

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish, See Note 3.1.1)*

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Financial Statements

As of and For the Nine-Month Period Ended

30 September 2008

*(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)*

With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
7 November 2008

*This report contains "Independent Auditors' Review
Report" comprising 1 page and;"Unconsolidated
Financial Statements and Related Disclosures and
Footnotes" comprising 76 pages.*



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**Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish (See Note 3.1.1)**

To the Board of Directors of Türkiye Garanti Bankası AŞ:

We have reviewed the unconsolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") as of 30 September 2008 and the related unconsolidated income statement, statement of cash flows and statement of changes in shareholders' equity for the nine-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting and reporting system and the regulations on the accounting and independent audit principles as per the (Turkish) Banking Law No. 5411. These regulations require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements are not presented fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ as of 30 September 2008 and the result of its operations and cash flows for the nine-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 of the (Turkish) Banking Law No. 5411 and other communiques, disclosures and directives issued by the Banking Regulatory and Supervisory Agency.

İstanbul,
7 November 2008

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat ALSAN

Partner, Certified Public Accountant

Additional paragraph for convenience translation to English:

As explained in Note 3.1.1, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Interim Financial Report as of and for the Nine-Month Period Ended 30 September 2008

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The Unconsolidated Interim Financial Report for the nine-month period ended 30 September 2008 prepared in accordance with the communique of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about the Bank
2. Unconsolidated Financial Statements
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Independent Auditors' Review Report

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of New Turkish Lira (YTL).

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

Aydın Şenel
Executive Vice
President

Mustafa Keleş
Financial Accounting
Director

M. Cüneyt Sezgin
Audit Committee
Member

Des O'Shea
Audit Committee
Member

The authorized contact person for questions on this financial report:

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1 General Information

1.1 History of the bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 698 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 The bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank’s risk group

As of 30 September 2008, group of companies under Doğuş Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğuş Group (the Group). On 22 December 2005, Doğuş Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9.765.000.000 shares of the Bank at a nominal value of YTL 97,650 each to Doğuş Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğuş Group

The Group was established in 1951 as a construction and contracting firm. Today, in addition to the construction sector, the Group operates in a variety of business consisting of financial services, automotive, media, tourism and service sectors with more than 19.800 employees. The Group operates partnerships and has distribution, management and franchise agreements with internationally recognized brand names, such as Volkswagen, Audi, Bentley, Porsche, Seat, Scania, ITT Sheraton, Hyatt Regency, Jeeves, Armani, Gucci and CNBC. In the construction sector, the Group has an important role in certain ongoing projects such as Araklı-İyidere and Sinop-Boyabat motorways, Kadıköy-Kartal and Otogar-Bağcılar subways, Yusufeli and Artvin dams, Ukraine Dnyeper bridge. The Group has tourism investments such as Sheraton Voyager, Club Aldiana and Paradise Side Apart Otel and five marinas which are adjudicated by “build, operate and transfer model” such as Dalaman, Didim, Turgutreis, Bodrum and Antalya.

The investments of the Group in the financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Eureko Sigorta AŞ, Garanti Emeklilik ve Hayat AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Ödeme Sistemleri AŞ, Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

General Electric Group

GE is a company providing variety of technology, media and financial services including aircraft engine and energy production, water and security technologies, medical systems, corporate-retail financing services and media services.

GE operates in more than 100 countries through its six major business lines providing services through their own business units with more than 300 thousand employees. These six business lines are; GE Consumer Finance, GE Commercial Finance, GE Healthcare, GE Industrial, GE Infrastructure and NBC Universal.

GE Consumer Finance, one of its six major business lines extend loans to consumers, retailers and car vendors in 41 countries. GE Consumer Finance provides variety of financial products such as store credit cards, consumer loans, bank cards, automobile loans and leasing, mortgage, corporate traveling and spending cards, debt consolidation, housing loans against mortgage and credit insurance.

1.3 Information on the bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	18 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	26 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	20 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	34 years
Charles Edward Alexander	Member	22.12.2005	University	28 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	31 years
Dmitri Lysander Stockton	Member	22.12.2005	University	17 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	21 years

As of 30 July 2008, Oliver B.R.V. Piani resigned from his board member position. At the Board of Directors' Meeting held on 8 October 2008, Denis Arthur Hall has been assigned for his vacant position.

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	21 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	30 years
Afzal Mohammed Modak	EVP-Finance and Accounting	20.07.2007	Master	23 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	16 years
Ali Temel	EVP-Loans	21.10.1999	University	18 years
Gökhan Erun	EVP-Human Resources & Investment Banking	18.08.2005	Master	14 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	26 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	23 years
Uruz Ersözöğlü	EVP-Treasury	03.04.2006	University	17 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	16 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	23 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	27 years
Zekeriya Öztürk	EVP- International Business Development	02.03.2006	Master	13 years

The top management listed above does not hold any unquoted shares of the Bank.

1.4 Information on the bank’s qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	1,119,800	26.6619%	1,119,800	-
GE Araştırma ve Müşavirlik Limited Şti	875,712	20.8503%	875,712	-

According to the decision made at the “General Assembly of Founder Shares Owners” and the “Extraordinary General Shareholders” meetings held on 13 June 2008, the Bank repurchased all the 370 founder share-certificates issued in order to redeem and exterminate them, subsequent to the permissions obtained from the related legal authorities, at a value of YTL 3,876 thousands each in accordance with the report prepared by the court expert and approved by the Istanbul 5th Commercial Court of First Instance. A total payment of YTL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from “extraordinary reserves”, and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

Subsequent to these purchases, the clauses 15, 16 and 45 of the Articles of Association of the Bank have been revised accordingly.

1.5 Summary information on the bank’s activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by Turkish government and other official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank’s activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency and profitability.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Balance Sheet

At 30 September 2008

ASSETS		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 September 2008			31 December 2007		
			YTL	FC	Total	YTL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	1,226,248	3,728,242	4,954,490	3,186,964	4,040,903	7,227,867
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	198,398	84,758	283,156	71,478	74,162	145,640
2.1	Financial assets held for trading		50,686	33,060	83,746	31,327	64,928	96,255
2.1.1	Government securities		41,979	33,060	75,039	21,552	64,928	86,480
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Other securities		8,707	-	8,707	9,775	-	9,775
2.2	Financial assets valued at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Other securities		-	-	-	-	-	-
2.3	Derivative financial assets held for trading		147,712	51,698	199,410	40,151	9,234	49,385
III.	BANKS	(5.1.3)	1,436,902	2,419,020	3,855,922	804,865	2,328,118	3,132,983
IV.	INTERBANK MONEY MARKETS		299,558	-	299,558	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		5,058	-	5,058	-	-	-
4.3	Receivables from reverse repurchase agreements		294,500	-	294,500	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	11,193,236	2,148,373	13,341,609	9,776,793	3,325,681	13,102,474
5.1	Equity securities		32,830	33,185	66,015	44,751	37,674	82,425
5.2	Government securities		10,867,305	615,069	11,482,374	9,598,339	2,104,697	11,703,036
5.3	Other securities		293,101	1,500,119	1,793,220	133,703	1,183,310	1,317,013
VI.	LOANS	(5.1.5)	28,283,309	18,210,926	46,494,235	22,491,701	14,726,185	37,217,886
6.1	Performing loans		27,837,297	18,210,926	46,048,223	22,184,686	14,726,185	36,910,871
6.1.1	Loans to bank's risk group	(5.7)	156,718	446,080	602,798	143,007	306,366	449,373
6.1.2	Others		27,680,579	17,764,846	45,445,425	22,041,679	14,419,819	36,461,498
6.2	Loans under follow-up		1,053,861	-	1,053,861	846,538	-	846,538
6.3	Specific provisions (-)		607,849	-	607,849	539,523	-	539,523
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	5,837,266	1,323,709	7,160,975	3,294,938	648,827	3,943,765
8.1	Government securities		5,837,266	1,323,709	7,160,975	3,291,736	648,827	3,940,563
8.2	Other securities		-	-	-	3,202	-	3,202
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	11,312	-	11,312	11,312	-	11,312
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		11,312	-	11,312	11,312	-	11,312
9.2.1	Financial investments in associates		11,312	-	11,312	11,312	-	11,312
9.2.2	Non-financial investments in associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	233,587	459,791	693,378	249,646	327,762	577,408
10.1	Unconsolidated financial investments in subsidiaries		224,876	459,791	684,667	241,370	327,762	569,132
10.2	Unconsolidated non-financial investments in subsidiaries		8,711	-	8,711	8,276	-	8,276
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	2,150	2,150	-	31,960	31,960
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	2,150	2,150	-	31,960	31,960
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,019,628	722	1,020,350	1,024,233	725	1,024,958
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	14,574	-	14,574	11,885	1	11,886
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		14,574	-	14,574	11,885	1	11,886
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSET	(5.1.15)	68,767	-	68,767	58,166	-	58,166
17.1	Current tax asset		1,608	-	1,608	5,222	-	5,222
17.2	Deferred tax asset		67,159	-	67,159	52,944	-	52,944
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	79,947	-	79,947	112,850	-	112,850
18.1	Assets held for sale		79,947	-	79,947	112,850	-	112,850
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	640,864	72,967	713,831	892,499	86,828	979,327
TOTAL ASSETS			50,543,596	28,450,658	78,994,254	41,987,330	25,591,152	67,578,482

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Balance Sheet

At 30 September 2008

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
		CURRENT PERIOD 30 September 2008			PRIOR PERIOD 31 December 2007		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(5.2.1)	25,723,879	22,325,796	48,049,675	20,012,623	19,085,479	39,098,102
1.1 Deposits from bank's risk group	(5.7)	370,037	339,897	709,934	304,065	171,726	475,791
1.2 Others		25,353,842	21,985,899	47,339,741	19,708,558	18,913,753	38,622,311
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	157,199	31,760	188,959	428,635	22,642	451,277
III. FUNDS BORROWED	(5.2.3)	2,374,383	7,704,540	10,078,923	1,282,828	7,275,816	8,558,644
IV. INTERBANK MONEY MARKETS		7,035,199	539,160	7,574,359	7,447,905	728,986	8,176,891
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		7,035,199	539,160	7,574,359	7,447,905	728,986	8,176,891
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2,090,170	18,190	2,108,360	1,819,991	11,574	1,831,565
VIII. OTHER EXTERNAL FUNDINGS PAYABLE	(5.2.4)	109,169	237,681	346,850	862,906	292,951	1,155,857
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.2.5)	1,736	26,661	28,397	3,075	51,663	54,738
10.1 Financial lease payables		1,859	28,379	30,238	3,379	55,024	58,403
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		123	1,718	1,841	304	3,361	3,665
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	4,187	4,187	-	249	249
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	4,187	4,187	-	249	249
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	(5.2.7)	867,927	16,824	884,751	541,116	20,222	561,338
12.1 General provisions		380,879	15,709	396,588	265,965	14,695	280,660
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		223,529	-	223,529	140,372	-	140,372
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		263,519	1,115	264,634	134,779	5,527	140,306
XIII. TAX LIABILITY	(5.2.8)	350,066	55	350,121	210,225	77	210,302
13.1 Current tax liability		350,066	55	350,121	210,225	77	210,302
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-
14.1 Assets held for sale		-	-	-	-	-	-
14.2 Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	(5.2.10)	-	626,621	626,621	-	596,400	596,400
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	8,668,618	84,433	8,753,051	6,736,584	146,535	6,883,119
16.1 Paid-in capital		4,200,000	-	4,200,000	2,100,000	-	2,100,000
16.2 Capital reserves		1,327,881	77,557	1,405,438	893,304	144,014	1,037,318
16.2.1 Share premium		11,880	-	11,880	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund		(41,607)	79,554	37,947	95,507	112,550	208,057
16.2.4 Revaluation surplus on tangible assets		597,090	-	597,090	29,864	-	29,864
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		2,453	-	2,453	2,453	-	2,453
16.2.8 Hedging reserves (effective portion)		(14,489)	(1,997)	(16,486)	(7,074)	31,464	24,390
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves		1,740,229	6,876	1,747,105	1,427,664	2,521	1,430,185
16.3.1 Legal reserves		268,796	3,342	272,138	153,690	2,521	156,211
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1,470,724	-	1,470,724	1,275,689	-	1,275,689
16.3.4 Other profit reserves		709	3,534	4,243	(1,715)	-	(1,715)
16.4 Profit or loss		1,400,508	-	1,400,508	2,315,616	-	2,315,616
16.4.1 Prior periods profit/loss		-	-	-	-	-	-
16.4.2 Current period net profit/loss		1,400,508	-	1,400,508	2,315,616	-	2,315,616
16.5 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		47,378,346	31,615,908	78,994,254	39,345,888	28,232,594	67,578,482

