

 **Garanti** ANNUAL REPORT 2009



Contents

SECTION I – Introduction

- 03 Annual Report Compliance Opinion
- 04 Agenda of the Ordinary General Shareholders' Meeting
- 05 Amendments to Articles of Association
- 08 About Garanti
- 10 Our Vision, Mission and Strategy
- 11 Main Pillars of Our Strategy and Our Core Values
- 12 2009 Macroeconomic Overview
- 13 Chairman's Letter
- 14 Letter from the CEO
- 18 Financial Highlights
 - 18 Key Financial Figures
 - 19 Key Financial Ratios
 - 19 Garanti's Market Shares
 - 20 Garanti's Competitive Advantages
 - 20 Garanti: The Leading Bank in Turkey
 - 21 Garanti's Credit Ratings
 - 22 Assessment of Financial Position, Profitability and Debt Payment Capability
 - 23 Profit Distribution
 - 23 Garanti Bank's Stock Price and Market Capitalization
- 26 Awards
- 31 Activities in 2009
 - 32 Retail Banking
 - 34 Housing Finance
 - 36 Private Banking
 - 38 Investment Banking
 - 40 Branchless Banking / Alternative Delivery Channels
 - 41 Call Center
 - 42 Insurance and Pension
 - 44 SME Banking
 - 46 Commercial Banking
 - 47 Corporate Banking
 - 48 Payment Systems / Credit and Debit Cards
 - 51 Cash Management and Transaction Banking
 - 52 Project Finance
 - 54 International Banking
 - 56 Treasury
 - 58 ABACUS
 - 60 Human Resources
- 63 Garanti Financial Services Group Companies
- 75 Research and Development Activities
- 79 Corporate Social Responsibility Projects

SECTION II – Management and Corporate Governance

- 84 Summary of the Board of Directors' Annual Report
- 85 Board of Directors and Auditors
- 86 Senior Management
- 90 Committees and Committee Meetings Attendance
- 93 Support Services Providers
- 93 Risk Management Policies
- 98 Audit Committee's Assessment of the Internal Control, Internal Audit and Risk Management Systems
- 100 Related Party Risks
- 103 Corporate Governance Principles Compliance Report

SECTION III – Unconsolidated Financial Statements

- 116 Independent Auditors' Report
- 119 Unconsolidated Financial Report as of and for the Year Ended December 31, 2009

SECTION IV – Consolidated Financial Statements

- 194 Independent Auditors' Report
- 197 Consolidated Financial Report as of and for the Year Ended December 31, 2009
- 272 Directory

Introduction

Two hydrogen atoms bonded to one oxygen atom... Water! That's the formula. A miraculous molecule with its unique properties despite its simple formula: water; the source of life, the absolute must!

Water sources are depleted by the day because of increased warming, growing population, rapid industrialization and urbanization, pollution of sources and senseless consumption. Though 75% of the earth is covered with water, one out of every three people has to battle to fulfill his daily water need. In today's world that is home to more than six billion people, over one billion do not have access to clean potable "water". 3,900 children die every day because of poor hygiene or polluted water. All these data indicate that not a bright future awaits the water resources, and therefore the world. Yet, the mankind keeps using this most precious resource inconsiderately, still oblivious to this "inconvenient truth", as if the water will never run out.

Water is not just a basic necessity for the human body, but also a crucial natural resource for the entire human history. So much so that, all civilizations have been

finding life alongside the water, shaping borders accordingly for centuries. Also today, sustaining social and economic activity depends on the availability of clean and sufficient water resources.

In preparing its 2009 Annual Report, Garanti Bank once again remained loyal to its environmentally-sensitive approach. The present report has been printed on 100% recycled paper, using environment-friendly materials. All the way through from design to printing, methods have been employed to maximize savings. Garanti took one step further this year and focused on water, one of the world's most critical environmental issues. Garanti aimed to highlight the "water" theme dwelling on its vitality for continued existence, by presenting striking truths about this crucial resource. Building its operations on the principle of continuity, Garanti believes that water is essential for a sustainable planet.

