.6 billion as a result of the increase in imports and the sluggish foreign demand.

One of the main developments for Türk Eximbank is the Bank's new vision declared in the Economic Coordination Committee meeting held in April 2010. Türk Eximbank, in line with its new vision, will concentrate on medium and long-term guarantee and insurance programs and buyers' credit, tying in with the general mission of export credit agencies in developed countries. During 2010, new strategies were determined towards this vision taking into account the suggestions brought up in the meetings held with both the professional organizations, such as the Turkish Exporters' Assembly (TİM), the Confederation of Businessmen and Industrialists of Turkey (TUSKON), the Turkish Contractors Association, etc., and the sector representatives with high export potential to achieve the export target of USD 500 billion in 2023.

Taking into account the positive developments in the Turkish economy, the demands of Turkish exporters and the decrease in the cost of funds of the foreign currency credits of Türk Eximbank, new arrangements have been made in the short-term credit implementations in order to widespread and promote the credit usage with more favorable terms. Within this framework, interest rates charged for TL credits and foreign currency credits have been reduced in the ranges of 0.75-1.25 points and 0.50-1.50 points, respectively. The interest rates charged for TL credits ranged between 6% and 9.25% and interest rates charged for foreign currency credits ranged between LIBOR+0.50 and LIBOR+2.75 as of December 31, 2010. Besides, maturity options of short-term credit programs have been diversified and longer term repayment period options have been put into effect. Thus, the maximum maturity in TL credits has been increased from 360 days to 540 days.

Additionally, the company limit, which is the total of TL and FX limits allocated to the company at any given time, has been increased from USD 8 million to USD 15 million in the Pre-Shipment Export Credits and the Pre-Export Credits. Within the Tourism Credit Program, the company limit was increased from 15% of its tourism service performance to 100% on the condition that it didn't exceed the maximum credit exposure per company which was also raised from USD 4 million to USD 8 million. Within the International Transportation Marketing Credit Program, the company limit was increased from 20% of its freight performance to 100% on the condition that it didn't exceed the maximum credit exposure per company which was also raised from USD 3 million to USD 6 million.

Moreover, in order to enable more firms to get benefit from the Bank's programs; the past performance criteria considered for the Tourism Credit Program was reduced to USD 200,000 from USD 500,000; the freight revenue realized which should be at least USD 500,000 to apply for the International Transportation Marketing Credit Program was decreased to USD 200,000; and the minimum operation limit for the Short-Term Pre-Shipment Rediscount Program has been decreased to USD 200,000 from USD 500,000. Also, the company limit in the Pre-Export Credits Program was increased from 50% of its past export performance to 100% to extend loans up to the full amount of the export commitment. Besides, the paper work was reduced in the Foreign Currency Earning Services Credits in order to speed up the process.

Summary Report of the Board of Directors of Türk Eximbank for 2010 Presented to the General Assembly

After the arrangements mentioned above, the monthly credit disbursement was reached to USD 374 million on average, from USD 260 million in the first months of 2010.

Additionally, while new programs were put into effect to meet the changing demands and needs of the exporters and foreign currency earning services sector, working capital loans has also launched to be provided along with the investment loans under the European Investment Bank Credit Program. Likewise, towards the credit demands of various sectors, it was also agreed with the World Bank for opening the utilization of the Export Finance Intermediation Loan (EFIL-IV) to other sectors, such as electricity-electronics and auto components industries, in addition to the ship/yacht-building and machinery manufacturing sectors. Furthermore, under the Production Finance Credit Program, the purchases of raw materials, intermediate goods and investment goods that will be used in the production of export goods of the companies located in Turkey were commenced to be financed within the scope of the limit allocated to Türk Eximbank by the International Islamic Trade Finance Corporation (ITFC). What is more, in June 2010, the Tourism Marketing Credit Program was renamed as Tourism Credit Program and its scope has been extended to provide financial support for the tourism companies, which are accepted as exporters according to the Cabinet Decree No. 2009/15299, have obtained certificate from the Ministry of Culture and Tourism, attract more than USD 1 million worth of foreign currency annually and mainly function in accommodation, along with the travel agencies and private airlines. Finally, by taking into account the demands of the machine manufacturing industry, an important export sector, the Buyer's Credit Program for Turkish Machinery Industry was put into effect on December 13, 2010 and financial support up to a maturity of 5 years was started to be provided to buyers under bank guarantees or credit lines to banks for on-lending to buyers, in OECD 0-5 Category countries, under this Program.

Therefore, the Bank has provided a total support of USD 8.9 billion to the export sector in 2010; of which, USD 3.9 billion was in the form of cash loans and USD 5 billion in export credit insurance/guarantees.

A summary assessment of the financial structure of Türk Eximbank in 2010 is given below.

The Bank's assets reached TL 6.3 billion (USD 4.1 billion) as of December 31, 2010.

The assets of Türk Eximbank consist of 66% loans, 19% liquid assets and 15% securities held-to-maturity and other assets.

The Bank's loan portfolio increased by 6%, compared to December 31, 2009 and reached TL 4.2 billion. The duly collection of loans is emphasized in the Bank. The share of non-performing loans in total loans is 2.9% which is below the 3.8% of the banking sector's average. Although the provisioning ratio for Türk Eximbank is determined as zero percent by law, along with its high loans-to-assets ratio (66%), the Bank has employed a conservative approach with regard to provisions confirming with its mission and provides a 100% allowance for non-performing loans. As of end-2010 the total amount of loans and general provisions stood at TL 65 million and this can also be evaluated as a component of shareholders' equity.

The major part of the external funds was used in financing assets (mainly loans). 41% (TL 2.6 billion) of liabilities were in the form of funds obtained from foreign markets, while 59% (TL 3.7 billion) was in the form of shareholders' equity. The Bank's nominal capital was increased to TL 2 billion as of September 23, 2009. Shareholders' equity consists of 54% (TL 2 billion) paid-in capital, 37% supplementary capital and profit reserves, 7% net profit and 2% provisions.

Summary Report of the Board of Directors of Türk Eximbank for 2010 Presented to the General Assembly

The capital adequacy ratio was 143% as of December 2010.

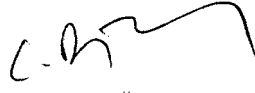
The liquid assets-to-short-term liabilities ratio was realized over the 100% ratio considered as adequate in financial analysis, indicating that the Bank is operating with a high level of capital instead of using external financing. This is also consistent with its field of activity as the Bank belongs to the development and investment banking group.

Türk Eximbank operates with high loans-to-assets ratio, therefore, TL 172 million (54%) of its TL 316 million total interest income came from interests earned from loans. On the other hand, the Bank's main source of funding is borrowings from domestic and international markets. Thus, the Bank's interest expense was TL 27 million and net interest income was TL 289 million.

Türk Eximbank ended the year 2010 (46th accounting period) with TL 256 million net profit. Return on assets and return on equity ratios were 4.1% and 7%, respectively.

Financial statements, which have been prepared in accordance with the 37th article of the Banking Law No. 5411, the Regulation on Principles and Procedures Regarding Accounting Applications and Maintenance of Documents for Banks (published in Official Gazette, issue no. 26333, dated November 1, 2006), Turkish Accounting Standards, Turkish Financial Reporting Standards, other legislation related to accounting and financial reporting published by the Banking Regulation and Supervision Agency (BRSA) and BRSA comments, and also in accordance with the Bank's accounting records, have been audited by independent auditing company Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PricewaterhouseCoopers) in line with the International Auditing Standards and was finalized without any critique on February 10, 2011.

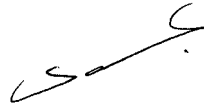
The Bank operates in line with its Articles of Association and the relevant legislation. We hereby present the summary report of audited financial statements for the year ended-2010.



Cavit DAĞDAŞ
Vice Chairman
Member of the Audit Committee



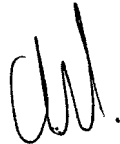
Hayrettin KAPLAN
Member



Oğuz SATICI
Member



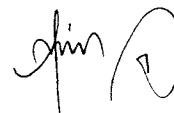
Mehmet BÜYÜKEKŞİ
Member



Adnan Ersoy ULUBAŞ
Member



A. Doğan ARIKAN
Member of the Board and
Audit Committee



Ziya ALTUNYALDIZ
Member

Organizational Development

Organizational Structure

There has not been any organizational change in Türk Eximbank during 2010.

Legislation

In the past 23 years since the inception of Türk Eximbank, the rules of international trade have been re-established and the developments in the Turkish economy and banking sector, the changing functions of export credit institutions as a result of the developments in the global economy and the necessity to comply with the “Competition Policy” of the EU Aquis as part of Turkey’s EU membership negotiations, have forced Türk Eximbank to re-evaluate its role according to these new rules and new economic environment. The importance of Türk Eximbank’s role in providing relief to the export sector has increased, thus making it necessary to promptly provide the changes to the Bank’s structure. This necessity was also mentioned in the Government’s Annual Programs and in the Republic of Turkey Supreme Auditing Board of Prime Ministry’s Reports. In this framework, a Stage Legislation that restructuring the Bank financially and administratively in parallel with the other state banks subject to the Act no. 4603 was prepared. It also enclosed the legal arrangements that will enable the Bank to comply with both the obligations laid down by the Banking Law No. 5411 and the related legislation, and the EU Aquis.

However; since it would take a long time for this Stage Legislation to be approved by the Grand National Assembly Turkey due to the Assembly’s excess work load, in order to make the urgent legal arrangements related to the Bank, a one article legislation, which brings the Bank to the same status with the other state-owned banks, was prepared with the coordination of the Undersecretariat of Treasury during 2010 and sent to the Prime Ministry under a “Bag Law” in April 2010. Nevertheless, the “Bag Law” was approved at the beginning of 2011 but the mentioned article was not included in that Law.

On the other hand, Turkey targets an export of USD 500 billion in 2023 and Türk Eximbank, as Turkey’s sole official export credit agency, will play an active role in reaching this target along with other related institutions. Taking this into consideration, efforts for the approval of the State Legislation will continue. Thus, only after its approval, the Bank could increase its support to the export sector in line with its new vision.

The Legal Arrangements Related to Türk Eximbank

Within the scope of the Act no. 5787 which amended the Act no. 4749, The Cabinet Decision, about the export credit, insurance and guarantee supports provided by Export Credit Bank of Turkey (No. 2009/15198), was put into effect on July 15, 2009.

Human Resources

Human Resources Recruitment and Career Development

Türk Eximbank's human resources policy is executed according to the general principles dictated in the Bank's Articles of Association and Personnel Regulations.

The main principles of the Bank's human resources policy are as follows:

1. Employing the efficient number of competent and exceptionally skilled personnel for the execution of the Bank's activities to reach its goals,
2. Taking special care in recruiting and authorizing personnel with qualifications specified for each position,
3. Providing the personnel an equal opportunity work environment in which they can utilize and improve their abilities and qualifications,
4. Establishing employee personal rights and wage system that increase personnel motivation and encourage them to work at Türk Eximbank.

There are 16 different ranks (titles) in the Bank. The specialized nature of Türk Eximbank's operations requires highly qualified and professional staff; therefore, career development is very important. In the recruitment process, all applications for assistant specialist position are first evaluated according to the specifications determined by the Bank and those selected are invited to a written and/or oral entrance exam carried out by Türk Eximbank.

After two years of service, assistant specialists prepare a thesis and after three years of service, take a qualification exam to become specialists.

In 2010, 6 personnel recruited and 28 personnel resigned.

Training Activities

Türk Eximbank provides its employees with extensive training to enhance employee skills and to ensure that they keep abreast of the developments in their field. Within this framework, trainings were held in-house or received through outside professional institutions. Thus, periodical and daily trainings of the Banks Association of Turkey are the most frequently attended facilities where the employees participated in relevant seminars and conferences. Besides, the relevant training facilities of other well-qualified and specialized private training institutions are also followed up and the attendance of the Bank's personnel at these facilities are secured.

In 2010, 279 participants attended 110 training programs in total. 116 participants attended 70 of the training facilities held by the Banks Association of Turkey, including periodical and daily seminars and conferences. While 42 participants attended 25 programs held by other domestic training institutions; 406 participants attended 11 in-house training programs.

In addition, an orientation program was organized on January 4-14, 2010 for the junior specialists newly recruited.

On the other hand, close relations with other export credit agencies and institutions were maintained as it is fully believed that this is the best way to improve professional skills and managerial quality. In this respect, Türk Eximbank employees have attended seminars, conferences and panels organized by international institutions. Thus, 3 participants attended 2 training programs held by ADFIMI (Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank) in Azerbaijan and Egypt, and 4 participants attended 2 programs held by BACEE (Banking Association for Central and Eastern Europe) in Hungary during 2010.

Human Resources

During the 2 training programs arranged by the IGEME (Export Promotion Center of Turkey) in cooperation with Kazakhstan, a mission of Kazakhstan visited Türk Eximbank and comprehensive information was presented regarding Türk Eximbank's activities. Besides, comprehensive information was also presented regarding Türk Eximbank's activities to a mission of Azerbaijan visiting Türk Eximbank within the Technical Assistance Program to the Commonwealth of Independent States and to the representatives of the Arab Chamber of Commerce and Industry visiting Türk Eximbank with the organization of the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

Throughout 2010, 15 personnel have presented Türk Eximbank's Credit and Insurance/Guarantee Programs in the 12 seminars held by the public foreign trade institutions, such as IGEME and DTM (Undersecretariat of the Prime Ministry for Foreign Trade), in different provinces across Turkey.

Türk Eximbank also provides on-the-job training to Turkish university students. In 2010, 60 students were accepted as trainees to these programs at the head quarters in Ankara and İstanbul branch office. 6 of these trainees have received a long-term on-the-job training.

Public Relations

Brochures presenting Türk Eximbank's credit and insurance programs were renewed in terms of design and content. Besides, activities were carried on to publish and distribute the Annual Report of Türk Eximbank.

The applications directed by the Data Acquiring and Prime Ministry Communication Center (BIMER) were answered in coordination with the related departments.

Information Regarding the Transactions Carried out with Türk Eximbank's Risk Group

Türk Eximbank does not have a Risk Group, since the Bank is fully owned by the Turkish Treasury and does not have subsidiaries or affiliates.

Support Services

Türk Eximbank has not received support services throughout 2010.

Financial Information and Assessment on Risk Management

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General Assessment of the Year 2010 Activities and Risk Management, Internal Control and Audit System of Türk Eximbank

The primary purpose of Türk Eximbank as Turkey's official export credit agency is to enhance the availability of export support by providing readily available, economical and affordable sources of funds in the form of loans, insurance and guarantee products and programs that satisfy the export financing needs of Turkish exporters and overseas contractors.

The Bank applies sound banking and investment principles in all of its operations. Although the Bank does not operate on a straight commercial basis, financial sustainability is a major objective. The Bank strives to achieve a reasonable rate of return on its operations in order to preserve the Bank's capital. The Bank maintains its public mandate and operates in a risk-averse manner.

The internal systems of the Bank have been established and the Audit Committee has been formed via necessary organizational changes within the framework of the Regulation on Banks' Internal Systems issued by the Banking Regulation and Supervision Agency of Turkey (BRSA) in the Official Gazette issue no. 26333, dated November 1, 2006. The Internal Audit, Internal Control and Risk Management departments are carrying out their activities under the supervision of the Audit Committee, the Board of Directors appointed two Board members to the Audit Committee.

Internal Audit

The Internal Audit Department carries out its responsibilities as dependent to the Board of Directors, via Audit Committee, which is established to perform the supervisory and regulatory obligations of the Board of Directors. Under the authority given by the Board of Directors, the audit function covers all activities of the Bank taking into consideration the risk-focused approach. The responsibilities of the internal audit department are:

- Analyzing the compliance of the Bank's activities with the provisions of banking and related regulations and Bank's legal obligations,
- Evaluating the efficiency and adequacy of the Bank's internal control and risk management systems,
- Conducting investigations and examinations of operations, accounts and activities in the Bank's Headquarters units, branches and liaison offices, and conducting inspections when required.

Internal Audit activities have been performed in an impartial and independent manner with using risk based approach. The annual audit plans are prepared and implemented by using risk assessments of the risk appraisal report. The Internal Audit Department takes into consideration the economical and efficient use of department's resources by performing its task with reasonable assurance.

In order to provide effective continuity of the internal audit activities, the Internal Audit Department has performed inspections in the units, branches and representatives of the Bank within the framework of the annual audit plan. The audit department reports to the Board of Directors by the way of the Audit Committee and to the related senior management.

In 2010, the Internal Audit Department performed its activities as planned, in order to increase the efficiency and effectiveness of the Bank.

Internal Control

The banks shall ensure the execution of their activities, protection of assets in compliance with the legislation, internal regulations and banking ethics and shall secure integrity and reliability of accounting reporting systems and timely accessibility of information through continuous control activities in accordance with the regulation issued by BRSA and published in the Official Gazette, issue no. 26333, on 1 November 2006. In accordance with this regulation, the charter and procedures of the Internal Control Department have been approved by our Board of Directors.

In the charter, the responsibility of Internal Control Department has been defined as controlling and monitoring:

- The adequacy of established/will be established information exchange network,
- Functional segregation of the duties in the Bank,
- The operational activities,
- Accounting reporting systems.

General Assessment of the Year 2010 Activities and Risk Management, Internal Control and Audit System of Türk Eximbank

During the year 2010, in the ordinary course of its tasks, the department performed its activities by taking into consideration the risk weight of operations determined according to some major criteria by using control analysis form. In this context, the accuracy of transactions recorded, accuracy of financial reports, reconciliation of assets and compliance with limits were controlled via control forms. The control forms have also been placed in the Bank's computer based information systems in order to inform the other departments. As a result of department activities, a quarterly report including the control results was submitted to General Manager and the Audit Committee.

On the other hand, the Bank is one of the liable parties according to the "Prevention of Laundering Proceeds of Crime Law-Law No. 5549". The Bank's personnel are participating to the seminars and meetings arranged by MASAK (Republic of Turkey Ministry of Finance The Financial Crimes Investigation Board). The department is responsible for the relationship between MASAK and the Bank. The changes in the related legislation are monitored and evaluated by the Internal Control Department.

Risk Management

In accordance with the regulation issued by BRSA and published in the Official Gazette, issued no. 26333, on November 1, 2006, the charter and procedures of the Risk Management Department that have been approved by the Board of Directors, the Risk Management Department is responsible for:

- Defining, measuring, analyzing, managing and monitoring all risks faced by the Bank and developing risk management policies to be approved by the Board of Directors,
- Computing profits and costs together with related line departments and reporting the results to the Audit Committee.

Under the risk management activities:

Credit Risk: Risks arising from lending and guarantee transactions within the limits imposed by law and by the Bank's own policies have been monitored. Since the greatest risk category to which the Bank was exposed was the domestic and overseas bank credits, the internal rating system for banks has been used in the measurement of the banks' limits.

The Bank's risk management software will be financed within the third part of the loan provided by the IBRD.

Market Risk: The market risk is calculated monthly by using the standardized method determined by the BRSA and particularly considered in the calculation of the capital adequacy ratio. The possibility of loss due to interest rate risk and exchange rate risk arising from changes in interest and exchange rates is very low due to the recent stability in financial markets. The Bank considers currency risk and interest rate risk as the most important components of market risk, since the Bank's investment portfolio consists only of Treasury bills.

Operational Risk: Non-financial operational risks arising from banking activities are identified, assessed and monitored. In order to secure the Bank's system, a firewall attack assessment system was purchased to protect information access systems against the attacks coming from the internet, a security scanning system was purchased to verify and to eliminate the failures of the current security systems and other necessary programs were purchased to protect all the Bank's computers against computer viruses. Also, an encoding system was formed to protect the information systems. Besides these operations, the procedures of the payment systems, such as EFT and SWIFT were revised and approved by the Bank's Executive Committee. Operational transactions, verification and authorization are done separately.

In addition, the reports consisting of scenario analysis such as GAP, Duration, Ratio and Asset-Liability are submitted to the Upper Management.



A. Doğan ARIKAN
Member of the Audit Committee



Cavit DAĞDAŞ
Member of the Audit Committee

Financial Performance

Türk Eximbank's assets reached TL 6.3 billion (USD 4.1 billion) as of December 31, 2010.

Assets

Türk Eximbank's assets consist of 66% loans, 19% liquid assets and 15% securities held-to-maturity and other assets.

The loan portfolio of the Bank was TL 4.2 billion. Loans increased by 6% over the previous year. 84% (TL 3.5 billion) of this amount was short-term, and 16% (TL 658 million) was medium and long-term loans. By the use of appropriate risk management techniques, the duly collection of loans is emphasized. Thus, although the Bank extends most of its assets as loans to the export sector, the share of non-performing loans in total loans is small with 2.9%, when compared to the 3.8% of the banking sector's average. The Bank provides a 100% allowance for non-performing loans.

Liabilities

Türk Eximbank's liabilities has reached TL 6.3 billion, of which 59% (TL 3.7 billion) was in the form of shareholder's equity and 41% (TL 2.6 billion) was in the form of funds obtained from domestic and external markets.

The Bank's shareholders' equity was TL 3.7 billion. Of this amount, 54% (TL 2 billion) was paid-in capital, 37% (TL 1.4 billion) was supplementary capital and profit reserves, 7% (TL 256 million) was net profit, and 2% was provisions.

TL 1.8 billion of Türk Eximbank's liabilities has been provided from domestic and international money and capital markets and channelized to fund the assets. This amount consists of TL 792 million loans provided from domestic banks (including CBT), TL 618 million syndicated loan, TL 195 million loans provided from foreign banks, TL 193 million subordinated debts and TL 7 million loans provided from funds.

The Bank's nominal capital, TL 2 billion as of December 31, 2010, was fully paid in.

Although the provisioning ratio for Türk Eximbank is determined as zero percent in the "Provisioning Regulation" implemented by the Banking Regulation and Supervision Agency, the Bank has employed a conservative approach confirming with generally accepted banking principles with regard to provisions. As of end-2010 total provisions stood at TL 65 million.

Solvency

As of December 31, 2010, the liquid assets-to-short-term liabilities ratio was 86%, indicating that the Bank is not only regarding the balance between its assets and liabilities, but also operating with a high level of capital instead of using external financing.

Income Statement and Profitability

Türk Eximbank operates with high loans-to-assets ratio, therefore, 54% (TL 172 million) of its TL 316 million total interest income came from interests earned from loans. On the other hand, the Bank's main source of funding is borrowings from domestic and international money and capital markets. Thus, the Bank's interest expenses, which consist mainly of interests paid to external financing, were TL 27 million.

Türk Eximbank's net profit was TL 256 million as of end-2010. On the other hand, the return on assets and return on equity ratios were 4.1% and 7%, respectively.

Risk Management Policies

Credit Risk

Credit risk is the probability of loss due to a debtor's non-payment of a loan either the principal or interest (coupon) or both or other obligations or losses incurred in guarantee and insurance programs.

The risk weights of the Bank's assets are determined within the boundaries of the regulations of the BRSA.

In accordance with Article 25 of the Decree No. 87/11914 (regulating the "Articles of Association" of the Bank) of the Council of Ministers dated 21 August 1987; the scope of the annual operations of the Bank is determined by the Annual Program that is approved by the Supreme Advisory and Credit Guidance Committee ("SCLGC"). SCLGC is chaired by the Prime Minister or the State Minister in charge of the Bank's activities and other members are the executives of related government departments.

Loans are extended under various credit programs within the framework of the authority given to the Board of Directors by the SCLGC, for the realization of the Bank's objectives set by the annual programs.

Losses incurred under the credit, guarantee and insurance programs due to political risks exposed are covered by the Undersecretariat of Treasury ("Turkish Treasury") according to Article 4/C of Act No. 3332 that was appended by Act No. 3659, and the Act regarding the regulation of Public Finance and Debt Management, No. 4749, dated 28 March 2002. The related Cabinet Decree No. 2009/15198 has been come into force on July 15, 2009.

The limits of foreign country loans are set by the Annual Programs within the foreign economic policy of the Turkish Republic by SCLGC and are approved by Council of Ministers. Country loans are granted with the approval of the Board of Directors and the approval of the Minister and Council of Ministers, according to Article 10 of Act No. 4749 related to the regulation of Public Finance and Debt Management. The limit of a country is restricted by both "maximum risk that can be undertaken" and "maximum amount that can be utilized annually".

The fundamental collateral of the foreign country loans are the sovereign guarantee of the counter country and the guarantee of banks that Türk Eximbank accepts as accredited. Sovereign guarantee letters are regulated by the finance minister or cabinet related to the counter country legislations. Guarantee letters cover the principal and interest and all other obligations of the borrower and are valid till the maturity date.

In addition to sovereign guarantee, promissory notes of the correspondent bank or entity; in addition to the correspondent bank guarantee, a "comfort letter" regulated by the authorized entities of the correspondent country can be requested. Besides these, additional collaterals such as "escrow account" can also be requested according to the structure of the project.

The Bank reviews various reports of OECD country risk groupings, reports of the members of the International Union of Credit and Investment Insurers (Berne Union), reports of independent credit rating institutions and the financial statements of banks during the assessment and review of the loans granted. Short term country reports and related country risk ratings are prepared by the Bank.

The risks and limits of companies and banks are monitored by both loan and risk analysis departments on a daily and weekly basis.

The risk ratings of the banks are determined by analyzing the financial and other indicators such as the group the banks belong to, shareholders of the banks, if it is part of a financial holding company the situation of the sister companies, if it is a foreign bank the situation of the ultimate parent company, ratings given by international rating companies and the evaluation of subjective criterion like management quality and the information from the press.

Besides the financial and the organizational information given by companies, the Bank also gets intelligence from other sources (The Risk Centralization Records of the Central Bank of Turkey; Turkish Trade Registry Gazettes, the registration information from the Chamber of Commerce; other companies of the same sector, etc.) for proof and detailed research of companies. At the same time, the Bank takes into consideration the overall situation of the sector of the company; the economic and politic circumstances of the foreign target markets; the advantages and disadvantages of the company compared to both domestic and/or foreign competing companies. On the other hand, if the company is a subsidiary of a

Risk Management Policies

holding company or is a member of a group of companies, the bank loans of the group and the situations which may affect the activities of the group are investigated and the risk of the whole group is considered while analyzing the company.

All of the foreign exchange denominated operations and other derivative transactions of the Bank are carried out under the limits approved by the Board of Directors.

Sectoral and regional distributions of the loan risks are parallel with the export composition of Turkey and this is followed up by the Bank regularly.

Guarantees which are indemnified are converted to loans with the decision of the Credit Committee. They are weighted as overdue loans and then put into “non performing loans items” classified according to their collaterals.

Türk Eximbank, although classified under the “development and investment banking group” in the Banking Law No. 5411, is not obliged to conform to Article 54 of this Law, on loan limits. Nevertheless, the Bank obeys the general loan limits constraints mentioned in the Banking Law. The Bank could set a limit for a bank up to 35% of its equity.

Türk Eximbank’s both short and medium/long-term credit programs are carried out with respect to financial conditions (terms, interest rates, collaterals, etc.) and procedures approved by the Board of Directors. Cost of funds, maturity of the transaction, structure of the collateral and variation of the market interest rates are taken into consideration and the Bank’s mission to provide financing opportunities with costs which will lead the exporters to gain competitive advantages in the existing markets and risky/new countries is also considered during the pricing process of the loans.