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Off-Balance Sheet Items

At 30 September 2008

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 September 2008			31 December 2007		
		YTL	FC	Total	YTL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		28,166,172	31,335,885	59,502,057	23,134,813	22,191,738	45,326,551
I. GUARANTEES AND SURETIES	(5.3.1)	4,194,438	9,143,464	13,337,902	3,925,972	8,429,994	12,355,966
1.1. Letters of guarantee		4,084,438	5,860,357	9,944,795	3,924,978	5,749,874	9,674,852
1.1.1. Guarantees subject to State Tender Law		238,348	440,397	678,745	306,986	423,552	730,538
1.1.2. Guarantees given for foreign trade operations		312,417	312,971	625,388	303,752	265,210	568,962
1.1.3. Other letters of guarantee		3,533,673	5,106,989	8,640,662	3,314,240	5,061,112	8,375,352
1.2. Bank acceptances		-	112,777	112,777	600	115,887	116,487
1.2.1. Import letter of acceptance		-	98,486	98,486	600	107,622	108,222
1.2.2. Other bank acceptances		-	14,291	14,291	-	8,265	8,265
1.3. Letters of credit		-	3,170,330	3,170,330	394	2,564,233	2,564,627
1.3.1. Documentary letters of credit		-	570	570	-	1,649	1,649
1.3.2. Other letters of credit		-	3,169,760	3,169,760	394	2,562,584	2,562,978
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		110,000	-	110,000	-	-	-
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	14,385,021	3,116,093	17,501,114	13,163,846	3,489,188	16,653,034
2.1. Irrevocable commitments		14,385,021	3,115,551	17,500,572	13,163,846	3,488,798	16,652,644
2.1.1. Asset purchase commitments		9,677	577,418	587,095	48,248	1,560,461	1,608,709
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		812	-	812	812	-	812
2.1.4. Loan granting commitments		3,067,874	1,329,133	4,397,007	2,354,191	913,337	3,267,528
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,420,521	-	1,420,521	1,852,451	-	1,852,451
2.1.8. Tax and fund obligations on export commitments		23,649	-	23,649	24,398	-	24,398
2.1.9. Commitments for credit card limits		8,598,278	-	8,598,278	7,619,536	-	7,619,536
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1,264,210	1,209,000	2,473,210	1,264,210	1,015,000	2,279,210
2.2. Revocable commitments		-	542	542	-	390	390
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	542	542	-	390	390
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	9,586,713	19,076,328	28,663,041	6,044,995	10,272,556	16,317,551
3.1. Derivative financial instruments held for risk management		-	98,728	98,728	-	58,282	58,282
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	98,728	98,728	-	58,282	58,282
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		9,586,713	18,977,600	28,564,313	6,044,995	10,214,274	16,259,266
3.2.1. Forward foreign currency purchases/sales		1,180,279	1,568,978	2,749,257	583,139	859,775	1,442,914
3.2.1.1. Forward foreign currency purchases		632,412	765,816	1,398,228	320,360	384,789	705,149
3.2.1.2. Forward foreign currency sales		547,867	803,162	1,351,029	262,779	474,986	737,765
3.2.2. Currency and interest rate swaps		5,678,206	11,209,024	16,887,230	4,328,262	6,811,744	11,140,006
3.2.2.1. Currency swaps-purchases		2,131,252	6,194,776	8,326,028	1,181,840	4,132,508	5,314,348
3.2.2.2. Currency swaps-sales		3,546,954	4,992,368	8,539,322	3,146,966	2,679,046	5,820,050
3.2.2.3. Interest rate swaps-purchases		-	11,090	11,090	417	1,581	1,998
3.2.2.4. Interest rate swaps-sales		-	10,790	10,790	2,039	1,571	3,610
3.2.3. Currency, interest rate and security options		2,669,662	5,538,103	8,207,765	1,015,177	1,907,105	2,922,282
3.2.3.1. Currency call options		1,191,045	2,054,472	3,245,517	366,159	896,609	1,262,768
3.2.3.2. Currency put options		1,437,091	1,940,954	3,378,045	630,600	515,233	1,145,833
3.2.3.3. Interest rate call options		-	768,824	768,824	-	81,200	81,200
3.2.3.4. Interest rate put options		-	682,024	682,024	-	-	-
3.2.3.5. Security call options		41,526	50,923	92,449	10,563	113,283	123,846
3.2.3.6. Security put options		-	40,906	40,906	7,855	300,780	308,635
3.2.4. Currency futures		52,766	43,508	96,274	114,417	82,650	197,067
3.2.4.1. Currency futures-purchases		44,809	540	45,349	83,070	2,219	85,289
3.2.4.2. Currency futures-sales		7,957	42,968	50,925	31,347	80,431	111,778
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.2.6. Others		5,800	617,987	623,787	4,000	553,000	557,000
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		153,371,353	88,090,410	241,461,763	129,941,310	67,163,648	197,104,958
IV. ITEMS HELD IN CUSTODY		45,409,626	13,260,431	58,670,057	46,920,619	12,856,015	59,776,634
4.1. Customers' securities held		25,051,078	3,322,789	28,373,867	21,162,119	3,625,534	24,787,653
4.2. Investment securities held in custody		12,822,408	743,778	13,566,186	20,241,857	1,385,719	21,627,576
4.3. Checks received for collection		5,729,378	800,974	6,530,352	4,204,954	494,980	4,699,934
4.4. Commercial notes received for collection		1,776,324	1,633,412	3,409,736	1,281,717	1,631,215	2,912,936
4.5. Other assets received for collection		8,262	6,461,978	6,470,240	7,197	5,402,214	5,409,411
4.6. Assets received through public offering		-	20,877	20,877	-	18,805	18,805
4.7. Other items under custody		22,176	276,623	298,799	22,775	297,544	320,319
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		107,961,727	74,829,979	182,791,706	83,020,691	54,307,633	137,328,324
5.1. Securities		-	89,956	89,956	-	169,805	169,805
5.2. Guarantee notes		15,758,462	5,670,553	21,429,015	11,971,031	4,942,492	16,913,523
5.3. Commodities		157	-	157	157	-	157
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		18,635,610	16,682,914	35,318,524	13,345,519	7,900,332	21,245,851
5.6. Other pledged items		73,477,372	52,476,145	125,953,517	57,534,009	41,464,466	98,998,475
5.7. Pledged items-depository		170	367	537	170	343	513
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		181,537,525	119,426,295	300,963,820	153,076,123	89,355,386	242,431,509

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Nine-Month Period Ended 30 September 2008

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)			
		CURRENT PERIOD 1 January 2008- 30 September 2008	PRIOR PERIOD 1 January 2007- 30 September 2007	CURRENT PERIOD 1 July 2008- 30 September 2008	PRIOR PERIOD 1 July 2007- 30 September 2007
I. INTEREST INCOME	(5.4.1)	6,575,827	5,221,894	2,371,720	1,867,614
1.1 Interest income on loans		4,066,630	3,043,941	1,439,576	1,143,386
1.2 Interest income on reserve deposits		154,037	133,684	55,668	48,582
1.3 Interest income on banks		200,011	188,126	65,179	76,952
1.4 Interest income on money market transactions		4,178	3,998	2,088	1,792
1.5 Interest income on securities portfolio		2,014,795	1,608,147	763,748	544,361
1.5.1 Trading financial assets		14,999	14,891	8,709	3,133
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		1,584,457	1,096,791	636,769	372,592
1.5.4 Investments held-to-maturity		415,339	496,465	118,270	168,636
1.6 Financial lease income		-	-	-	-
1.7 Other interest income		136,176	243,998	45,461	52,541
II. INTEREST EXPENSE	(5.4.2)	4,144,630	3,180,173	1,535,513	1,121,266
2.1 Interest on deposits		2,909,662	2,197,440	1,076,891	764,116
2.2 Interest on funds borrowed		504,714	455,535	167,737	180,027
2.3 Interest on money market transactions		724,519	521,418	289,563	176,120
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expenses		5,735	5,780	1,322	1,003
III. NET INTEREST INCOME (I - II)		2,431,197	2,041,721	836,207	746,348
IV. NET FEES AND COMMISSIONS INCOME		1,095,218	894,855	360,913	309,378
4.1 Fees and commissions received		1,435,360	1,202,010	496,781	428,770
4.1.1 Non-cash loans		82,643	73,226	28,104	21,451
4.1.2 Others		1,352,717	1,128,784	468,677	407,319
4.2 Fees and commissions paid		340,142	307,155	135,868	119,392
4.2.1 Non-cash loans		257	258	106	96
4.2.2 Others		339,885	306,897	135,762	119,296
V. DIVIDEND INCOME	(5.4.3)	75,518	49,399	1,386	2,430
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	114,959	(116,571)	4,987	(65,569)
6.1 Trading account income/losses (Net)		259,774	(299,925)	244,850	(45,773)
6.2 Foreign exchange gains/losses (Net)		(144,815)	183,354	(239,863)	(19,796)
VII. OTHER OPERATING INCOME	(5.4.5)	274,352	1,001,146	25,466	159,640
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		3,991,244	3,870,550	1,228,959	1,152,227
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	319,384	240,605	93,888	72,704
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	1,937,852	1,283,916	615,832	469,426
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,734,008	2,346,029	519,239	610,097
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	1,734,008	2,346,029	519,239	610,097
XVI. PROVISION FOR TAXES (±)	(5.4.9)	333,500	361,000	114,000	128,000
16.1 Current tax charge		342,606	374,270	113,991	120,044
16.2 Deferred tax charge/(credit)		(9,106)	(13,270)	9	7,956
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	1,400,508	1,985,029	405,239	482,097
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from assets held for sale		-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expenses on assets held for sale		-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge/(credit)		-	-	-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	(5.4.10)	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	1,400,508	1,985,029	405,239	482,097
EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)		546	945	116	230

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Income/Expense Items Accounted under Shareholders' Equity

For the Nine-Month Period Ended 30 September 2008

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF NEW TURKISH LIRA (YTL)	
	CURRENT PERIOD 30 September 2008	PRIOR PERIOD 30 September 2007
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(249,285)	40,207
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	12,033	(14,052)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	(33,461)	8,719
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	(9,269)	24,934
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	33,995	1,147
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	37,764	(11,732)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(208,223)	49,223
XI. CURRENT PERIOD PROFIT/LOSSES	1,400,508	1,985,029
1.1 Net changes in fair value of securities (transferred to income statement)	54,000	6,070
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Others	1,346,508	1,978,959
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1,192,285	2,034,252

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Nine-Month Period Ended 30 September 2008

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (30/9/2007)																	
I. Balances at beginning of the period		2,100,000	772,554	-	-	92,134	-	523,677	(27,699)	-	1,063,663	139,119	2,147	4,698	-	-	4,670,293
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)		2,100,000	772,554	-	-	92,134	-	523,677	(27,699)	-	1,063,663	139,119	2,147	4,698	-	-	4,670,293
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	45,268	-	-	-	-	45,268
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	28,666	-	28,666
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	8,719	-	8,719
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	19,947	-	19,947
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	(2,245)	-	-	(2,245)
X. Translation differences		-	-	-	-	(440)	-	-	(2,079)	-	(19,947)	-	-	-	-	-	(22,466)
XI. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current period net profit/loss		-	-	-	-	-	-	-	-	1,985,029	-	-	-	-	-	-	1,985,029
XX. Profit distribution		-	-	-	-	64,615	-	752,012	-	-	(1,063,663)	-	27,717	-	-	-	(219,319)
20.1. Dividends		-	-	-	-	64,615	-	752,012	-	-	(219,319)	-	-	-	-	-	(219,319)
20.2. Transfers to reserves		-	-	-	-	64,615	-	752,012	-	-	(816,627)	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	(27,717)	-	27,717	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		2,100,000	772,554	-	-	156,309	-	1,275,689	(29,778)	1,985,029	-	164,440	29,864	2,453	28,666	-	6,485,226
CURRENT PERIOD (30/9/2008)																	
I. Balances at beginning of the period		2,100,000	772,554	-	-	156,211	-	1,275,689	(1,715)	-	2,315,616	208,057	29,864	2,453	24,390	-	6,883,119
Changes during the period	(5.5)																
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(177,525)	-	-	-	-	(177,525)
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(40,876)	-	(40,876)
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(33,461)	-	(33,461)
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(7,415)	-	(7,415)
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	146	-	-	2,617	-	7,415	-	-	-	-	-	10,178
IX. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		2,100,000	-	11,880	-	-	-	-	-	-	-	-	-	-	-	-	2,111,880
12.1. Cash		2,100,000	-	11,880	-	-	-	-	-	-	-	-	-	-	-	-	2,111,880
12.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	(1,434,233)	-	-	-	-	-	-	-	-	(1,434,233)
XVII. Current period net profit/loss		-	-	-	-	-	-	-	-	1,400,508	-	-	-	-	-	-	1,400,508
XVIII. Profit distribution		-	-	-	-	115,781	-	1,629,268	3,341	-	(2,315,616)	-	567,226	-	-	-	-
18.1. Dividends		-	-	-	-	115,781	-	1,629,268	3,341	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	115,781	-	1,629,268	-	-	(1,745,049)	-	567,226	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	(570,567)	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	272,138	-	1,470,724	4,243	1,400,508	-	37,947	597,090	2,453	(16,486)	-	8,753,051