**Garanti believes that water is essential
for a sustainable planet.**

Water...

Page

- 06 Water is valuable:** Of the 1.4 billion km³ of water on Earth, only 1% is fresh water accessible to man. This low ratio is not distributed evenly across the world. Less than 10 countries across the world control 60% of the usable water resources.
- 16 Water enables continuity:** Half of the wetlands in the world have vanished during the last one hundred years since some rivers no longer reach the sea. Out of 10,000 species of freshwater fish, more than 20% are now either extinct or endangered.
- 24 Water is necessary:** Water makes up 92% of blood, 22% of bones and 75% of the brain and muscles. Water is crucial for cells to perform their vital activities.
- 30 Water is life:** Every year, approximately three and a half million people die of diseases originating from water. One child dies every 15 seconds due to the same reason.
- 62 Water is the guarantee of existence:** By 2050, the need for water is estimated to be 50% more than what the world needs today. It is anticipated that two billion people in the world will be deprived of water, and in 30 years, three billion people will lose usable water resources.
- 74 Water is the source of all life:** Although transparent and simple in composition, water is one of the most extraordinary matters on earth. This miraculous "liquid of life" is composed of hydrogen and oxygen an inflammable and a combustible substance.
- 78 Water must be accessible:** More than five billion people have access to usable water resources across the world, while the remaining one billion are deprived of the means.
- 82 Water must be used correctly:** Overall, 88% of diseases result from unhealthy potable water and poor hygienic conditions. This corresponds to 5 billion working days lost in emerging countries.
- 103 Water is indispensable:** More than 90 percent of the water drawn from usable water resources is used for irrigation in many emerging countries. Agriculture is followed by the industry in the order of the largest consumers of water. Industrial water use increases in parallel with a country's revenues.
- 114 Water is free, water knows no boundaries:** Many business lines, led by food, beverage and cosmetic industries use water as an ingredient in their products. When such products are exported by a country, so is the "virtual water" embedded therein.
- 126 Water takes the shape of whatever holds it:** Water is available in the form of vapor, liquid and ice on the earth, and adopts different physical states through the so-called water cycle.



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

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Annual Report Compliance Opinion

To the Shareholders of Türkiye Garanti Bankası Anonim Şirketi:

We have been engaged to audit the annual report of Türkiye Garanti Bankası Anonim Şirketi ("the Bank") and the consolidated financial affiliates as of 31 December 2009. The annual report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on the annual report.

Our audit was conducted in accordance with the regulations on preparation and issuance of annual report in (Turkish) Banking Law No 5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance regarding whether the consistency of financial information represented in the annual report with the audited financial statements and explanatory notes is free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial information represented in the accompanying annual report presents fairly, in all material respects, the information regarding the financial position of Türkiye Garanti Bankası Anonim Şirketi as of 31 December 2009 in accordance with the effective regulations described in article 40 of (Turkish) Banking Law No 5411 and includes Independent Auditors' Report issued by us and Summary of Board of Directors' Report and is consistent with the audited financial statements and explanatory notes.

İstanbul,
15 March 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat Alsan
Partner, Certified Public Accountant

AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

- 1-** Opening and formation of the Board of Presidency,
- 2-** Authorization of the Board of Presidency for the execution of the minutes of the Ordinary General Shareholder's Meeting,
- 3-** Reading and discussion of the Board of Directors' Annual Report and Auditors' Reports,
- 4-** Reading, discussion and ratification of the Balance sheet and Profit and Loss Accounts and acceptance or rejection by discussion of the Board of Directors' proposal regarding the dividend distribution,
- 5-** Amendment to the Article 8 and Provisional Article 2 of the Articles of Association of the Bank,
- 6-** Release of members of the Board of Directors and Auditors,
- 7-** Determination of the remuneration of the members of the Board of Directors and Auditors,
- 8-** Approval of selection of Independent Auditor firm in accordance with the relevant communiqué of Banking Regulation and Supervision Agency,
- 9-** Informing the shareholders with regard to the past year's charitable donations,
- 10-** Authorization of the members of the Board of Directors to do business with the Bank (provisions of the Banking Law to remain reserved) in accordance with Articles 334 and 335 of Turkish Commercial Code.