Each year, Türk Eximbank cedes the commercial and political risks borne under the Short-Term Export Credit Insurance Program to a group of domestic and overseas reinsurance companies under renewed agreements. The Bank holds a portion (currently 30%) of the above-mentioned risks that can be indemnified from its own sources.

Short-Term Export Credit Insurance premium rates differ according to criteria such as risk classification of the buyer’s country, payment terms, credit length and the legal status of the buyer (private/public). The premium rates increase as the risk classification of the buyer’s country is higher and/or as the payment terms are longer. The premium rates are revised regularly and are valid after the approval of the Board of Directors. The quotation strategy, which is the basis of determining the premium rates, is generated taking into account domestic market conditions, international quotations of export credit insurance services and the size of the past years’ accumulated losses.

Short-term export loans and loans for foreign currency earning services are granted to companies upon the approval of the Credit Committee of the Bank within the limits and conditions determined by the Board of Directors. This authorization is limited to 1% of the equity of the Bank.

The major collateral required for the Pre-Shipment Export Credits Program is the Debtor Bank’s Current Account Undertaking Contract, similar to a comprehensive bond, issued by intermediary commercial banks in accordance with their respective credit limits allocated by Türk Eximbank.

Short-term local currency and foreign currency loans and guarantee limits of such intermediary banks are also approved by the Board of Directors. These limits can be changed under the restrictions determined by the Board of Directors.

Direct lending secured by fundamental collaterals is an amount of 100% of the principal, interest and the export commitment risk of the loan. Fundamental collaterals are generally in the form of letter of bank guarantees, government securities and Credit Guarantee Fund (KGF) guarantee.

At the annual program of the Bank, in the framework of the insurance and buyers’ credit facilities implemented subject to expose foreign risk, the limit of a country implies “maximum limit that can be undertaken” and the exposure limit of a country implies “maximum amount that can be utilized annually”.

Risk Management Policies

In the framework of the authority given by the Board of Directors, up to the authorized amount of buyers' limits are granted by the underwriting department. The higher amounts are granted directly by the Board of Directors.

The maximum amount of credit risk to be exposed by the Bank is indicated in the procedure of relevant loans and is revised annually.

Taking into consideration the Provisioning Regulations:

- The Bank sets aside 100% specific provisions for short-term non-performing receivables.
- Although the losses incurred by the Bank in its country credits, due to political risks, are covered by the Turkish Treasury, the Bank sets aside non-specific provisions between 25%-100% for non-performing receivables based on the overdue period.
- The Bank provides general provisions for the amount of all assets as well as for the amount of guarantees.

For the insurance activities, the Bank additionally sets aside fixed collateral for the amount determined by the approval of the relevant Minister and variable collateral out of the definite rate of the premium income. Besides, in case of claims payments, the Bank sets aside specific provisions based on the coverage rate indicated in the insurance policy out of quota Bank's share.

Market Risk

Market risk is defined as the probability of loss at the Bank's on and off balance sheet positions due to price, interest and exchange rate movements arising from the market fluctuations, leading to variations in income statement items and profitability of shareholder's equity.

To monitor the market risk, Bank's TL and foreign currency denominated trading bond portfolio is evaluated daily with the current market prices ("mark to market"). To limit the possible losses due to market risk, Board of Directors of the Bank has set the limits for maximum position amounts that can be undertaken, maximum transaction amounts and the stop-loss levels. The limits are applied to all kind of trading operations of TL and foreign currency including the bond portfolio.

Market risk part of the "Capital Adequacy Analysis Form", covering interest and exchange rate risks (Türk Eximbank has no equity position), is calculated by using the "Standard Method" put forward by the BRSA. Exchange rate risk is reported weekly, and the market risk including both exchange and interest rate risks are reported monthly to the BRSA.

Currency Risk

The Bank's foreign exchange positions are monitored daily; all positions are taken by authorized personnel within the limits determined by the Risk Management Principles approved by the Board of Directors of the Bank, considering the market developments and expectations.

Maturity mismatches are monitored periodically for USD denominated assets and liabilities (separately in all foreign currencies and total in USD) and Turkish currency denominated assets and liabilities via tables showing weighted average days to maturity, which are prepared periodically. The mismatching of the maturities between assets and liabilities is evaluated using these tables.

The Bank gives high importance to implement the strategy of matching its assets and liabilities in terms of currency, maturity and interest basis. In this framework, debt management is pursued in accordance with Bank's asset structure to the possible extent. In cases where such an opportunity is not possible, matching strategy is tried to be achieved by appropriate type of swap transactions (cross-currency swaps, interest swaps or currency swaps) or by changing assets structure of the Bank under the possible conditions.

The Bank is following a balanced strategy with respect to exchange rate risk between the assets and liabilities.

Risk Management Policies

The exchange rate risk for each currency is separately monitored on a daily basis. The effects of the Bank activities and the market conditions on the positions are closely monitored and the necessary measures are taken promptly. Due to foreign currency denominated loans, the Turkish Lira against foreign currency (FX/TL) and the foreign currency against foreign currency (FX/FX) operations are heavily used on a daily basis in order to be able to manage foreign currency exposure.

Interest Rate Risk

The interest structure (fixed or floating) of “interest-sensitive” assets and liabilities and their weight in total assets and liabilities is evaluated to determine the probable effects of changes in market rates on the profitability of the Bank. The Bank has an approach that all fixed rate bearing assets and liabilities will be repriced at the maturity and the ones bearing floating rates are at the payment terms. By using this approach, the interest sensitive gap or surplus for each period (1M, 1-3M, 3-6M, 6-12M, over 12M, etc.) remaining to contractual repricing dates (gapping report) is calculated. The gapping report is used to predict how the Bank will be affected from the probable market rate changes at any period of time.

The Bank gives high importance to the matching of the fixed and floating interest-bearing assets and liabilities for each currency separately. According to Risk Management Principles approved by the Board of Directors, there is a 20% ratio restriction of floating/fixed interest-bearing assets and liabilities mismatches to total assets, in order to limit the negative impacts of the rate changes on the Bank’s profitability.

Currently the Bank matches medium and long-term floating interest-bearing foreign currency denominated assets to fixed interest-bearing liabilities denominated in another foreign currency by interest rate and cross currency swaps. In addition, interest rate swaps have been used to cover the mismatch between medium and long-term fixed rate bearing USD assets and medium and long-term USD liabilities.

Liquidity Risk

A major objective of the Bank’s asset and liability management is to ensure that sufficient liquidity is available to meet the Bank’s commitments and liquidity needs. The Bank measures and manages its cash flow commitments on a daily basis, and maintains liquid assets level determined by the Board of Directors, which it judges sufficient to meet its commitments.

The Bank covers its short-term liquidity needs by short-term loans raised from domestic and foreign banks. Long-term liquidity needs are provided by the funds raised from international financial institutions such as World Bank, JBIC and from international capital markets by issuing bonds.

The Bank tries to minimize mismatches by financing short-term loans with short-term funds and long-term loans with the long-term funds.

The Bank prepares cash flows tables in domestic and foreign currency weekly, monthly and annually and uses these tables in the decision making process of liquidity management.

Operational Risk

The operational risk is defined as the probability of loss resulting from inadequate or failed internal processes, people and systems or from external events.

In the framework of Basel II, the utilization of operational risk amount calculated on the basis of basic indicator approach has been started in the capital adequacy calculations since June 30, 2007.

Information Regarding Credit Ratings Assigned by International Rating Agencies

Because of borrowing from international loan and capital markets without the guarantee of the Undersecretariat of Treasury, Türk Eximbank has got credit ratings from Moody's and Standard & Poor's since 1997.

The issuer credit ratings assigned to the Bank by these rating agencies, as of end-2010, are as follows:

| | Foreign Currency | | Local Currency | |
|-------------------|------------------------|------------|------------------------|------------|
| | Long-Term | Short-Term | Long-Term | Short-Term |
| Standard & Poor's | BB (Positive Outlook) | B | BB+ (Positive Outlook) | B |
| Moody's | Ba1 (Positive Outlook) | | | |

The foreign and local currency ratings assigned by Standard & Poor's are the same as that of the Undersecretariat of Treasury and indicate the highest grades that any bank or institution can get in Turkey. In other words Türk Eximbank's rating is at the sovereign ceiling.

Moody's, on the other hand, assigned Ba1 rating to Türk Eximbank, which is also the sovereign ceiling for Turkey and one notch higher than the Ba2 rating it assigned to the Undersecretariat of Treasury. Moody's described the Bank as a Government Related Issuer (GRI) and used the Baseline Credit Assessment (BCA) methodology, which measures the Bank's standalone financial strength disregarding the government support when necessary. According to this assessment, Moody's indicates that the current Ba1 would have been higher in an unconstrained environment.

On the other hand, the "outlook", indicating the changing probability of the long-term ratings over a 6-12 month period was changed to "positive" from "stable" in February 2010 and October 2010 by Standard & Poor's and Moody's, respectively.

The rationale of these ratings assigned by the two credit rating agencies are declared as; the full ownership of the Bank by the Undersecretariat of Treasury; the significant role the Bank has undertaken in the governments' export led growth policies; governmental compensation of political risk losses incurred by the Bank emanating from credit, guarantee and insurance activities; sound financial structure and strong capitalization, which in turn allows continuous access to international markets; the fact that the Bank has predominantly taken on bank risk rather than exporter risk; and a professional management team.

Financial Highlights for the 2006-2010 Period

Major Balance Sheet Accounts (TL thousand)

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Loans | 4,159,138 | 3,908,666 | 4,004,961 | 3,232,537 | 3,408,346 |
| Total Assets | 6,289,153 | 6,488,070 | 4,942,922 | 4,164,396 | 4,141,143 |
| Loans Borrowed | 1,798,712 | 2,025,884 | 1,150,311 | 991,247 | 1,193,916 |
| Shareholders' Equity | 3,629,360 | 3,656,670 | 2,938,967 | 2,578,909 | 2,304,195 |
| Total Paid-in Share Capital | 2,000,000 | 2,000,000 | 1,326,336 | 1,000,000 | 928,610 |

Major Income Statement Accounts (TL thousand)

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------------------------------|----------|----------|----------|----------|----------|
| Interest Income | 315,753 | 437,972 | 468,073 | 444,501 | 376,166 |
| Interest Income on Loans | 171,921 | 323,090 | 356,350 | 348,266 | 293,574 |
| Interest Expenses | (27,045) | (50,725) | (46,626) | (54,399) | (59,411) |
| Net Interest Income | 288,708 | 387,247 | 421,447 | 390,102 | 316,755 |
| Other Operating Income | 42,466 | 35,007 | 32,507 | 48,724 | 58,133 |
| Provisions for Loans and Other Claims | (21,016) | (55,635) | (25,624) | (1,820) | (21,124) |
| Other Operating Expenses | (63,792) | (58,370) | (69,443) | (62,543) | (67,191) |
| Net Income | 256,221 | 342,488 | 371,031 | 387,294 | 302,931 |

Türkiye İhracat Kredi Bankası A.Ş.

Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Türkiye İhracat Kredi Bankası A.Ş.

We have audited the accompanying balance sheet of Türkiye İhracat Kredi Bankası A.Ş. ("the Bank") at 31 December 2010 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the Responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Document" published on the Official Gazette No.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency (the "BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditor, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with the Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks published on the Official Gazette No. 26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

Independent Auditor's Opinion:

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Türkiye İhracat Kredi Bankası A.Ş. at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No.5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional paragraph for convenience translation:

As explained in detail in Note I.d. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411, 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



Haluk Yalçın, SMMM

İstanbul, 10 February 2011

Türkiye İhracat Kredi Bankası A.Ş.

The Unconsolidated Financial Report of Türkiye İhracat Kredi Bankası A.Ş. ("Türk Eximbank") as of 31 December 2010

CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I.d IN SECTION THREE

THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. ("TÜRK EXİMBANK")
AS OF 31 DECEMBER 2010

Commercial title of the Bank: Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)

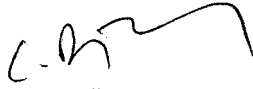
Müdafaa Cad. No:20 - 06100 Bakanlıklar / ANKARA
Telephone : (312) 417 13 00
Fax : (312) 425 78 96
www.eximbank.gov.tr
ankara@eximbank.gov.tr

The unconsolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish lira**, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards and Turkish Financial Reporting Standards; the related appendices and interpretations of these financial statements have been independently audited.

10 February 2011



Cavit DAĞDAŞ
Vice Chairman of the Board of Directors /
Member of the Audit Committee



A.Doğan ARIKAN
Member of the Board of Directors /
Member of the Audit Committee



Necati YENİARAS
Executive Vice President/
Member of the Board of Directors



Muhittin AKBAŞ
Head of Accounting and
Reporting Unit

Contact information of the personnel in charge for addressing questions about this financial report:
Name-Surname / Title: Muhittin AKBAŞ/ Head of Accounting and Reporting Unit
Telephone Number : (0312) 418 44 16
Fax Number : (0312) 425 72 91

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Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Bank's date of foundation, initial status, history regarding the changes in this status:

Türkiye İhracat Kredi Bankası A.Ş. ("the Bank" or "Eximbank") was established as Turkey's "Official Export Credit Agency" on 25 March 1987 with Act number 3332 as a development and investment bank and accordingly, the Bank does not accept deposits.

II. Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group of the Bank:

In accordance with the articles of association of the Bank, the Bank's capital structure consists of group (A) and group (B) registered shares. Group (A) shares are owned by the Undersecretariat of Treasury ("Turkish Treasury") and form at least 51% of the share capital. Group (B) shares form 49% of the share capital and can be transferred to public and private sector banks, other similar financial institutions, insurance companies and corporate and real persons by the Turkish Treasury. As of the balance sheet date, the paid-in capital is wholly owned by the Turkish Treasury.

III. Explanation on the Board of directors, members of the audit committee, president and executive vice presidents and their shareholding at the Bank, if applicable:

| | Name: | Academic Background: |
|---|---------------------|-----------------------------|
| Deputy Chairman of the Board of Directors: | Cavit DAĞDAŞ | Graduate |
| Members of the Board of Directors: | Necati YENİARAS | Graduate |
| | Oğuz SATICI | Undergraduate |
| | Mehmet BÜYÜKEKŞİ | Undergraduate |
| | Adnan Ersoy ULUBAŞ | Undergraduate |
| | A. Doğan ARIKAN | Undergraduate |
| | Ziya ALTUNYALDIZ | Graduate |
| Members of the Audit Committee: | A. Doğan ARIKAN | Undergraduate |
| | Cavit DAĞDAŞ | Graduate |
| Statutory Auditors: | Güner GÜCÜK | Graduate |
| | Prof. Dr. Arif ESİN | Postgraduate |
| Deputy Vice President: | Necati YENİARAS (*) | Graduate |
| Executive Vice Presidents: | Osman ASLAN | Graduate |
| | Necati YENİARAS | Graduate |
| | Alev ARKAN | Undergraduate |
| | Ertan TANRIYAKUL | Undergraduate |

(*) On 8 March Necati YENİARAS was appointed Deputy Vice President.

Of the Assistant General Managers, Osman ASLAN is working as the Assistant General Manager in charge of Loans; Necati YENİARAS is acting as the Assistant General Manager in charge of Accounting Transactions and Reporting, Economic Research, Risk Analysis and Evaluation, Information Technologies and Information Systems Development and Implementation, in addition to his duties as Deputy General Manager; Alev ARKAN is working as Assistant General Manager in charge of Insurance and Guarantee Businesses as well as Territory Loans; and Ertan TANRIYAKUL is working as the Assistant General Manager in charge of Finance and Treasury Businesses.

The Bank's deputy chairman and members of the board of directors, the members of the audit committee, deputy vice president and executive vice presidents do not own shares in the Bank.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

IV. Information on the shareholders owning control shares:

| Name/Commercial title | Share amount | Share percentage | Paid-in capital | Unpaid portion |
|-----------------------|--------------|------------------|-----------------|----------------|
| Turkish Treasury | All | 100% | 2,000,000 | - |

V. Brief information on the Bank's service type and fields of operation:

The Bank has been mandated to support foreign trade through diversification of the exported goods and services, by increasing the share of exporters and entrepreneurs in international trade, and to create new markets for the exported commodities, to provide exporters and overseas contractors with support to increase their competitiveness and to ensure a risk free environment in international markets.

As a means of aiding export development services, the Bank performs loan, guarantee and insurance services in order to financially support export and foreign currency earning services. While performing the above mentioned operations, the Bank provides short, medium or long term, domestic and foreign currency lending through borrowings from domestic and foreign money and capital markets and from its own sources.

On the other hand, the Bank also performs fund management (treasury) operations related with its core banking operations. These operations are domestic and foreign currency capital market operations, domestic and foreign currency money market operations, foreign currency market operations and derivative transactions, all of which are approved by the Board of Directors.

The losses due to the political risks arising on loan, guarantee and insurance operations of the Bank, are transferred to the Turkish Treasury according to article 4/c of Act number 3332 that was appended by Act number 3659 and according to Act regarding the Public Financing and Debt Management, number 4749, dated 28 March 2002.

VI. Other information:

a. The commercial title of the Bank:

Türkiye İhracat Kredi Bankası A.Ş.

b. The Bank's head office address:

Müdafaa Caddesi No: 20 06100 Bakanlıklar - ANKARA

c. The Bank's telephone and fax numbers:

Telephone: (0312) 417 13 00

Facsimile: (0312) 425 78 96

d. The Bank's web site:

www.eximbank.gov.tr

e. The Bank's e-mail address:

ankara@eximbank.gov.tr

f. Reporting Period:

1 January - 31 December 2010

Amounts in the financial statements and the accompanying explanations and notes are expressed in thousands of Turkish lira unless otherwise stated.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

I. Balance sheet (Appendix: 1-A)

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VI. Statement of cash flows (Appendix: 1-F)

VII. Profit appropriation statement (Appendix: 1-G)

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Balance Sheet

Appendix:1-A

| ASSETS | Notes (Section V) | THOUSANDS OF TURKISH LIRA | | | | | |
|---|-------------------------|------------------------------|-----------|-----------|----------------------------|-----------|-----------|
| | | CURRENT PERIOD 31/12/2010 | | | PRIOR PERIOD 31/12/2009 | | |
| | | TL | FC | Total | TL | FC | Total |
| I. CASH AND BALANCES WITH CENTRAL BANK | -1 | 79 | 624 | 703 | 32 | 604 | 636 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS (Net) | -2 | 306.559 | 3.814 | 310.373 | 154.673 | 12.024 | 166.697 |
| 2.1 Trading Financial Assets | | 306.559 | 3.814 | 310.373 | 154.673 | 12.024 | 166.697 |
| 2.1.1 Government Debt Securities | | 304.842 | 3.646 | 308.488 | 146.817 | 3.332 | 150.149 |
| 2.1.2 Share Certificates | | - | - | - | - | - | - |
| 2.1.3 Trading Derivative Financial Assets | | 1.717 | 168 | 1.885 | 7.856 | 8.692 | 16.548 |
| 2.1.4 Other Marketable Securities | | - | - | - | - | - | - |
| 2.2 Financial Assets Designated at Fair Value through Profit or (Loss) | | - | - | - | - | - | - |
| 2.2.1 Government Debt Securities | | - | - | - | - | - | - |
| 2.2.2 Share Certificates | | - | - | - | - | - | - |
| 2.2.3 Loans | | - | - | - | - | - | - |
| 2.2.4 Other Marketable Securities | | - | - | - | - | - | - |
| III. BANKS | -3 | 493.527 | 392.541 | 886.068 | 112.186 | 651.241 | 763.427 |
| IV. MONEY MARKETS | | - | - | - | 1.295.134 | - | 1.295.134 |
| 4.1 Interbank Money Market Placements | | - | - | - | 1.295.134 | - | 1.295.134 |
| 4.2 Receivables from İstanbul Stock Exchange Money Market | | - | - | - | - | - | - |
| 4.3 Receivables from Reverse Repurchase Agreements | | - | - | - | - | - | - |
| V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net) | -4 | 15.202 | - | 15.202 | 13.744 | - | 13.744 |
| 5.1 Share Certificates | | 15.202 | - | 15.202 | 13.744 | - | 13.744 |
| 5.2 Government Debt Securities | | - | - | - | - | - | - |
| 5.3 Other Marketable Securities | | - | - | - | - | - | - |
| VI. LOANS | -5 | 1.401.101 | 2.758.037 | 4.159.138 | 1.335.840 | 2.572.826 | 3.908.666 |
| 6.1 Loans | | 1.401.101 | 2.758.037 | 4.159.138 | 1.335.840 | 2.572.826 | 3.908.666 |
| 6.1.1 Loans to Bank's risk group | | - | - | - | - | - | - |
| 6.1.2 Government Debt Securities | | - | - | - | - | - | - |
| 6.1.3 Other | | 1.401.101 | 2.758.037 | 4.159.138 | 1.335.840 | 2.572.826 | 3.908.666 |
| 6.2 Loans under Follow-up | | 120.776 | - | 120.776 | 103.498 | - | 103.498 |
| 6.3 Specific Provisions (-) | | 120.776 | - | 120.776 | 103.498 | - | 103.498 |
| VII. FACTORING RECEIVABLES | | - | - | - | - | - | - |
| VIII. HELD-TO-MATURITY SECURITIES (Net) | -6 | 840.841 | 50.862 | 891.703 | 259.404 | 49.664 | 309.068 |
| 8.1 Government Debt Securities | | 840.841 | 50.862 | 891.703 | 259.404 | 49.664 | 309.068 |
| 8.2 Other Marketable Securities | | - | - | - | - | - | - |
| IX. INVESTMENTS IN ASSOCIATES (Net) | -7 | - | - | - | - | - | - |
| 9.1 Consolidated Based on Equity Method | | - | - | - | - | - | - |
| 9.2 Unconsolidated | | - | - | - | - | - | - |
| 9.2.1 Financial Investments in Associates | | - | - | - | - | - | - |
| 9.2.2 Non-Financial Investments in Associates | | - | - | - | - | - | - |
| X. SUBSIDIARIES (Net) | -8 | - | - | - | - | - | - |
| 10.1 Unconsolidated Financial Subsidiaries | | - | - | - | - | - | - |
| 10.2 Unconsolidated Non-Financial Subsidiaries | | - | - | - | - | - | - |
| XI. JOINT VENTURES (Net) | -9 | - | - | - | - | - | - |
| 11.1 Consolidated Based on Equity Method | | - | - | - | - | - | - |
| 11.2 Unconsolidated | | - | - | - | - | - | - |
| 11.2.1 Financial Joint Ventures | | - | - | - | - | - | - |
| 11.2.2 Non-Financial Joint Ventures | | - | - | - | - | - | - |
| XII. FINANCIAL LEASE RECEIVABLES | -10 | - | - | - | - | - | - |
| 12.1 Financial Lease Receivables | | - | - | - | - | - | - |
| 12.2 Operating Lease Receivables | | - | - | - | - | - | - |
| 12.3 Other | | - | - | - | - | - | - |
| 12.4 Unearned Income (-) | | - | - | - | - | - | - |
| XIII. HEDGING DERIVATIVE FINANCIAL ASSETS | -11 | - | - | - | - | - | - |
| 13.1 Fair Value Hedge | | - | - | - | - | - | - |
| 13.2 Cash Flow Hedge | | - | - | - | - | - | - |
| 13.3 Foreign Net Investment Hedge | | - | - | - | - | - | - |
| XIV. PROPERTY AND EQUIPMENT (Net) | -12 | 7.323 | - | 7.323 | 7.911 | - | 7.911 |
| XV. INTANGIBLE ASSETS (Net) | -13 | 390 | - | 390 | 654 | - | 654 |
| 15.1 Goodwill | | - | - | - | - | - | - |
| 15.2 Other | | 390 | - | 390 | 654 | - | 654 |
| XVI. INVESTMENT PROPERTY (Net) | -14 | - | - | - | - | - | - |
| XVII. TAX ASSET | -15 | - | - | - | - | - | - |
| 17.1 Current Tax Asset | | - | - | - | - | - | - |
| 17.2 Deferred Tax Asset | | - | - | - | - | - | - |
| XVIII. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net) | -16 | - | - | - | - | - | - |
| 18.1 Held for Sale Purpose | | - | - | - | - | - | - |
| 18.2 Related to Discontinued Operations | | - | - | - | - | - | - |
| XIX. OTHER ASSETS | -17 | 8.690 | 9.563 | 18.253 | 12.345 | 9.788 | 22.133 |
| TOTAL ASSETS | | 3.073.712 | 3.215.441 | 6.289.153 | 3.191.923 | 3.296.147 | 6.488.070 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Balance Sheet