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2008

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)	
		CURRENT PERIOD	PRIOR PERIOD
		30 September 2008	30 September 2007
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1,777,729	3,045,657
1.1.1 Interests received		6,469,343	5,330,224
1.1.2 Interests paid		(3,964,848)	(3,123,226)
1.1.3 Dividend received		75,518	49,399
1.1.4 Fees and commissions received		1,536,465	1,269,888
1.1.5 Other income		106,293	989,136
1.1.6 Collections from previously written-off loans and other receivables		18,014	13,783
1.1.7 Payments to personnel and service suppliers		(1,373,023)	(869,790)
1.1.8 Taxes paid		(51,207)	(42,102)
1.1.9 Others	(5.6)	(1,038,826)	(571,655)
1.2 Changes in operating assets and liabilities		1,886,099	(1,731,178)
1.2.1 Net (increase) decrease in financial assets held for trading		8,586	36,795
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(730,690)	(1,277,927)
1.2.4 Net (increase) decrease in loans		(8,978,812)	(7,436,315)
1.2.5 Net (increase) decrease in other assets		3,042,546	245,810
1.2.6 Net increase (decrease) in bank deposits		(108,021)	(249,492)
1.2.7 Net increase (decrease) in other deposits		8,945,199	4,693,394
1.2.8 Net increase (decrease) in funds borrowed		1,483,899	1,221,250
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(1,776,608)	1,035,307
I. Net cash flow from banking operations		3,663,828	1,314,479
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(3,999,321)	(1,286,882)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	55,238
2.3 Purchases of tangible assets		(187,575)	(166,093)
2.4 Sales of tangible assets		97,983	30,094
2.5 Cash paid for purchase of financial assets available-for-sale		(8,437,361)	(4,822,144)
2.6 Cash obtained from sale of financial assets available-for-sale		4,136,463	3,067,967
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		391,169	548,056
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		611,205	(283,660)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		2,111,880	-
3.4 Dividends paid		-	(219,319)
3.5 Payments for financial leases		(66,442)	(64,341)
3.6 Others (payments for founder shares repurchased)	(5.6)	(1,434,233)	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	157,347	77,263
V. Net increase/(decrease) in cash and cash equivalents		433,059	(178,800)
VI. Cash and cash equivalents at beginning of period		3,417,495	2,987,300
VII. Cash and cash equivalents at end of period		3,850,554	2,808,500

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

3 Accounting policies

3.1 Basis of presentation

As per the Article 37 of “Accounting and Recording Rules” of the Turkish Banking Law No 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its unconsolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulatory and Supervisory Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for the securities at fair value through profit or loss, securities available for sale, investments in associates and subsidiaries that are quoted on the stock exchanges and assets held for sale which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes 3.2 to 3.24.

3.1.1 Additional paragraph for convenience translation to English

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

3.2 Strategy for the use of financial instruments and foreign currency transactions

3.2.1 Strategy for the use of financial instruments

The liability side of the Bank’s balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank has access to longer-term borrowings via the foreign currency borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank is keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Bank’s widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are the most effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in management of interest and liquidity risks on balance sheet is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems instantly, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

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

Foreign currency differences arising from the conversion of the net investments in associates and subsidiaries in foreign countries into YTL are classified as "securities value increase fund" under the shareholders' equity. Non-derivative liabilities are designated as the hedge of net investment in foreign operations and the Bank recognizes the effective portion of changes in the fair value of the hedging instrument under the shareholders' equity in "hedging reserves".

In the currency conversion of the financial statements of the Bank's foreign branches, the Bank's spot purchase rates are used for balance sheet items and average foreign currency rates for income statement. All foreign currency differences arising from this conversion, are classified as "other profit reserves" under the shareholders' equity.

3.3 Investments in associates and subsidiaries

The unconsolidated investments in associates and subsidiaries are accounted in accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement". Investments in companies quoted in organized markets and for which their fair values can be reliably determined, are valued at their fair values. Others are valued at costs reduced by provisions for impairment losses, if any, in the accompanying financial statements.

3.4 Forwards, options and other derivative transactions

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts.

According to the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified "hedging purposes" and "trading purposes". Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, the derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "derivative financial assets" or "derivative financial liabilities", respectively. Subsequent fair value changes for trading derivatives are recorded under income statement. Whereas, the effective portions of hedging derivatives are recorded under shareholders' equity while their ineffective portions are posted through income statement.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts.

3.5 Interest income and expenses

Interests are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the Turkish Accounting Standard 39 (TAS 39) “Financial Instruments: Recognition and Measurement”.

In case of an interest accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

3.6 Fees and commissions

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are calculated according to either accrual basis of accounting or effective interest rate method depending on nature of fees and commissions, incomes derived from agreements and asset purchases from third parties are recognized as income when realized.

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

Such assets are valued at their fair values and gain/loss arising is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the income statement. In case of sales of such securities before their maturity, the gains/losses on such sales are recorded under trading income/losses.

3.7.2 Investments held-to-maturity, financial assets available-for-sale and loans and receivables

Financial assets are initially recorded at their purchase costs including the transaction costs.

Investments held-to-maturity are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables.

There are no financial assets that are not allowed to be classified as investments held-to-maturity for two years due to the tainting rules applied for the breach of classification rules.

Investments held-to-maturity are measured at amortized costs using internal rate of return after deducting impairments, if any.

Assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognised gain/losses derived from

the difference between their fair value and the discounted values are recorded in “securities value increase fund” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

Government bonds indexed to consumer price index and issued on 21 February 2007 are for five-year maturity and with fixed real coupon rate of 5% semiannually. As per the statement made by the Turkish Treasury on the date of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

Purchase and sale transactions of securities are accounted at delivery dates.

Loans and receivables are financial assets raised by the Bank providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

3.8 Impairment of financial assets

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

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

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no.2633 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

3.9 Netting of financial instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

The Bank provides specific allowances for loan and other receivables in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. The allowances are recorded under “loans” as negative balances on the asset side.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

3.10 Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet in compliance with the Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. The funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

Securities purchased under resale agreements are classified under “interbank money markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

3.11 Assets held for sale and discontinued operations

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

3.12 Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares, intangible rights and pre-operating expenses.

Goodwill and other intangible assets are recorded at cost in compliance with the Turkish Accounting Standard 38 (TAS 38) “Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. Assets purchased before 2005 are amortised over their estimated useful lives on a straight-line basis. Since 1 January 2005, newly purchased assets are amortised based on the declining balance which is one of the accelerated amortisation methods.

Estimated useful lives of the Bank’s intangible assets are 5-15 years, and amortisation rates are 6.67-20%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “ Impairment of Assets” and if the recoverable amount is less then the carrying value of the related asset, a provision for impairment loss is made.

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Tangible assets are recorded at cost in compliance with the Turkish Accounting Standard 16 (TAS 16) "Tangible Assets".

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

The depreciation rates and the estimated useful lives of tangible assets are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) after 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	4	2
Vaults	20-50	4-10	2-5
Motor vehicles	5-7	30-40	15-20
Other tangible assets	4-20	10-50	5-25

Tangible assets purchased before 2005 are depreciated over their estimated useful lives on a straight-line basis from the date of their acquisition. Since 1 January 2005, newly purchased tangible assets are depreciated based on the declining balance which is one of the accelerated depreciation methods.

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

3.14 Leasing activities

The maximum period of the leasing agreements is 4 years. Leased assets are recognized by recording an asset or a liability. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

In operating leases, the rent payments are charged to the statement of operations in equal installments.

3.15 Provisions and contingent liabilities

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”; provisions that were booked in the prior periods and released in the current year are recorded under “other operating income”.

3.16 Contingent assets

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

3.17 Employee benefits

Severance Indemnities and Short-Term Employee Benefits

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignations or misbehaviours specified in the Turkish Labour Law.

Accordingly, the Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) “Employee Benefits” for all its employees who retired or whose employment is terminated, called up for military service or died. The major actuarial assumptions used in the calculation of the total liability are as follows:

	30 September 2008	31 December 2007
Discount Rate	11.00%	11.00%
Expected Rate of Salary/Limit	5.00%	5.00%
Estimated Employee Turnover Rate	5.81%	5.81%

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

Retirement Benefit Obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee (and his/her dependents) will receive on retirement.

The Bank’s defined benefit plan (the “Plan”) is managed by “Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı” (the Fund) established as per the provisional article 20 of the Social Security Law no.506 and the Bank’s employees are the members of this Fund.

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law numbered 506 and these contributions are as follows:

	30 September 2008	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

The Plan is composed of a) the contractual benefits of the employees, which are subject to transfer to Social Security Foundation (“SSF”) as per the Social Security Law no.5754 (“the Law”), and b) other social rights and and medical benefits provided by the Bank but not transferable to SSF.

a) Benefits transferable to SSF

The first paragraph of the provisional article 23 of Banking Law No.5411, published in the Official Gazette at 1 November 2005, which requires the transfer of the members of the funds subject to the provisional article 20 of the Social Security Law no.506, and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to the SSF within three years following the effective date of the related article was cancelled with the decision of the Constitutional Court dated 22 March 2007, numbered 2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette numbered 26731, dated 15 December 2007. The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members.

Following the publication of the verdict, the Turkish Grand National Assembly (“Turkish Parliament”) started to work on the new legal arrangements by taking the cancellation reasoning into account and the articles of the Law regulating the principles related with such transfers were accepted and approved by Turkish Parliament at 17 April 2008, and enacted at 8 May 2008 after being published in the Official Gazette no.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, will be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the SDIF, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds’ income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers will take place within three-year period starting from 1 January 2008.

At 19 June 2008, Cumhuriyet Halk Partisi (“CHP”) is applied to the Constitutional Court for the cancellation of various articles of the Law including the the first paragraph of the provisional Article 20. As of the issuing date of the financial statements, there is not any published ruling of the Constitutional Court.

b) Other benefits not transferable to SSF

Other social rights and payments provided in the existing trust indenture but not covered through the transfer of the funds’ members and their right-holders to the SSF, are to be covered by the funds and the institutions that employ the funds’ members.

3.18 Taxation

3.18.1 Corporate tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

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

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

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

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

Effective from 1 January 2006, the article 2 of the Law no.5479 published in the Official Gazette dated 8 April 2006 with no.26133 and the article 19 of the Income Tax Law that used to regulate the investment incentives are abolished. However, the provisional article 69 added to the Income Tax Law through this law regulates the transition period in application of investment incentives.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

3.19 Funds borrowed

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed received are recorded at their purchase costs and discounted by using the internal rate of return.

There are no convertible bonds or any other securities issued.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

3.22 Government incentives

As of 30 September 2008, the Bank does not have any government incentives or aids.

3.23 Segment reporting

The Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Shop&Miles, BusinessCard under the brand name of Visa and Mastercard, and also American Express credit cards and Maestro ve Electron Garanti24 cards are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey's traditional agricultural products.

Additionally, the Bank provides "small business" banking service to enterprises in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, YTL and foreign currency deposits, investment accounts, internet banking and call-center, debit card and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

Information on the business segments is as follows as of 30 September 2008:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,147,876	1,571,557	852,058	344,235	3,915,726
Other	-	-	-	-	-
Total Operating Profit	1,147,876	1,571,557	852,058	344,235	3,915,726
Net Operating Profit	794,210	921,386	283,129	(340,235)	1,658,490
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	75,518	75,518
Net Operating Profit	794,210	921,386	283,129	(264,717)	1,734,008
Provision for Taxes	-	-	-	333,500	333,500
Net Profit	794,210	921,386	283,129	(598,217)	1,400,508
Segment Assets	16,580,622	29,913,613	29,228,728	2,566,601	78,289,564
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	704,690	704,690
Undistributed Items	-	-	-	-	-
Total Assets	16,580,622	29,913,613	29,228,728	3,271,291	78,994,254
Segment Liabilities	28,907,973	19,987,011	20,003,100	1,343,119	70,241,203
Shareholders' Equity	-	-	-	8,753,051	8,753,051
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	28,907,973	19,987,011	20,003,100	10,096,170	78,994,254
Other Segment Items					
Capital Expenditure	-	-	-	184,314	184,314
Depreciation Expenses	-	-	-	124,415	124,415
Impairment Losses	-	-	442	318,943	319,385
Other Non-Cash Income/Expenses	48,777	74,459	35,090	(9,020)	149,306
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

Leasehold improvements amounting YTL 85,129 thousands as of 31 December 2007, are classified to "tangible assets" from "intangible assets".

Prepaid taxes amounting YTL 5,222 thousands as of 31 December 2007, in "other assets" are classified to "tax asset".