AMENDMENTS TO ARTICLE 8 AND PROVISIONAL ARTICLE 2 OF THE ARTICLES OF ASSOCIATION OF T. GARANTİ BANKASI AŞ

CURRENT TEXT

ISSUANCE OF DEBENTURES

Article 8 – The Bank shall be entitled to issue debentures in the bearer or registered form with bonus, premium, exchangeable with share-certificates and other kinds thereof within the framework of the principles set out by Turkish Commercial Code and other relevant regulation.

NEW TEXT

ISSUANCE OF DEBT INSTRUMENTS

Article 8 – The Board of Directors will be authorized to issue debentures in the bearer or registered form with bonus, premium, exchangeable with share-certificates, finance bonds, profit/loss participation certificates, bank bonds, participating or non-participating debt instruments or convertible bonds and all other capital market instruments within the framework of the principles set out by Turkish Commercial Code and other relevant regulation. In such case, any provision of Turkish Commercial Code which sets out the adoption of a General Assembly resolution for the issuance of such debt instruments by the Bank will not be applicable.

CURRENT TEXT

PROVISIONAL CLAUSE 2:

While the nominal values of the share-certificates have been TL 500 and TL 100, they have been amended as 1 New Kuruş pursuant to the Law No. 5274 Regarding the Amendments in the Turkish Commercial Code. Due to this amendment, the total number of shares has decreased and shares amounting to 1 New Kuruş shall be granted for each share of TL 10,000 (20 shares for those with a nominal value of TL 500 and 100 shares for those with a nominal value of TL 100). Fraction receipts shall be issued for shares which may not be completed to 1 New Kuruş. The shares of series 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 representing the company's existing capital of TL 1,200,000,000 have been combined as series 17.

The shareholders' rights arising out of their shares related to the said amendment and combination of series are reserved.

The amendment transactions of the share-certificates shall be initiated by the Board of Directors under the relevant regulations following the implementation of the capital market instruments' registration.

NEW TEXT

PROVISIONAL CLAUSE 2:

While the nominal values of the share-certificates have been TL 500 and TL 100, they have been amended as 1 New Kuruş pursuant to the Law No. 5274 Regarding the Amendments in the Turkish Commercial Code and subsequently as 1 Kuruş, in accordance with the Cabinet Decree dated April 4, 2007 and numbered 2007/11963 which stipulates the removal of the expression "New" from "New Turkish Lira" and "New Kuruş" as of January 1, 2009. Due to this amendment, the total number of shares has decreased and shares amounting to 1 Kuruş shall be granted for each share of TL 10,000 (20 shares for those with a nominal value of TL 500 and 100 shares for those with a nominal value of TL 100). Fraction receipts shall be issued for shares which may not be completed to 1 Kuruş. The shares of series 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 representing the bank's existing capital of 1,200,000,000- Turkish Lira as of April 12, 2005 have been combined as series 17.

The shareholders' rights arising out of their shares related to the said amendment and combination of series are reserved.

The amendment transactions of the share-certificates shall be initiated by the Board of Directors under the relevant regulations following the implementation of the capital market instruments' registration.

Water is valuable: Of the 1.4 billion km³ of water on Earth, only 1% is fresh water accessible to man. This low ratio is not distributed evenly across the world. Less than 10 countries across the world control 60% of the usable water resources.





ABOUT GARANTI

Garanti maintained a stable and strong stance even through the days Turkey experienced the impact of the global economic crisis most severely, and made life easier for its customers, acting as a powerful partner.

ABOUT GARANTI

CORPORATE PROFILE

Garanti Bank, with 63 years of established history, is Turkey's second largest private bank having a total asset size of US\$ 78 billion*. Garanti continues to increase its market share in all business lines by relying on the proven strategy of efficient, profitable and sustainable growth it has pursued since inception. Its competent and dynamic human resource capable of making a difference, its customer-centric approach, its innovative products and services offered without compromising on quality carry Garanti to a pioneering and leading position in the Turkish banking sector. Garanti's successful, solid and consistent performance makes it a "universal bank" well recognized around the globe.