EK:1-A

| LIABILITIES | | Note (Section V) | THOUSANDS OF TURKISH LIRA | | | | | |
|--------------|--|------------------------|------------------------------|------------------|------------------|----------------------------|------------------|------------------|
| | | | CURRENT PERIOD 31/12/2010 | | | PRIOR PERIOD 31/12/2009 | | |
| | | | TL | FC | Total | TL | FC | Total |
| I. | DEPOSITS | (1) | - | - | - | - | - | - |
| 1.1 | Deposits of Bank's risk group | | - | - | - | - | - | - |
| 1.2 | Other | | - | - | - | - | - | - |
| II. | TRADING DERIVATIVE FINANCIAL LIABILITIES | (2) | 21.182 | 3.982 | 25.164 | 103 | 5.186 | 5.289 |
| III. | BORROWINGS | (3) | - | 1.605.707 | 1.605.707 | - | 1.814.454 | 1.814.454 |
| IV. | MONEY MARKETS | | - | - | - | - | - | - |
| 4.1 | Funds from Interbank Money Market | | - | - | - | - | - | - |
| 4.2 | Funds from Istanbul Stock Exchange Money Market | | - | - | - | - | - | - |
| 4.3 | Funds Provided Under Repurchase Agreements | | - | - | - | - | - | - |
| V. | MARKETABLE SECURITIES ISSUED (Net) | | - | - | - | - | - | - |
| 5.1 | Bills | | - | - | - | - | - | - |
| 5.2 | Asset Backed Securities | | - | - | - | - | - | - |
| 5.3 | Bonds | | - | - | - | - | - | - |
| VI. | FUNDS | | 6.711 | - | 6.711 | 6.711 | - | 6.711 |
| 6.1 | Borrower funds | | - | - | - | - | - | - |
| 6.2 | Other | | 6.711 | - | 6.711 | 6.711 | - | 6.711 |
| VII. | MISCELLANEOUS PAYABLES | | 8.409 | 6.896 | 15.305 | 10.076 | 5.718 | 15.794 |
| VIII. | OTHER LIABILITIES | (4) | 396.254 | 335.051 | 731.305 | 383.378 | 310.993 | 694.371 |
| IX. | FACTORING PAYABLES | | - | - | - | - | - | - |
| X. | FINANCIAL LEASE PAYABLES (Net) | (5) | - | - | - | - | - | - |
| 10.1 | Financial Lease Payables | | - | - | - | - | - | - |
| 10.2 | Operational Lease Payables | | - | - | - | - | - | - |
| 10.3 | Other | | - | - | - | - | - | - |
| 10.4 | Deferred Financial Lease Expenses (-) | | - | - | - | - | - | - |
| XI. | HEDGING DERIVATIVE FINANCIAL LIABILITIES | (6) | - | - | - | - | - | - |
| 11.1 | Fair Value Hedge | | - | - | - | - | - | - |
| 11.2 | Cash Flow Hedge | | - | - | - | - | - | - |
| 11.3 | Foreign Net Investment Hedge | | - | - | - | - | - | - |
| XII. | PROVISIONS | (7) | 81.212 | - | 81.212 | 82.053 | - | 82.053 |
| 12.1 | General Loan Loss Provision | | 24.108 | - | 24.108 | 25.461 | - | 25.461 |
| 12.2 | Restructuring Provisions | | - | - | - | - | - | - |
| 12.3 | Reserve for Employee Rights | | 16.169 | - | 16.169 | 14.848 | - | 14.848 |
| 12.4 | Insurance Technical Provisions (Net) | | - | - | - | - | - | - |
| 12.5 | Other Provisions | | 40.935 | - | 40.935 | 41.744 | - | 41.744 |
| XIII. | TAX LIABILITY | (8) | 1.384 | - | 1.384 | 1.298 | - | 1.298 |
| 13.1 | Current Tax Liability | | 1.384 | - | 1.384 | 1.298 | - | 1.298 |
| 13.2 | Deferred Tax Liability | | - | - | - | - | - | - |
| XIV. | LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net) | (9) | - | - | - | - | - | - |
| 14.1 | Held for Sale Purpose | | - | - | - | - | - | - |
| 14.2 | Related to Discontinued Operations | | - | - | - | - | - | - |
| XV. | SUBORDINATED LOANS | (10) | - | 193.005 | 193.005 | - | 211.430 | 211.430 |
| XVI. | SHAREHOLDERS' EQUITY | (11) | 3.629.186 | 174 | 3.629.360 | 3.656.395 | 275 | 3.656.670 |
| 16.1 | Paid-in capital | | 2.000.000 | - | 2.000.000 | 2.000.000 | - | 2.000.000 |
| 16.2 | Capital Reserves | | 608.065 | 174 | 608.239 | 606.607 | 275 | 606.882 |
| 16.2.1 | Share Premium | | - | - | - | - | - | - |
| 16.2.2 | Share Cancellation Profits | | - | - | - | - | - | - |
| 16.2.3 | Marketable Securities Valuation Differences | | 8.408 | 174 | 8.582 | 6.950 | 275 | 7.225 |
| 16.2.4 | Property and Equipment Revaluation Differences | | - | - | - | - | - | - |
| 16.2.5 | Intangible Fixed Assets Revaluation Differences | | - | - | - | - | - | - |
| 16.2.6 | Revaluation Differences of Investment Property | | - | - | - | - | - | - |
| 16.2.7 | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | | - | - | - | - | - | - |
| 16.2.8 | Hedging Funds (Effective portion) | | - | - | - | - | - | - |
| 16.2.9 | Value increase of Non-current Asset Held for Sale and Discounted Operations | | - | - | - | - | - | - |
| 16.2.10 | Other Capital Reserves | | 599.657 | - | 599.657 | 599.657 | - | 599.657 |
| 16.3 | Profit Reserves | | 764.900 | - | 764.900 | 707.300 | - | 707.300 |
| 16.3.1 | Legal Reserves | | 194.793 | - | 194.793 | 152.210 | - | 152.210 |
| 16.3.2 | Status Reserves | | - | - | - | - | - | - |
| 16.3.3 | Extraordinary Reserves | | 547.364 | - | 547.364 | 532.347 | - | 532.347 |
| 16.3.4 | Other Profit Reserves | | 22.743 | - | 22.743 | 22.743 | - | 22.743 |
| 16.4 | Profit or Loss | | 256.221 | - | 256.221 | 342.488 | - | 342.488 |
| 16.4.1 | Prior Years' Profit/Loss | | - | - | - | - | - | - |
| 16.4.2 | Current Year Profit/Loss | | 256.221 | - | 256.221 | 342.488 | - | 342.488 |
| 16.5 | Minority Interest | (12) | - | - | - | - | - | - |
| | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 4.144.338 | 2.144.815 | 6.289.153 | 4.140.014 | 2.348.056 | 6.488.070 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Off-Balance Sheet Commitments

Appendix:1-B

| | Notes (Section V) | THOUSANDS OF TURKISH LIRA ("TL") | | | | | |
|--|----------------------|----------------------------------|------------------|------------------|----------------------------|------------------|------------------|
| | | CURRENT PERIOD 31/12/2010 | | | PRIOR PERIOD 31/12/2009 | | |
| | | TL | FC | TOTAL | TL | FC | TOTAL |
| A. OFF-BALANCE SHEET COMMITMENTS (I+II+III) | | 642.139 | 2.222.025 | 2.864.164 | 563.014 | 1.643.071 | 2.206.085 |
| I. GUARANTEES AND WARRANTIES | I, III | | 1.078.703 | 1.078.703 | | 841.152 | 841.152 |
| 1.1. Letters of Guarantee | | - | - | - | - | - | - |
| 1.1.1. Guarantees Subject to State Tender Law | | - | - | - | - | - | - |
| 1.1.2. Guarantees Given for Foreign Trade Operations | | - | - | - | - | - | - |
| 1.1.3. Other Letters of Guarantee | | - | - | - | - | - | - |
| 1.2. Bank Acceptances | | - | - | - | - | - | - |
| 1.2.1. Import Letter of Acceptance | | - | - | - | - | - | - |
| 1.2.2. Other Bank Acceptances | | - | - | - | - | - | - |
| 1.3. Letters of Credit | | - | - | - | - | - | - |
| 1.3.1. Documentary Letters of Credit | | - | - | - | - | - | - |
| 1.3.2. Other Letters of Credit | | - | - | - | - | - | - |
| 1.4. Prefinancing Given as Guarantee | | - | - | - | - | - | - |
| 1.5. Endorsements | | - | 688.732 | 688.732 | - | 481.209 | 481.209 |
| 1.5.1. Endorsements to the Central Bank of the Republic of Turkey | | - | 688.732 | 688.732 | - | 481.209 | 481.209 |
| 1.5.2. Other Endorsements | | - | - | - | - | - | - |
| 1.6. Securities Issue Purchase Guarantees | | - | - | - | - | - | - |
| 1.7. Factoring Guarantees | | - | - | - | - | - | - |
| 1.8. Other Guarantees | | - | 389.971 | 389.971 | - | 359.943 | 359.943 |
| 1.9. Other Collaterals | | - | - | - | - | - | - |
| II. COMMITMENTS | I, III | 11.019 | 340.762 | 351.781 | 2.000 | 13.523 | 15.523 |
| 2.1. Irrevocable Commitments | | 2.000 | - | 2.000 | 2.000 | 13.523 | 15.523 |
| 2.1.1. Asset Purchase and Sale Commitments | | - | - | - | - | - | - |
| 2.1.2. Deposit Purchase and Sales Commitments | | - | - | - | - | - | - |
| 2.1.3. Share Capital Commitments to Associates and Subsidiaries | | 2.000 | - | 2.000 | 2.000 | - | 2.000 |
| 2.1.4. Loan Granting Commitments | | - | - | - | - | 13.523 | 13.523 |
| 2.1.5. Securities Issue Brokerage Commitments | | - | - | - | - | - | - |
| 2.1.6. Commitments for Reserve Deposit Requirements | | - | - | - | - | - | - |
| 2.1.7. Commitments for Cheques | | - | - | - | - | - | - |
| 2.1.8. Tax and Fund Liabilities from Export Commitments | | - | - | - | - | - | - |
| 2.1.9. Commitments for Credit Card Limits | | - | - | - | - | - | - |
| 2.1.10. Commitments for Credit Cards and Banking Services Promotions | | - | - | - | - | - | - |
| 2.1.11. Receivables from Short Sale Commitments of Marketable Securities | | - | - | - | - | - | - |
| 2.1.12. Payables for Short Sale Commitments of Marketable Securities | | - | - | - | - | - | - |
| 2.1.13. Other Irrevocable Commitments | | - | - | - | - | - | - |
| 2.2. Revocable Commitments | | 9.019 | 340.762 | 349.781 | - | - | - |
| 2.2.1. Revocable Loan Granting Commitments | | 9.019 | 340.762 | 349.781 | - | - | - |
| 2.2.2. Other Revocable Commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | II | 631.120 | 802.560 | 1.433.680 | 561.014 | 788.396 | 1.349.410 |
| 3.1. Hedging Derivative Financial Instruments | | - | - | - | - | - | - |
| 3.1.1. Transactions for Fair Value Hedge | | - | - | - | - | - | - |
| 3.1.2. Transactions for Cash Flow Hedge | | - | - | - | - | - | - |
| 3.1.3. Transactions for Foreign Net Investment Hedge | | - | - | - | - | - | - |
| 3.2. Trading Transactions | | 631.120 | 802.560 | 1.433.680 | 561.014 | 788.396 | 1.349.410 |
| 3.2.1. Forward Foreign Currency Buy/Sell Transactions | | - | - | - | - | - | - |
| 3.2.1.1. Forward Foreign Currency Transactions-Buy | | - | - | - | - | - | - |
| 3.2.1.2. Forward Foreign Currency Transactions-Sell | | - | - | - | - | - | - |
| 3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates | | 631.120 | 802.560 | 1.433.680 | 561.014 | 788.396 | 1.349.410 |
| 3.2.2.1. Foreign Currency Swap-Buy | | 631.120 | 30.852 | 661.972 | 561.014 | 78.303 | 639.317 |
| 3.2.2.2. Foreign Currency Swap-Sell | | - | 679.212 | 679.212 | - | 620.693 | 620.693 |
| 3.2.2.3. Interest Rate Swap-Buy | | - | 46.248 | 46.248 | - | 44.700 | 44.700 |
| 3.2.2.4. Interest Rate Swap-Sell | | - | 46.248 | 46.248 | - | 44.700 | 44.700 |
| 3.2.3. Foreign Currency, Interest rate and Securities Options | | - | - | - | - | - | - |
| 3.2.3.1. Foreign Currency Options-Buy | | - | - | - | - | - | - |
| 3.2.3.2. Foreign Currency Options-Sell | | - | - | - | - | - | - |
| 3.2.3.3. Interest Rate Options-Buy | | - | - | - | - | - | - |
| 3.2.3.4. Interest Rate Options-Sell | | - | - | - | - | - | - |
| 3.2.3.5. Securities Options-Buy | | - | - | - | - | - | - |
| 3.2.3.6. Securities Options-Sell | | - | - | - | - | - | - |
| 3.2.4. Foreign Currency Futures | | - | - | - | - | - | - |
| 3.2.4.1. Foreign Currency Futures-Buy | | - | - | - | - | - | - |
| 3.2.4.2. Foreign Currency Futures-Sell | | - | - | - | - | - | - |
| 3.2.5. Interest Rate Futures | | - | - | - | - | - | - |
| 3.2.5.1. Interest Rate Futures-Buy | | - | - | - | - | - | - |
| 3.2.5.2. Interest Rate Futures-Sell | | - | - | - | - | - | - |
| 3.2.6. Other | | - | - | - | - | - | - |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Off-Balance Sheet Commitments

Appendix:1-B

| | Notes (Section V) | THOUSANDS OF TURKISH LIRA ("TL") | | | | | |
|---|----------------------|----------------------------------|------------------|------------------|----------------------------|------------------|------------------|
| | | CURRENT PERIOD 31/12/2010 | | | PRIOR PERIOD 31/12/2009 | | |
| | | TL | FC | TOTAL | TL | FC | TOTAL |
| B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI) | | 30.812 | 164.597 | 195.409 | 30.914 | 169.434 | 200.348 |
| IV. ITEMS HELD IN CUSTODY | | - | - | - | - | - | - |
| 4.1. Customer Fund and Portfolio Balances | | - | - | - | - | - | - |
| 4.2. Investment Securities Held in Custody | | - | - | - | - | - | - |
| 4.3. Cheques Received for Collection | | - | - | - | - | - | - |
| 4.4. Commercial Notes Received for Collection | | - | - | - | - | - | - |
| 4.5. Other Assets Received for Collection | | - | - | - | - | - | - |
| 4.6. Assets Received for Public Offering | | - | - | - | - | - | - |
| 4.7. Other Items Under Custody | | - | - | - | - | - | - |
| 4.8. Custodians | | - | - | - | - | - | - |
| V. PLEDGES RECEIVED | | 30.812 | 164.597 | 195.409 | 30.914 | 169.434 | 200.348 |
| 5.1. Marketable Securities | | - | 8.194 | 8.194 | - | 7.920 | 7.920 |
| 5.2. Guarantee Notes | | - | - | - | - | - | - |
| 5.3. Commodity | | - | - | - | - | - | - |
| 5.4. Warranty | | - | - | - | - | - | - |
| 5.5. Immovable | | 10.220 | 82.899 | 93.119 | 10.240 | 85.489 | 95.729 |
| 5.6. Other Pledged Items | | 20.592 | 73.504 | 94.096 | 20.674 | 76.025 | 96.699 |
| 5.7. Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTS | | - | - | - | - | - | - |
| TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B) | | 672.951 | 2.386.622 | 3.059.573 | 593.928 | 1.812.505 | 2.406.433 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Income Statement

Appendix:1-C

| INCOME AND EXPENSE ITEMS | Notes (Section V) | THOUSANDS OF TURKISH LIRA | |
|---|-------------------------|---------------------------|-------------------------|
| | | CURRENT PERIOD | PRIOR PERIOD |
| | | (01/01/2010 31/12/2010) | (01/01/2009 31/12/2009) |
| I. INTEREST INCOME | (1) | 315.753 | 437.972 |
| 1.1 Interest on loans | | 171.921 | 323.090 |
| 1.2 Interest Received from Reserve Requirements | | - | - |
| 1.3 Interest Received from Banks | | 12.814 | 9.731 |
| 1.4 Interest Received from Money Market Transactions | | 71.432 | 67.439 |
| 1.5 Interest Received from Marketable Securities Portfolio | | 59.300 | 37.173 |
| 1.5.1 Trading Financial Assets | | 22.117 | 6.908 |
| 1.5.2 Financial Assets Designated at Fair Value Through Profit or (loss) | | - | - |
| 1.5.3 Available-for-sale Financial Assets | | - | - |
| 1.5.4 Held to maturity Investments | | 37.183 | 30.265 |
| 1.6 Financial Lease Income | | - | - |
| 1.7 Other Interest Income | | 286 | 539 |
| II. INTEREST EXPENSE | (2) | 27.045 | 50.725 |
| 2.1 Interest on Deposits | | - | - |
| 2.2 Interest on Funds Borrowed | | 26.997 | 50.602 |
| 2.3 Interest Expense on Money Market Transactions | | - | 15 |
| 2.4 Interest on Securities Issued | | - | - |
| 2.5 Other Interest Expenses | | 48 | 108 |
| III. NET INTEREST INCOME/EXPENSE (I - II) | | 288.708 | 387.247 |
| IV. NET FEES AND COMMISSIONS INCOME | | (9.136) | (6.295) |
| 4.1 Fees and Commissions Received | | 804 | 2.290 |
| 4.1.1 Non-cash Loans | | - | - |
| 4.1.2 Other | | 804 | 2.290 |
| 4.2 Fees and Commissions Paid | | (9.940) | (8.585) |
| 4.2.1 Non-cash Loans | | - | - |
| 4.2.2 Other | | (9.940) | (8.585) |
| V. DIVIDEND INCOME | (3) | - | - |
| VI. TRADING INCOME/LOSS (Net) | (4) | 18.991 | 40.534 |
| 6.1 Trading Gains /Losses on Securities | | 240 | 2.239 |
| 6.2 Trading Gains /Losses on Derivative Financial Assets | | (5.124) | 61.672 |
| 6.3 Foreign Exchange Gains /Losses | | 23.875 | (23.377) |
| VII. OTHER OPERATING INCOME | (5) | 42.466 | 35.007 |
| VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII) | | 341.029 | 456.493 |
| IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-) | (6) | 21.016 | 55.635 |
| X. OTHER OPERATING EXPENSES (-) | (7) | 63.792 | 58.370 |
| XI. NET OPERATING INCOME/LOSS (VIII-IX-X) | | 256.221 | 342.488 |
| XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER | | - | - |
| XIII. INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD | | - | - |
| XIV. INCOME/LOSS ON NET MONETARY POSITION | | - | - |
| XV. PROFIT/LOSS BEFORE TAXES ON INCOME FROM CONTINUED OPERATIONS (XI+.....+XIV) | (8) | 256.221 | 342.488 |
| XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUED OPERATIONS(±) | (9) | - | - |
| 16.1 Current Tax Provision | | - | - |
| 16.2 Deferred Tax Provision | | - | - |
| XVII. NET PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI) | (10) | 256.221 | 342.488 |
| XVIII. INCOME FROM DISCONTINUED OPERATIONS | | - | - |
| 18.1 Income from Non-current Assets Held for Sale | | - | - |
| 18.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners) | | - | - |
| 18.3 Other Income from Discontinued Operations | | - | - |
| XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-) | | - | - |
| 19.1 Expenses for Non-current Assets Held for Sale | | - | - |
| 19.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners) | | - | - |
| 19.3 Other Expenses from Discontinued Operations | | - | - |
| XX. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII - XIX) | (8) | - | - |
| XXI. PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±) | (9) | - | - |
| 21.1 Current Tax Provision | | - | - |
| 21.2 Deferred Tax Provision | | - | - |
| XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX ± XXI) | (10) | - | - |
| XXIII. NET PROFIT/LOSS (XVII+XXII) | (11) | 256.221 | 342.488 |
| 23.1 Profit/Losses of the Group | | - | - |
| 23.2 Profit/Losses of Minority Interest (-) | | - | - |
| Earnings/Loss per share | | 0,12811 | 0,19213 |

Türkiye İhracat Kredi Bankası A.Ş.

Statements Of Income And Expense Items Accounted Under Shareholders' Equity

Appendix 1-D

| INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY | THOUSANDS OF TURKISH LIRA | |
|--|------------------------------|----------------------------|
| | CURRENT PERIOD 31/12/2010 | PRIOR PERIOD 31/12/2009 |
| I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS | 1.458 | 8.618 |
| II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES | - | - |
| III. INTANGIBLE ASSETS REVALUATION DIFFERENCES | - | - |
| IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS | - | - |
| V. PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value changes) | - | - |
| VI. PROFIT/LOSS ON FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of fair value changes) | - | - |
| VII. EFFECT OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS | - | - |
| VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS | - | - |
| IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES | - | - |
| X. NET PROFIT/LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX) | 1.458 | 8.618 |
| XI. CURRENT YEAR PROFIT/LOSS | (101) | (114) |
| 11.1 Net change in fair value of marketable securities (Transfer to Profit/Loss) | (101) | (114) |
| 11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | - | - |
| 11.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | - | - |
| 11.4 Other | - | - |
| XII. TOTAL PROFIT/LOSS RELATED TO CURRENT PERIOD (X±XI) | 1.357 | 8.504 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Statements Of Changes In The Shareholders' Equity

Appendix:1-E

| THOUSANDS OF TURKISH LIRA | | | | | | | | |
|---|--|----------------------------------|--------------------|--------------------------------------|------------------|----------------------------------|-------------------|--------------------|
| CHANGES IN THE SHAREHOLDERS' EQUITY | | Notes Notes (Section V) | Paid-in Capital | Adjustment to Share Capital | Share Premium | Share Cancellation Profits | Legal Reserves | Status Reserves |
| PRIOR PERIOD (31/12/2009) | | | | | | | | |
| I. | Period Opening Balance | | 1.326.336 | - | - | - | 133.659 | - |
| II. | Changes in Accounting Policies according to TAS 8 | | - | - | - | - | - | - |
| 2.1 | Effects of errors | | - | - | - | - | - | - |
| 2.2 | Effects of the Changes in Accounting Policies | | - | - | - | - | - | - |
| III. | New Balance (I+II) | | 1.326.336 | - | - | - | 133.659 | - |
| | Changes in the period | | | | | | | |
| IV. | Increase/Decrease due to the Merger | | - | - | - | - | - | - |
| V. | Marketable Securities Valuation Differences | | - | - | - | - | - | - |
| VI. | Hedging Transactions | | - | - | - | - | - | - |
| 6.1 | Cash Flow Hedge | | - | - | - | - | - | - |
| 6.2 | Foreign Net Investment Hedge | | - | - | - | - | - | - |
| VII. | Property and Equipment Revaluation Differences | | - | - | - | - | - | - |
| VIII. | Intangible Fixed Assets Revaluation Differences | | - | - | - | - | - | - |
| IX. | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | | - | - | - | - | - | - |
| X. | Foreign Exchange Differences | | - | - | - | - | - | - |
| XI. | Changes due to the Disposal of Assets | | - | - | - | - | - | - |
| XII. | Changes due to the Reclassification of Assets | | - | - | - | - | - | - |
| XIII. | Effect of Changes in Equity of Investments in Associates | | - | - | - | - | - | - |
| XIV. | Capital Increase | | 673.664 | - | - | - | - | - |
| 14.1 | Cash increase | | 398.894 | - | - | - | - | - |
| 14.2 | Internal Resources | | 274.770 | - | - | - | - | - |
| XV. | Share Premium | | - | - | - | - | - | - |
| XVI. | Share Cancellation Profits | | - | - | - | - | - | - |
| XVII. | Paid-in-capital inflation adjustment difference | | - | - | - | - | - | - |
| XVIII. | Other | | - | - | - | - | - | - |
| XIX. | Current Year Net Profit or Loss | | - | - | - | - | - | - |
| XX. | Profit Distribution | | - | - | - | - | 18.551 | - |
| 20.1 | Dividends Paid | | - | - | - | - | - | - |
| 20.2 | Transfer to Reserves | | - | - | - | - | 18.551 | - |
| 20.3 | Other | | - | - | - | - | - | - |
| Period End Balance (III+IV+V+.....+XVIII+XIX+XX) | | | 2.000.000 | - | - | - | 152.210 | - |
| CURRENT PERIOD (31/12/2010) | | | | | | | | |
| I. | Prior Period End Balance | | 2.000.000 | - | - | - | 152.210 | - |
| | Changes in the period | | - | - | - | - | - | - |
| II. | Increase/Decrease due to the Merger | | - | - | - | - | - | - |
| III. | Marketable Securities Valuation Differences | 1 | - | - | - | - | - | - |
| IV. | Hedging Transactions Funds | | - | - | - | - | - | - |
| 4.1 | Cash flow Hedge | | - | - | - | - | - | - |
| 4.2 | Foreign Net Investment Hedge | | - | - | - | - | - | - |
| V. | Property and Equipment Revaluation Differences | | - | - | - | - | - | - |
| VI. | Intangible Fixed Assets Revaluation Differences | | - | - | - | - | - | - |
| VII. | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | | - | - | - | - | - | - |
| VIII. | Foreign Exchange Differences | | - | - | - | - | - | - |
| IX. | Changes due to the disposal of assets | | - | - | - | - | - | - |
| X. | Changes due to the reclassification of assets | | - | - | - | - | - | - |
| XI. | Effect of Changes in Equity of Investments in Associates | | - | - | - | - | - | - |
| XII. | Capital Increase | | - | - | - | - | - | - |
| 12.1 | Cash increase | | - | - | - | - | - | - |
| 12.2 | Internal Resources | | - | - | - | - | - | - |
| XIII. | Share Premium | | - | - | - | - | - | - |
| XIV. | Share Cancellation Profits | | - | - | - | - | - | - |
| XV. | Paid-in-capital inflation adjustment difference | | - | - | - | - | - | - |
| XVI. | Other | | - | - | - | - | - | - |
| XVII. | Current Year Net Profit or Loss | | - | - | - | - | - | - |
| XVIII. | Profit Distribution | 3 | - | - | - | - | 42.583 | - |
| 18.1 | Dividends Paid | | - | - | - | - | - | - |
| 18.2 | Transfers to Reserves | 4 | - | - | - | - | 42.583 | - |
| 18.3 | Other | | - | - | - | - | - | - |
| Period End Balance (I+II+III+...+XVI+XVII+XVIII) | | | 2.000.000 | - | - | - | 194.793 | - |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Statements Of Changes In The Shareholders' Equity

Appendix:1-E

| | Extraordinary Reserves | Other Profit Reserves | Current Year Net Profit/ (Loss) | Prior Years' Net Profit/ (Loss) | Marketable Securities Value Increase Fund | Property and Equipment and Intangible Fixed Assets Revaluation Fund | Bonus Shares from Subsidiaries and Joint Ventures | Hedging Funds | Non-current Discontinued Operations | Total Shareholders' Minority Rights | Minority Rights | Total Shareholders' Equity |
|--|------------------------|-----------------------|---------------------------------|---------------------------------|---|---|---|---------------|-------------------------------------|-------------------------------------|-----------------|----------------------------|
| | 312.050 | 797.170 | - | 371.031 | (1.279) | - | - | - | - | 2.938.967 | - | 2.938.967 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | 312.050 | 797.170 | - | 371.031 | (1.279) | - | - | - | - | 2.938.967 | - | 2.938.967 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | 8.504 | - | - | - | - | 8.504 | - | 8.504 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | (100.000) | (174.770) | - | - | - | - | - | - | - | 398.894 | - | 398.894 |
| | (100.000) | (174.770) | - | - | - | - | - | - | - | 398.894 | - | 398.894 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | 342.488 | - | - | - | - | - | - | 342.488 | - | 342.488 |
| | 320.297 | - | - | (371.031) | - | - | - | - | - | (32.183) | - | (32.183) |
| | - | - | - | (32.183) | - | - | - | - | - | (32.183) | - | (32.183) |
| | 320.297 | - | - | (338.848) | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | 532.347 | 622.400 | 342.488 | - | 7.225 | - | - | - | - | 3.656.670 | - | 3.656.670 |
| | 532.347 | 622.400 | - | 342.488 | 7.225 | - | - | - | - | 3.656.670 | - | 3.656.670 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | 1.357 | - | - | - | - | 1.357 | - | 1.357 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | 256.221 | - | - | - | - | - | - | 256.221 | - | 256.221 |
| | 15.017 | - | - | (342.488) | - | - | - | - | - | (284.888) | - | (284.888) |
| | - | - | - | (284.888) | - | - | - | - | - | (284.888) | - | (284.888) |
| | 15.017 | - | - | (57.600) | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | 547.364 | 622.400 | 256.221 | - | 8.582 | - | - | - | - | 3.629.360 | - | 3.629.360 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Statements Of Cash Flows

Appendix:1-F

| A. | CASH FLOWS FROM BANKING OPERATIONS | Notes (Section V) | THOUSANDS OF TURKISH LIRA | |
|-------------|--|----------------------|------------------------------|----------------------------|
| | | | CURRENT PERIOD 31/12/2010 | PRIOR PERIOD 31/12/2009 |
| 1.1 | Operating Profit before changes in operating assets and liabilities | | 305.235 | 467.243 |
| 1.1.1 | Interest received | | 309.686 | 482.489 |
| 1.1.2 | Interest paid | | (34.710) | (53.947) |
| 1.1.3 | Dividend received | | - | - |
| 1.1.4 | Fees and commissions received | | 804 | 2.290 |
| 1.1.5 | Other income | | 36.565 | 36.758 |
| 1.1.6 | Collections from previously written-off loans and other receivables | | 9.758 | 13.745 |
| 1.1.7 | Payments to personnel and service suppliers | | (25.747) | (23.010) |
| 1.1.8 | Taxes paid | | (1.465) | (1.132) |
| 1.1.9 | Other | 2 | 10.344 | 10.050 |
| 1.2 | Changes in operating assets and liabilities | | (625.461) | 691.021 |
| 1.2.1 | Net (increase) / decrease in trading securities | | (141.991) | (105.683) |
| 1.2.2 | Net (increase) / decrease in fair value through profit/(loss) financial assets | | - | - |
| 1.2.3 | Net (increase) / decrease in due from banks | | (15.999) | (9.000) |
| 1.2.4 | Net (increase) / decrease in loans | | (246.881) | 6.212 |
| 1.2.5 | Net (increase) / decrease in other assets | | 3.881 | (6.605) |
| 1.2.6 | Net increase / (decrease) in bank deposits | | - | - |
| 1.2.7 | Net increase / (decrease) in other deposits | | - | - |
| 1.2.8 | Net increase / (decrease) in funds borrowed | | (219.506) | 878.797 |
| 1.2.9 | Net increase / (decrease) in payables | | - | - |
| 1.2.10 | Net increase / (decrease) in other liabilities | 2 | (4.965) | (72.700) |
| I. | Net cash provided from banking operations | | (320.226) | 1.158.264 |
| B. | CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| II. | Net cash provided from investing activities | | (578.884) | (67.603) |
| 2.1 | Cash paid for acquisition of associates, subsidiaries and joint ventures (Business Partners) | | - | - |
| 2.2 | Cash obtained from disposal of associates, subsidiaries and joint ventures (Business Partners) | | - | - |
| 2.3 | Purchases of property and equipment | | (73) | (1.206) |
| 2.4 | Disposals of property and equipment | | - | - |
| 2.5 | Cash paid for purchase of available-for-sale investments | | - | (2.000) |
| 2.6 | Cash obtained from sale of available-for-sale investments | | - | - |
| 2.7 | Cash paid for purchase of investment securities | | (1.116.570) | (221.913) |
| 2.8 | Cash obtained from sale of investment securities | | 537.759 | 157.516 |
| 2.9 | Other | 2 | - | - |
| C. | CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| III. | Net cash provided from financing activities | | (284.888) | 366.711 |
| 3.1 | Cash obtained from funds borrowed and securities issued | | - | - |
| 3.2 | Cash used for repayment of funds borrowed and securities issued | | - | - |
| 3.3 | Issued capital instruments | | - | - |
| 3.4 | Dividends paid | | (284.888) | (32.183) |
| 3.5 | Payments for finance leases | | - | - |
| 3.6 | Other | 2 | - | 398.894 |
| IV. | Effect of change in foreign exchange rate on cash and cash equivalents | 2 | (4.676) | (12.184) |
| V. | Net increase in cash and cash equivalents | | (1.188.674) | 1.445.188 |
| VI. | Cash and cash equivalents at the beginning of the year | 1 | 2.049.145 | 603.957 |
| VII. | Cash and cash equivalents at the end of the year | 1 | 860.471 | 2.049.145 |

Türkiye İhracat Kredi Bankası A.Ş.