Commissions received for cash loans amounting YTL 67,878 thousands are classified to "interest income on loans" and commissions paid for funds borrowed amounting YTL 21,060 thousands are classified to "interest expense on funds borrowed" as of 30 September 2007.

Due to method change in valuation of derivative instruments, YTL 248,764 thousands is reclassified from "trading account gains/(losses)" to "foreign exchange gains/(losses)" as of 30 September 2007.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 16.30%.

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no.26333 dated 1 November 2006.

In calculation of capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and commitments. In calculation of risk weighted assets, impairments, depreciation and amortisation, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The credit derivative contracts are included in the calculation of the value at credit risk and of the capital requirement for general market risk and specific risk in accordance with the principles in "Regulation on Taking Credit Derivatives into Consideration for Calculation of Capital Adequacy Ratio according to the Standard Method".

4.1.2 Capital adequacy ratio

	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	15,917,856	-	2,806,641	11,405,529	34,197,500	677,626	5,835
Cash on Hand	677,919	-	3,880	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	2,051,575	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	620,000	-	2,188,221	-	981,441	-	-
Interbank Money Market Placements	5,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	294,210	-	-	-	-	-	-
Reserve Deposits	2,167,520	-	-	-	-	-	-
Loans	2,708,789	-	420,986	11,295,298	30,211,909	677,626	5,835
Loans under Follow-Up (Net)	-	-	-	-	446,012	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,104,956	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	33,724	-	-
Miscellaneous Receivables	84,244	-	-	-	95,551	-	-
Accrued Interest and Income	132,377	-	42,050	110,231	632,274	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	-	692,960	-	-
Tangible Assets (Net)	-	-	-	-	1,037,443	-	-
Other Assets	71,266	-	151,504	-	66,186	-	-
Off-Balance Sheet Items	1,597,814	-	1,174,278	666,632	8,078,616	-	-
Non-Cash Loans and Commitments	1,597,814	-	870,821	666,632	8,038,697	-	-
Derivative Financial Instruments	-	-	303,457	-	39,919	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	17,515,670	-	3,980,919	12,072,161	42,276,116	677,626	5,835

4.1.3 Summary information related to capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk	50,136,489	41,927,303
Value at Market Risk	1,904,838	579,538
Value at Operational Risk	5,766,996	4,520,072
Shareholders' Equity	9,423,316	7,206,570
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100 (*)	16.30%	15.32%

(*) VaCR: Value at Credit Risk
VaMR: Value at Market Risk
VaOR: Value at Operational Risk

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	2,100,000
Nominal Capital	4,200,000	2,100,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	-
Share Cancellation Profits	-	-
Legal Reserves	272,138	156,211
I. Legal Reserve (Turkish Commercial Code 466/1)	253,348	137,421
II. Legal Reserve (Turkish Commercial Code 466/2)	18,790	18,790
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,470,724	1,275,689
Reserve allocated as per the Decision held by the General Assembly	1,470,724	1,275,689
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	1,400,508	2,315,616
Current Period Profit	1,400,508	2,315,616
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	22,000	32,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	594,943	27,717
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	-	85,128
Prepaid Expenses (-)	267,194	231,262
Intangible Assets (-)	14,574	11,886
Deferred Tax Asset excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	8,744,747	6,679,787

SUPPLEMENTARY CAPITAL		
General Provisions	396,588	280,660
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus shares of Associates, Subsidiaries and Joint-Ventures	2,453	2,453
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	620,000	580,000
45% of Securities Value Increase Fund (*)	10,670	85,510
Associates and Subsidiaries	27,890	(5,312)
Investment Securities Available for Sale	(17,220)	90,822
Other Reserves	4,243	(1,715)
Total Supplementary Capital	1,034,920	947,874
TIER III CAPITAL	-	-
CAPITAL	9,779,667	7,627,661
DEDUCTIONS FROM CAPITAL	356,352	421,091
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	11,730	11,730
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	62,854	81,085
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	9,423,316	7,206,570

(*) In cases where the Securities Value Increase Fund gives a positive result then only 45% of the amount is considered in the calculation, whereas if it is negative then the whole amount is considered in the calculation.

4.2 Credit risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.3 Market risk

The Bank that had already started working on risk management area before the regulations on Bank’s Internal Control and Risk Management Systems and Measurement and Assessment of Capital Adequacy Ratios of Banks issued by the BRSA in February 2001, restructured its internal systems in accordance with the related regulations under the responsibility of the board of directors and currently works accordingly.

In order to comply with the regulations, the Bank revisited its activities related with market risk management in accordance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

The risk policies defined for the Bank’s market risk exposure and the applications are approved and reviewed regularly by the board of directors.

The top management is responsible for applying risk policies, principles and application procedures approved by the board of directors, ensuring timely and reliable reporting to the board of directors about the important risks identified, assessing internal control, internal audit and risk reports prepared for departments and either eliminating risks, deficiencies or defects identified in these departments or taking the necessary precautions to prevent those and participating in determination of risk limits.

The board of directors follows up the effectiveness of risk management systems through audit committee, related other committees and top management, and take decisions in the light of various risk reports and the assessments made by audit committee. The board of directors is responsible of healthy performance of internal systems.

Market risks arising from trading transactions are measured by internal risk measurement model using value at risk (VaR) methodology. In the VaR calculations, trading and available-for-sale portfolios are taken into account. VaR is calculated by three different methods, namely historical simulation, monte carlo simulation and parametric method. The Bank takes the parametric VaR results as the basis for the internal management of market risk and determination of limits. The calculations made according to other two methods are used for comparison and monitoring purposes. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital adequacy calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations.

In the quantification of market risk arising from maturity mismatches of assets and liabilities, duration and variance analysis are also used. In duration analysis, the present values of interest sensitive asset and liability items are calculated based on their cash flows and yield curves developed from market interest rates. The results are supported by the sensitivity and scenario analysis performed periodically due to the prospective fluctuations in markets.

The capital requirement for general market risk and specific risks is calculated using the standard method defined by the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and reported monthly.

4.3.1 Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	93,719
(II) Capital Obligation against Specific Risks - Standard Method	29,653
(III) Capital Obligation against Currency Risk - Standard Method	11,749
(IV) Capital Obligation against Stocks Risks - Standard Method	-
(V) Capital Obligation against Exchange Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	17,266
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	152,387
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	1,904,838

4.3.2 Monthly average values at market risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.4 Operational risk

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2008, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to YTL 874,001 thousands (31 December 2007: YTL 1,099,543 thousands), net ‘off-balance sheet’ foreign currency long position amounts to YTL 651,686 thousands (31 December 2007: YTL 983,320 thousands), while net foreign currency short position amounts to YTL 222,315 thousands (31 December 2007: YTL 116,223 thousands), a net foreign currency short position.

The Bank’s foreign currency position risk is measured by “standard method” and “value-at-risk (VaR) model”. Measurements by standard method are carried out weekly, whereas measurements by “VaR” are done daily.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in YTL are as follows:

	USD	EUR	Yen (100)	GBP
Foreign currency purchase rates at balance sheet date	1.2400	1.7948	1.1887	2.2504
<u>Rates for the days before balance sheet date:</u>				
Day 1	1.2300	1.7623	1.1574	2.2149
Day 2	1.2100	1.7666	1.1414	2.2292
Day 3	1.2100	1.7673	1.1402	2.2300
Day 4	1.2100	1.7759	1.1377	2.2353
Day 5	1.2150	1.7822	1.1462	2.2507
Last 30-days arithmetical average rates	1.2189	1.7518	1.1431	2.1966

Currency risk:

	Euro	USD	Yen	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,435,783	2,248,104	270	44,085	3,728,242
Banks	650,325	1,597,473	40,194	131,028	2,419,020
Financial Assets at Fair Value through Profit/Loss	10,854	32,351	-	20	43,225
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	200,862	1,947,511	-	-	2,148,373
Loans (*)	6,738,382	13,216,401	28,431	455,209	20,438,423
Investments in Associates, Subsidiaries and Joint-Ventures	399,027	60,764	-	-	459,791
Investments Held-to-Maturity	4,679	1,319,029	-	1	1,323,709
Derivative Financial Assets Held for Risk Management	54	2,096	-	-	2,150
Tangible Assets	-	722	-	-	722
Intangible Assets	-	-	-	-	-
Other Assets	13,069	39,363	1	1,130	53,563
Total Assets	9,453,035	20,463,814	68,896	631,473	30,617,218
Liabilities					
Bank Deposits	156,434	489,899	22	41,073	687,428
Foreign Currency Deposits	9,365,950	11,685,333	57,190	407,666	21,516,139
Interbank Money Market Takings	-	539,160	-	-	539,160
Other Fundings	1,992,456	6,337,757	948	-	8,331,161
Securities Issued	-	-	-	-	-
Miscellaneous Payables	8,150	4,486	-	5,554	18,190
Derivative Financial Liabilities Held for Risk Management	4,036	151	-	-	4,187
Other Liabilities (**)	100,794	168,103	191	125,866	394,954
Total Liabilities	11,627,820	19,224,889	58,351	580,159	31,491,219
Net 'On Balance Sheet' Position	(2,174,785)	1,238,925	10,545	51,314	(874,001)
Net 'Off-Balance Sheet' Position	1,949,005	(1,242,096)	(10,523)	(44,700)	651,686
Derivative Assets	3,388,355	5,315,142	3,474	447,849	9,154,820
Derivative Liabilities	1,439,350	6,557,238	13,997	492,549	8,503,134
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	10,231,019	16,278,547	27,217	413,608	26,950,391
Total Liabilities	9,100,595	18,341,518	63,301	544,520	28,049,934
Net 'On Balance Sheet' Position	1,130,424	(2,062,971)	(36,084)	(130,912)	(1,099,543)
Net 'Off-Balance Sheet' Position	(1,086,320)	1,893,946	36,273	139,421	983,320
Derivative Assets	667,582	4,871,412	165,317	549,626	6,253,937
Derivative Liabilities	1,753,902	2,977,466	129,044	410,205	5,270,617
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting YTL 2,227,497 thousands included under YTL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities also include gold deposits of YTL 122,229 thousands.

4.6 Interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank's interest rate risk is measured by the standard method, value at risk (VaR) and asset-liability risk measurement models.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. Asset-liability risk measurement model is run monthly.

During the daily VaR calculations, the interest rate risks of the Bank's YTL and FC trading and investment securities available for sale and off-balance sheet position are measured. These are supported by scenario analysis and stress testing.

4.6.1 Interest rate mismatch for the Bank "Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates"

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,356,115	-	-	-	-	2,598,375	4,954,490
Banks	1,222,413	379,322	1,655,980	25,820	-	572,387	3,855,922
Financial Assets at Fair Value through Profit/Loss	82,299	56,189	95,225	34,318	15,125	-	283,156
Interbank Money Market Placements	299,558	-	-	-	-	-	299,558
Financial Assets Available-for-Sale	2,889,796	394,416	7,283,992	2,508,560	198,830	66,015	13,341,609
Loans	17,033,145	8,250,991	8,173,310	9,362,990	3,227,787	446,012	46,494,235
Investments Held-to-Maturity	-	51,830	2,820,453	3,227,229	1,061,463	-	7,160,975
Other Assets	15,180	5,810	297	4,032	23,486	2,555,504	2,604,309
Total Assets	23,898,506	9,138,558	20,029,257	15,162,949	4,526,691	6,238,293	78,994,254
Liabilities							
Bank Deposits	33,888,386	2,267,798	1,557,043	58,983	-	8,793,959	46,566,169
Other Deposits	6,712,179	102,995	202,422	556,763	-	-	7,574,359
Interbank Money Market Takings	-	-	-	-	-	2,108,360	2,108,360
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	5,730,716	1,403,672	3,560,985	10,171	-	-	10,705,544
Other Fundings	19,367	16,378	82,541	26,808	76,456	10,334,766	10,556,316
Other Liabilities	46,973,737	3,868,374	5,453,935	652,725	76,456	21,969,027	78,994,254
Total Liabilities							
On Balance Sheet Long Position	-	5,270,184	14,575,322	14,510,224	4,450,235	-	38,805,965
On Balance Sheet Short Position	(23,075,231)	-	-	-	-	(15,730,734)	(38,805,965)
Off-Balance Sheet Long Position	-	6,872	3,678	830	591	-	11,971
Off-Balance Sheet Short Position	-	(15,777)	(43,132)	(831)	(476)	-	(60,216)
Total Position	(23,075,231)	5,261,279	14,535,868	14,510,223	4,450,350	(15,730,734)	(48,245)

Average interest rates on monetary financial instruments:

Current Period	Euro	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1.88	0.75	-	12.56
Banks (*)	4.81	3.06	0.40	16.80
Financial Assets at Fair Value through Profit/Loss	6.00	6.56	-	16.30
Interbank Money Market Placements	-	-	-	18.25
Financial Assets Available-for-Sale	5.24	6.63	-	19.60
Loans	7.36	6.36	4.14	23.23
Investments Held-to-Maturity	9.25	8.14	-	18.53
Liabilities				
Bank Deposits	6.08	4.22	-	17.32
Other Deposits	3.92	3.14	0.42	15.63
Interbank Money Market Takings	-	3.31	-	16.45
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	5.37	3.83	2.23	14.58

(*) The interest rates for USD and YTL placements at banks are 3.09% and 17.48%, respectively, when the placements with range accrual agreements are excluded.