Integrated financial services

Garanti Bank caters any financial need of its 9 million customers with close to 17,000 employees. Having a presence in all business lines including corporate, private, commercial, SME, retail and investment banking, Garanti operates as an integrated financial services company with its nine subsidiaries offering service in payment systems, pension, leasing, factoring, brokerage and asset management.

Strong and extensive distribution network

Garanti Bank serves its customers through a strong and extensive distribution network comprising 792 branches, nearly 3,000 ATMs, an award-winning Call Center, and mobile and online banking facilities built on cutting-edge technological infrastructure. Supporting its branch network with centralized operation management, superior data warehousing, management reporting systems and effective alternative delivery channels, Garanti enhances its operational efficiency and profitability by continuously investing in alternative delivery channels, and maintains its leadership in this field.

Turkey's largest lender

With new and innovative products, Garanti accomplished many firsts not only in Turkey but also in the worldwide banking sector. With its dynamic business approach and the importance attached to technological innovation, Garanti continues to make a difference and facilitates the lives of its customers standing by them under any circumstance. Custom-tailored solutions and the wide product variety play a key role in Garanti's leadership as the largest lender in Turkey with more than US\$ 46 billion in

cash and non-cash loans. The high asset quality attained through advanced risk management systems and established risk culture differentiates Garanti from its peers.

Competent and robust management

Jointly owned by Doğuş Holding and GE Capital, Garanti Bank is publicly traded with a free float of 49%. Committed to best practices in corporate governance, Garanti stands out as a strong and prestigious brand with its competent management and prudent risk management approach.

Supporting the development of the society

Refraining from limiting its contribution to the sector and the national economy through its banking services alone, Garanti is dedicated to continuously and significantly improve the value it creates for society. Within this context, Garanti's long-term support in the areas of education, arts, culture, sports, environment, and corporate volunteering reflects its commitment to its corporate mission, as well as its sensitivity to sustainability.

** Consolidated assets as of year-end 2009*

MILESTONES IN GARANTI'S HISTORY

1946 Founded in Ankara.

1983 Joined Doğuş Group, a conglomerate operating in finance, industrial and services sectors.

1990 Went public; its shares began trading on the ISE.

1993 The first Turkish company to issue shares in international markets.

1995 Introduced the first Cash Management Account in Turkey (E.L.M.A.).

1997 Became the first multi-branch private bank in Turkey to offer real-time online services.

1997 The first Turkish bank to offer internet and telephone banking together.

1999 Carried out the first export receivable

securitization in the world.

2000 Introduced Bonus Card, Turkey's first chip-based and multi-branded credit card.

2001 Merged with Ottoman Bank, another banking subsidiary of Doğuş Group.

2002 Established Turkey's first interbank card platform with Bonus Card.

2005 Became the first bank in the world to offer SMS-based money transfer&cardless withdrawal service through mobile phones, via CepBank.

2005 Introduced the world's first flexible credit card, FlexiCard, which allows for the customization of all parameters including financial and visual.

2005 General Electric and Doğuş Group

became equal strategic partners in Garanti Bank.

2006 Introduced Bonus Trink, the PayPass featured credit card with contactless chip technology, transforming plastic cards into a completely different dimension.

2007 Launched mobile internet banking services for the first time in Turkey.

2008 Bought back founder share certificates, an important move toward improved corporate governance.

With innovative products and superior customer-oriented services, Garanti will continue to "make a difference" in the lives of individuals in the current period and beyond.

SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE OF T. GARANTI BANKASI AŞ as of December 31, 2009

	Number of Shares	Nominal Value (TL)	Share (%)
Doğuş Holding AŞ	112,150,416,189	1,121,504,161.89	26.7025
Doğuş Araştırma Geliştirme ve Müşavirlik Hiz. AŞ	15,955,423,702	159,554,237.02	3.7989
Doğuş Nakliyat ve Tic. AŞ	60,654,629	606,546.29	0.0144
Doğuş Group Total	128,166,494,520	1,281,664,945.20	30.5158
GE Araştırma ve Müşavirlik Limited Şirketi	87,571,249,898	875,712,498.98	20.8503
Other Shareholders	204,262,255,582	2,042,622,555.82	48.6339
Grand Total	420,000,000,000	4,200,000,000.00	100.000

INSIDER HOLDINGS

The Chairman, members of the Board of Directors, the CEO and the Executive Vice Presidents are allowed to own publicly-traded shares of Garanti Bank; their transactions in Garanti Bank shares are publicly disclosed pursuant to Capital Markets Board regulations.



OUR VISION

Is to be the best Bank in Europe.

OUR MISSION

Is to continuously and noticeably increase the value we create for our customers, shareholders, employees, the society and the environment by utilizing our influence, agility and organizational efficiency.

OUR STRATEGY

Is to maintain long-term sustainable growth by continuously creating value.

MAIN PILLARS OF OUR STRATEGY

Focus on customers

- Innovative products and high service quality
- Unrivalled competence, experience and implementation capability
- Exceptional business processes throughout the Bank
- Guidelines on customer satisfaction

Focus on the continuity of technological innovation

- The best and the fastest technological equipment that is progressing continuously and integrated with business segments
- Most up-to-date IT infrastructure

Focus on competent human resources

- Continuous improvement in competency and efficiency of human resources
- Performance- based incentive structure

Focus on operational efficiency

- Focus on improving productivity

- Focus on cost/income synergies

Focus on disciplined growth

- Sustainable and profitable balance-sheet growth focused on real banking
- Strong asset quality
- Outstanding service and distribution competencies in reaching target markets and a wide customer base

Focus on sustainable income sources and profitability

- Focus on high-return products and profitable business segments
- Increasing non-interest income
- Emphasis on creation of customer-driven income
- Continuous improvement in cost of borrowing and free capital
- Development of cross-selling opportunities by prioritizing products and packages that enhance customer loyalty

Focus on strong distribution channels

- Extensive and efficient branch network
- Effective and broad-based utilization of alternative distribution channels

Focus on risk management and audit

- Measurement of risk using globally accepted standards
- Portfolio-wide risk management that associates risk with return and leads to optimal allocation of economic capital
- Proactive audit systems

Focus on corporate governance and social responsibility

- Commitment to corporate governance, ethics and corporate values
- Playing an active role in establishing high standards for social development with an approach toward creating value for the society and the environment

OUR CORE VALUES

Setting strategies to be adopted for the execution of its vision and mission, Garanti also defined binding corporate values that all employees shall abide by. These core values, indispensable for Garanti employees at all levels, have become a way of life and way of doing business for all employees of the Bank.

“Our customers...”

are the focus of all our operations and efforts.

- We always strive to satisfy our customers above and beyond their expectations.
- We are honest, courteous, helpful, solution-oriented and always pleasant.

“Garanti and its employees have high moral values”

- We conscientiously obey rules and regulations without exception.
- Having a good conscience is very important for both the organization and the individuals within it.

“The most important element for us is the human factor”

- We value individuals and invest continuously in human resources.

- Our quality is driven and ensured by our employees.
- Every team member is driven primarily by a quest for quality.
- We understand the importance of delegating responsibilities.
- We encourage our employees to use initiative.
- We believe in the creative and productive powers of motivation and strive to generate such an environment.
- We believe that each member of our team is a leader in his/her field and the best at what he/she does.

Team work

- We believe in effective team work and open lines of communication. We do not compromise these principles.
- We are opposed to strict layers of hierarchy.
- Garanti team members from the CEO to the lowest ranking personnel and all institutions we work with as one unit to realize the vision.
- The effective team work of the Bank is

strengthened by collaboration, mutual trust and respect.

Continuous progress

- We maintain the quality of our services by constantly improving ourselves rather than maintaining the status quo.
- Investing in our people and technology to achieve continuous progress is an inseparable element of our policy.
- Our primary duty is to sustain a high level of quality while constantly improving the quality of our products and services.
- Our approach to improving quality is proactive; we strive to identify the needs and expectations of our customers and address them even before they are voiced by the customers.