Unconsolidated Profit Appropriation Statement

Appendix:1-G

| | THOUSANDS OF TURKISH LIRA | |
|---|------------------------------|----------------------------|
| | CURRENT PERIOD 31/12/2010 | PRIOR PERIOD 31/12/2009 |
| I. DISTRIBUTION OF CURRENT YEAR INCOME | | |
| 1.1 CURRENT YEAR INCOME | 261.450 | 349.478 |
| 1.2 TAXES AND DUTIES PAYABLE (-) | 5.229 | 6.990 |
| 1.2.1 Corporate Tax (Income tax) | - | - |
| 1.2.2 Income withholding tax | - | - |
| 1.2.3 Other taxes and duties | 5.229 | 6.990 |
| A. NET INCOME FOR THE YEAR (1.1-1.2) | 256.221 | 342.488 |
| 1.3 PRIOR YEAR LOSSES (-) | - | - |
| 1.4 FIRST LEGAL RESERVES (-) | - | 17.124 |
| 1.5 OTHER STATUTORY RESERVES (-) | - | - |
| B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))] | 256.221 | 325.364 |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-) | - | 79.370 |
| 1.6.1 To Owners of Ordinary Shares | - | 79.370 |
| 1.6.2 To Owners of Privileged Shares | - | - |
| 1.6.3 To Owners of Preferred Shares | - | - |
| 1.6.4 To Profit Sharing Bonds | - | - |
| 1.6.5 To Holders of Profit and Loss Sharing Certificates | - | - |
| 1.7 DIVIDENDS TO PERSONNEL (-) | - | 2.900 |
| 1.8 DIVIDENDS TO BOARD OF DIRECTORS (-) | - | - |
| 1.9 SECOND DIVIDEND TO SHAREHOLDERS (-) | - | 202.618 |
| 1.9.1 To Owners of Ordinary Shares | - | 202.618 |
| 1.9.2 To Owners of Privileged Shares | - | - |
| 1.9.3 To Owners of Preferred Shares | - | - |
| 1.9.4 To Profit Sharing Bonds | - | - |
| 1.9.5 To Holders of Profit and Loss Sharing Certificates | - | - |
| 1.10 SECOND LEGAL RESERVES (-) | - | 25.459 |
| 1.11 STATUTORY RESERVES (-) | - | - |
| 1.12 EXTRAORDINARY RESERVES (-) | - | 15.017 |
| 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 Preferred 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 | - | 0,192 |
| 3.2 TO OWNERS OF ORDINARY SHARES (%) | - | 19 |
| 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 | - | - |
| 4.2 TO OWNERS OF ORDINARY SHARES (%) | - | - |
| 4.3 TO OWNERS OF PRIVILEGED SHARES | - | - |
| 4.4 TO OWNERS OF PRIVILEGED SHARES (%) | - | - |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I- Explanations on the basis of presentation:

a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them. The Bank maintains its books in Turkish lira in accordance with the Banking Act numbered 5411, Turkish Commercial Code and Turkish tax legislation.

b. Accounting policies and valuation principles applied in the preparation of the financial statements:

The accounting policies and valuation principles applied in the preparation of the financial statements are determined and applied in accordance with the principles of TAS. These accounting policies and valuation principles are explained in Notes II to XXVII below.

c. Preparation of financial statements based on the current purchasing power of Turkish lira:

The Bank's financial statements were subjected to inflation adjustment according to "Turkish Accounting Standards for Financial Reporting in Hyperinflationary Economies" ("TAS 29") until 31 December 2004, after which the Banking Regulation and Supervision Agency ("BRSA") announced that the inflation accounting application in the Turkish banking sector was to be terminated concerning the preparation of the financial statements, based on a decree published as of 28 April 2005, with the reason that the indicators for inflation accounting had disappeared as of 1 January 2005.

d. Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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.

II- Explanations on strategy of using financial instruments and explanations on foreign currency transactions:

The Bank uses derivatives to balance its foreign currency asset liability positions for managing its exposure to currency risk.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of foreign exchange gains/losses.

As of 31 December 2010, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL1.5416 for US dollar ("US\$"), TL2.0568 for EUR, TL1.8948 for 100 JPY and TL2.3864 for GBP.

III- Explanations on forward transactions, options and derivative instruments:

As of the balance sheet date, there are outstanding currency and interest rate swap purchases and sales contracts of the Bank.

The Bank classifies its derivative instruments as "held-for-hedging" or "held-for-trading" in accordance with Turkish Accounting Standard for Recognition and Measurement of Financial Instruments ("TAS 39"). Certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, do not qualify for hedge accounting under the specific rules of TAS 39 and are treated as derivatives held-for-trading.

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values. Derivative instruments are remeasured at fair value after initial recognition. If the fair value of a derivative financial instrument is positive, it is disclosed under the main account "Financial assets at fair value through profit or loss" in "Trading derivative financial instruments" and if the fair value difference is negative, it is disclosed under "Trading derivative

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

financial liabilities". Differences in the fair value of trading derivative instruments are accounted under "trading income/loss" in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

As at 31 December 2010, the net fair value of the Bank's derivative instruments is TL (23,279) (31 December 2009: TL11,259).

IV- Explanations on interest income and expense:

Interest income and expenses are recognized in the income statement on an accrual basis.

The Bank ceases accruing interest income on non-performing loans. Interest income is recorded for non performing loans when the collection is made.

Interest income and expense are represented at their book values.

V- Explanations on fee and commission income and expenses:

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission incomes and fees for various banking services which are recorded as income at the time of collection.

VI- Explanations on financial assets:

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

Financial assets at the fair value through profit or loss category have two sub categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition."

Trading financial assets are initially recognized at cost. Acquisition and sale transactions of trading financial assets are recognized and derecognized at the settlement date.

The government bonds and treasury bills recognized under trading financial assets which are traded on the Istanbul Stock Exchange ("ISE") are valued with weighted average prices settled on the ISE as of the balance sheet date; and those government bonds and treasury bills traded on the ISE but which are not subject to trading on the ISE as of the balance sheet date are valued with weighted average prices at the latest trading date.

The financial assets classified under trading financial assets and whose fair values cannot be measured reliably are carried at amortized cost using the "effective yield method". The difference between the purchase cost and the amortized cost at the selling date is recorded as interest income.

If the selling price of a trading financial asset is above its amortized cost as of the sale date, the positive difference between the selling price and the amortized cost is recognized as income under trading gains on securities and if the selling price of a trading security is lower than its amortized cost as of the sale date, the negative difference between the selling price and the amortized cost is recognized as expense under trading losses on securities.

Derivative financial instruments are classified as trading financial assets unless they are designated as hedging instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note III of Section Three.

The Bank has no financial assets designated as financial assets at fair value through profit or loss.

Held-to-maturity financial assets are assets that are not classified under "loans and receivables" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Loans and receivables are financial assets that are originated by the Bank by providing money, services or goods to borrowers other than trading financial assets and financial assets held for the purpose of short-term profit making. Available for sale financial assets are financial assets other than loans and receivables, held to maturity financial assets and financial assets at fair value through profit or loss. Held-to-maturity financial assets and available-for-sale financial assets are initially recognized at cost.

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All regular way purchases and sales of financial assets are recognized and derecognized at the settlement date. The Bank holds government bonds, treasury bills and foreign currency bonds issued in Turkey and abroad by Turkish Treasury under the held-to-maturity portfolio.

Held-to-maturity financial assets are initially recognized at cost and are subsequently carried at amortized cost using the effective yield method. Interest earned from held-to-maturity financial assets is recorded as interest income. All regular way purchases and sales of held-to-maturity financial assets are accounted at the settlement date.

There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

Available-for-sale financial assets are financial assets other than held-to-maturity investments and trading securities. Available-for-sale financial assets are subsequently remeasured at fair value. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at amortized cost, less provision for impairment.

Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized under shareholders' equity as "Marketable Securities Value Increase Fund", until the collection of the fair value of financial assets, the sale of the financial assets, permanent impairment in the fair values of such assets or the disposal of the financial assets. When these securities are disposed of or the fair value of such securities is collected, the accumulated fair value differences in the shareholders' equity are reflected to the income statement.

VII- Explanations on impairment of financial assets:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "effective yield method", or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year.

VIII- Explanations on offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously. Otherwise, no offsetting is performed in relation with the financial assets and liabilities.

IX- Explanations on sales and repurchase agreements and securities lending transactions:

The Bank has no sales and repurchase agreements and securities lending transactions at the balance sheet date.

X- Explanations on assets held for sale and discontinued operations and explanations on liabilities related with these assets:

The Bank has no assets held for sale and discontinued operations at 31 December 2010.

XI- Explanations on goodwill and other intangible assets:

The Bank has no goodwill at 31 December 2010 and 2009.

Intangible assets consist of computer software licenses. Intangible assets are carried at cost less accumulated amortization and are amortized over four years (their estimated useful lives) using the straight-line method. During the current year there has been no change in the depreciation method and the Bank does not expect any changes in accounting estimates, useful lives, depreciation method and residual value during the current and the following periods.

XII- Explanations on property and equipment:

All property and equipment are initially recognized at cost. Subsequently property and equipment are carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of property and equipment using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the current period.

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The depreciation rates are as follows:

| | |
|----------------------------------|---------|
| Buildings | : 2-3% |
| Furniture, fixtures and vehicles | : 6-33% |

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment. Gains and losses on the disposal of property and equipment are booked to the income statement accounts for the period at an amount equal to the book value. Where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for the diminution in value is charged to the income statement. Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized over the cost of the tangible asset. The capital expenditures include the cost components that increase the useful life, capacity of the asset or quality of the product or that decrease the costs.

There are no pledges, mortgages or any other contingencies and commitments over property and equipment that restrict their usage.

The Bank does not expect any changes in accounting estimates that will have a material impact in future periods in relation with the property and equipment.

XIII- Explanations on leasing transactions:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Finance Lease Payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not perform financial leasing transactions as a "Lessor".

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XIV- Explanations on provisions and contingent liabilities:

Provisions and contingent liabilities except for the specific and general provisions recognized for loans and other receivables are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated reliably it is considered that a "contingent" liability exists. When the amount of the obligation can be estimated reliably and when there is a high possibility of an outflow of resources from the Bank, the Bank recognizes a provision for such liability.

As of the balance sheet date, there is no contingent liability based on past events for which there is a possibility of an outflow of resources and whose obligation can be reliably estimated.

XV- Explanations on obligations related to employee rights:

Under the Turkish Labor Law, the Bank is required to pay a specific amount to employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labor Law. Accordingly, the reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from the liability of the Bank to pay termination benefits to each employee who has retired or completed at least one year of service and whose employment is terminated without due cause, is called up for military service or dies.

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Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19"). As of 31 December 2010, the calculated employment termination obligation amounts to TL10,856 thousand.

For the year ending 31 December 2010, the Bank also provided a 100% provision for vacation pay liability relating to prior periods amounting to TL5,313 thousand.

XVI- Explanations on taxation:

According to Act number 3332 and article 4/b of Act number 3659, dated 25 March 1987 and 26 September 1990, respectively, the Bank is exempt from Corporate Tax. Due to the 3rd Article of Act number 3659; the above mentioned exemption became valid from 1 January 1988. In accordance with clause 9 of Provisional Article 1 of Corporate Tax Law No. 5520, which states "The provision of Article 35 shall not apply to exemptions, allowances and deductions included in other laws in relation to corporate tax prior to effective date of the Law No. 5520," the exemption from Corporate Tax continues. Accordingly, deferred tax asset or liability is not recognized in these financial statements.

XVII- Explanations on borrowings:

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities are carried at "amortized cost" using the "effective interest method".

XVIII- Explanations on issuance of share certificates:

The Bank has not issued shares in the current year and accordingly there is no cost related to such a transaction. As the Bank's total paid-in capital is owned by Turkish Treasury, there is no cost related to share issuance. Profit appropriation of the Bank is resolved at the General Assembly meeting. As of the date of this report, the General Assembly meeting on 2010 has not been held.

XIX- Explanations on avalized drafts and acceptances:

Avalized drafts and acceptances are recognized at the time of payment by the customer and are included in the "Off-balance sheet commitments".

XX- Explanations on government grants:

As of the balance sheet date, the Bank has no government grant.

XXI- Explanations on segment reporting:

The Bank emphasizes the scope of business method for segment reporting by considering the Bank's main source and character of risks and earnings. The Bank's activities mainly concentrate on corporate and investment banking.

XXII- Explanations on other issues:

The Bank does not accept deposits. The Bank has been mandated to export loan operations, export loan insurance and export grants. On the other hand, the Bank also performs domestic and foreign currency capital market operations within the context of fund management (treasury) operations.

The Bank engages in derivative transactions, currency and interest rate swaps, and obtains funds by means of syndicated loans, subordinated loans, bond issuance and bank borrowings.

XXIII- Explanations on profit reserves and profit appropriation:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code ("TCC"), legal reserves are composed of first and second legal reserves. According to TCC first legal reserve is appropriated at the rate of 5%, until the first legal reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve is appropriated at the rate of 10% of distributions in excess of first legal reserve, appropriated at the rate of 5% of net income and first dividends distributed to shareholders; however holding companies are not subject to this implementation. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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In accordance with the approval of the Board of Directors of the Bank with decision number 27 and the approval of the relevant Ministry of State possessing the powers of General Assembly in accordance with the article 2 of the Bank's Articles of Association and approval of the BRSA dated 15 July 2010, it is decided to distribute year 2009 profit amounting to TL342,488 thousand, as dividend amounting to TL284,888 thousand, as extraordinary reserves amounting to TL15,017 thousand and as legal reserves amounting to TL42,583 thousand. Following this decision, the distribution has been performed and the resulting effects are shown in the statement of changes in shareholders' equity for the year ended 31 December 2010.

XXIV- Explanations on earnings per share:

Earnings per share disclosed in the income statement is calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

| | Current Period 31 December 2010 | Prior Period 31 December 2009 |
|---|------------------------------------|----------------------------------|
| Distributable Net Profit to Common Shares | 256,221 | 342,488 |
| Average Number of Issued Common Shares (Thousand) | 2,000,000 | 1,782,625 |
| Earnings Per Share | 0.12811 | 0.19213 |

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retrospective effect for the year in which they were issued and for each earlier period.

As of 31 December 2010, the Bank has not issued bonus shares (31 December 2009: None).

XXV- Explanations on related parties:

In accordance with the paragraph 5 of article 49 of Banking Law numbered 5411, the banks, majority shares of which separately or collectively belong to Undersecretariat of Treasury, Turkish Privatization Administration or general or annexed budget administrations, constitute a risk group together with the partnerships that they control directly or indirectly. The Bank does not have any partnerships which it controls directly or indirectly and with which it constitutes a risk group.

XXVI- Explanations on cash and cash equivalents:

Cash and cash equivalents taken as basis for the preparation of cash-flow statements are explained in the Turkish Accounting Standards for Cash Flow Statements ("TMS 7") and include cash equivalents and other assets held for short-term cash liabilities, but not used for investment or other purposes. In order for an asset to be treated as cash equivalent, it should be possible to convert it into cash, the value of which can be definitely assessed, and the risk of change in its value should be trivial. Accordingly, investments whose maturity equals three months or less are deemed as cash-equivalent investment. Investments made in securities that represent equity capital cannot be deemed as cash equivalent, other than special cases where preference shares which are acquired at a date closer to their maturity and carry a specific redemption date are discussed.

XXVII- Reclassifications:

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. Explanations on capital adequacy ratio:

As of the balance sheet date, the capital adequacy ratio of the Bank is 142.80%.

For the calculation of the capital adequacy ratio, the Bank classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighed assets" which is the sum of "market risk on securities" and the "Bank's currency risk". The following tables present the classifications of "risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.

Information related to capital adequacy ratio: TL Thousand, %

| | Risk Weights | | | | | | |
|--|------------------|-----|------------------|-----|----------------|------|------|
| | Bank | | | | | | |
| | 0% | 10% | 20% | 50% | 100% | 150% | 200% |
| Amount Subject to Credit Risk | - | - | 841,391 | - | 444,791 | - | - |
| Balance Sheet Items (Net) | 1,624,127 | - | 4,190,784 | - | 177,849 | - | - |
| Cash | 21 | - | - | - | - | - | - |
| Matured Marketable Securities | - | - | - | - | - | - | - |
| Central Bank of the Republic of Turkey ("CBRT") | 682 | - | - | - | - | - | - |
| Domestic, Foreign Banks, Foreign Head Offices and Branches | - | - | 884,766 | - | - | - | - |
| Interbank Money Market Placements | - | - | - | - | - | - | - |
| Receivables from Reverse Repurchase Transactions | - | - | - | - | - | - | - |
| Reserve Requirements with the CBRT | - | - | - | - | - | - | - |
| Loans | 703,687 | - | 3,270,369 | - | 141,145 | - | - |
| Non-Performing Receivables (Net) | - | - | - | - | - | - | - |
| Lease Receivables | - | - | - | - | - | - | - |
| Available-for-sale Financial Assets | - | - | - | - | 15,202 | - | - |
| Held-to-maturity Investments | 874,591 | - | - | - | - | - | - |
| Receivables from the Disposal of Assets | - | - | - | - | - | - | - |
| Miscellaneous Receivables | - | - | - | - | 12,420 | - | - |
| Interest and Income Accruals | 44,805 | - | 35,649 | - | 997 | - | - |
| Investments in Associates, Subsidiaries and Joint Ventures (Net) | - | - | - | - | - | - | - |
| Fixed Assets | - | - | - | - | 7,323 | - | - |
| Other Assets | 341 | - | - | - | 762 | - | - |
| Off-balance Sheet Items | - | - | 16,168 | - | 266,942 | - | - |
| Non-cash loans and commitments | - | - | - | - | 266,942 | - | - |
| Derivative Financial Instruments | - | - | 16,168 | - | - | - | - |
| Non-risk Weighted Accounts | - | - | - | - | - | - | - |
| Total Risk Weighted Assets | 1,624,127 | - | 4,206,952 | - | 444,791 | - | - |

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Summary information related to capital adequacy ratio:

| | Bank | |
|---|------------------------------------|----------------------------------|
| | Current Period 31 December 2010 | Prior Period 31 December 2009 |
| Amount Subject to Credit Risk (ASCR) | 1,286,182 | 1,729,937 |
| Amount Subject to Market risk (ASMR) | 436,150 | 404,000 |
| Amount Subject to Operational Risk (ASOR) | 857,835 | 817,780 |
| Shareholders' Equity | 3,684,564 | 3,711,039 |
| Shareholders' Equity/(ASCR+ASMR+ASOR) * 100 | 142.80% | 125.72% |

Information about shareholders' equity items:

| | Current Period 31 December 2010 | Prior Period 31 December 2009 |
|--|------------------------------------|----------------------------------|
| CORE CAPITAL | | |
| Paid-in capital | 2,000,000 | 2,000,000 |
| Nominal capital | 2,000,000 | 2,000,000 |
| Capital commitments (-) | - | - |
| Inflation Adjustment to Share Capital | 599,657 | 599,657 |
| Share Premium | - | - |
| Share Cancellation Profits | - | - |
| Legal Reserves | 194,793 | 152,210 |
| First legal reserve (Turkish Commercial Code 466/1) | 136,235 | 93,652 |
| Second legal reserve (Turkish Commercial Code 466/2) | 58,377 | 58,377 |
| Other legal reserves per special legislation | 181 | 181 |
| Status Reserves | - | - |
| Extraordinary Reserves | 570,107 | 555,090 |
| Reserves allocated by the General Assembly | 570,107 | 555,090 |
| Retained earnings | - | - |
| Accumulated loss | - | - |
| Foreign currency share capital exchange difference | - | - |
| Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves | - | - |
| Profit | 256,221 | 342,488 |
| Net income for the period | 256,221 | 342,488 |
| Prior period profit | - | - |
| Provisions for Probable Risks up to 25% of Core Capital | 40,935 | 41,744 |
| Profit on Disposal of Associates, Subsidiaries and Immovables | - | - |
| Primary Subordinated Loans up to 15% of Core Capital. | - | - |
| Uncovered Portion of Loss with Reserves (-) | - | - |
| Net loss for the period | - | - |
| Prior period loss | - | - |
| Leasehold Improvements (-) | - | - |
| Prepaid Expenses (-) | 4,729 | 8,208 |
| Intangible Assets (-) | 390 | 654 |
| Deferred Tax Asset Amount Exceeding 10% of Core Capital (-) | - | - |
| Limit Exceeding Amount regarding the Third Clause of the Article 56 of the Law (-) | - | - |
| Total Core Capital | 3,656,594 | 3,682,327 |

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| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---|------------------------------|----------------------------|
| SUPPLEMENTARY CAPITAL | | |
| General Provisions | 24,108 | 25,461 |
| 45% of the Movables Revaluation Fund | - | - |
| 45% of the Immovables Revaluation Fund | - | - |
| Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures | - | - |
| Primary Subordinated Loans that are not Considered in the Calculation of Core Capital | - | - |
| Secondary Subordinated Loans | - | - |
| 45% of Marketable Securities Valuation Fund | 3,862 | 3,251 |
| From Investments in Associates and Subsidiaries | - | - |
| From Available-for-Sale Financial Assets | 3,862 | 3,251 |
| Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves) | - | - |
| Total Supplementary Capital | 27,970 | 28,712 |
| TIER III CAPITAL | - | - |
| CAPITAL | 3,684,564 | 3,711,039 |
| DEDUCTIONS FROM CAPITAL | - | - |
| Investments in Unconsolidated Financial Institutions (Foreign) and Banks in which 10% or more equity interest exercised | - | - |
| Investments in Financial Institutions (Domestic, foreign) and Banks, in which less than 10% equity interest exercised and that exceeds the 10% and more of the total core and supplementary capital of the Bank | - | - |
| The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments of a Primary or Secondary Subordinated Loan Nature, Purchased From Them | - | - |
| Loans Extended as Contradictory to the Article 50 and 51 of the Law | - | - |
| Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date | - | - |
| Other | - | - |
| TOTAL SHAREHOLDERS' EQUITY | 3,684,564 | 3,711,039 |

II- Explanations on credit risk:

According to article numbered 25 of the decree (regulating the "Articles of Association" of the Bank) of the Council of Ministers dated 17 June 1987; the scope of the annual operations of the Bank is determined by the Bank's Annual Program that is approved by the Supreme Advisory and Credit Guidance Committee ("SCLGC"). The SCLGC is chaired by the Prime Minister or State Minister appointed by the Prime Minister and includes executive managers. The Board of Directors of the Bank is authorized to allocate the risk limits of loans and guarantee and insurance premiums to country, sector and commodity groups, within the boundaries of the Annual Program.

The Bank is not subject to the clauses stated in article number 77 of the Banking Law number 5411. However, the Bank applies general loan restrictions stated in the 54th article of Banking Law.

In accordance with the collateralization policy of the Bank, the Bank is taking the risks of short-term loans to domestic banks.

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The cash and non-cash limits of domestic banks for short-term credits are approved by the Board of Directors.

Export loans and foreign currency earning services with a maximum maturity of 18 months are given with the approval of General Management Loan Committee and within the provisions of maturity, interest rate and collateral set by the Board of Directors. This approval is limited to 1% of shareholders' equity.

The risk limits of the foreign country loans are determined by annual programs which are approved by the SCLGC within the foreign economic policy.

Country loans are granted with the approval of the Board of Directors and the approval of the Minister and the Council of Ministers, according to article 10 of Act number 4749 dated 28 March 2002 related to the regulation of Public Finance and Debt Management.

The fundamental collateral of the foreign country loans are the government guarantees of the counter country and the guarantees of banks that the Bank accepts as accredited.

The limit of a country is restricted by both the maximum limit that can be undertaken and the maximum amount that can be used annually which are determined by the Bank's Annual Program.

Each year, 70% of 90% of the commercial and politic risks that emerge in the Short Term Export Insurance Program is transferred to international reinsurance companies under renewed agreements.

According to article 4/C of Act number 3332 that was appended by Act number 3659 and the Act regarding the regulation of Public Financing and Debt Management dated 28 March 2002, the losses incurred by the Bank in its credit, guarantee and insurance transactions as a result of political risks are covered by the Turkish Treasury.

The Bank reviews reports of OECD country risk groupings, reports of the members of the International Union of Credit (Berne - Union) and Investment Insurers, reports of independent credit rating institutions and the financial statements of the banks during the assessment and review of loans granted. At the same time, the Bank benefits from the reports prepared in-house related with the country loans and short-term country risk groupings.