4.6.2 Interest rate mismatch for the Bank “Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates”

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	4,907,841	-	-	-	-	2,320,026	7,227,867
Banks	1,396,552	522,974	917,835	35,120	-	260,502	3,132,983
Financial Assets at Fair Value through Profit/Loss	21,557	29,887	31,836	21,566	40,794	-	145,640
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	1,329,977	3,838,532	1,803,631	4,540,522	1,507,388	82,424	13,102,474
Loans	9,470,750	7,004,673	7,879,424	9,776,230	2,779,794	307,015	37,217,886
Investments Held-to-Maturity	662,039	2,471,920	168,692	641,114	-	-	3,943,765
Other Assets	48,306	277	4,089	5,409	25,818	2,723,968	2,807,867
Total Assets	17,837,022	13,868,263	10,805,507	15,019,961	4,353,794	5,693,935	67,578,482
Liabilities							
Bank Deposits	1,108,718	53,403	6,023	47,339	39,437	332,631	1,587,551
Other Deposits	25,475,339	3,723,160	1,216,706	52,238	-	7,043,108	37,510,551
Interbank Money Market Takings	6,942,341	278,547	384,561	571,442	-	-	8,176,891
Miscellaneous Payables	-	-	-	-	-	1,831,565	1,831,565
Securities Issued	-	-	-	-	-	-	-
Other Fundings	5,240,621	2,015,014	1,600,391	299,018	-	-	9,155,044
Other Liabilities	140,219	130,560	139,570	22,199	73,715	8,810,617	9,316,880
Total Liabilities	38,907,238	6,200,684	3,347,251	992,236	113,152	18,017,921	67,578,482
On Balance Sheet Long Position	-	7,667,579	7,458,256	14,027,725	4,240,642	-	33,394,202
On Balance Sheet Short Position	(21,070,216)	-	-	-	-	(12,323,986)	(33,394,202)
Off-Balance Sheet Long Position	2,596	82	731	-	-	-	3,409
Off-Balance Sheet Short Position	(72)	(20,686)	(3,777)	-	-	-	(24,535)
Total Position	(21,067,692)	7,646,975	7,455,210	14,027,725	4,240,642	(12,323,986)	(21,126)

Average interest rates on monetary financial instruments:

Prior Period	Euro	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1.80	-	-	11.81
Banks (*)	4.02	5.59	-	22.65
Financial Assets at Fair Value through Profit/Loss	6.49	7.98	-	18.94
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	5.64	7.93	-	17.62
Loans	6.47	7.20	2.31	23.71
Investments Held-to-Maturity	9.11	9.47	-	20.09
Liabilities				
Bank Deposits	5.65	5.65	-	16.65
Other Deposits	2.90	3.92	0.48	14.73
Interbank Money Market Takings	-	5.20	-	15.44
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	4.91	5.72	1.85	13.66

(*) The interest rates for USD and YTL placements at banks are 4.97% and 15.96%, respectively, when the placements with range accrual agreements are excluded.

4.7 Liquidity risk

In order to avoid the liquidity risk, the Bank diverts funding resources as customer deposits and foreign borrowings, considers the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitisation transactions. There are no significant idle liquidity resources.

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios in the first nine months of 2008 and the year of 2007 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + YTL	FC	FC + YTL
Average (%)	161.69	152.79	110.11	109.44
Maximum (%)	190.52	179.94	126.94	119.49
Minimum (%)	137.44	126.82	95.14	100.70

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + YTL	FC	FC + YTL
Average (%)	205.49	188.04	127.36	123.78
Maximum (%)	251.92	212.33	147.16	130.54
Minimum (%)	158.32	148.21	112.59	116.03

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,598,375	2,356,115	-	-	-	-	-	4,954,490
Banks	572,387	1,125,820	67,414	117,921	1,343,735	628,645	-	3,855,922
Financial Assets at Fair Value through Profit/Loss	-	82,226	56,189	92,242	37,240	15,259	-	283,156
Interbank Money Market Placements	-	299,558	-	-	-	-	-	299,558
Financial Assets Available-for-Sale	66,016	62,960	70,901	2,288,689	9,218,692	1,634,351	-	13,341,609
Loans	92,879	10,873,836	5,107,825	7,050,537	13,491,908	9,431,238	446,012	46,494,235
Investments Held-to-Maturity	-	-	51,830	126,226	5,921,456	1,061,463	-	7,160,975
Other Assets	151,505	261,160	5,810	297	4,032	23,486	2,158,019	2,604,309
Total Assets	3,481,162	15,061,675	5,359,969	9,675,912	30,017,063	12,794,442	2,604,031	78,994,254
Liabilities								
Bank Deposits	731,931	623,100	23,496	13,078	50,437	41,464	-	1,483,506
Other Deposits	8,793,959	33,873,249	2,229,849	1,472,575	98,462	98,075	-	46,566,169
Other Fundings	-	559,624	1,169,814	2,277,615	2,442,214	4,256,277	-	10,705,544
Interbank Money Market Takings	-	6,712,179	102,995	202,422	556,763	-	-	7,574,359
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	159,680	1,948,680	-	-	-	-	-	2,108,360
Other Liabilities (**)	25,463	172,633	96,389	82,541	26,808	76,456	10,076,026	10,556,316
Total Liabilities	9,711,033	43,889,465	3,622,543	4,048,231	3,174,684	4,472,272	10,076,026	78,994,254
Liquidity Gap	(6,229,871)	(28,827,790)	1,737,426	5,627,681	26,842,379	8,322,170	(7,471,995)	-
Prior Period								
Total Assets	3,326,073	14,406,520	4,925,991	8,466,366	24,227,672	9,893,815	2,332,045	67,578,482
Total Liabilities	8,410,696	35,546,329	4,365,228	4,817,482	2,039,978	4,662,149	7,736,620	67,578,482
Liquidity Gap	(5,084,623)	(21,139,809)	560,763	3,648,884	22,187,694	5,231,666	(5,404,575)	-

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.

(**) Shareholders' equity is included in "other liabilities" line under "undistributed" column.

4.8 Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.9 Transactions carried out on behalf of customers, items held in trust

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	497,444	134,730	244,772	200,258
Central Bank of Turkey	720,954	3,551,737	2,939,012	3,770,506
Others	7,850	41,775	3,180	70,139
Total	1,226,248	3,728,242	3,186,964	4,040,903

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	585,954	1,377,582	2,939,012	1,798,900
Unrestricted Time Deposits	135,000	-	-	-
Restricted Time Deposits	-	2,174,155	-	1,971,606
Total	720,954	3,551,737	2,939,012	3,770,506

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in YTL and USD or EUR at the rates of 6% and 11%, respectively as per the Communiqué no.2005/1 “Reserve Deposits” of the Central Bank of Turkey. Interest rates applied for reserve requirements by the Central Bank of Turkey are 12.56% for YTL deposits and 0.75% and 1.875% for foreign currency deposits in USD and EUR, respectively.

5.1.2 Information on financial assets at fair value through profit/loss

5.1.2.1 *Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked*

None.

5.1.2.2 *Positive differences on derivative financial assets held for trading*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	18,896	5,480	8,479	5,837
Swap Transactions	100,095	34,928	12,741	1,923
Futures	-	-	-	-
Options	28,721	11,290	18,931	1,474
Other	-	-	-	-
Total	147,712	51,698	40,151	9,234

5.1.3 Banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks				
Domestic banks	109,480	334,698	13,317	381,322
Foreign banks	1,327,422	2,084,322	791,548	1,946,796
Foreign headoffices and branches	-	-	-	-
Total	1,436,902	2,419,020	804,865	2,328,118

The placements at foreign banks include blocked accounts amounting YTL 1,288,590 thousands of which YTL 161,353 thousands, YTL 107,919 thousands and YTL 16,118 thousands are kept at the central banks of Luxembourg, Malta and NCTR, respectively as reserve deposits, and YTL 1,003,200 thousands as collateral against funds borrowed.

Due from foreign banks:

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.4 Financial assets available-for-sale

5.1.4.1 *Financial assets subject to repurchase agreements and provided as collateral/blocked*

The collateralized financial assets available-for-sale in YTL consist of government bonds. The carrying values of such securities with total face value of YTL 1,839,170 thousands (31 December 2007: YTL 671,758 thousands) is YTL 1,879,827 thousands (31 December 2007: YTL 673,136 thousands). The related accrued interests and impairment losses amount to YTL 51,296 thousands (31 December 2007: YTL 54,535 thousands) and YTL 4,050 thousands (31 December 2007: YTL 50 thousands). The collateralized financial assets available-for-sale in foreign currencies consist of eurobonds and other foreign currency government securities. The carrying values of such securities with total face value of USD 256,150,000 (31 December 2007: USD 407,350,000) is USD 255,837,392 (31 December 2007: USD 404,473,448). The related accrued interests and impairment losses amount to USD 5,570,278 (31 December 2007: USD 16,445,220) and USD 339,967 (31 December 2007: USD 34,938).

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Collateralised/Blocked Assets	1,927,073	323,724	727,621	488,225
Assets subject to Repurchase Agreements	4,490,106	109,154	5,867,904	527,840
Total	6,417,179	432,878	6,595,525	1,016,065

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	12,607,968	12,172,484
Quoted at Stock Exchange	11,008,845	11,011,197
Unquoted at Stock Exchange	1,599,123	1,161,287
Common Shares	31,899	31,497
Quoted at Stock Exchange	13,037	12,743
Unquoted at Stock Exchange	18,862	18,754
Value Increases/Impairment Losses (-)	701,742	898,493
Total	13,341,609	13,102,474

As of 30 September 2008, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 925,000,000 (31 December 2007: USD 875,000,000) and a total carrying value of YTL 1,157,971 thousands (31 December 2007: YTL 1,039,423 thousands).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	8	1,664	1	1,090
Corporates	8	1,664	1	1,090
Individuals	-	-	-	-
Indirect Lendings to Shareholders	102,767	158,223	61,738	168,482
Loans to Employees	51,821	-	50,014	-
Total	154,596	159,887	111,753	169,572

5.1.5.2 Loans and other receivables classified in groups I and II and restructured or rescheduled

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans and Other Receivables under Follow-Up (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	44,773,833	-	1,231,161	43,229
Discounted Bills	135,685	-	122	-
Export Loans	2,887,006	-	784	4,561
Import Loans	20,242	-	-	-
Loans to Financial Sector	934,428	-	-	-
Foreign Loans	1,110,635	-	-	-
Consumer Loans	9,017,172	-	536,452	-
Credit Cards	6,485,776	-	562,132	-
Precious Metal Loans	208,077	-	-	-
Other	23,974,812	-	131,671	38,668
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	44,773,833	-	1,231,161	43,229

Collaterals received for loans under follow-up:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	3,191	4,797	-	7,988
Loans Collateralized by Mortgages	63,067	233,793	-	296,860
Loans Collateralized by Pledged Assets	47,988	89,532	-	137,520
Loans Collateralized by Cheques and Notes	15,469	140,762	-	156,231
Loans Collateralized by Other Collaterals	14,864	16,232	-	31,096
Unsecured Loans	31,227	51,336	562,132	644,695
Total	175,806	536,452	562,132	1,274,390

Delinquency periods of loans under follow-up:

	Commercial Loans	Consumer Loans	Credit Cards	Total
Upto 30 days	63,497	309,760	387,956	761,213
30-60 days	45,585	157,456	124,334	327,375
60-90 days	23,495	69,236	49,842	142,573
Total	132,577	536,452	562,132	1,231,161

5.1.5.3 Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards

	Short-Term	Medium and Long-Term	Total
Consumer Loans – YTL	422,260	7,818,564	8,240,824
Housing Loans	18,023	4,347,100	4,365,123
Automobile Loans	20,832	869,862	890,694
General Purpose Loans	383,405	2,601,602	2,985,007
Other	-	-	-
Consumer Loans – FC-indexed	14,761	847,189	861,950
Housing Loans	3,567	737,838	741,405
Automobile Loans	2,222	46,159	48,381
General Purpose Loans	8,972	63,192	72,164
Other	-	-	-
Consumer Loans – FC	27	20,580	20,607
Housing Loans	-	4,287	4,287
Automobile Loans	10	15,101	15,111
General Purpose Loans	17	1,192	1,209
Other	-	-	-
Retail Credit Cards – YTL	6,756,686	42,208	6,798,894
With Installment	3,036,770	42,194	3,078,964
Without Installment	3,719,916	14	3,719,930
Retail Credit Cards – FC	17,957	3	17,960
With Installment	4,191	3	4,194
Without Installment	13,766	-	13,766
Personnel Loans – YTL	13,990	9,618	23,608
Housing Loan	5	1,529	1,534
Automobile Loans	-	304	304
General Purpose Loans	13,985	7,785	21,770
Other	-	-	-
Personnel Loans - FC-indexed	-	318	318
Housing Loans	-	190	190
Automobile Loans	-	128	128
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	44	76	120
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	44	76	120
Other	-	-	-
Personnel Credit Cards – YTL	27,141	221	27,362
With Installment	18,950	221	19,171
Without Installment	8,191	-	8,191
Personnel Credit Cards – FC	413	-	413
With Installment	82	-	82
Without Installment	331	-	331
Deposit Accounts– YTL (real persons)	406,197	-	406,197
Deposit Accounts– FC (real persons)	-	-	-
Total	7,659,476	8,738,777	16,398,253