The risks and limits of companies and banks are followed by both the loan and risk departments on a daily and weekly basis.

In addition, all of the foreign exchange denominated operations and other derivative transactions of the Bank are carried on under the limits approved by the Board of Directors.

Business and geographic distribution of the loan risks run parallel with the export composition of Turkey and this is followed up by the Bank regularly.

Non-cash loans turned into cash loans are classified under follow-up accounts with the approval of the Loan Committee. Uncollected non-cash loans are subject to the same risk weights as cash loans and classified under the relevant follow-up accounts in relation to their collateral.

As of 31 December 2010, there are no restructured loans. Restructured loans are classified in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, No.26333.

Impairment and Provisioning Policies

The Bank provides a 100% impairment provision for non-performing loans and other receivables without considering the relevant collaterals in line with the principles of conservatism.

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According to the decision of Executive Committee dated 22 February 2006, due dated loans and other receivables are transferred to the "Loans and other receivables under close monitoring" account in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables" in 90 days following the maturity date if the principle and interest of the loan has not been paid as of the maturity date. In addition, when the guarantee amount is insufficient or negative developments are scanned related to the borrowers' financial position, before the elapse of the 90-day period after the due date, uncollected receivables (except for country loans) are transferred to the "non-performing receivables" account.

The proportion of the Bank's top 100 cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 95% and 92% as of 31 December 2010 and 2009, respectively.

As of 31 December 2010, in accordance with the decision of the Executive Committee dated 24 December 2007, the Bank has provided impairment provision with the rate of 1.50% for the short, medium and long term loans (except for the short term fund sourced loans and medium and long term country loans) with an amount of TL29,375 thousand (31 December 2009: TL29,375 thousand). The Bank, in order to prevent double booking, has deducted the general loan loss provision calculated in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" from the amount of provision calculated at a rate of 1.50%.

In 2010 considering the developments in the market, the Bank has not provided provision other than general loan loss provision for the short, medium and long term loans (except for the short term fund sourced loans and medium and long term country loans).

In accordance with the decision of Executive Committee, as there has been no improvement in the collection of the receivables amounting to US\$4,868,428 (followed under miscellaneous receivables account) from the Ministry of Internal Affairs General Headquarters of Gendarme and Ministry of Defense under the scope of Russian Federation Deferred Loan, the Bank has provided 100% impairment provision of the TL equivalent amounting to TL7,505 thousand (31 December 2009: TL7,254 thousand) as of 31 December 2010.

As of 31 December 2010, the Bank booked provisions amounting to TL4,055 thousand (31 December 2009: TL5,115 thousand) considering probable compensation payments in relation to the insured export receivables.

Accordingly, the sum of the provisions recognized by the Bank amounts to TL40,935 thousand as of 31 December 2010 (31 December 2009: TL41,744 thousand).

The general loan loss provision for the credit risk undertaken by the Bank amounts to TL24,108 thousand (31 December 2009: TL25,461 thousand). The Bank has provided a general loan loss provision according to temporary article 1 that includes the implementation for general loan loss provision of the regulation "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No.26333 dated 1 November 2006. The temporary article of the Communiqué states that general loan loss provision calculated on the last day of the month before this regulation is in issue over the excess amounts of performing and close-monitoring cash loans and letters of guarantee, bank acceptances and other non-cash loans in accordance with the rates specified at the first paragraph of article numbered 7 of the same Communiqué. For other circumstances stated rates are used as (0.5%) and (0.1%) respectively for cash and non-cash loans' general provision calculations. The rates used by the Bank to calculate general loan loss provision in accordance with "Communiqué Related to Amendment on the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No.26779 dated 6 February 2008 which amends article 7 of the same Communiqué, are as follows:

- a) 1% of total performing cash loans and 0.2% of total of letters of guarantee, bank acceptances and other non-cash loans,
- b) 2% of total cash loans under close monitoring and 0.4% of total of letters guarantee, bank acceptances and other non-cash loans under close monitoring.

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In accordance with the letter sent by Turkish Treasury No.B.02.0.1.HM.KİT.03.02.52321/4-51898 dated 6 November 1997 and the "Application Procedures of Amounts Transferred by the Undersecretariat of Treasury to Türkiye İhracat Kredi Bankası A.Ş." each year, the Bank's political risks arising on loan, guarantee and insurance operations and deferred receivables are communicated to the Turkish Treasury by the end of each September.

The Bank grants loans only to corporate customers in line with its mandate and follows its credit portfolio under categories specified below:

| | 31 December 2010 | | 31 December 2009 | |
|------------------------------|------------------|-----------------|------------------|-----------------|
| | Corporate loans | Personnel loans | Corporate loans | Personnel loans |
| Standard loans | 4,152,033 | 2,591 | 3,901,080 | 3,426 |
| Loans under close monitoring | 4,514 | - | 4,160 | - |
| Loans under legal follow-up | 120,776 | - | 103,498 | - |
| Gross | 4,277,323 | 2,591 | 4,008,738 | 3,426 |
| Special provision | (120,776) | - | (103,498) | - |
| Net | 4,156,547 | 2,591 | 3,905,240 | 3,426 |

As of 31 December 2010 and 2009, there are no past due loans classified under standard loans and the details of the loans under close monitoring are as follows:

| | 31 December 2010 | 31 December 2009 |
|-------------------------|------------------|------------------|
| Past due up to 30 days | 4,479 | 1,351 |
| Past due 30-60 days | 8 | 605 |
| Past due 60-90 days (*) | 27 | 2,204 |
| Total | 4,514 | 4,160 |

(*) As of 31 December 2009, includes loans amounting to TL311 thousand calculated in accordance with the temporary article 2-b of "Communiqué Related to Amendment on the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette numbered 27119 dated 23 January 2009.

As of 31 December 2010 and 2009, the fair value of collaterals held for loans granted by the Bank are as follows:

| | 31 December 2010 | 31 December 2009 |
|------------------------------|------------------|------------------|
| Loans under close monitoring | 9,047 | 7,793 |
| Loans under legal follow-up | 599,140 | 575,666 |
| Total | 608,187 | 583,459 |

As of 31 December 2010, the bank does not have repossessed collaterals (31 December 2009: None).

Bank's loan rating system

Risk evaluation of Banks and other financial institutions:

The Bank requests independent auditor's report (financial statements and notes) and net foreign currency position from banks and other financial institutions on a quarterly basis.

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Financial statement information derived from the independent audit or review reports of banks and other financial institutions is recorded to a database into a standard format and percentage changes and ratios related with capital adequacy, asset quality, liquidity and profitability of banks and other financial institutions are calculated. In addition, the standard ratio percentages for capital adequacy, asset quality, liquidity and profitability ratios are redefined periodically considering the operations of the banking groups and acceptable intervals for standards ratios are defined.

In relation with the standard ratios, the financial analysis groups are defined by assigning grades from 1 to 4 to banks and other financial institutions. Group with grade 1 consists of the lowest risk profile of banks and financial institutions and group with grade 4 consists of the highest risk profile of banks and financial institutions.

In accordance with the financial analysis group of the Banks and other financial institutions, the final risk groups are determined by considering some qualitative criteria like shareholding structure, group companies, credit ratings from international credit rating institutions, quality of management and information obtained from media.

As of 31 December 2010, loans granted by the Bank to domestic banks and other financial institutions amount to TL1,987,088 thousand (31 December 2009: TL1,847,478 thousand). The concentration level of the loans to Banks and other financial institutions customers in accordance with the defined financial analysis groups of the Bank are as follows:

| | | Current Period 31 December 2010 | Prior Period 31 December 2009 |
|--------|--------------|------------------------------------|----------------------------------|
| | Rating Class | Concentration Level (%) | Concentration Level (%) |
| Low | 1-2 | 22% | 51% |
| Medium | 3 | 33% | 33% |
| High | 4 | 45% | 16% |

The Risk Evaluation of Companies:

In the risk evaluation of the companies, the Bank obtains financial and organizational information both from the companies and also from various sources (such as CBRT records, Trade Registry Gazette, Chamber of Trade records, information obtained from the Undersecretariat of Foreign Trade, Banks, companies operating in the same sector) and uses comprehensive investigation and verification methods. In addition to the analysis of last three year financial statements of companies, the Bank also analyzes the current status of the sectors in which the companies operate, economic and political changes affecting the target sectors in the international markets, the advantages and disadvantages of the companies compared to their rival companies operating in or outside Turkey. In case the company is a member of a group of companies not organized as holding companies, the developments that affect the group's operations are monitored and outstanding bank debts of group are also assessed and company analysis reports are prepared taking into account the group risk as well. Bank does not utilize a separate rating system regarding the risk assessment of the companies.

As of 31 December 2010 and 2009, the classification of the loans to Banks and other financial institutions and companies and individuals are as follows:

| | 31 December 2010 | | 31 December 2009 | |
|------------------------------|------------------|---------------------------|------------------|---------------------------|
| | Loans | Specific Provision (%) | Loans | Specific Provision (%) |
| Standard loans | 97.08% | - | 97.32% | - |
| Loans under close monitoring | 0.10% | - | 0.10% | - |
| Loans under legal follow-up | 2.82% | 100% | 2.58% | 100% |
| Total | 100% | 2.82% | 100% | 2.58% |

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The Bank's maximum exposure to credit risk as of 31 December 2010 and 2009:

| | 31 December 2010 | 31 December 2009 |
|---|------------------|------------------|
| Banks | 886,068 | 763,427 |
| Interbank Money Market Placements | - | 1,295,134 |
| Loans to Domestic Banks and Other Financial Institutions | 1,987,088 | 1,847,478 |
| Loans to Foreign Banks and Other Financial Institutions | 71,342 | 87,200 |
| Loans to Companies and Individuals | 2,100,708 | 1,973,988 |
| Financial Assets at Fair Value Through Profit or Loss | 308,488 | 150,149 |
| Trading Derivative Financial Assets | 1,885 | 16,548 |
| Held-to-Maturity Investments | 891,703 | 309,068 |
| Other Assets | 20,289 | 19,883 |
| Credit risk exposures relating to off-balance sheet items: | | |
| Financial guarantees | 1,078,703 | 841,152 |
| Commitments | 2,000 | 15,523 |
| Total | 7,348,274 | 7,319,550 |

As of 31 December 2010 and 2009, the distribution of credit risk according to geographical concentration and users:

| | Individual and Corporate Loans | | Loans to Banks and Other Financial Institutions | | Marketable Securities (**) | | Other Loans (***) | |
|----------------------------------|--------------------------------|----------------------------|---|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | Current Period 31.12.2010 | Prior Period 31.12.2009 | Current Period 31.12.2010 | Prior Period 31.12.2009 | Current Period 31.12.2010 | Prior Period 31.12.2009 | Current Period 31.12.2010 | Prior Period 31.12.2009 |
| Sectoral distribution | 2,100,708 | 1,973,988 | 2,058,430 | 1,934,678 | 1,215,393 | 472,961 | 1,973,743 | 2,937,923 |
| Private Sector | 2,098,117 | 1,970,562 | - | - | 15,202 | 13,744 | 1,085,673 | 862,815 |
| Public Sector | - | - | 445,891(*) | 453,887(*) | 1,200,191 | 459,217 | 226,123 | 1,375,448 |
| Banks | - | - | 1,612,539 | 1,480,791 | - | - | 661,947 | 699,660 |
| Individual Customers | 2,591 | 3,426 | - | - | - | - | - | - |
| Equity instruments | - | - | - | - | - | - | - | - |
| Geographical distribution | 2,100,708 | 1,973,988 | 2,058,430 | 1,934,678 | 1,215,393 | 472,961 | 1,973,743 | 2,937,923 |
| Domestic | 2,100,708 | 1,973,988 | 1,987,088 | 1,847,478 | 1,215,393 | 472,961 | 1,665,052 | 2,256,920 |
| European Union Countries | - | - | - | - | - | - | 308,334 | 578,233 |
| OECD Countries (****) | - | - | - | - | - | - | 229 | 34,339 |
| Off-shore Banking Regions | - | - | - | - | - | - | - | - |
| USA, Canada | - | - | - | - | - | - | 128 | 54,908 |
| Other Countries | - | - | 71,342 | 87,200 | - | - | - | 13,523 |
| Total | 2,100,708 | 1,973,988 | 2,058,430 | 1,934,678 | 1,215,393 | 472,961 | 1,973,743 | 2,937,923 |

(*) Includes country loans amounted TL71,342 thousand (31 December 2009: TL87,200 thousand) given to foreign government entities.

(**) Includes Trading Financial Assets, Available for Sale and Held to Maturity Securities.

(***) Includes the balances that is defined by loan in the 48th article of Law 5411 except for the ones classified in the first 3 columns of Uniform Chart of Accounts.

(****) OECD countries except for USA, Canada and EU Countries.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

Information according to geographical concentration:

| | Assets | Liabilities ⁽⁴⁾ | Non-Cash Loans | Capital Expenditures ⁽³⁾ | Net income |
|---|------------------|----------------------------|------------------|-------------------------------------|----------------|
| Current Period 31.12.2010 | | | | | |
| Domestic | 5,909,120 | 5,601,204 | 1,078,703 | - | 256,221 |
| European Union Countries | 308,334 | 407,039 | - | - | - |
| OECD Countries ⁽¹⁾ | 229 | 63,795 | - | - | - |
| Off-shore Banking Regions | - | - | - | - | - |
| USA, Canada | 128 | 143,070 | - | - | - |
| Other Countries | 71,342 | 74,045 | - | - | - |
| Subsidiaries, Investments and Joint Ventures | - | - | - | - | - |
| Unallocated Assets/Liabilities ⁽²⁾ | - | - | - | - | - |
| Total | 6,289,153 | 6,289,153 | 1,078,703 | - | 256,221 |
| Prior Period 31.12.2009 | | | | | |
| Domestic | 5,733,391 | 5,365,467 | 841,152 | - | 342,488 |
| European Union Countries | 578,233 | 928,864 | - | - | - |
| OECD Countries ⁽¹⁾ | 34,339 | 106,897 | - | - | - |
| Off-shore Banking Regions | - | - | - | - | - |
| USA, Canada | 54,907 | 86,178 | - | - | - |
| Other Countries | 87,200 | 664 | - | - | - |
| Subsidiaries, Investments and Joint Ventures | - | - | - | - | - |
| Unallocated Assets/Liabilities ⁽²⁾ | - | - | - | - | - |
| Total | 6,488,070 | 6,488,070 | 841,152 | - | 342,488 |

⁽¹⁾ OECD Countries other than EU countries, USA and Canada

⁽²⁾ Assets and liabilities that could not be distributed on a consistent basis.

⁽³⁾ Not included under the column of Assets.

⁽⁴⁾ Includes net profit

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Sectoral concentrations for cash loans:

| | Current Period 31 December 2010 | | | | Prior Period 31 December 2009 | | | |
|--------------------------------------|------------------------------------|---------------|------------------|---------------|----------------------------------|---------------|------------------|---------------|
| | TL | (%) | FC | (%) | TL | (%) | FC | (%) |
| Agricultural | 3,042 | 0.22 | 21,753 | 0.79 | 2,608 | 0.20 | 12,956 | 0.50 |
| Farming and Raising Livestock | 3,042 | 0.22 | 21,659 | 0.79 | 2,608 | 0.20 | 12,956 | 0.50 |
| Forestry | - | - | - | - | - | - | - | - |
| Fishing | - | - | 94 | - | - | - | - | - |
| Manufacturing | 245,586 | 17.53 | 1,066,708 | 38.68 | 345,295 | 25.85 | 941,824 | 36.61 |
| Mining | 5,081 | 0.36 | 38,860 | 1.41 | 109 | 0.01 | 28,214 | 1.10 |
| Production | 240,505 | 17.17 | 1,027,848 | 37.27 | 345,186 | 25.84 | 913,610 | 35.51 |
| Electric, Gas and Water | - | - | - | - | - | - | - | - |
| Construction | 91,500 | 6.53 | 682,777 | 24.76 | - | - | 529,101 | 20.56 |
| Services | 1,057,676 | 75.49 | 980,411 | 35.55 | 983,168 | 73.60 | 1,016,479 | 39.51 |
| Wholesale and Retail Trade | - | - | 31,656 | 1.15 | - | - | 34,173 | 1.33 |
| Hotel Food and Beverage Services | 283 | 0.02 | 4,255 | 0.15 | 368 | 0.03 | 3,009 | 0.12 |
| Transportation and Telecommunication | 4,565 | 0.33 | 10,240 | 0.37 | 6,546 | 0.49 | 20,873 | 0.81 |
| Financial Institutions | 1,052,828 | 75.14 | 934,260 | 33.87 | 976,254 | 73.08 | 958,424 | 37.25 |
| Real Estate and Leasing Services | - | - | - | - | - | - | - | - |
| Self Employment Services | - | - | - | - | - | - | - | - |
| Education Services | - | - | - | - | - | - | - | - |
| Health and Social Services | - | - | - | - | - | - | - | - |
| Other | 3,297 | 0.24 | 6,388 | 0.23 | 4,769 | 0.35 | 72,466 | 2.82 |
| Total | 1,401,101 | 100,00 | 2,758,037 | 100,00 | 1,335,840 | 100,00 | 2,572,826 | 100,00 |

III- Explanations on market risk:

The Bank marks to market all its Turkish lira and foreign currency marketable security positions as a result of its daily financial activities in order to be able to hedge market risk. In order to limit any probable losses from market risk, the Bank applies a maximum daily transaction and stop/loss limits for all trading Turkish lira and foreign currency transactions including marketable security transactions; such limits are approved by the Board of Directors.

The Bank calculates an amount subject to market risk, including "Currency Risk" and "Interest Rate Risk (the Bank does not carry common stock position) in the Capital Adequacy Analysis Form in accordance with "Communiqué Related to Market Risk Measurement by Standard Method" ("Standard Method") issued by BRSA. In accordance with such method, currency risk is calculated on a weekly basis and market risk including both "currency risk" and "interest risk" is calculated on a monthly basis.

Although the Bank carries a limited currency position (close to closed position) in accordance with the general currency policy of the Bank, there is a capital requirement for the currency risk position of the Bank under the Standard Method; the rationale behind this capital requirement is the absence of reinsurance over the non-cash commitments of the Bank in relation to the Short-term Export Credit Insurance Programme.

Sensitivity Tests:

In accordance with the mission of the Bank, the Bank does not follow a profit oriented strategy but rather follows a strategy aiming to avoid the eroding effects of inflation on the share capital by making reasonable amount of profit. Under this framework, necessary changes to loan interest rates are made considering the changes in cost of funds and market interest rates; changes in the interest rates are made using the expected year-end inflation levels as break-even point considering the return on equity at the same time. In this context, the sensitivity analysis are also prepared under various scenarios (optimist, pessimist and normal) and also under abnormal fluctuation (stress) assumptions which measure the sensitivity of the net profit to the changes in market interest rates and the Bank's loan interest rates. Moreover, probable losses arising from interest rate and foreign exchange risk are calculated under various scenarios and in order to minimize probable losses, the Bank undertakes swap transactions (especially money and interest swaps).

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a) Information on market risk

| | Amount |
|--|---------|
| (I) Capital to be Employed for General Market Risk - Standard Method | 4,209 |
| (II) Capital to be Employed for Specific Risk - Standard Method | - |
| (III) Capital to be Employed for Currency Risk - Standard Method | 30,683 |
| (IV) Capital to be Employed for Commodity Risk - Standard Method | - |
| (V) Capital to be Employed for Exchange Risk-Standard Method | - |
| (VI) Capital to be Employed for Market Risk Due to Options-Standard Method | - |
| (VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model | - |
| (VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI) | 34,892 |
| (IX) Amount Subject to Market Risk 12.5xVIII) or (12.5xVII) | 436,150 |

b) Market risk table of calculated month-end market risk during the year

| | Current Period 31 December 2010 | | | Prior Period 31 December 2009 | | |
|------------------------------|------------------------------------|---------|---------|----------------------------------|---------|---------|
| | Average | Maximum | Minimum | Average | Maximum | Minimum |
| Interest Rate Risk | 3,781 | 5,371 | 3,097 | 3,343 | 3,765 | 1,999 |
| Share Certificate Risk | - | - | - | - | - | - |
| Currency Risk | 28,184 | 35,238 | 22,352 | 25,923 | 29,643 | 22,352 |
| Commodity Risk | - | - | - | - | - | - |
| Settlement Risk | - | - | - | - | - | - |
| Operational Risk | - | - | - | - | - | - |
| Total Amount Subject to Risk | 399,550 | 491,838 | 410,688 | 365,825 | 417,600 | 304,388 |

IV- Explanations on operational risk

The Bank calculates the amount subject to operational risk amounting to TL857,835 thousand with the basic indicator method in accordance with the Section IV and article 15 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333 dated 1 November 2006.

V- Explanations on currency risk

The Bank's foreign exchange position is followed daily, and the transactions are performed in accordance with the expectations in the market and within the limits determined by the Risk Management Principles approved by the Board of Directors of the Bank. The basic principle for foreign currency assets and liabilities is to secure a balance between currency type, maturity and interest type. For this purpose, borrowing strategies are determined in accordance with the Bank's asset structure to the extent possible. When this determination is not possible, the Bank aims to change the asset structure or utilize derivative instruments such as cross currency (currency and interest) and currency swaps. Main currencies of the Bank's assets are US\$ and EUR and the funding currencies of these assets are US\$ and EUR. As of 31 December 2010, swap transactions there are long-term interest rate swaps amounting to US\$30,000,000. There are also short-term currency swaps for liquidity and currency risk purposes amounting to EUR35,000,000 and TL631,120 thousand against US\$413,905,225.

Policy on foreign currency risk management:

The Bank has followed a balanced policy of assets and liabilities with respect to currency risk during the year. As of 31 December 2010, the net foreign currency position/shareholders' equity ratio is 0.57%.

Foreign currency position is followed daily by the type of foreign currency. The Bank monitors the changes in the market conditions and their effect over the activities and positions of the Bank and make decisions in line with the strategies of the Bank.

The Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below:

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| | 27.12.2010 | 28.12.2010 | 29.12.2010 | 30.12.2010 | 31.12.2010 |
|---------|------------|------------|------------|------------|------------|
| US\$ | 1.54550 | 1.54190 | 1.55870 | 1.55140 | 1.54160 |
| AUD | 1.55080 | 1.55440 | 1.57790 | 1.57820 | 1.56870 |
| DKK | 0.27267 | 0.27364 | 0.27443 | 0.27564 | 0.27590 |
| SEK | 0.22613 | 0.22701 | 0.22750 | 0.22844 | 0.22920 |
| CHF | 1.60910 | 1.61850 | 1.63510 | 1.64880 | 1.64440 |
| 100 JPY | 1.86680 | 1.87080 | 1.89550 | 1.90240 | 1.89480 |
| CAD | 1.53540 | 1.53480 | 1.56150 | 1.55230 | 1.54410 |
| NOK | 0.25887 | 0.26084 | 0.26169 | 0.26270 | 0.26307 |
| GBP | 2.38660 | 2.38160 | 2.39740 | 2.40440 | 2.38640 |
| SAR | 0.41211 | 0.41114 | 0.41562 | 0.41362 | 0.41107 |
| EUR | 2.03170 | 2.03960 | 2.04530 | 2.05480 | 2.05680 |
| KWD | 5.46310 | 5.46580 | 5.51950 | 5.49750 | 5.47250 |
| XDR | 2.36370 | 2.36190 | 2.38870 | 2.37860 | 2.37410 |
| BGN | 1.03890 | 1.04270 | 1.04550 | 1.05040 | 1.05160 |
| IRR | 0.01488 | 0.01482 | 0.01497 | 0.01491 | 0.01482 |
| RON | 0.47363 | 0.47541 | 0.47655 | 0.47691 | 0.47964 |
| RUB | 0.05075 | 0.05095 | 0.05130 | 0.05089 | 0.05046 |

The simple arithmetic averages of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date are presented in the table below:

| | DECEMBER 2010 AVERAGE |
|---------|--------------------------|
| US\$ | 1.51802 |
| AUD | 1.50785 |
| DKK | 0.26928 |
| SEK | 0.22155 |
| CHF | 1.56745 |
| 100 JPY | 1.82263 |
| CAD | 1.50547 |
| NOK | 0.25380 |
| GBP | 2.36758 |
| SAR | 0.40475 |
| EUR | 2.00695 |
| KWD | 5,37268 |

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Information related to Bank's Currency Risk: (Thousand TL)

| Current Period 31 December 2010 | EUR | US\$ | JPY | Other FC | Total |
|--|------------------|------------------|-----------------|--------------|------------------|
| Assets | | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) | - | 624 | - | - | 624 |
| Banks | 306,495 | 85,712 | 229 | 105 | 392,541 |
| Financial Assets at Fair Value Through Profit or Loss | - | 3,814 | - | - | 3,814 |
| Interbank Money Market Placements | - | - | - | - | - |
| Available-for-sale Financial Assets | - | - | - | - | - |
| Loans ⁽¹⁾ | 699,839 | 1,399,051 | 11,770 | 6,441 | 2,117,101 |
| Investments in Associates, Subsidiaries and Joint Ventures | - | - | - | - | - |
| Held-to-maturity Investments | - | 50,862 | - | - | 50,862 |
| Hedging Derivative Financial Assets | - | - | - | - | - |
| Tangible Assets | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - |
| Other Assets ⁽¹⁾ | 562 | 8,992 | - | 9 | 9,563 |
| Total Assets | 1,006,896 | 1,549,055 | 11,999 | 6,555 | 2,574,505 |
| Liabilities | | | | | |
| Bank Deposits | - | - | - | - | - |
| Foreign Currency Deposits | - | - | - | - | - |
| Funds From Interbank Money Market | - | - | - | - | - |
| Funds Borrowed From Other Financial Institutions | 994,641 | 611,066 | - | - | 1,605,707 |
| Marketable Securities Issued | - | - | - | - | - |
| Miscellaneous Payables | 1,779 | 5,117 | - | - | 6,896 |
| Other Liabilities ⁽¹⁾ | 206 | 292,300 | - | - | 292,506 |
| Total Liabilities | 996,626 | 908,483 | - | - | 1,905,109 |
| Net on Balance Sheet Position | 10,270 | 640,572 | 11,999 | 6,555 | 669,396 |
| Net off Balance Sheet Position | (10,284) | (638,076) | - | - | (648,360) |
| Financial Derivative Assets | 30,852 | 46,248 | - | - | 77,100 |
| Financial Derivative Liabilities | 41,136 | 684,324 | - | - | 725,460 |
| Non-Cash Loans | 209,152 | 869,551 | - | - | 1,078,703 |
| Prior Period 31 December 2009 | | | | | |
| Total Assets | 1,158,397 | 1,512,890 | 15,955 | 8,290 | 2,695,532 |
| Total Liabilities | 1,217,913 | 872,529 | 45,350 | - | 2,135,792 |
| Net on Balance Sheet Position | (59,516) | 640,361 | (29,395) | 8,290 | 559,740 |
| Net off Balance Sheet Position | 42,942 | (620,693) | 35,361 | - | (542,390) |
| Financial Derivative Assets | 42,942 | 44,700 | 35,361 | - | 123,003 |
| Financial Derivative Liabilities | - | 665,393 | - | - | 665,393 |
| Non-Cash Loans | 102,283 | 738,869 | - | - | 841,152 |

(1) As of 31 December 2010, the principal of the Iraq loan amounting to TL632,839 thousand, its accrual amounting to TL8,097 thousand and the liability of TL239,532 thousand are not included in the above table as the risk belongs to the Turkish Treasury.