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – YTL	471,960	3,015,506	3,487,466
Real Estate Loans	12,223	394,156	406,379
Automobile Loans	66,332	1,144,845	1,211,177
General Purpose Loans	393,405	1,476,505	1,869,910
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	87,007	501,475	588,482
Real Estate Loans	656	55,813	56,469
Automobile Loans	6,794	200,608	207,402
General Purpose Loans	79,557	245,054	324,611
Other	-	-	-
Installment-based Commercial Loans – FC	44	10,368	10,412
Real Estate Loans	-	127	127
Automobile Loans	9	3,152	3,161
General Purpose Loans	35	7,089	7,124
Other	-	-	-
Corporate Credit Cards – YTL	198,032	165	198,197
With Installment	63,829	165	63,994
Without Installment	134,203	-	134,203
Corporate Credit Cards – FC	5,082	-	5,082
With Installment	2	-	2
Without Installment	5,080	-	5,080
Deposit Accounts– YTL (corporate)	485,734	-	485,734
Deposit Accounts– FC (corporate)	-	-	-
Total	1,247,859	3,527,514	4,775,373

5.1.5.6 Allocation of loan by customers

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	44,937,588	35,738,668
Foreign Loans	1,110,635	1,172,203
Total	46,048,223	36,910,871

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	483,938	388,214
Indirect Lending	-	-
Total	483,938	388,214

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	28,648	23,734
Doubtful Loans and Receivables	111,611	90,827
Uncollectible Loans and Receivables	467,590	424,962
Total	607,849	539,523

5.1.5.10 Non-performing loans and other receivables (NPLs) (Net)

Non-performing loans and other receivables restructured or rescheduled (gross amounts before specific provisions):

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross Amounts before Specific Provisions)			
Restructured Loans and Receivables	-	-	54,294
Rescheduled Loans and Receivables	-	-	-
Prior Period			
(Gross Amounts before Specific Provisions)			
Restructured Loans and Receivables	-	-	54,424
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	148,942	200,640	496,956
Additions during the Period (+)	569,030	39,563	17,943
Transfer from Other NPL Categories (+)	-	418,322	277,677
Transfer to Other NPL Categories (-)	418,322	277,677	-
Collections during the Period (-)	123,546	107,254	88,609
Write-offs (-)	2	20	99,782
Corporate and Commercial Loans	2	-	2,338
Retail Loans	-	3	1,866
Credit Cards	-	17	95,578
Others	-	-	-
Balances at End of Period	176,102	273,574	604,185
Specific Provisions (-)	28,648	111,611	467,590
Net Balance on Balance Sheet	147,454	161,963	136,595

Movements in specific loan provisions:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	172,387	105,471	261,665	539,523
Additions during the Period (+)	41,620	98,188	187,010	326,818
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	24,616	47,925	86,379	158,920
Write-offs (-)	3,986	-	95,586	99,572
Balances at End of Period	185,405	155,734	266,710	607,849

Non-performing loans and other receivables in foreign currencies:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	636	8,197	91,599
Specific Provisions (-)	31	1,217	63,572
Net Balance at Balance Sheet	605	6,980	28,027
Prior Period			
Balance at End of Period	3,103	2,892	89,895
Specific Provisions (-)	142	298	66,784
Net Balance at Balance Sheet	2,961	2,594	23,111

Gross and net non-performing loans and receivable as per customer categories:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	147,454	161,963	136,595
Loans to Individuals and Corporates (Gross)	176,102	273,574	592,189
Specific Provision (-)	28,648	111,611	455,594
Loans to Individuals and Corporates (Net)	147,454	161,963	136,595
Banks (Gross)	-	-	4,324
Specific Provision (-)	-	-	4,324
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	125,208	109,813	71,994
Loans to Individuals and Corporates (Gross)	148,942	200,640	484,966
Specific Provision (-)	23,734	90,827	412,972
Loans to Individuals and Corporates (Net)	125,208	109,813	71,994
Banks (Gross)	-	-	4,322
Specific Provision (-)	-	-	4,322
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,668
Specific Provision (-)	-	-	7,668
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	288	181	-	469
Loans Collateralized by Mortgages	167,161	49,559	-	216,720
Loans Collateralized by Pledged Assets	51,524	69,586	-	121,110
Loans Collateralized by Cheques and Notes	60,944	129,913	-	190,857
Loans Collateralized by Other Collaterals	22,092	8,452	-	30,544
Unsecured Loans	55,477	49,373	389,311	494,161
Total	357,486	307,064	389,311	1,053,861

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.12 “Write-off” policies

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.6 Investments held-to-maturity

5.1.6.1 Investment subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Collateralised/Blocked Investments	877,713	20,350	283,506	27,897
Investments subject to Repurchase Agreements	3,218,124	512,587	2,645,615	353,973
Total	4,095,837	532,937	2,929,121	381,870

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,837,266	3,823,946
Treasury Bills	-	-
Other Government Securities	1,323,709	116,617
Total	7,160,975	3,940,563

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	7,152,407	3,819,441
Quoted at Stock Exchange	7,152,407	3,816,239
Unquoted at Stock Exchange	-	3,202
Impairment Reversals/Impairment Losses (-)	8,568	124,324
Total	7,160,975	3,943,765

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	3,943,765	4,618,847
Foreign Currency Differences On Monetary Assets	18,584	(140,382)
Purchases during the Period	3,742,544	1,118
Disposals through Sales/Redemptions	(428,162)	(427,744)
Value Increases/ Impairment Losses (-)	(175)	(9,884)
Change in Redeemed Costs	(115,581)	(98,190)
Balances at End of Period	7,160,975	3,943,765

The Bank reclassified certain security investments, previously classified in its securities available-for-sale portfolio in its financial statements, with total face values of YTL 2,831,667 thousands and USD 843,847,999 to its securities held-to-maturity portfolio as a result of change in its intention to hold such securities in compliance with the TAS. Such securities are included in the securities held-to-maturity portfolio at their fair values of YTL 2,685,106 thousands and USD 852,772,307 as of their reclassification date and presented in the above movement table of investments held-to-maturity under the “purchases during the period” line. The negative valuation differences amounting YTL 99,085 thousands and USD 6,729,440 of these securities, are recorded under the shareholders’ equity and amortized through the income statement throughout their maturities. As of the balance sheet date, the negative valuation differences under the shareholders’ equity are YTL 97,926 thousands and USD 6,724,198.

The total fair values of these reclassified securities as of the balance sheet date are YTL 2,665,327 thousands and USD 806,344,633. If these securities had not been reclassified, the negative valuation differences amounting YTL 47,229 thousands and USD 49,674,704 would be recognized under the shareholders’ equity.

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank’s Share – If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1	Eureko Sigorta AŞ	Istanbul/Turkey	20.00	20.00

	Total Assets	Shareholders’ Equity	Total Tangible and Intangible Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company’s Fair Value (if available)
1	435,546	183,015	17,594	23,510	2,197	44,089	37,735	-

(*) Total fixed assets include tangible and intangible assets.

5.1.7.2 Movement of investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	11,312	-
Movements during the Period	-	11,312
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications (*)	-	11,312
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	11,312	11,312
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) Following the sale of 80% shares in Garanti Sigorta AŞ (Eureko Sigorta AŞ) previously classified as Investments in Subsidiaries, to Eureko BV at 21 June 2007, the remaining 20% shares are reclassified to Investments in Associates in the prior period.

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	11,312	11,312
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	-	-

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	Current Period	Prior Period
Valued at Cost	11,312	11,312
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	98.94
7	Garanti Faktoring Hiz. AŞ	Istanbul/Turkey	55.40	55.40
8	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	100.00
9	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	100.00
10	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	84.91
11	Garanti Bank International NV	Amsterdam/Holland	100.00	100.00
12	Garanti Bank Moscow	Moscow/Russia	75.02	99.94
13	Garanti Financial Services Plc	Dublin/Ireland	99.99	100.00
14	Garanti Fund Management Co. Ltd	Valetta/Malta	99.50	100.00

	Total Assets	Shareholders' Equity	Total Tangible and Intangible Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	13,836	8,286	519	-	8	440	(99,458)	-
2	15,780	7,978	472	-	1,279	1,483	5,917	-
3	666	607	18	-	69	242	-	-
4	372	166	39	-	1	(7)	(171)	-
5	542	418	-	-	12	222	8	-
6	2,113,731	268,088	17,902	181,933	-	56,806	128,035	-
7	818,811	39,723	1,983	51,408	-	5,377	14,264	41,667
8	27,606	25,468	3,167	1,684	1,127	639	10,140	-
9	16,638	14,492	1,247	1,362	236	1,264	440	-
10	1,093,507	137,149	8,685	19,640	4,134	44,863	25,078	-
11	7,449,094	451,494	84,331	252,468	82,486	83,032	24,841	399,027
12	618,807	80,286	1,432	25,704	7,125	11,088	29,545	56,561
13	8,662	8,284	-	85	-	(725)	6,188	18,333
14	76	-	-	-	-	-	(267)	-

(*) Total fixed assets include tangible and intangible assets.

5.1.8.2 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	577,408	604,152
Movements during the Period	115,970	(26,744)
Acquisitions and Capital Increases	-	187
Bonus Shares Received (*)	72,284	45,605
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	(55,238)
Reclassifications	-	(11,312)
Increase/(Decrease) in Market Values	33,998	22,884
Currency Differences on Foreign Subsidiaries	9,253	(29,069)
Impairment Reversals/(Losses)	435	199
Balance at End of Period	693,378	577,408
Capital Commitments	562	562
Share Percentage at the End of Period (%)	-	-

(*) Garanti Faktoring Hizmetleri AŞ increased its share capital from YTL 16,849 thousands to YTL 17,960 thousands through appropriation from the dividends allocated from its retained earnings of the year 2007 at 10 September 2008.

As per the decision made at the general assembly meeting of Garanti Bank International NV at 14 April 2008, the bank's share capital has been increased from EUR 159,470,000 to EUR 196,567,000. The appropriation of capital increase is from the retained earnings amounting EUR 35,011,000 and the share premium amounting EUR 2,086,000.

In prior period, Garanti Bank International NV increased its share capital from EUR 134,750,000 to EUR 159,470,000 through appropriation from its retained earnings at 17 April 2007. Garanti Faktoring Hizmetleri AŞ increased its share capital from YTL 15,989 thousands to YTL 16,849 thousands through appropriation from its retained earnings at 8 August 2007.

5.1.8.3 Sectoral distribution of investments in subsidiaries

	Current Period	Prior Period
Banks	441,459	310,612
Insurance Companies	56,545	56,545
Factoring Companies	23,086	39,580
Leasing Companies	76,169	76,169
Finance Companies	87,408	86,226
Other Subsidiaries	8,711	8,276

5.1.8.4 Quoted subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	23,086	39,580
Quoted at International Stock Exchanges	-	-

5.1.8.5 Valuation methods of investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	202,049	202,049
Valued at Fair Value	482,877	367,341
Valued by Equity Method of Accounting	8,452	8,018

5.1.8.6 Investments in subsidiaries disposed during the current period

None.

5.1.8.7 Investments in subsidiaries acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables (net)

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets held for Risk Management	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	2,150	-	31,960
Net foreign investment hedges	-	-	-	-
Total	-	2,150	-	31,960

The four interest rate swap transactions classified under derivative financial assets held for cash flow risk management in the financial statements of prior period are exercised before their due dates at 9 January 2008 and 16 January 2008. The Bank recognized USD 38,670,000 (equivalent of YTL 45,002 thousands) that was collected on the date of these transactions as per the related agreements, under “trading account income”.

5.1.12 Tangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.13 Intangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.14 Investment property

None.