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The effect of Bank's currency positions as of 31 December 2010 and 2009 on net profit and equity under the assumption of devaluation of TL against other currencies by 10% with all other variables held constant is as follows:

| | 31 December 2010 | | 31 December 2009 | |
|-------------------|--------------------|----------------------|--------------------|----------------------|
| | Gain/(Loss) Effect | Effect on Equity (*) | Gain/(Loss) Effect | Effect on Equity (*) |
| US\$ | 4,183 | 4,200 | 10,598 | 10,625 |
| EUR | 1,027 | 1,027 | (5,952) | (5,952) |
| JPY | 1,200 | 1,200 | (2,940) | (2,940) |
| Other currencies | 656 | 656 | 829 | 829 |
| Total, net | 7,066 | 7,083 | 2,535 | 2,562 |

(*) Effect on equity also includes effect on net profit.

As of 31 December 2010 and 2009, the effect of the appreciation of TL by 10% against other currencies with all other variables held constant on net profit and equity of the Bank is the same as the total amount with a negative sign as presented in the above table.

VI- Explanations on interest rate risk

1- The Bank estimates the effects of the changes in interest rates over the profitability of the Bank by analyzing TL and foreign currency denominated interest rate sensitive assets and liabilities considering both their interest components as being fixed rate or variable rate and also analyzing their weights among the Bank's total assets and liabilities. Long or short positions (gapping report) arising from interest rate risk are determined by currency types at the related maturity intervals (1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years) as of the period remaining to reprising date, considering the reprising of TL and foreign currency-denominated interest sensitive assets and liabilities at maturity date (for fixed rate) or at interest payment dates (for floating rate). By classifying interest sensitive assets and liabilities according to their reprising dates, Bank's exposure to possible variations in market interest rates are determined.

2- The Bank determines maturity mismatches of assets and liabilities by analyzing the weighted average days to maturity of TL and foreign currency-denominated (for each currency and their US\$ equivalent) assets and liabilities.

3- According to the Risk Management Policy approved by the Board of Directors, the Bank emphasizes the matching of foreign currency denominated assets and liabilities with fixed and floating interest rates. The Bank also pays special attention to the level of maturity mismatch of assets and liability with floating and fixed interests in order to restrict negative effects of interest rate changes on the Bank's profitability.

On July 2010, 4 JPY/USD currency and interest rate swaps (cross currency swap) to hedge floating interest rate medium to long-term assets denominated in USD against the fixed rate liabilities denominated in JPY are settled upon realization of the liability of each party.

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As of 31 December 2010, the Bank tried to balance the fixed rate assets with the floating rate liabilities using the three long-term interest rate swaps denominated in US\$.

In addition, as of 31 December 2010, there are 25 TL-FC and 2 FC-FC outstanding short - term swap transactions of the Bank.

Interest rate sensitivity of assets, liabilities and off-balance sheet items

(Periods remaining to reprising dates)

| Current Period 31.12.2010 | Up to 1 Month | 1-3 Months | 3 - 12 Months | 1- 5 Years | Over 5 Year | Non Interest Bearing | Total |
|---|------------------|------------------|------------------|----------------|--------------|----------------------|------------------|
| Assets | | | | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT | - | - | - | - | - | 703 | 703 |
| Banks | 853,609 | 30,072 | - | - | - | 2,387 | 886,068 |
| Financial Assets at Fair Value Through Profit/Loss | 625 | 1,259 | 138,691 | 166,152 | 3,646 | - | 310,373 |
| Interbank Money Market Placements | - | - | - | - | - | - | - |
| Available-for-sale Financial Assets | - | - | - | - | - | 15,202 | 15,202 |
| Loans | 518,200 | 1,314,970 | 2,286,650 | 39,318 | - | - | 4,159,138 |
| Held-to-maturity investments | 201,819 | 287,387 | 285,977 | 116,520 | - | - | 891,703 |
| Other Assets | - | - | - | - | - | 25,966 | 25,966 |
| Total Assets | 1,574,253 | 1,633,688 | 2,711,318 | 321,990 | 3,646 | 44,258 | 6,289,153 |
| Liabilities | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - |
| Other Deposits | - | - | - | - | - | - | - |
| Funds From Interbank Money Market | - | - | - | - | - | - | - |
| Miscellaneous Payables | - | - | 7,378 | - | - | 7,927 | 15,305 |
| Issued Marketable Securities | - | - | - | - | - | - | - |
| Funds Borrowed from other Financial Institutions | 742,285 | 863,422 | - | - | - | - | 1,605,707 |
| Other Liabilities (*) | 22,842 | 83,253 | 754,395 | - | - | 3,807,651 | 4,668,141 |
| Total Liabilities | 765,127 | 946,675 | 761,773 | - | - | 3,815,578 | 6,289,153 |
| Balance Sheet Long Position | 809,126 | 687,013 | 1,949,544 | 321,991 | 3,646 | - | 3,771,320 |
| Balance Sheet Short Position | - | - | - | - | - | (3,771,320) | (3,771,320) |
| Off-balance Sheet Long Position | 549,029 | 145,317 | 13,874 | - | - | - | 708,220 |
| Off-balance Sheet Short Position | (568,217) | (143,369) | (13,874) | - | - | - | (725,460) |
| Total Position | 789,938 | 688,961 | 1,949,544 | 321,991 | 3,646 | (3,771,320) | (17,240) |

(*) In other liabilities line TL3,807,651 thousand at the "non-interest bearing" column, includes equity amounting to TL3,629,360 thousand and provisions amounting to TL81,212 thousand.

Türkiye İhracat Kredi Bankası A.Ş.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

Average interest rates for monetary financial instruments %

| | EUR | US\$ | JPY | TL |
|---|------|------|------|------|
| Current Period 31.12.2010 | | | | |
| Assets | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT | - | - | - | - |
| Banks | 0.6 | 0.44 | - | 6.43 |
| Financial Assets at Fair Value Through Profit/Loss | - | 7.05 | - | 8.35 |
| Interbank Money Market Placements | - | - | - | - |
| Available-for-sale Financial Assets | - | - | - | - |
| Loans | 3.16 | 2.68 | 3.22 | 8.49 |
| Held-to-maturity Investments | - | 6.56 | - | 7.52 |
| Liabilities | | | | |
| Bank Deposits | - | - | - | - |
| Other Deposits | - | - | - | - |
| Funds From Interbank Money Market | - | - | - | - |
| Miscellaneous Payables | - | - | - | - |
| Issued Marketable Securities | - | - | - | - |
| Funds Borrowed from other Financial Institutions | 2.62 | 1.33 | - | - |

As of 31 December 2010, the effect of the change in interest rates by (+) 1% and (-) 1% with all other variables held constant, on current year net profit of the Bank is as follows:

| | 31 December 2010 | | 31 December 2009 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | (+) %1 | (-) %1 | (+) %1 | (-) %1 |
| | Gain/(Loss) Effect | Gain/(Loss) Effect | Gain/(Loss) Effect | Gain/(Loss) Effect |
| TL | (3,101) | 2,728 | (1,221) | 1,030 |
| US\$ | 3,167 | (3,172) | 2,606 | (3,002) |
| EUR | 496 | (207) | (1,646) | 1,644 |
| Other currencies | 46 | (50) | 28 | (28) |
| Total effect of gain/(loss), net | 608 | (701) | (233) | (357) |

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

Interest rate sensitivity of assets, liabilities and off-balance sheet items

(Periods remaining to reprising dates)

| Prior Period 31.12.2009 | Up to 1 month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Year | Non Interest Bearing | Total |
|---|------------------|------------------|------------------|----------------|---------------|----------------------|------------------|
| Assets | | | | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT | - | - | - | - | - | 636 | 636 |
| Banks | 737,661 | 22,000 | - | - | - | 3,766 | 763,427 |
| Financial Assets at Fair Value Through Profit or Loss | 14,518 | 47,446 | 23,350 | 78,050 | 3,333 | - | 166,697 |
| Interbank Money Market Placements | 1,295,134 | - | - | - | - | - | 1,295,134 |
| Available-for-sale Financial Assets | - | - | - | - | - | 13,744 | 13,744 |
| Loans | 528,347 | 1,269,952 | 2,107,057 | 3,310 | - | - | 3,908,666 |
| Held-to-maturity Investments | 83,684 | 124,238 | 51,131 | 19,024 | 30,991 | - | 309,068 |
| Other Assets | - | - | - | - | - | 30,698 | 30,698 |
| Total Assets | 2,659,344 | 1,463,636 | 2,181,538 | 100,384 | 34,324 | 48,844 | 6,488,070 |
| Liabilities | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - |
| Other Deposits | - | - | - | - | - | - | - |
| Funds From Interbank Money Market | - | - | - | - | - | - | - |
| Miscellaneous Payables | 63 | 40 | 9,286 | - | - | 6,405 | 15,794 |
| Marketable Securities Issued | - | - | - | - | - | - | - |
| Funds Borrowed From Other Financial Institutions | 75,932 | 613,374 | 1,125,148 | - | - | - | 1,814,454 |
| Other Liabilities (*) | 3,496 | 79,054 | 750,136 | - | - | 3,825,136 | 4,657,822 |
| Total Liabilities | 79,491 | 692,468 | 1,884,570 | - | - | 3,831,541 | 6,488,070 |
| Balance Sheet Long Position | 2,579,853 | 771,168 | 296,968 | 100,384 | 34,324 | - | 3,782,697 |
| Balance Sheet Short Position | - | - | - | - | - | (3,782,697) | (3,782,697) |
| Off-balance Sheet Long Position | 336,489 | 303,368 | 44,160 | - | - | - | 684,017 |
| Off-balance Sheet Short Position | (325,672) | (296,510) | (43,211) | - | - | - | (665,393) |
| Total Position | 2,590,670 | 778,026 | 297,917 | 100,384 | 34,324 | (3,782,697) | 18,624 |

(*) In other liabilities line TL3,825,136 thousand at the "non-interest bearing" column, includes equity amounting to TL3,656,670 thousand and provisions amounting to TL82,053 thousand.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

Average interest rates for monetary financial instruments: %

| | EUR | US\$ | JPY | TL |
|---|------|------|------|-------|
| Prior Period 31.12.2009 | | | | |
| Assets | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT | - | - | - | - |
| Banks | 0.34 | 0.12 | 0.5 | 7.19 |
| Financial Assets at Fair Value Through Profit/Loss | - | 7.05 | 2.26 | 8.47 |
| Interbank Money Market Placements | - | - | - | 6.5 |
| Available-for-sale Financial Assets | - | - | - | - |
| Loans | 4.30 | 3.43 | 2.87 | 13.79 |
| Held-to-maturity Investments | - | 6.56 | - | 10.35 |
| Liabilities | | | | |
| Bank Deposits | - | - | - | - |
| Other Deposits | - | - | - | - |
| Funds From Interbank Money Market | - | - | - | - |
| Miscellaneous Payables | - | - | - | - |
| Issued Marketable Securities | - | - | - | - |
| Funds Borrowed from other Financial Institutions | 3.69 | 2.57 | 2.03 | - |

VII- Explanations on liquidity risk

1- The Bank's cash flows are prepared under positive, neutral and negative scenarios taking into account the collection of loans and prospective funds for better liquidity management. On the other hand, the Board of Directors of the Bank determines the minimum liquidity levels and urgent liquidity sources.

2- The Bank adopted a stable net positive interest margin policy and the TL-denominated liabilities that are composed of shareholders' equity with no cost or internally deposited funds which contribute to the above mentioned policy.

3- The Bank meets its short-term liquidity demand from domestic and foreign banks, and long-term liquidity demand from international institutions like the World Bank or Japan Bank for International Cooperation ("JBIC") through medium-long term funds and issued marketable securities.

The Bank tries to match short term loans with short-term borrowings and long-term loans with long-term borrowings and tries to minimize the maturity mismatch of assets and liabilities. As the weighted average of remaining days to maturity of funds is slightly higher than the weighted average of remaining days to maturity of placement and the loans, the Bank is hedged against the frequent roll-over risk of the assets, which contributes to its liquidity management. On the other hand, the Bank is willing to use borrowing limits in Turkish lira and the foreign currency market of the CBRT and of domestic and foreign banks, in the case of urgency.

4- The Bank prepares weekly, monthly and annual cash flows in TL and FC separately by considering the debt payment obligations, estimated loan grants, loan collections, possible capital additions and political risk loss compensations considering the current loan stocks and cash balances. The Bank determines the need and timing of additional funds based on the results of these cash flow forecasts.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

Groupings of assets and liabilities on the remaining period to maturity:

| | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Year | Unallocated (*) | Total |
|---|---------------|------------------|------------------|------------------|----------------|------------------|--------------------|------------------|
| Current Period 31.12.2010 | | | | | | | | |
| Assets | | | | | | | | |
| Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT | 703 | - | - | - | - | - | - | 703 |
| Banks | 2,387 | 853,609 | 30,072 | - | - | - | - | 886,068 |
| Financial Assets at Fair Value Through Profit or Loss | - | 625 | 1,259 | 138,691 | 166,152 | 3,646 | - | 310,373 |
| Interbank Money Market Placements | - | - | - | - | - | - | - | - |
| Available-for-sale Financial Assets | 15,202 | - | - | - | - | - | - | 15,202 |
| Loans | - | 388,027 | 1,093,621 | 2,391,468 | 280,108 | 5,914 | - | 4,159,138 |
| Held-to-maturity Investments | - | 88,338 | 267,581 | 273,898 | 190,874 | 71,012 | - | 891,703 |
| Other Assets | - | - | - | - | - | - | 25,966 | 25,966 |
| Total Assets | 18,292 | 1,330,599 | 1,392,533 | 2,804,057 | 637,134 | 80,572 | 25,966 | 6,289,153 |
| Liabilities | | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - | - |
| Other Deposits | - | - | - | - | - | - | - | - |
| Funds Borrowed From Other Financial Institutions | - | - | 599,643 | 813,293 | 29,038 | 163,733 | - | 1,605,707 |
| Funds From Interbank Money Market | - | - | - | - | - | - | - | - |
| Marketable Securities Issued | - | - | - | - | - | - | - | - |
| Miscellaneous Payables | - | - | - | 7,378 | - | - | 7,927 | 15,305 |
| Other Liabilities (**) | - | 22,566 | 79,824 | 588,360 | 107,731 | 62,009 | 3,807,651 | 4,668,141 |
| Total Liabilities | - | 22,566 | 679,467 | 1,409,031 | 136,769 | 225,742 | 3,815,578 | 6,289,153 |
| Net Liquidity Gap | 18,292 | 1,308,033 | 713,066 | 1,395,026 | 500,365 | (145,170) | (3,789,612) | - |
| Prior Period 31.12.2009 | | | | | | | | |
| Total Assets | 18,146 | 2,488,704 | 1,300,368 | 2,237,766 | 370,118 | 42,270 | 30,698 | 6,488,070 |
| Total Liabilities | - | 17,581 | 571,993 | 1,679,410 | 177,896 | 209,649 | 3,831,541 | 6,488,070 |
| Net Liquidity Gap | 18,146 | 2,471,123 | 728,375 | 558,356 | 192,222 | (167,379) | (3,800,843) | - |

(*) Assets and liabilities that are necessary for banking activities and that cannot be liquidated in the short-term, such as property and equipment and intangible assets, investments, subsidiaries, office supply inventory, prepaid expenses, miscellaneous receivables and other assets and shareholders' equity, provisions and miscellaneous payables, are classified in this column.

(**) In other liabilities line amount of TL3,807,651 thousand at the "unallocated" column, includes the shareholders' equity amounting to TL3,629,360 thousand and provisions amounting to TL81,212 thousand.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

The undiscounted cash flows of liabilities based on the remaining period to maturity dates are as follows:

| 31 December 2010 | Demand and up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Unallocated | Total |
|--|--------------------------|----------------|------------------|----------------|----------------|------------------|------------------|
| Liabilities | | | | | | | |
| Bank deposits | - | - | - | - | - | - | - |
| Other deposits | - | - | - | - | - | - | - |
| Funds borrowed from other financial institutions | 10,419 | 210,174 | 1,238,964 | 24,432 | 192,261 | - | 1,676,250 |
| Funds borrowed from Interbank money market | - | - | - | - | - | - | - |
| Marketable securities issued | - | - | - | - | - | - | - |
| Miscellaneous payables | - | - | 7,378 | - | - | 7,927 | 15,305 |
| Other liabilities | 22,566 | 79,824 | 588,525 | 110,233 | 64,989 | 3,807,650 | 4,673,787 |
| Total liabilities | 32,985 | 289,998 | 1,834,867 | 134,665 | 257,250 | 3,815,577 | 6,365,342 |
| Guarantees and commitments | 105,122 | 402,692 | 570,889 | - | - | - | 1,078,703 |

| 31 December 2009 | Demand and up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Unallocated | Total |
|--|--------------------------|----------------|------------------|----------------|----------------|------------------|------------------|
| Liabilities | | | | | | | |
| Bank deposits | - | - | - | - | - | - | - |
| Other deposits | - | - | - | - | - | - | - |
| Funds borrowed from other financial institutions | 17,271 | 495,995 | 1,137,387 | 118,687 | 141,273 | - | 1,910,613 |
| Funds borrowed from Interbank money market | - | - | - | - | - | - | - |
| Marketable securities issued | - | - | - | - | - | - | - |
| Miscellaneous payables | 63 | 40 | 9,286 | - | - | 6,405 | 15,794 |
| Other liabilities | 2,912 | 76,605 | 565,435 | 104,000 | 90,717 | 3,825,136 | 4,664,805 |
| Total liabilities | 20,246 | 572,640 | 1,712,108 | 222,687 | 231,990 | 3,831,541 | 6,591,212 |
| Guarantees and commitments | 385,245 | 95,964 | 359,943 | - | - | - | 841,152 |

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The undiscounted cash inflows and outflows of derivatives as at 31 December 2010 and 2009:

| 31 December 2010 | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Total |
|-------------------------------------|----------------------|-------------------|--------------------|------------------|---------------------|----------------|
| Derivatives held for trading | | | | | | |
| Foreign exchange derivatives | | | | | | |
| - Outflow | 554,353 | 114,078 | 29,800 | - | - | 668,432 |
| - Inflow | 545,946 | 116,026 | - | - | - | 661,972 |
| Interest rate derivatives | | | | | | |
| - Outflow | 112 | 458 | 953 | 5,450 | - | 6,973 |
| - Inflow | 170 | 1,062 | 1,856 | 7,941 | - | 11,028 |
| Derivatives held for hedging | | | | | | |
| Foreign exchange derivatives | | | | | | |
| - Outflow | - | - | - | - | - | - |
| - Inflow | - | - | - | - | - | - |
| Interest rate derivatives | | | | | | |
| - Outflow | - | - | - | - | - | - |
| - Inflow | - | - | - | - | - | - |
| Total outflow | 554,465 | 114,536 | 30,753 | 5,450 | - | 675,405 |
| Total inflow | 546,116 | 117,088 | 1,856 | 7,941 | - | 673,000 |
| 31 December 2009 | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Total |
| Derivatives held for trading | | | | | | |
| Foreign exchange derivatives | | | | | | |
| - Outflow | 295,661 | 268,200 | 29,800 | - | - | 593,661 |
| - Inflow | 298,148 | 275,058 | 30,750 | - | - | 603,956 |
| Interest rate derivatives | | | | | | |
| - Outflow | 7,240 | 1,026 | 22,944 | 9,633 | 1,026 | 41,869 |
| - Inflow | 9,278 | 469 | 28,238 | 7,833 | 1,070 | 46,888 |
| Derivatives held for hedging | | | | | | |
| Foreign exchange derivatives | | | | | | |
| - Outflow | - | - | - | - | - | - |
| - Inflow | - | - | - | - | - | - |
| Interest rate derivatives | | | | | | |
| - Outflow | - | - | - | - | - | - |
| - Inflow | - | - | - | - | - | - |
| Total outflow | 302,901 | 269,226 | 52,744 | 9,633 | 1,026 | 635,530 |
| Total inflow | 307,426 | 275,527 | 58,988 | 7,833 | 1,070 | 650,844 |

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VIII- Explanations on the presentation of financial assets and liabilities at their fair values

The estimated fair values of financial instruments have been determined by the Bank using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Bank could realise in a current market exchange.

(i) Financial assets

The fair values of cash and due from banks and interbank money market placements are considered to approximate their respective carrying values due to their short-term nature.

The fair values of assets held to maturity are determined based on their market prices. In cases where such prices cannot be determined, quoted market prices valid for other securities subject to redemption with the same characteristics in terms of interest, maturity and other factors, are taken as basis in determining market prices.

Loans are reflected with their carrying values calculated after specific provisions are deducted . Estimated fair values of the loans are calculated using the cash flows discounted by using current market interest rates for fixed interest rate loans.

(ii) Financial liabilities

The fair values of funds borrowed and marketable securities issued are calculated based on market prices or in cases where such prices cannot be determined, fair values are based discounted cash flows using market interest rates prevailing at the balance sheet date.

The following table summarizes the carrying amounts and fair values of financial assets and liabilities. The carrying amount represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

| | Carrying Value | | Fair Value | |
|--|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | Current Period 31.12.2010 | Prior Period 31 .12.2009 | Current Period 31.12.2010 | Prior Period 31 .12.2009 |
| Financial Assets | | | | |
| Due From Interbank Money Market (*) | - | 1,295,134 | - | 1,295,134 |
| Banks (*) | 886,068 | 763,427 | 886,068 | 763,427 |
| Available-for-sale Financial Assets | 15,202 | 13,744 | 15,202 | 13,744 |
| Held-to-maturity Investments | 891,703 | 309,068 | 900,459 | 314,519 |
| Loans | 4,159,138 | 3,908,666 | 4,164,999 | 3,926,476 |
| Financial Liabilities | | | | |
| Bank deposits | - | - | - | - |
| Other deposits | - | - | - | - |
| Funds Borrowed From Other Financial Institutions | 1,798,712 | 2,025,884 | 1,809,631 | 2,032,114 |
| Issued Marketable Securities | - | - | - | - |
| Miscellaneous Payables | 15,305 | 15,794 | 15,305 | 15,794 |

(*) As the maturities of related accounts are mainly less than 1 month, the carrying amount calculated using the effective interest rate (internal rate of return) method approximates its fair value.

IX- Explanations on activities carried out on behalf and account of other parties

The Bank has carried out no transactions on behalf of and account of others and there are no trust transactions.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

X- Explanations on operating segments

Information regarding operating segments as of 31 December 2010 and 2009 has been given in the following table:

| | Corporate Banking | Investment Banking | Other | Total Operations of the Bank's |
|---|----------------------|-----------------------|---------------|-----------------------------------|
| Current Period 31.12.2010 | | | | |
| Operating profits | 130,670 | 167,893 | 42,466 | 341,029 |
| Operating income | 130,670 | 167,893 | 42,466 | 341,029 |
| Segment net profit | 77,801 | 178,419 | 2 | 256,221 |
| Operating profit | 77,801 | 178,419 | 2 | 256,221 |
| Share of results of associates | - | - | - | - |
| Profit before tax | - | - | - | 256,221 |
| Income tax expense | - | - | - | - |
| Profit for the period | 77,801 | 178,419 | 2 | 256,221 |
| Segment assets | 4,161,022 | 2,102,166 | 25,965 | 6,289,153 |
| Investment in associates and subsidiaries | - | - | - | - |
| Unallocated assets | - | - | - | - |
| Total assets | 4,161,022 | 2,102,166 | 25,965 | 6,289,153 |
| Segment liabilities | 2,560,002 | 8,582 | - | 2,568,584 |
| Shareholders' Equity | - | - | - | 3,620,778 |
| Unallocated liabilities | - | - | - | 99,791 |
| Total liabilities | 2,560,002 | 8,582 | - | 6,289,153 |
| Other segment items | - | - | - | - |
| Capital investment | - | - | - | 65 |
| Depreciation | - | - | - | 924 |

| | Corporate Banking | Investment Banking | Other | Total Operations of the Bank's |
|---|----------------------|-----------------------|---------------|-----------------------------------|
| Prior Period 31.12.2009 | | | | |
| Operating profits | 328,163 | 93,430 | 34,900 | 456,493 |
| Operating income | 328,163 | 93,430 | 34,900 | 456,493 |
| Segment net profit | 256,600 | 80,599 | 5,289 | 342,488 |
| Operating profit | 256,600 | 80,599 | 5,289 | 342,488 |
| Share of results of associates | - | - | - | - |
| Profit before tax | 256,600 | 80,599 | 5,289 | 342,488 |
| Income tax expense | - | - | - | - |
| Profit for the period | 256,600 | 80,599 | 5,289 | 342,488 |
| Segment assets | 3,925,215 | 2,532,159 | 30,696 | 6,488,070 |
| Investment in associates and subsidiaries | - | - | - | - |
| Unallocated assets | - | - | - | - |
| Total assets | 3,925,215 | 2,532,159 | 30,696 | 6,488,070 |
| Segment liabilities | 2,739,412 | 7,225 | - | 2,746,637 |
| Shareholders' Equity | - | - | - | 3,649,445 |
| Unallocated liabilities | - | - | - | 91,988 |
| Total liabilities | 2,739,412 | 7,225 | - | 6,488,070 |
| Other segment items | - | - | - | - |
| Capital investment | - | - | - | 1,206 |
| Depreciation | - | - | - | 800 |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets

1. a) Information on cash equivalents and the account of the CBRT:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|-----------------------|------------------------------|------------|----------------------------|------------|
| | TL | FC | TL | FC |
| Cash/Foreign currency | 21 | - | 9 | - |
| CBRT | 58 | 624 | 23 | 604 |
| Other | - | - | - | - |
| Total | 79 | 624 | 32 | 604 |

b) Information related to the account of the CBRT:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|-----------------------------|------------------------------|------------|----------------------------|------------|
| | TL | FC | TL | FC |
| Demand Unrestricted Account | 58 | - | 23 | 604 |
| Time Unrestricted Account | - | 624 | - | - |
| Time Restricted Account | - | - | - | - |
| Total | 58 | 624 | 23 | 604 |

2. a) Information on financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|----------|----------------------------|----------|
| | TL | FC | TL | FC |
| Share Certificates | - | - | - | - |
| Bills, Bonds and other marketable securities | 92,680 | - | 64,908 | - |
| Other | - | - | - | - |
| Total | 92,680 | - | 64,908 | - |

b) Positive differences table related to trading derivative financial assets:

| Trading Derivative Financial Assets | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|-------------------------------------|------------------------------|------------|----------------------------|--------------|
| | TL | FC | TL | FC |
| Forward Transactions | - | - | - | - |
| Swap Transactions | 1,717 | 168 | 7,856 | 8,692 |
| Futures Transactions | - | - | - | - |
| Options | - | - | - | - |
| Other | - | - | - | - |
| Total | 1,717 | 168 | 7,856 | 8,692 |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

3. a) Information on banks accounts:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|-----------------------------------|------------------------------|----------------|----------------------------|----------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic | 483,505 | 95,737 | 112,186 | 309 |
| Foreign | 10,022 | 296,804 | - | 650,932 |
| Head Quarters and Branches Abroad | - | - | - | - |
| Total | 493,527 | 392,541 | 112,186 | 651,241 |

b) Information on foreign banks accounts:

| | Unrestricted Amount | | Restricted Amount | |
|-------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | Current Period 31.12.2010 | Prior Period 31.12.2009 | Current Period 31.12.2010 | Prior Period 31.12.2009 |
| European Union Countries | 306,471 | 563,506 | - | - |
| USA, Canada | 126 | 53,086 | - | - |
| OECD Countries ⁽¹⁾ | 229 | 34,340 | - | - |
| Off-shore Banking Regions | - | - | - | - |
| Other | - | - | - | - |
| Total | 306,826 | 650,932 | - | - |

(1) OECD countries except EU countries, USA and Canada.

4. Information on available-for-sale financial assets:

a) Available-for-sale financial assets subject to repo transactions and given as collateral/blocked:

As of 31 December 2010 and 2009, there are no available-for-sale marketable securities given as collateral.

b) Information on available-for-sale financial assets:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--------------------------|------------------------------|----------------------------|
| Debt Securities | - | - |
| Quoted to Stock Exchange | - | - |
| Not Quoted | - | - |
| Share Certificates | 15,202 | 13,744 |
| Quoted to Stock Exchange | 13,202 | 11,744 |
| Not Quoted | 2,000 | 2,000 |
| Impairment Provision (-) | - | - |
| Total | 15,202 | 13,744 |

As of 31 December 2010 and 2009, available for sale financial assets of the Bank consist of Garanti Faktoring Hizmetleri A.Ş. and Kredi Garanti Fonu A.Ş. with the shareholding percentages of 9.78% and 1.66%, respectively.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

5. Information related to loans:

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

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|----------------|----------------------------|----------------|
| | Cash | Non-cash Loans | Cash | Non-cash Loans |
| Direct Loans Granted to Shareholders | - | - | - | - |
| Corporate Shareholders | - | - | - | - |
| Real Person Shareholders | - | - | - | - |
| Indirect Loans Granted to Shareholders | - | - | - | - |
| Loans Granted to Employees | 2,591 | - | 3,426 | - |
| Total | 2,591 | - | 3,426 | - |

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

| Cash Loans | Standard Loans and Other Receivables | | Loans and Other Receivables under Close Monitoring | |
|-----------------------------------|---|--------------------------------|---|--------------------------------|
| | Loans and Other Receivables | Restructured or Rescheduled | Loans and Other Receivables | Restructured or Rescheduled |
| Non-specialized Loans | 4,138,595 | - | 4,514 | - |
| Discount and Purchase Notes | 687,310 | - | - | - |
| Export Loans | 605,408 | - | 4,514 | - |
| Import Loans | - | - | - | - |
| Loans Granted to Financial Sector | 1,987,088 | - | - | - |
| Foreign Loans | 71,342 | - | - | - |
| Consumer Loans | 2,591 | - | - | - |
| Credit Cards | - | - | - | - |
| Precious Metal Loans | - | - | - | - |
| Other | 784,856 | - | - | - |
| Specialized Loans | 16,029 | - | - | - |
| Other Receivables | - | - | - | - |
| Total | 4,154,624 | - | 4,514 | - |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

c) Loans according to maturity structure:

| | Standard Loans and Other Receivables | | Loans and Other Receivables under Close Monitoring | |
|--|--------------------------------------|-----------------------------|--|-----------------------------|
| | Loans and Other Receivables | Restructured or Rescheduled | Loans and Other Receivables | Restructured or Rescheduled |
| Short-term Loans | 3,496,685 | - | 4,514 | - |
| Non-specialized Loans | 3,486,815 | - | 4,514 | - |
| Specialized Loans | 9,870 | - | - | - |
| Other Receivables | - | - | - | - |
| Medium and Long-term Loans and Other Receivables (*) | 657,939 | - | - | - |
| Non-specialized Loans | 651,780 | - | - | - |
| Specialized Loans | 6,159 | - | - | - |
| Other Receivables | - | - | - | - |

(*) Loans extended with an original maturity of over one year are classified as "Medium and long-term loans".

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

d) Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

There are no consumer loans, consumer credit cards and personnel credit cards.

As of 31 December 2010, the Bank granted personnel loans amounting to TL2,591 thousand.

| | Short-term | Medium and Long-term | Total |
|---|------------|----------------------|--------------|
| Consumer Loans-TL | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Consumer Loans- Indexed to FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Consumer Loans-FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Consumer Credit Cards-TL | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Consumer Credit Cards-FC | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Personnel Loans-TL | 19 | 2,572 | 2,591 |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | 19 | 2,572 | 2,591 |
| Personnel Loans- Indexed to FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Personnel Loans-FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Personnel Credit Cards-TL | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Personnel Credit Cards-FC | - | - | - |
| With Installment | - | - | - |
| Without Installment | - | - | - |
| Credit Deposit Account-TL (Real Person) | - | - | - |
| Credit Deposit Account-FC (Real Person) | - | - | - |
| Total | 19 | 2,572 | 2,591 |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

e) Information on commercial installment loans and corporate credit cards:

None.

f) Loans according to types of borrowers:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--------------|------------------------------|----------------------------|
| Public (*) | 445,891 | 453,887 |
| Private | 3,713,247 | 3,454,779 |
| Total | 4,159,138 | 3,908,666 |

(*) Includes country loans granted to foreign government entities amounting to TL71,342 thousand (31 December 2009: TL87,200 thousand).

g) Distribution of domestic and foreign loans:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|----------------|------------------------------|----------------------------|
| Domestic Loans | 4,087,796 | 3,821,466 |
| Foreign Loans | 71,342 | 87,200 |
| Total | 4,159,138 | 3,908,666 |

h) Loans granted to investments in associates and subsidiaries:

None.

i) Specific provisions accounted for loans:

| Specific provisions | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Loans and Receivables with Limited Collectability | 5,884 | 42,735 |
| Loans and Receivables with Doubtful Collectability | 26,757 | 15,028 |
| Uncollectible Loans and Receivables | 88,135 | 45,735 |
| Total | 120,776 | 103,498 |

The Bank provides 100% impairment provision for non-performing loans, without considering the relevant collaterals in line with the Bank's conservative approach.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL.") unless otherwise stated.)

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

j.1) Information on non-performing loans and other receivables that are restructured or rescheduled:

| | III. Group Loans and Other Receivables with Limited Collectability | IV. Group Loans and Other Receivables with Doubtful Collectability | V. Group Uncollectible Loans and Other Receivables |
|--|--|--|---|
| Current Period 31.12.2010 | | | |
| (Gross Amounts Before Specific Provisions) | - | - | - |
| Restructured Loans and Other Receivables | - | - | - |
| Rescheduled Loans and Other Receivables | - | - | - |
| Prior Period: 31.12.2009 | | | |
| (Gross Amounts Before Specific Provisions) | - | - | - |
| Restructured Loans and Other Receivables | - | - | - |
| Rescheduled Loans and Other Receivables | - | - | - |

j.2) Information on the movement of total non-performing loans:

| | III. Group Loans and Other Receivables with Limited Collectability | IV. Group Loans and Other Receivables with Doubtful Collectability | V. Group Uncollectible Loans and Other Receivables |
|--|--|--|---|
| Balance at the Beginning of the Period | 42,735 | 15,028 | 45,735 |
| Additions During the Period (+) | 25,661 | 5,977 | 74 |
| Transfers from Non-performing Loans Accounts (+) | - | 53,995 | 42,766 |
| Transfers to Other Non-Performing Loans Accounts (-) | (53,995) | (42,766) | - |
| Collections During the Period (-) (*) | (8,517) | (3,259) | (440) |
| Write-offs (-) | - | (2,218) | - |
| Corporate and Commercial Loans | - | - | - |
| Consumer loans | - | - | - |
| Credit cards | - | - | - |
| Other | - | (2,218) | - |
| Balance at the end of the Period | 5,884 | 26,757 | 88,135 |
| Specific Provisions (-) | (5,884) | (26,757) | (88,135) |
| Net Balance Sheet Amount | - | - | - |

(*) Collections during the period amounting to TL8,517 thousand includes loans amounting to TL2,458 thousand which are transferred to the loans and other receivables under close monitoring account from non-performing loans account in accordance with the temporary article 2 of "Communiqué Related to Amendment on the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette numbered 27119 dated 23 January 2009.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

j.3) Information on non-performing loans that are granted as foreign currency loans:

| | III. Group Loans and Other Receivables with Limited Collectability | IV. Group Loans and Other Receivables with Doubtful Collectability | V. Group Uncollectible Loans and Other Receivables |
|-----------------------------------|--|--|---|
| Current Period: 31.12.2010 | | | |
| Balance at the End of the Period | 5,884 | 17,200 | 83,846 |
| Specific Provisions (-) | (5,884) | (17,200) | (83,846) |
| Net Balance Sheet Amount | - | - | - |
| Prior Period: 31.12.2009 | | | |
| Balance at the End of the Period | 326 | 14,166 | 41,512 |
| Specific Provisions (-) | (326) | (14,166) | (41,512) |
| Net Balance Sheet Amount | - | - | - |

j.4) Information on the gross and net amounts of the non-performing loans according to types of borrowers:

| | III. Group Loans and Other Receivables with Limited Collectability | IV. Group Loans and Other Receivables with Doubtful Collectability | V. Group Uncollectible Loans and Other Receivables |
|--|--|--|---|
| Current Period (Net) | | | |
| Loans Granted to Real Persons and Corporate Entities (Gross) | 5,884 | 26,757 | 87,843 |
| Specific Provision Amount (-) | (5,884) | (26,757) | (87,843) |
| Loans Granted to Real Persons and Corporate Entities | - | - | - |
| Banks (Gross) | - | - | 292 |
| Specific Provision Amount (-) | - | - | (292) |
| Banks (Net) | - | - | - |
| Other Loans and Receivables (Gross) | - | - | - |
| Specific Provision Amount (-) | - | - | - |
| Other loans and receivables (Net) | - | - | - |
| Prior Period (Net) | | | |
| Loans Granted to Real Persons and Corporate Entities (Gross) | 42,735 | 15,028 | 45,443 |
| Specific Provision Amount (-) | (42,735) | (15,028) | (45,443) |
| Loans Granted to Real Persons and Corporate Entities (Net) | - | - | - |
| Banks (Gross) | - | - | 292 |
| Specific Provision Amount (-) | - | - | (292) |
| Banks (Net) | - | - | - |
| Other Loans and Receivables (Gross) | - | - | - |
| Specific Provision Amount (-) | - | - | - |
| Other Loans and Receivables (Net) | - | - | - |

k) The main features of the collection policy for the uncollectible loans and other receivables:

In order to liquidate the problematic receivables, all possible alternatives are assessed to be able to collect the maximum amount in line with the current legislation. In case the receivable is not collected within the allowed period, the receivable is collected by compensating the collateral. In case the collateral is not adequate for liquidating the receivable, negotiations with the debtors are attempted. The legal process commences for the receivables for which collection, settlement or rescheduling is not possible.

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The Bank obtains Current Account Letter of Undertaking of the Debtor for loans granted to financial sector and obtains Letter of Undertaking of the Company for loans granted to companies to secure the repayment of the loans granted. The Bank attempts to liquidate the receivables from banks who acted as an intermediary for loans granted and whose banking licenses are cancelled upon application to the Savings Insurance and Deposit Fund.

l) Explanations on the write-off policy:

Where sound indicators exist that would suggest that the collection of the Bank's foreign compensation receivables is almost impossible or that the costs to be incurred for the collection of the receivable amount would be higher than the amount of the receivable, the receivable amount is written-off from the assets upon the decision of the Executive Committee.

Write-off of the non performing loans and receivables is considered, during the legal follow-up process concerning the collection of receivables.

m) The movement of the impairment provision during the year for loans and other receivables of the Bank:

The Bank does not have consumer loan. The movement of the impairment provision during the year, for corporate loans and other receivables is as follows:

| | |
|------------------------------------|----------------|
| 1 January 2010 | 103,498 |
| Impairment provision | 20,765 |
| Amount recovered during the period | (1,269) |
| Written off | (2,218) |
| Foreign exchange differences | - |
| 31 December 2010 | 120,776 |
| 1 January 2009 | 56,653 |
| Impairment provision | 48,438 |
| Amount recovered during the period | (124) |
| Written off | (1,469) |
| Foreign exchange differences | - |
| 31 December 2009 | 103,498 |

6. Held-to-maturity investments:

As of 31 December 2010, all of the marketable securities of the Bank classified under trading and held-to-maturity categories, are government bonds and treasury bills.

a) Information on investments subject to repo transaction and given as collateral/blocked:

Held-to-maturity investments given as collateral/blocked:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|---------------|----------------------------|---------------|
| | TL | FC | TL | FC |
| Treasury Bills | 15,448 | - | 29,612 | - |
| Government bonds and similar marketable securities | 90,505 | 50,862 | 86,228 | 49,664 |
| Other | - | - | - | - |
| Total | 105,953 | 50,862 | 115,840 | 49,664 |

There are no held-to-maturity investments subject to repo transactions.

There are no held-to-maturity investments held for structured position.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

b) Information on held-to-maturity government debt securities:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|------------------------------|------------------------------|----------------------------|
| Government Bonds | 798,619 | 267,519 |
| Treasury Bills | 93,084 | 41,549 |
| Other Public Debt Securities | - | - |
| Total | 891,703 | 309,068 |

c) Information on held-to-maturity investment securities:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--------------------------|------------------------------|----------------------------|
| Debt Securities | 891,703 | 309,068 |
| Quoted to Stock Exchange | 891,703 | 309,068 |
| Not Quoted | - | - |
| Impairment Provision (-) | - | - |
| Total | 891,703 | 309,068 |

d) The movement of held-to-maturity investment securities:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---|------------------------------|----------------------------|
| Balance at the Beginning of the Period | 309,068 | 242,481 |
| Foreign exchange differences on monetary assets | 509 | (2,823) |
| Purchases during the year | 1,115,881 | 224,736 |
| Disposals through sales and redemptions (*) | (537,579) | (157,516) |
| Interest Accruals | 3,824 | 2,190 |
| Impairment provision (-) | - | - |
| Balance at the End of the Period | 891,703 | 309,068 |

(*) There are no disposals through sales. The amount shown at the disposals through sales and redemptions line represents only the redemption amount of securities.

7. Associates:

a) Information on unconsolidated investments in associates:

a.1) Information on unconsolidated investments in associates (Net):

None.

a.2) Significant financial statement information of associates:

None.

a.3) Other members/common shares that have control power but not included in the community together with the other members of the parent and/or the financial institutions community:

None.

a.4) The reason for unconsolidation of associates and the accounting methods used for the associates in the unconsolidated financial statements of the parent:

None.

b) Information on consolidated investments in associates:

There are no associates in the scope of consolidation.

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8. Information on subsidiaries (net):

There is no subsidiary.

9. Information related to the jointly controlled partnerships:

None.

10. Information on lease receivables (net):

None.

11. Explanations related with the derivative financial instruments used for hedging purposes:

None.

12. Explanations on property and equipment:

| | Immovables | Tangibles- Financial Leasing | Vehicles | Other Tangibles | Total |
|--|---------------|------------------------------------|------------|--------------------|---------------|
| Prior Period End 31.12.2009 | | | | | |
| Cost | 16,487 | 318 | 538 | 9,267 | 26,610 |
| Accumulated Depreciation (-) | 9,454 | 197 | 538 | 8,510 | 18,699 |
| Net Book Value | 7,033 | 121 | - | 757 | 7,911 |
| Current Period End: 31.12.2010 | | | | | |
| Net Book Value at the Beginning of the Period | 7,033 | 121 | - | 757 | 7,911 |
| Additions | - | - | - | 65 | 65 |
| Disposals (-) | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| Depreciation (-) | 310 | 62 | - | 281 | 653 |
| Net Currency Translation from Foreign Subsidiaries (-) | - | - | - | - | - |
| Cost at Period End | 16,487 | 318 | 538 | 9,332 | 26,675 |
| Accumulated Depreciation at Period End | 9,764 | 259 | 538 | 8,791 | 19,352 |
| Closing Net Book Value | 6,723 | 59 | - | 541 | 7,323 |

| | Immovables | Tangibles- Financial Leasing | Vehicles | Other Tangibles | Total |
|--|---------------|------------------------------------|------------|--------------------|---------------|
| Current Period End 31.12.2008 | | | | | |
| Cost | 16,487 | 318 | 538 | 8,862 | 26,205 |
| Accumulated Depreciation (-) | 9,144 | 135 | 525 | 8,249 | 18,053 |
| Net Book Value | 7,343 | 183 | 13 | 613 | 8,152 |
| Current Period End: 31.12.2009 | | | | | |
| Net Book Value at the Beginning of the Period | 7,343 | 183 | 13 | 613 | 8,152 |
| Additions | - | - | - | 405 | 405 |
| Disposals (-) | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| Depreciation (-) | 310 | 62 | 13 | 261 | 646 |
| Net Currency Translation from Foreign Subsidiaries (-) | - | - | - | - | - |
| Cost at Period End | 16,487 | 318 | 538 | 9,267 | 26,610 |
| Accumulated Depreciation at Period End | 9,454 | 197 | 538 | 8,510 | 18,699 |
| Closing Net Book Value | 7,033 | 121 | - | 757 | 7,911 |

As of 31 December 2010 and 2009, there is no impairment in intangible assets.

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Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

13. Explanations on intangible assets:

The Bank has classified computer software licenses under intangible assets.

Useful life of intangible assets is estimated as three years and the depreciation rate is 33.33% in accordance with the Tax Procedural Law.

a) Cost and accumulated amortization at the beginning and end of the period:

As of 31 December 2010, the cost and the accumulated amortization of intangible assets is TL1,179 thousand and TL789 thousand, respectively; at the beginning of the period the gross book value and the accumulated depreciation is TL1,172 thousand and TL518 thousand, respectively.

b) Reconciliation of movements for the current period and the prior period:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---|------------------------------|----------------------------|
| Net Book Value at the Beginning of the Period | 654 | 7 |
| Internally Generated Amounts | - | - |
| Additions due to Mergers, Transfers and Acquisitions | 7 | 801 |
| Sales and Write-Off | - | - |
| Amounts Recorded under Revaluation Fund for Increase or Decrease in Value | - | - |
| Recorded Impairments in the Income Statement | - | - |
| Cancelled Impairments from Income Statement | - | - |
| Depreciation Expense (-) | 271 | 154 |
| Net Currency Translation Differences of Foreign Subsidiaries | - | - |
| Other Changes in the Book Value | - | - |
| Net Book Value at the End of the Period | 390 | 654 |

14. Information on investment properties:

Bank does not have investment properties.

15. Information on deferred tax asset:

As stated at Section 3 Note XVI., the Bank is exempt from corporate tax, and accordingly, no deferred tax asset or liability is recognized in the accompanying financial statements.

16. Explanations on assets held for sale and explanations related to discontinued operations:

None.

17. Information on other assets:

Other assets do not exceed 10% of the total assets.

II- Explanations and notes related to liabilities:

The explanations and notes related to the liability accounts of the unconsolidated financial statement of the Bank are given below:

1. Information on maturity structure of the deposits:

The Bank does not accept deposits.

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Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

2. Information on trading derivative financial liabilities:

a) Table of negative differences for trading derivative financial liabilities:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|----------------------|------------------------------|--------------|----------------------------|--------------|
| | TL | FC | TL | FC |
| Forward Transactions | - | - | - | - |
| Swap Agreements | 21,182 | 3,982 | 103 | 5,186 |
| Futures Transactions | - | - | - | - |
| Options | - | - | - | - |
| Other | - | - | - | - |
| Total | 21,182 | 3,982 | 103 | 5,186 |

As of 31 December 2010, the Bank does not have any trading financial liabilities other than trading derivative financial liabilities (31 December 2009: None).

As of 31 December 2010, the Bank does not have deferred day one profits and losses (31 December 2009: None).

3. Information on borrowings:

a) Information on banks and other financial institutions:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|------------------|----------------------------|------------------|
| | TL | FC | TL | FC |
| Borrowings from CBRT | - | 688,732 | - | 481,209 |
| From Domestic Banks and Institutions | - | 104,043 | - | 216,898 |
| From Foreign Banks, Institutions and Funds | - | 812,932 | - | 1,116,347 |
| Total | - | 1,605,707 | - | 1,814,454 |

b) Information on maturity structure of borrowings:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|----------------------|------------------------------|------------------|----------------------------|------------------|
| | TL | FC | TL | FC |
| Short-Term | - | 1,411,182 | - | 1,567,893 |
| Medium and Long-Term | - | 387,530 | - | 457,991 |
| Total | - | 1,798,712 | - | 2,025,884 |

Medium and long-term loans include subordinated loans amounting to TL192,705 thousand (31 December 2009: TL211,087 thousand) and interest accruals amounting to TL300 thousand (31 December 2009: TL343 thousand).

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Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

c) Additional explanations over areas of concentration of the liabilities of the Bank:

As of 31 December 2010, the main liabilities of the Bank are presented in the table below on the bases of the sources of the funds:

| Funds Borrowed | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--------------------------------------|--------------------------------------|------------------------------------|
| Syndicated loans (i) | 618,407 | 814,992 |
| Subordinated loans (ii) | 193,005 | 211,430 |
| JBIC | - | 45,350 |
| World Bank (iii) | 143,071 | 86,178 |
| CBRT Loans (iv) | 688,732 | 481,209 |
| T.C Ziraat Bankası A.Ş. (v) | 104,043 | 216,898 |
| Black Sea Trade and Development Bank | - | 61,326 |
| Demir Halkbank NV | - | 54,794 |
| European Investment Bank (vi) | 51,454 | 53,707 |
| Total | 1,798,712 | 2,025,884 |

i) The Bank, raised syndicated loan facilities at an amount EUR150 million (TL308,520 thousand) with a maturity of one year at 10 December 2010. As of 31 December 2010, total balance of these syndicated borrowings amount to TL617,040 thousand and accruals on these borrowings amount to TL1,367 thousand.

ii) As of 31 December 2010, US\$200 million of the Fiscal and Public Sector Adaptation Credit with a maturity of 15 April 2018, provided by the World Bank to Turkish Treasury in accordance with the agreement signed on 12 July 2001, is transferred to the Bank for the development and support of the export oriented real sector and the amount of the borrowing is TL192,705 thousand. The accrual on this funds borrowed amount to TL300 thousand the total balance amounts to TL193,005 thousand as of 31 December 2010.

iii) The outstanding balances of the two lines of credit from the World Bank as at 31 December 2010 amounts to TL127,146 thousand (equivalent of US\$82,477 thousand) and TL15,643 thousand (equivalent of EUR7,606 thousand). Total accrual on these borrowings amounts to TL282 thousand and the total amount of borrowing amounts to TL143,071 thousand.

iv) The Bank obtained credit from CBRT within the framework of "Short Term Export Receivables Discount Loan" and "Pre-shipment Rediscount Loan" programs amounting to TL688,732 thousand as at 31 December 2010.

v) As of 31 December 2010, the outstanding balance of the borrowing with a maturity of one year, obtained from T.C. Ziraat Bankası A.Ş. amounts to EUR50 million (TL102,840 thousand) and accrual on this borrowing amounts to TL1,203 thousand. The total amount of the borrowing is TL104,043 thousand.

vi) The Bank raised a loan facility from European Investment Bank at an amount EUR25 million (TL51,420 thousand) with a total maturity of 12 years and repayment period of which starts after the fourth year. Total accrual on this borrowing amounts to TL34 thousand and the total amount of the borrowing is TL51,454 thousand as at 31 December 2010.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

The Bank performed the following repayments during the year 2010:

| | Repayment Amount | Repayment Date |
|--------------------------------------|------------------|-------------------|
| Demir Halkbank NV | EUR10,000,000 | 7 June 2010 |
| Demir Halkbank NV | EUR15,000,000 | 10 August 2010 |
| Black Sea Trade and Development Bank | US\$40,000,000 | 12 July 2010 |
| T.C Ziraat Bankası A.Ş. | EUR50,000,000 | 18 May 2010 |
| Subordinated Loan | US\$8,333,000 | 14 October 2010 |
| Subordinated Loan | US\$8,333,000 | 14 April 2010 |
| JBIC | JPY876,634,000 | 14 January 2010 |
| JBIC | JPY1,905,829,365 | 14 July 2010 |
| Club Loan - Syndicated Loan | US\$25,000,000 | 28 September 2010 |
| Club Loan - Syndicated Loan | EUR160,000,000 | 28 September 2010 |
| Club Loan - Syndicated Loan | EUR200,000,000 | 1 April 2010 |

4. Information on other liabilities:

Other liabilities exceeding 10% of the balance sheet total are presented below:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|----------------|----------------------------|----------------|
| | TL | FC | TL | FC |
| Turkish Treasury Current Account (*) | 395,398 | 239,530 | 382,617 | 226,043 |
| Political Risk Loss Account | - | - | - | 14,054 |
| Iraq Loan followed on behalf of Turkish Treasury | 395,398 | 239,530 | 382,617 | 211,989 |
| Other (**) | 856 | 95,521 | 761 | 84,950 |
| Total | 396,254 | 335,051 | 383,378 | 310,993 |

(*) The TL amount under Turkish Treasury Current Account followed under 125-Short-term Fund Sourced Loans includes the foreign exchange differences calculated for the Iraq Loan whose risk has been transferred to the Turkish Treasury. TL239,530 thousand (31 December 2009: TL211,989 thousand) of the FC amount under Turkish Treasury Current Account belongs to Irak Loan and TL14,054 thousand includes the balance transferred against political risk. This amount was paid to Treasury in the year 2010.

(**) Other-FC account includes the funds transferred from United Nations Compensation Commission amounting to TL95,083 thousand (31 December 2009: TL84,285 thousand) and includes the overpayment of the country loans amounting to TL437 thousand (31 December 2009: TL665 thousand) whose settlement will be realized upon determination of the bases of the liquidation of the principal and interest of the country loans.

5. Information on liabilities arising from financial leasing transactions (net):

Information on financial leasing agreements:

Explanations on liabilities arising from financial leasing transactions:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|-------------------|------------------------------|----------|----------------------------|----------|
| | Gross | Net | Gross | Net |
| Less than 1 year | - | - | - | - |
| Between 1-4 years | - | - | - | - |
| More than 4 years | - | - | - | - |
| Total | - | - | - | - |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

6. Information on derivative financial liabilities used for hedging purposes:

None.

7. Information on provisions:

a) Information on general provisions:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| General provisions | 24,108 | 25,461 |
| Provisions for Group I. Loans and Receivables | 23,398 | 24,782 |
| Provisions for Group II. Loans and Receivables | 90 | 83 |
| Provisions for Non Cash Loans | 478 | 418 |
| Other | 142 | 178 |

b) Information on provisions for decrease in foreign exchange differences of foreign currency indexed loans and financial leasing receivables principal amounts:

There is no foreign currency indexed loans of the Bank.

c) Specific provisions for non-cash loans that are not liquidated:

None.

d) Information on other provisions:

1. Information on provisions for probable risks:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|-------------------------------|------------------------------|----------------------------|
| Provisions for Probable Risks | 40,935 | 41,744 |
| Country Loans | - | - |
| Other | 40,935 | 41,744 |

As of 31 December 2010, in accordance with the decision of the Executive Committee dated 24 December 2007, the Bank has booked impairment provision with the rate of 1.50% for the short, medium and long term loans (except for the short term fund sourced loans and medium and long term country loans) with an amount of TL29,375 thousand (31 December 2009: TL29,375 thousand). The Bank, in order to prevent double booking, has deducted the general loan loss provision calculated in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" from the amount of provision calculated at a rate of 1.50%. In the year 2010, taking into consideration the developments in the financial markets, the Bank has not provided additional impairment provision for the total short, medium and long term loans. The excluding the short term fund sourced loans and medium and long term country loans.