5.1.15 Deferred tax asset

As of 30 September 2008, the Bank has a deferred tax asset of YTL 67,159 thousands (31 December 2007: YTL 52,944 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2008. However, there is a deferred tax asset of YTL 136,403 thousands (31 December 2007: YTL 103,883 thousands) and deferred tax liability of YTL 69,244 thousands (31 December 2007: YTL 50,939 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

For the cases where such differences are related with certain items on the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	115,599	117,255
Accumulated Depreciation	(2,749)	(2,101)
Net Book Value	112,850	115,154
End of Current Period		
Additions	3,261	24,962
Disposals (Cost)	(37,735)	(26,618)
Disposals (Accumulated Depreciation)	1,767	746
Impairment Reversals/(Losses)	486	-
Depreciation Expense for the Current Period	(682)	(1,394)
Currency Translation Differences on Foreign Operations		-
Cost	81,611	115,599
Accumulated Depreciation	(1,664)	(2,749)
Net Book Value	79,947	112,850

As of the balance sheet date, the rights of repurchase on various assets held for sale amount to YTL 13,787 thousands (31 December 2007: YTL 29,850 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint Ventures	30,132	31,412
Sale of Real Estates	735	1,427
Sale of Other Assets	2,857	2,843
Total	33,724	35,682

5.1.17.2 Prepaid expenses

	Current Period	Prior Period
Prepaid Expenses	267,194	231,262

5.1.18 Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	46,961	6,635	38,920	11,802
Financial Assets at Fair Value through Profit or Loss	466	341	873	3,020
Banks	45,115	21,144	61,067	32,654
Interbank Money Markets	348	-	-	-
Financial Assets Available-for-Sale	677,829	20,817	723,009	125,391
Loans	451,582	276,198	288,420	205,706
Investments Held-to-Maturity	51,060	4,959	170,780	819
Other Accruals	12,929	3	13,509	2,749
Total	1,286,290	330,097	1,296,578	382,141

5.2 Liabilities

5.2.1 Maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,515,403	-	7,856,858	6,375,909	131,188	89,455	77,904	-	16,046,717
Foreign Currency Deposits	4,047,888	-	7,980,597	7,268,490	393,228	1,102,815	646,057	77,064	21,516,139
Residents in Turkey	3,737,761	-	7,711,441	7,079,566	374,142	356,058	445,334	76,018	19,780,320
Residents in Abroad	310,127	-	269,156	188,924	19,086	746,757	200,723	1,046	1,735,819
Public Sector Deposits	1,030,179	-	27,864	546,288	110	449	61	-	1,604,951
Commercial Deposits	1,986,088	-	2,455,535	2,197,750	271,872	107,807	6,116	-	7,025,168
Other	115,376	-	67,156	66,186	1,727	329	191	-	250,965
Precious Metal Deposits	99,025	-	-	1,657	-	14,574	6,973	-	122,229
Bank Deposits	731,942	-	344,237	261,783	34,952	10,667	99,925	-	1,483,506
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	19,374	-	10,015	7,392	295	-	-	-	37,076
Foreign Banks	580,354	-	334,222	254,391	34,657	10,667	99,925	-	1,314,216
Special Purpose Financial Institutions	132,214	-	-	-	-	-	-	-	132,214
Other	-	-	-	-	-	-	-	-	-
Total	9,525,901	-	18,732,247	16,718,063	833,077	1,326,096	837,227	77,064	48,049,675

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,055,069	-	3,546,376	7,469,353	187,532	96,210	90,235	-	12,444,775
Foreign Currency Deposits	3,898,591	-	6,313,000	6,415,792	459,651	642,799	529,841	66,946	18,326,620
Residents in Turkey	3,573,267	-	6,032,076	6,254,723	434,700	341,056	371,478	66,119	17,073,419
Residents in Abroad	325,324	-	280,924	161,069	24,951	301,743	158,363	827	1,253,201
Public Sector Deposits	384,378	-	82,765	6,044	31	1,412	55	-	474,685
Commercial Deposits	1,604,318	-	2,368,499	1,759,179	130,036	83,825	5,687	-	5,951,544
Other	65,314	-	68,840	114,700	1,547	227	258	-	250,886
Precious Metal Deposits	35,438	-	1,465	1,488	3,112	3,424	17,114	-	62,041
Bank Deposits	332,632	-	921,019	222,901	16,347	6,513	88,139	-	1,587,551
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	10,419	-	416,892	234	-	4,797	-	-	432,342
Foreign Banks	188,266	-	504,127	222,667	16,347	1,716	88,139	-	1,021,262
Special Purpose Financial Institutions	133,947	-	-	-	-	-	-	-	133,947
Other	-	-	-	-	-	-	-	-	-
Total	7,375,740	-	13,301,964	15,989,457	798,256	834,410	731,329	66,946	39,098,102

5.2.1.1 Saving deposits and other deposit accounts insured by Saving Deposit Insurance Fund

Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit:

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	7,696,314	6,011,198	8,135,419	6,261,780
Foreign Currency Saving Deposits	3,090,935	2,987,805	7,306,019	6,578,805
Other Saving Deposits	30,455	1,969	70,147	48,387
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	462,574	380,627
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	221,238	196,751
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward deals	9,094	4,691	9,657	4,384
Swaps	124,197	17,905	404,811	17,476
Futures	-	-	-	482
Options	23,908	9,164	14,167	300
Other	-	-	-	-
Total	157,199	31,760	428,635	22,642

5.2.3 Funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	252,704	102,449	203,445	56,930
Foreign Banks, Institutions and Funds	2,121,679	7,602,091	1,079,383	7,218,886
Total	2,374,383	7,704,540	1,282,828	7,275,816

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	459,619	1,718,636	203,445	1,579,378
Medium and Long-Term	1,914,764	5,985,904	1,079,383	5,696,438
Total	2,374,383	7,704,540	1,282,828	7,275,816

5.2.3.2 Disclosures for concentration areas of bank's liabilities

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.4 Other external funds

Funds provided through repurchase transactions:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic Transactions	6,478,077	-	6,667,163	-
Financial Institutions and Organizations	6,407,335	-	6,591,635	-
Other Institutions and Organizations	27,432	-	32,920	-
Individuals	43,310	-	42,608	-
Foreign Transactions	557,122	539,160	780,742	728,986
Financial Institutions and Organizations	556,763	539,160	780,157	728,986
Other Institutions and Organizations	247	-	125	-
Individuals	112	-	460	-
Total	7,035,199	539,160	7,447,905	728,986

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	27,419	25,812	47,588	44,712
1-4 Years	2,819	2,585	10,815	10,026
More than 4 Years	-	-	-	-
Total	30,238	28,397	58,403	54,738

5.2.5.2 Operational lease agreements

The operational leasing agreements are signed for some branches and ATM's. The agreements are prepared annually and annual rents are paid in advance and recorded as prepaid expense in "other assets". The Bank does not have any commitments arising on the existing operational lease agreements.

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	4,187	-	249
Net foreign investment hedges	-	-	-	-
Total	-	4,187	-	249

5.2.7 Provisions

5.2.7.1 General provisions

	Current Period	Prior Period
General Provision for	396,588	280,660
Loans and Receivables in Group I	336,079	250,216
Loans and Receivables in Group II	25,149	65
Non-Cash Loans	35,360	30,379
Other	-	-

5.2.7.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

	Current Period	Prior Period
Short-Term Loans	10,042	22,284
Medium and Long-Term Loans	42,921	94,562
Total	52,963	116,846

Foreign exchange differences on foreign currency indexed loans are netted with loans on the asset side.

5.2.7.3 Provisions for non-cash loans that are not indemnified or converted into cash

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	22,000	32,000

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	223,529	140,372
Recognized Liability for Defined Benefit Obligations	164,598	-
Provision for Promotion Expenses of Credit Cards ^(*)	37,478	49,219
Other Provisions	38,382	57,324
Total	463,987	246,915

^(*) The Bank provides full allowance for the committed promotion expenses of credit cards as of the balance sheet date.

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 13 May 2008 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are sufficient to meet the amount that will be required to be paid to transfer the obligation at 31 December 2007.

The asset surplus of the Fund after deducting the net present value of the transferable liabilities as of 31 December 2007 is as follows:

Pension and medical benefits transferable to SSF	(319,418)
Fair value of plan assets	<u>469,931</u>
Asset surplus	<u>150,513</u>

Accordingly, an actuarial report was prepared as of 31 December 2007 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 13 May 2008 dated report, the Bank recognized a provision amounting YTL 164,598 thousands for its liability and charged fully as expense in the accompanying financial statements.

Pension benefits	(109,080)
Medical benefits	<u>(206,031)</u>
	(315,111)
Fair value of plan assets after deducting transferable benefits	<u>150,513</u>
Present value of defined benefit obligation	<u>(164,598)</u>

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF are as follows:

	31 December 2007
	%
Discount Rate	16.77-10.17
Inflation Rate	8-4.85
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	12.8-7.76
Future Pension Increase Rates	8-4.85

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 60 is 17 for males, and at age 58 for females is 23.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 30 September 2008, the Bank had a current tax liability of YTL 196,855 thousands (31 December 2007: YTL 104,582 thousands). In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.8.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	196,855	104,582
Taxation on Securities Income	106,344	56,827
Taxation on Real Estates Income	1,098	980
Banking Insurance Transaction Tax	29,148	27,097
Foreign Exchange Transaction Tax	12	2,991
Value Added Tax Payable	871	1,513
Others	12,306	15,314
Total	346,634	209,304

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	6	3
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	558	16
Bank Pension Fund Premium-Employer	876	29
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	710	342
Unemployment Insurance-Employer	1,337	608
Others	-	-
Total	3,487	998

5.2.8.2 Deferred tax liability

None.

5.2.9 Liabilities for assets held for sale and assets of discontinued operations

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.10 Subordinated debts

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.11 Shareholders' equity

5.2.11.1 Paid-in capital

	Current Period	Prior Period
Common Shares	4,200,000	2,100,000
Preference Shares	-	-

5.2.11.2 Registered share capital system

Capital	Paid-in Capital	Ceiling per Registered Share Capital
Common Shares	4,200,000	7,000,000
Preference Shares	-	-

5.2.11.3 Capital increases in current period

The issued share capital of the Bank has been increased by a cash injection amounting YTL 2,100,000 thousands and accordingly from YTL 2,100,000 thousands to YTL 4,200,000 thousands, and subsequent to the examination of the BRSA on this capital increase process, it is approved by the Istanbul Commercial Registry at 31 July 2008.

The pre-emptive rights on 210,000,000,000 shares with a total nominal value of YTL 2,100,000 thousands have been used during the period between 9 and 23 June 2008. The remaining shares with a total nominal value of YTL 5,525 thousands have been sold for the amount of YTL 17,405 thousands during the public offering on the ISE primary market and YTL 11,880 thousands is transferred to "share premium" account.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

5.2.11.6 Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-ventures	(21,028)	72,090	(14,755)	20,985
Valuation difference	(4,550)	72,090	9,138	20,985
Exchange rate difference	(16,478)	-	(23,893)	-
Securities Available-for-Sale	(20,579)	7,464	110,262	91,565
Valuation difference	(20,579)	7,464	110,262	91,565
Exchange rate difference	-	-	-	-
Total	(41,607)	79,554	95,507	112,550

5.2.11.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,147	-	2,147	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	594,943	-	27,717	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

It includes the bonus shares received from the following investee companies; Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ by YTL 23 thousands, Eureka Sigorta AŞ by YTL 561 thousands, Garanti Ödeme Sistemleri AŞ by YTL 401 thousands, Garanti Yatırım Menkul Değerler AŞ by YTL 942 thousands, Kredi Kartları Bürosu by YTL 481 thousands, Tat Konserve AŞ by YTL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by YTL 9 thousands.

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	253,348	137,421
II. Legal Reserve	18,790	18,790
Special Reserves	-	-

As per the decisions made at the annual general assembly at 3 April 2008, 5% of prior periods' profit is allocated to legal reserves.

5.2.11.12 Extraordinary reserves

	Current Period	Prior Period
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	1,470,724	1,275,689
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

As per the decisions made at the annual general assembly at 3 April 2008, the remaining prior periods' profit after the appropriation to legal reserves and undistributable funds, are allocated to extraordinary reserves.

As explained in Note 1.4, the payment of YTL 1,434,233 thousands for the purchase of founder share-certificates are compensated by extraordinary reserves.

5.2.12 Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	FC	YTL	FC	YTL
Deposits	235,496	78,104	150,404	48,801
Funds Borrowed	179,429	52,985	85,367	80,446
Interbank Money Markets	32,245	6,277	57,620	3,963
Other Accruals	33,080	5,382	26,959	2,982
Total	480,250	142,748	320,350	136,192

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	5,860,357	5,749,874
Letters of Guarantee in YTL	4,084,438	3,924,978
Letters of Credit	2,421,527	1,919,538
Bills of Exchange and Acceptances	112,777	116,487
Others	-	-
Total	12,479,099	11,710,877

5.3.1.2 Possible losses and commitments resulted from off-balance sheet items

A specific provision of YTL 2,176 thousands (31 December 2007: YTL 1,763 thousands) is made for unliquidated non-cash loans of YTL 11,696 thousands (31 December 2007: YTL 5,832 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

The detailed information for commitments, guarantees and sureties are provided under the statement of “off-balance sheet items”.

As of 30 September 2008, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 975,000,000 (31 December 2007: USD 875,000,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	215,469	268,951
With Original Maturity of 1 Year or Less	35,851	77,737
With Original Maturity of More Than 1 Year	179,618	191,214
Other Non-Cash Loans	13,122,433	12,087,015
Total	13,337,902	12,355,966

5.3.1.4 Sectoral risk concentration of non-cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.1.5 Non-cash loans classified under Group I and II

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.2 Financial derivative instruments

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.3 Contingent liabilities and assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.4 Services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income (*) from loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-term loans	1,731,507	134,136	1,651,075	113,172
Medium and long-term loans	1,432,900	750,071	725,860	539,453
Loans under follow-up	18,016	-	14,381	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,182,423	884,207	2,391,316	652,625

(*) Includes fee and commissions income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	6,817	-	24,152	-
Domestic Banks	6,125	2,298	13,523	3,597
Foreign Banks	121,378	63,393	64,152	82,702
Foreign Head Offices and Branches	-	-	-	-
Total	134,320	65,691	101,827	86,299

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	12,227	2,772	10,253	4,637
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,423,127	161,330	856,537	240,254
Investments Held-to-Maturity	406,631	8,708	456,784	39,682
Total	1,841,985	172,810	1,323,574	284,573

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	37,447	15,313

5.4.2 Interest Expenses

5.4.2.1 Interest expenses (*) on funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	206,627	287,538	101,963	320,049
Central Bank of Turkey	-	-	-	-
Domestic Banks	24,799	3,066	23,119	2,050
Foreign Banks	181,828	284,472	78,844	317,999
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	10,549	-	33,523
Total	206,627	298,087	101,963	353,572

(*) Includes fee and commission expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest paid to Investments in Associates and Subsidiaries	20,425	22,404

5.4.2.3 Interest expenses on securities issued

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	6,240	57,765	-	-	-	-	-	64,005
Saving Deposits	1,298	717,187	850,957	17,314	12,149	8,917	-	1,607,822
Public Sector Deposits	31	7,346	39,137	23	250	7	-	46,794
Commercial Deposits	16,572	400,820	201,266	44,028	14,387	699	-	677,772
Other	2,072	5,997	13,553	185	33	21	-	21,861
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total YTL	26,213	1,189,115	1,104,913	61,550	26,819	9,644	-	2,418,254
Foreign Currency								
Foreign Currency Deposits	7,987	211,693	189,100	13,484	29,538	16,573	1,777	470,152
Bank Deposits	-	21,067	-	-	-	-	-	21,067
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1	-	140	48	-	189
Total FC	7,987	232,760	189,101	13,484	29,678	16,621	1,777	491,408
Grand Total	34,200	1,421,875	1,294,014	75,034	56,497	26,265	1,777	2,909,662

5.4.2.5 Interest expense on repurchase agreements

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.6 Financial lease expenses

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.7 Interest expenses on factoring payables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.3 Dividend income

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.4 Trading income/losses (Net)

	Current Period	Prior Period
Income	17,355,864	2,449,137
Trading Account Income	1,507,531	962,456
Derivative financial instruments	1,439,982	893,828
Others	67,549	68,628
Foreign Exchange Losses	15,848,333	1,486,681
Losses (-)	17,240,905	2,565,708
Trading Account Losses	1,247,757	1,262,381
Derivative financial instruments	1,227,511	1,234,330
Others	20,246	28,051
Foreign Exchange Losses	15,993,148	1,303,327
Total	114,959	(116,571)

5.4.5 Other operating income

The items under “other operating income” consists of collection or reversals of prior year provisions, banking services related costs charged to customers and income in custody services.

Furthermore, the Bank had called off its existing legal cases against Boğaziçi Corporations Tax Office related with the final and interim corporate tax returns of the years from 2001 to 2005 and settled up with the related tax authority as per the article 3 of the Law No.5736 “Collection of Certain Public Sector Receivables through Conciliation” published in the Official Gazette No.26800 dated 27 February 2008. Accordingly, following the adjustments made to the corporate tax returns of the period from 2001 to 2005, the tax refund that the Bank will collect through conciliation from the tax office due to the prepaid taxes in 2005, is agreed to be YTL 131,178 thousands. In line with this conciliation and including a tax refund on an existing unused investment incentive certificate amounting YTL 6,078 thousands, a total amount of YTL 137,256 thousands is recorded as current period income in the accompanying financial statements under “other operating income”.

A part of the Bank’s non-performing loan portfolio amounting YTL 98,221 thousands has been sold to a local asset management company at a sale price of YTL 28,898 thousands. The sale price is fully recognized as income in the accompanying financial statements under “other operating income”, as the sold receivables had been fully provisioned in the Bank’s financial statements in prior periods.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	201,156	128,349
<i>Loans and receivables in Group III</i>	106,586	79,420
<i>Loans and receivables in Group IV</i>	39,168	26,773
<i>Loans and receivables in Group V</i>	55,402	22,156
General Provisions	114,914	90,961
Provision for Possible Losses	-	17,000
Impairment Losses on Securities	435	419
<i>Financial assets at fair value through profit or loss</i>	379	419
<i>Financial assets available-for-sale</i>	56	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	7	335
<i>Associates</i>	-	-
<i>Subsidiaries</i>	7	335
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	2,872	3,541
Total	319,384	240,605

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	658,419	464,707
Reserve for Employee Termination Benefits	-	6,798
Deficit Provision for Pension Fund	164,598	-
Impairment Losses on Tangible Assets	1	51
Depreciation Expenses of Tangible Assets	120,719	104,717
Impairment Losses on Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	3,014	16,654
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	682	846
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	714,604	522,146
<i>Operational Lease related Expenses</i>	78,402	55,172
<i>Repair and Maintenance Expenses</i>	17,745	13,920
<i>Advertisement Expenses</i>	82,783	69,223
<i>Other Expenses</i>	535,674	383,831
Loss on Sale of Assets	8,179	6,011
Others	267,636	161,986
Total	1,937,852	1,283,916

5.4.8 Profit/loss before taxes including profit/loss from discontinued operations

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.9 Provision for taxes including taxes from discontinued operations

As of 30 September 2008, the Bank recorded a tax expense of YTL 342,606 thousands (30 September 2007: YTL 374,270 thousands) and a deferred tax income of YTL 9,106 thousands (30 September 2007: YTL 13,270 thousands).

Deferred tax income/expense on timing differences:

Deferred tax income/(expense) on timing difference	Current Period
Increase in tax deductible timing differences (+)	54,383
Decrease in tax deductible timing differences (-)	20,770
Increase in taxable timing differences (-)	26,716
Decrease in taxable timing differences (+)	2,209
Total	9,106

Deferred tax income/expense in the income statement arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions	Current Period
Increase/(decrease) in tax deductible timing differences (net)	33,613
(Increase)/decrease in taxable timing differences (net)	(24,507)
Increase/(decrease) in tax losses (net)	-
Increase/(decrease) in tax deductions and exemptions (net)	-
Total	9,106

5.4.10 Net operating profit/loss after taxes including net profit/loss from discontinued operations

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of the Bank’s performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.12 Components of other items in income statement

Other items do not exceed 10% of the total of income statement.

5.5 Statement of Changes in Shareholders' Equity

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.6 Statement of Cash Flows

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.7 Related Party Risks

5.7.1 Transactions with the Bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	953,386	61,690	1	1,090	65,794	168,482
Balance at end of period	1,463,825	67,841	8	1,664	159,162	158,223
Interest and Commission Income	42,130	87	17	4	4,081	897

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	668,516	22,923	224,108	8,253	25,793	41,793
Balance at end of period	953,386	61,690	1	1,090	65,794	168,482
Interest and Commission Income	12,554	47	2	69	1,406	402

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	154,208	204,325	86,051	75,693	235,532	126,686
Balance at end of period	216,359	154,208	315,421	86,051	178,154	235,532
Interest Expense	20,425	24,032	13,692	17,273	14,037	6,922

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value through Profit or Loss:						
Beginning of Period	-	-	-	-	-	-
End of Period	121,267	-	-	-	-	-
Total Profit/(Loss)	3,379	(11)	-	-	-	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

5.7.2.1 Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 Concentration of transaction volumes and balances with risk group and pricing policy

The cash loans of the risk group amounting YTL 602,798 thousands (31 December 2007: YTL 449,373 thousands) compose 1.30% (31 December 2007: 1.21%) of the Bank's total cash loans and 0.76% (31 December 2007: 0.66%) of the Bank's total assets. The total loans and similar receivables amounting YTL 1,619,405 thousands (31 December 2007: YTL 1,019,181 thousands) compose 2.05% (31 December 2007: YTL 1.51%) of the Bank's total assets. The non-cash loans of the risk group amounting YTL 227,728 thousands (31 December 2007: YTL 231,262 thousands) compose 1.71% (31 December 2007: 1.87%) of the Bank's total non-cash loans. The deposits of the risk group amounting YTL 706,369 thousands (31 December 2007: YTL 475,791 thousands) compose 1.47% (31 December 2007: 1.22%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

The Bank has a total lease payable of YTL 28,397 thousands (31 December 2007: YTL 58,403 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of YTL 4,396 thousands (30 September 2007: YTL 5,327 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting YTL 26,066 thousands (31 December 2007: YTL 18,751 thousands) to related parties.

Operating expenses of YTL 11,937 thousands (30 September 2007: YTL 10,254 thousands) for IT services rendered by related parties and rent income of YTL 1,046 thousands (30 September 2007: YTL 1,015 thousands) for the real estates rented to related parties, are recorded.

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted under equity method

Please refer to Note 5.1.8.

5.7.2.5 All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services

The Bank has agency contracts with Garanti Yatırım Menkul Kıymetler AŞ, Eureko Sigorta AŞ, Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities on behalf of customers are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for the Bank's internal use are partly arranged through financial leasing.

At 11 March 2008, the Bank sold a real estate with a net book value of YTL 40,581 thousands to Doğuş Holding AŞ at a sale price of USD 35,000,000 (equivalent of YTL 42,693 thousands). USD 15 millions of the sale price was collected on the date of sale, the remaining USD 20,000,000 will be collected in a one-year term. A gain of YTL 2,112 thousands was recognized as income on this transaction.

5.8 Domestic, Foreign and Off-Shore Branches or Investments and Foreign Representative Offices

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.9 Significant Events and Matters Arising Subsequent to Balance Sheet Date

As per the decision made at the extraordinary general meeting of Visa Europe Ltd for the allocation of earnings received through conversion of certain shares that Visa Europe Ltd has in Visa Inc., into cash proportionally according to the contribution of the members to the earnings of Visa Europe Ltd, a payment of USD 12.2 millions has been made to the Bank being a member of the Visa payment system on 21 October 2008. After deducting the banking and insurance transaction tax at the rate of 5%, the remaining collected amount has been recorded as income in the current period.

Furthermore, as a part the same decision, Visa Inc.'s shares that Visa Europe Ltd has but was not converted into cash, have been distributed free of charge among the members of the Visa payment system, and the Bank recognized 153,048 shares of Visa Inc. at a face value of USD 15.30 in its accounting records.

5.10 Other Disclosures on Activities of the Bank

5.10.1 The Bank's latest international risk ratings

MOODY'S (September 2007*)

Long Term FC Deposit	B1
Long Term YTL Deposit	A3
Short Term YTL Deposit	Prime-2
Short Term FC Deposit	NP
Long Term FC Deposit Outlook	Stable
Financial Strength Rate (FSR)	C-
FSR Outlook	Stable
Long Term National	Aaa.tr
Short Term National	TR-1

STANDARD AND POORS (August 2008*)

Long Term FC Obligations	BB-
Long Term YTL Deposit	BB-
Outlook	Stable

FITCH RATINGS (June 2008*)

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Stable
Individual	C
Support	4
Turkish Lira	
Long Term	BBB-
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

CAPITAL INTELLIGENCE (April 2008*)

Long Term FC Obligations	BB-
Short Term FC Obligations	B
Domestic Strength	BBB+
Support	2
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

5.10.2 Dividends

At the annual general assembly dated 3 April 2008, it was decided to distribute the profit of 2007 as follows:

2007 PROFIT DISTRIBUTION TABLE	
2007 Net Profit	2,315,616
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(115,781)
Undistributable funds	(570,567)
B – First dividend at 5% of the Paid Capital	-
C – Extraordinary reserves at 5% after above deductions	-
D – Dividend to the owners of the Founder Shares	-
E – Extraordinary reserves	(1,629,268)
F – II. Legal reserve (Turkish Commercial Code 466/2)	-

6 Independent Auditors' Review Report

6.1 Disclosure on independent auditors' review report

The Bank's unconsolidated interim financial statements as of 30 September 2008, are reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 7 November 2008 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as of 30 September 2008.

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