In accordance with the decision of Executive Committee, as there is no improvement in the collection of the receivables amounting to US\$4,868,428 (followed under miscellaneous receivables account) from the Ministry of Internal Affairs General Headquarters of Gendarmerie and Ministry of Defense under the scope of Russian Federation Deferred Loan for the last six years, the Bank has provided 100% impairment provision of the TL equivalent amounting to TL7,505 thousand as of 31 December 2010 (31 December 2009: TL7,254 thousand).

As of 31 December 2010, the Bank booked provisions amounting to TL4,055 thousand (31 December 2009: TL5,115 thousand) considering probable compensation payments in relation to the export receivables.

Accordingly, the sum of the provisions recognized by the Bank amounts to TL40,935 thousand as of 31 December 2010 (31 December 2009: TL41,744 thousand).

2. Information on other provisions exceeding 10% of total provisions:

As of 31 December 2010, TL40,935 thousand (31 December 2009: TL41,744) of other provisions include provisions booked for probable risks.

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3. Employment termination benefits obligations:

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL2,517.01 in full TL amount as of 31 December 2010 (31 December 2009: TL2,365.16) for each year of service. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Discount rate (%) | 4.66 | 5.92 |
| Rate for the Probability of Retirement (%) | 0.98 | 0.98 |

The principal actuarial assumption is that the maximum liability of TL2,517.01 will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL2,623.23 (1 January 2010: TL2,427.04) effective from 1 January 2011 has been taken into consideration in calculating the reserve for employee termination benefits.

Movements in the reserve for employment termination benefits during the period are as follows:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---------------------------------------|------------------------------|----------------------------|
| Balance at the beginning of the year | 9,963 | 9,582 |
| Paid during the year | (754) | (853) |
| Provisions recognized during the year | 1,647 | 1,234 |
| Balance at the end of the year | 10,856 | 9,963 |

As of 31 December 2010, the Bank has also provided provision for unused vacation rights amounting to TL5,313 thousand (31 December 2009: TL4,885 thousand).

4. Liabilities on retirement benefits:

None.

8. Explanations on tax liability:

a) Explanations on current tax liability:

1) Information on provision for taxes:

None.

2) Information on taxes payable:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|-------------------------------------|------------------------------|----------------------------|
| Corporate Taxes Payable (*) | - | - |
| Taxation on Revenue From Securities | - | - |
| Property Tax | - | - |
| Banking Insurance Transaction Tax | 138 | 168 |
| Foreign Exchange Transaction Tax | - | - |
| Value Added Tax Payable | 40 | 43 |
| Other | 335 | 327 |
| Total | 513 | 538 |

(*) As stated at Section 3 Note XVI, the Bank is exempt from corporate tax.

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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

3) Information on premium payables:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---|------------------------------|----------------------------|
| Social Security Premiums - Employee | 342 | 301 |
| Social Security Premiums - Employer | 455 | 394 |
| Bank Social Aid Pension Fund Premiums - Employee | - | - |
| Bank Social Aid Pension Fund Premiums - Employer | - | - |
| Pension Fund Membership Fee and Provisions - Employee | 2 | 2 |
| Pension Fund Membership Fee and Provisions - Employer | - | - |
| Unemployment Insurance - Employee | 24 | 21 |
| Unemployment Insurance - Employer | 48 | 42 |
| Other | - | - |
| Total | 871 | 760 |

b) Information on deferred tax liability:

None.

9. Information on non-current liabilities on assets held for sale and discontinued operations:

None.

10. Information on subordinated loans:

a) General information on the number of subordinated loans, their maturity, interest rate, the source institution that the loan is secured and detailed information related with the convertible stock option if any:

| Date | Number | Maturity | Interest Rate | Institution |
|------------|--------|----------|------------------------|---------------------------------------|
| 23.07.2001 | 1 | 17 years | Six Month LIBOR + 0.75 | Turkish Treasury (World Bank Sourced) |

b) Information on subordinated loans:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|----------------------------------|------------------------------|----------------|----------------------------|----------------|
| | TL | FC | TL | FC |
| From Domestic Banks | - | - | - | - |
| From Other Domestic Institutions | - | 193,005 | - | 211,430 |
| From Foreign Banks | - | - | - | - |
| From Other Foreign Institutions | - | - | - | - |
| Total | - | 193,005 | - | 211,430 |

11. Information on shareholders' equity:

a) Presentation of paid-in capital:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|-----------------|------------------------------|----------------------------|
| Common Stock | 2,000,000 | 2,000,000 |
| Preferred Stock | - | - |

b) Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The registered share capital system is not applied.

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c) Information on the share capital increase during the period and their sources:

There is no capital increase in the current period.

d) Information on share capital increase from revaluation funds during the current period:

There is no share capital increase from the revaluation fund during the current period.

e) Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The Bank has no capital commitments as of 31 December 2010 and the total share capital of the Bank amounting to TL2,000,000 thousand is fully paid.

f) The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:

The credit, interest and the foreign currency risk policies of the Bank were determined to minimize the losses that may result from these risks. The Bank aims to obtain a reasonable positive return on equity in real terms in relation with its banking transactions and to protect its equity from the effects of inflation. On the other hand, the proportion of doubtful receivables to the total loans is considered as low and an impairment provision is provided in full for all doubtful receivables. Accordingly, the Bank does not expect losses that may materially affect its equity. In addition, the free capital of the Bank is high and is getting steadily stronger.

g) Information on privileges given to shares representing the capital:

The common shares of the Bank are grouped as A and B. Both A and B type shares are owned by the Treasury and the share of the Treasury in the total paid-in capital is 100%.

h) Information on marketable securities value increase fund:

1) a) Information on marketable securities value increase fund

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|---|------------------------------|------------|----------------------------|------------|
| | TL | FC | TL | FC |
| From Investments in Associates, Subsidiaries and Joint Ventures | - | - | - | - |
| Valuation Difference | 8,408 | 174 | 6,950 | 275 |
| Foreign Currency Differences | - | - | - | - |
| Total | 8,408 | 174 | 6,950 | 275 |

12. a) Information on minority interests:

None.

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III- Explanations and notes related to off-balance sheet accounts

I. Explanations on off-balance sheet commitments:

a) Type and amount of irrevocable commitments:

As of 31 December 2010, there is no irrevocable commitments of the Bank. As of 31 December 2009, the amount of irrevocable commitments (all of which are loan granting commitments) of the Bank is TL13,523 thousand.

b) Type and amount of probable losses and obligations arising from off-balance sheet items:

b.1) Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Letters of Guarantee | - | - |
| Endorsements | 688,732 | 481,209 |
| Guarantees and Bails given for Export | - | - |
| Guarantees given for Export Loan Insurance | 389,971 | 359,943 |
| Total | 1,078,703 | 841,152 |

b.2) Revocable, irrevocable guarantees and other similar commitments and contingencies:

As of 31 December 2010, there are no revocable and irrevocable guarantees. Details of other similar commitments and contingencies are stated above in Note b.1).

c) 1) Total amount of non-cash loans:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Non-cash loans given against cash loans | - | - |
| With original maturity of 1 year or less than 1 year | - | - |
| With original maturity of more than 1 year | - | - |
| Other non-cash loans ⁽¹⁾ | 1,078,703 | 841,152 |
| Total | 1,078,703 | 841,152 |

(1) Other non-cash loans include commitments related to Short-term Export Loan Insurance, endorsements given to CBRT and other guarantee letters.

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2) Information on sectoral risk concentrations of non-cash loans:

| | Current Period 31.12.2010 | | | | Prior Period 31.12.2009 | | | |
|--------------------------------------|------------------------------|-----|------------------|------------|----------------------------|-----|----------------|------------|
| | TL | (%) | FC | (%) | TL | (%) | FC | (%) |
| Agricultural | - | - | 23,865 | 2.21 | - | - | 2,980 | 0.35 |
| Farming and Raising livestock | - | - | 23,865 | 2.21 | - | - | 2,980 | 0.35 |
| Forestry | - | - | - | - | - | - | - | - |
| Fishing | - | - | - | - | - | - | - | - |
| Manufacturing | - | - | 658,313 | 61.03 | - | - | 468,707 | 55.73 |
| Mining | - | - | 7,857 | 0.73 | - | - | 969 | 0.12 |
| Production | - | - | 650,456 | 60.30 | - | - | 433,781 | 51.57 |
| Electric, Gas and Water | - | - | - | - | - | - | 33,957 | 4.04 |
| Construction | - | - | - | - | - | - | 6,409 | 0.76 |
| Services | - | - | 2,312 | 0.21 | - | - | 3,113 | 0.37 |
| Wholesale and Retail Trade | - | - | 2,312 | 0.21 | - | - | 3,113 | 0.37 |
| Hotel, Food and Beverage Services | - | - | - | - | - | - | - | - |
| Transportation and Telecommunication | - | - | - | - | - | - | - | - |
| Financial Institutions | - | - | - | - | - | - | - | - |
| Real estate and Leasing Services | - | - | - | - | - | - | - | - |
| Education Services | - | - | - | - | - | - | - | - |
| Health and Social Services | - | - | - | - | - | - | - | - |
| Other | - | - | 394,213 | 36.55 | - | - | 359,943 | 42.79 |
| Total | - | - | 1,078,703 | 100 | - | - | 841,152 | 100 |

3) Information on the non-cash loans classified under Group I and Group II:

| Non-Cash loans | Group I | | Group II | |
|-------------------------------------|---------|---------|----------|----|
| | TL | FC | TL | FC |
| Letters of Guarantee | - | - | - | - |
| Bank Acceptances | - | - | - | - |
| Letters of Credit | - | - | - | - |
| Endorsements | - | 688,732 | - | - |
| Underwriting Commitments | - | - | - | - |
| Factoring Guarantees | - | - | - | - |
| Other Commitments and Contingencies | - | 389,971 | - | - |

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II. Information on derivative transactions:

| | Classification of Derivative Transactions by Purpose | | | |
|---|--|----------------------------|------------------------------|----------------------------|
| | Trading Transactions | | Hedging Transactions | |
| | Current Period 31.12.2010 | Prior Period 31.12.2009 | Current Period 31.12.2010 | Prior Period 31.12.2009 |
| Types of Trading Transactions | | | | |
| Foreign Currency Related Derivative Transactions: (I) | 1,341,184 | 1,197,617 | - | - |
| Forward Transactions | - | - | - | - |
| Swap Transactions | 1,341,184 | 1,197,617 | - | - |
| Futures Transactions | - | - | - | - |
| Option Transactions | - | - | - | - |
| Total Foreign Currency Related Derivative Transactions | 1,341,184 | 1,197,617 | - | - |
| Interest Related Derivative Transactions (II) | 92,496 | 89,400 | - | - |
| Forward Interest Rate Agreements | - | - | - | - |
| Interest Rate Swaps | 92,496 | 89,400 | - | - |
| Interest Rate Options | - | - | - | - |
| Interest Rate Futures | - | - | - | - |
| Other Trading Derivative Transactions: ⁽¹⁾ (III) | - | 62,393 | - | - |
| A. Total Trading Derivative Transactions (I+II+III) | 1,433,680 | 1,349,410 | - | - |
| Types of Hedging Derivative Transactions | | | | |
| Fair Value Hedges | - | - | - | - |
| Cash Flow Hedges | - | - | - | - |
| Foreign Currency Investment Hedges | - | - | - | - |
| B. Total Hedging Derivative Transactions (4) | - | - | - | - |
| Total Derivative Transactions (A+B) | 1,433,680 | 1,349,410 | - | - |

⁽¹⁾ Includes currency and interest swap transactions.

As explained in Note II of Section 3, certain derivative transaction while providing effective economic hedges under the Bank's risk management position, do not qualify for hedge accounting and are therefore treated as "Derivatives Held for Trading". The Bank mainly engages in currency and interest rate swap agreements to hedge against any losses from currency and interest rate risk.

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III. Explanations on contingent assets and liabilities:

1) The Bank recognizes contingent assets if the probability of the inflow of economic benefits is virtually certain. In case the inflow of economic benefits is probable but not virtually certain, such contingent asset is disclosed.

As of 31 December 2010 and 2009, there are no contingent assets.

2) The Bank recognizes provision for contingent liability when the probability of occurrence is high and the contingent liability can be reliably estimated; if the contingent liability cannot be reliably estimated, the contingent liability is disclosed. When the likelihood of the occurrence of the contingent liability is remote or low, it is disclosed.

In this respect, as of 31 December 2010, there are 140 legal proceedings outstanding against the Bank amounting to US\$2,593,512.68, EUR15,000 and TL248,305.77 as confirmed from the lawyer letter prepared by the legal department of the Bank. As of 31 December 2010, no provision has been made considering the probability of occurrence of the contingent liability. In addition, there are 141 legal proceedings outstanding filed by the Bank. These legal proceedings amount to TL107,384 thousand, US\$13,894,220 and EUR860,796.

IV. Explanations on services in the name of others:

The Bank's custody and deposit activities in the name of real and legal persons are not considered as material.

The Bank also provides insurance to some extent for the export receivables of exporter companies against commercial and political risks under the scope of export loan insurance program.

IV- Explanations and notes related to income statement:

1. a) Information on interest income on loans:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|---------------|----------------------------|---------------|
| | TL | FC | TL | FC |
| Interest income on loans (*) | | | | |
| Short-term Loans | 105,531 | 43,107 | 242,804 | 63,695 |
| Medium and Long-term Loans | 12,821 | 10,230 | 5,549 | 12,977 |
| Interest on Loans Under Follow-up | 74 | 158 | 37 | 93 |
| Premiums Received from Resource Utilization Support Fund | - | - | - | - |
| Total | 118,426 | 53,495 | 248,390 | 76,765 |

(*) Includes fee and commission income of cash loans.

b) Information on interest income on banks:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|---------------------------------------|------------------------------|------------|----------------------------|--------------|
| | TL | FC | TL | FC |
| CBRT | - | - | - | - |
| From Domestic Banks | 11,386 | 31 | 7,967 | 5 |
| From Foreign Banks | 468 | 929 | 409 | 1,350 |
| From Headquarters and Branches Abroad | - | - | - | - |
| Total | 11,854 | 960 | 8,376 | 1,355 |

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Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

c) Information on interest income on marketable securities:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|--------------|----------------------------|--------------|
| | TL | FC | TL | FC |
| From Trading Financial Assets | 21,694 | 423 | 5,923 | 985 |
| From Financial Assets at Fair Value through Profit or Loss | - | - | - | - |
| From Available-for-sale Financial Assets | - | - | - | - |
| From Held-to-maturity Investments | 33,798 | 3,385 | 28,472 | 1,793 |
| Total | 55,492 | 3,808 | 34,395 | 2,778 |

d) Information on interest income received from associates and subsidiaries:

There is no interest income from associates and subsidiaries.

2. a) Information on interest expense on borrowings:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|----------------------------------|------------------------------|---------------|----------------------------|---------------|
| | TL | FC | TL | FC |
| Banks (*) | | | | |
| CBRT | - | 2,894 | - | 6,777 |
| Domestic Banks | 1 | 4,649 | 3 | 7,551 |
| Foreign Banks | - | 26,916 | - | 38,031 |
| Headquarters and Branches Abroad | - | - | - | - |
| Other Institutions | - | 1,469 | - | 6,448 |
| Total | 1 | 35,928 | 3 | 58,807 |

(*) Includes fee and commission expense on cash loans.

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

There is no interest expense given to associates and subsidiaries.

c) Interest paid to marketable securities issued:

| | Current Period 31.12.2010 | | Prior Period 31.12.2009 | |
|--|------------------------------|----|----------------------------|----|
| | TL | FC | TL | FC |
| Interests paid to marketable securities issued | - | - | - | - |

d) Maturity structure of the interest expense on deposits:

The Bank does not accept deposits.

3. Explanations on dividend income:

The Bank did not earn dividend income in 2010.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

4. Information on trading income/loss (Net):

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|---|------------------------------|----------------------------|
| Income | 311,033 | 283,732 |
| Trading Gains on Securities | 287 | 2,244 |
| Trading Gains on Derivative Financial Transactions | 62,950 | 92,057 |
| Foreign Exchange Gains | 247,796 | 189,431 |
| Loss (-) | 292,042 | 243,198 |
| Trading Losses on Securities | 47 | 5 |
| Trading Losses from Derivative Financial Transactions | 68,074 | 30,385 |
| Foreign Exchange Loss | 223,921 | 212,808 |

As of 31 December 2010, trading gains on derivative financial transactions and trading losses from derivative financial transactions include TL62,603 thousand (31 December 2009: TL89,838 thousand) of foreign exchange gains and TL65,317 thousand (31 December 2009: TL29,292 thousand) of foreign exchange losses, respectively.

5. Explanations on other operating income:

The Bank collected TL1,269 thousand (31 December 2009: TL124 thousand) in the year 2010 from loans classified as non-performing and recorded under other operating income account.

In the year 2010, the Bank recorded premium income amounting to TL28,219 thousand (31 December 2009: TL23,783 thousand) as part of the Short Term Export Loan Insurance ("ELI") and commission income from reinsurance companies amounting to TL7,598 thousand (31 December 2009: TL5,962 thousand) as part of the ELI and recorded under other operating income account.

In the years 2010 and 2009, there are no extraordinary events, developments or factors in relation with the other operating income account that may materially affect the profitability of the Bank, other than the above mentioned issues.

6. Provision expenses related to loans and other receivables of the Bank:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Specific Provisions for Loans and Other Receivables | 20,765 | 48,439 |
| III. Group Loans and Receivables | 5,884 | 42,735 |
| IV. Group Loans and Receivables | 14,816 | 5,704 |
| V. Group Loans and Receivables | 65 | - |
| General Provision Expenses | - | 4,467 |
| Provision Expense for Probable Risks | 251 | 2,729 |
| Marketable Securities Impairment Expense | - | - |
| Financial Assets at Fair Value through Profit or Loss | - | - |
| Available-for-sale Financial Assets | - | - |
| Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease | - | - |
| Investments in Associates | - | - |
| Subsidiaries | - | - |
| Joint Ventures | - | - |
| Held-to-maturity Investments | - | - |
| Other | - | - |
| Total | 21,016 | 55,635 |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

7.a) Information related to other operating expenses:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Personnel Expenses | 24,129 | 21,959 |
| Reserve for Employee Termination benefits, net | 893 | 381 |
| Vacation Pay Liability, net | 428 | 567 |
| Bank Social Aid Provision Fund Deficit Provision | - | - |
| Impairment Expenses of Tangible Fixed Assets | - | - |
| Depreciation Expenses of Tangible Fixed Assets | 653 | 646 |
| Impairment Expenses of Intangible Fixed Assets | - | - |
| Impairment Expenses of Goodwill | - | - |
| Amortization Expenses of Intangible Assets | 271 | 154 |
| Impairment Expenses of Equity Participations for which Equity Method is Applied | - | - |
| Impairment Expenses of Assets Held for Sale | - | - |
| Depreciation Expenses of Assets Held for Sale | - | - |
| Impairment Expenses of Non-current Asset Held for Sale and Discounted Operations | - | - |
| Other Operating Expenses | 6,885 | 7,440 |
| Operational Lease Expenses | - | 51 |
| Maintenance Expenses | 95 | 112 |
| Advertisement Expenses | 33 | 42 |
| Other Expenses | 6,757 | 7,235 |
| Loss on Sale of Assets | - | - |
| Other (*) | 30,533 | 27,223 |
| Total | 63,792 | 58,370 |

(*) Other under the "Other Operating Expenses" include premium expense paid to reinsurance companies amounting to TL18,517 thousand (31 December 2009: TL14,689 thousand) within the scope of the Short-term Export Credit Insurance Programme and a contribution fee amounting to TL5,229 thousand (31 December 2009: TL6,990 thousand) paid to the Small and Medium Industry Development Organization.

8. Explanations on profit and loss before tax for continued and discounted operations:

None.

9. Information on tax provision for continued and discontinued operations:

As stated at Section 3 Note XVI, the Bank is exempt from corporate tax.

10. Explanation on net income/loss for the period for continued and discontinued operations:

None.

11. Explanation on net income/loss for the period:

a) If the nature, size and the reoccurrence rate of the income and expense resulting from the ordinary banking activities are important to explain the performance of the Bank in the current period, the nature and the amount of these transactions:

None.

b) If the changes in the estimates of the financial statement accounts may affect the profit/loss in the following periods, related periods and the necessary information:

None.

c) Profit/loss of minority interest:

None.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

12. If the other accounts in the income statement exceed 10% of the total of the income statement, the sub-accounts constituting at least 20% of these accounts:

None.

V- Explanations and notes related to changes in shareholders' equity:

1. Information about the adjustment related to the application of Financial Instruments Accounting Standards in the current period:

a) The increase after the revaluation of the available-for-sale investments:

The fair value gains of the available-for-sale investments, other than the hedging instruments, amounting to TL8,582 thousand are recorded under the "Marketable Securities Value Increase Fund" account under equity. TL174 thousand of such fair value gains represent the fair value gains of marketable securities that are transferred to the held-to-maturity portfolio from the available-for-sale portfolio and such fair value gains are calculated and followed under the account "Marketable Securities Value Increase Fund" until the date of transfer. This amount will be transferred to the income statement upon maturity of the transferred securities.

b) Information for the increases in the accounts related to cash flow hedges:

None.

b.1) The reconciliation and confirmation for the cash flow hedges accounts at the beginning and end of the period:

None.

b.2) Under the cash flow hedges, the current period charge of the income or loss under equity related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments:

None.

c) Reconciliation of foreign exchange differences at the beginning and end of the period:

None.

2. Information about the adjustments related to the application of Financial Instruments Accounting Standards in the current period:

a) Information on the available-for-sale investments:

None.

b) Information on cash flow hedges:

None.

3. Information related to distribution of profit:

a) The amount of dividend declared before the approval date of the financial statements but after the balance sheet date:

None.

b) Earnings per share proposed to be distributed to shareholders after the balance sheet date:

Profit distributions are approved by the General Assembly of the Bank. As of the report date, no profit distribution decision has been made by the General Assembly for 2010 profit.

4. Amount transferred to legal reserves:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Amount transferred to Legal Reserves under Dividend Distribution | 42,583 | 18,551 |

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

5. Information on issuance of share certificates:

a) For all share groups; any restrictions, preferential terms and rights for distribution of dividends and payment of share capital.

None.

6. Explanations on other share capital increases:

None.

VI- Explanations and notes related to statement of cash flows

1. Information on the cash and cash equivalents:

1.a) Information on cash and cash equivalents at the beginning of the period:

The components constituting the cash and cash equivalents and the accounting policies used for the determination of these components:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash" and interbank money market and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Cash | 4,401 | 4,406 |
| Cash and Foreign Currency and Other | 9 | 14 |
| Demand Deposits in Banks | 4,392 | 4,392 |
| Cash Equivalents | 2,044,744 | 599,551 |
| Interbank Money Market Placements | 1,294,900 | 462,400 |
| Time Deposits in Banks | 749,844 | 137,151 |
| Total Cash and Cash Equivalents | 2,049,145 | 603,957 |

1.b) Information on the cash and cash equivalents at the end of the period:

| | Current Period 31.12.2010 | Prior Period 31.12.2009 |
|--|------------------------------|----------------------------|
| Cash | 2,467 | 4,401 |
| Cash and Foreign Currency and Other | 21 | 9 |
| Demand Deposits in Banks | 2,446 | 4,392 |
| Cash Equivalents | 858,004 | 2,044,744 |
| Interbank Money Market Placements | - | 1,294,900 |
| Time Deposits in Banks | 858,004 | 749,844 |
| Total Cash and Cash Equivalents | 860,471 | 2,049,145 |

2. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to TL10,344 thousand (31 December 2009: TL10,050 thousand) mainly consists of fees and commissions paid, foreign exchange losses, other operating income excluding collections from doubtful receivables and other operating expenses excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL4,965 thousand (31 December 2009: TL72,700 thousand) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

VII- Explanations and notes related to Bank's risk group:

In accordance with the paragraph 5 of article 49 of Banking Law numbered 5411, the Bank does not have any partnerships which it controls directly or indirectly and with which it constitutes a risk group.

Türkiye İhracat Kredi Bankası A.Ş.

Notes to Unconsolidated Financial Statements at 31 December 2010
(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

VIII- Explanations and notes related to the domestic, foreign, off-shore branches or affiliates and foreign representatives of the Bank:

1. Information on the Bank's domestic and foreign branches and foreign representatives of the Bank:

| | Number | Number of Employees | | | |
|-----------------------------------|--------|---------------------|---------------------------------|---------------------|--------------------------------|
| Domestic Branch | 2 | 360 | | | |
| | | | Country of Incorporation | | |
| Foreign Representation Office | - | - | 1- none | | |
| | | | | Total Assets | Statutory Share Capital |
| Foreign branch | - | - | 1-none | - | - |
| Off-shore Banking Region Branches | - | - | 1-none | - | - |

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

None.

IX- Explanations and notes related to events after balance sheet:

The Bank decided to make option and future transactions in order to protect exporters against currency risk beginning with the decision of Board of Directors dated 30 November 2010 and numbered 77.

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to operations of the Bank:

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. Explanations on independent auditor's report

The unconsolidated financial statements for the period ended 31 December 2010 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The auditor's report dated 10 February 2011 has been presented prior to the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.

Audit Board Report for the Accounting Period 2010

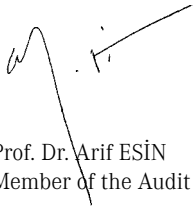
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. Audit Board Report for the Accounting Period 2010

Operations and results of Türkiye İhracat Kredi Bankası A.Ş. for the fiscal year 2010 have been reviewed by our Board in the scope of related legislation provisions.

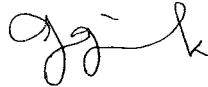
In the audits performed, it has been determined that:

1. Statutory books, accounts and records have been maintained properly,
2. All types of negotiable instruments are present in accordance with the records,
3. Balance sheet and income statement dated 31 December 2010 have been prepared in accordance with the Regulation on Principles and Procedures Regarding Accounting Applications and Maintenance of Documents for Banks, Turkish Accounting Standards, Turkish Financial Reporting Standards and other legislation related to accounting and financial reporting published by the Banking Regulation and Supervision Agency (BRSA) and BRSA comments, and also in accordance with the Bank's accounting records,
4. Profit distribution has been prepared in accordance with the relevant provisions of the Turkish Commercial Code, and article 54 of the Articles of Association,
5. Executive Board is conducting the Bank's credit policy in line with the conditions necessitated by the country economy.

In conclusion, we submit the balance sheet and income statement with the preparation of which we agree in principal and procedure, to approval of general assembly.



Prof. Dr. Arif ESİN
Member of the Audit Board



Güner GÜCÜK
Member of the Audit Board

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