Social responsibilities

- We exert every effort to be beneficial to society, the environment and humanity.
- We are confident that our exemplary work will promote good will within the banking sector and the entire country.

2009 MACROECONOMIC OVERVIEW

The crisis that increased its depth in 2008 continued to infect the financial markets and the manufacturing industry throughout 2009. As financial markets tended to return to normal during the course of the year, hints were sought as to how and when economic recovery would start. While the world economy gave signals of bouncing back from the bottom in the second half of the year, opinions weighed out that the Asian countries would increase their contribution to the growth worldwide given that the Asian economies were first to start recovering. Signs of recovery deepened the discussions around reduced governmental support to financial markets and abandoned flexible monetary policies by central banks.

G-20 meetings held during the course of the year provided an insight into the overall status of global economy and also guided the policies for the coming period. In the last G-20 meeting of 2009 convened in November, it has been noted that the global economy started to grow, but the recovery remained scattered and dependent on policy support. In the same meetings, signals were given that timings of exit strategies would be different for each country and interest rates would not be increased in developed countries in the near future.

Since the crisis in global financial markets was the deepest one experienced after the Great Depression, its impacts on the Turkish economy have been profound as well. Turkey drew the attention as one of the most rapidly contracting countries due to worsened conditions in domestic and foreign demand. Narrowing down for four consecutive quarters starting from the last quarter of 2008, the Turkish economy lived the longest contraction period after the crisis of 1999.

Increased unemployment

While the Turkish economy contracted by 8.4% year-on in the first three quarters of 2009, the rate of growth plummeted to its lowest in the

first quarter of the reporting period. Economic contraction lost pace from the second quarter of the year. Foreign demand positively contributed to growth owing to imports that shrunk faster than exports in the first three quarters of 2009. Concurrent depletion of stocks pulled down growth significantly. The weak performance of the economy negatively affected the labor market in Turkey, as was the case in other countries. 10.2% at the end of 2008, rate of unemployment went up to 16% during the year and then down to 13.1% in November.

Shrunk imports and exports

Tendency to shrink in imports and exports that started in October 2008 with weakened foreign demand continued throughout 2009. While exports suffered 23% decrease year-on in 2009, imports outdid that percentage with 30% in the same period. Total exports were worth US\$ 102.2 billion and imports were in the region of US\$ 140.8 billion in the reporting period. Foreign trade deficit slimmed down by 45% year-on to US\$ 38.6 billion. Foreign demand showed signs of revival in the last quarter of the year due to the more evident recovery in the world economy coupled with the base effect, and drove exports upwards on an annual basis. Imports, on the other hand, were noted for its rapid rise particularly in the last month of the year.

In 2009, current deficit continued to shrink in parallel with the decrease in foreign trade deficit. US\$ 41.9 billion in 2008, the current deficit was down to US\$ 13.9 billion in 2009. While net foreign direct investment inflow was US\$ 6.0 billion in the same period, portfolio investments amounted to a mere US\$ 0.2 billion.

Decreased inflation

Inflation, in 2009, went down to levels that were unseen in the near history. The downturn in inflation was driven by weak demand,

expectations for slow economic recovery, and decreased commodity prices. Down to 5.1% in October, the consumer price index (CPI) was up to 6.5% in December, a result of rapidly increasing food prices. The annual inflation in producer prices (PPI) in 2009 stood at 5.9%.

Single-digits in interest rates

Shrunk economic activity, combined with slackened inflationist pressures led the Central Bank of the Republic of Turkey (CBRT) to loosen its monetary policy and give momentum to interest rate cuts. The CBRT pushed overnight borrowing interest rates down to 6.5%, which was as high as 15% at the end of 2008, bringing cumulative reduction in interest rates to 1025 basis points. Thus, interest rates in Turkey were in single-digit figures for the first time in the country's history.

Widened budget deficit

The budget performance worsened as a result of tax revenues that lagged behind the expectations in conjunction with decelerated economic activity and outlays that remained uncontained. The budget deficit, which was 1.8% of the GDP in 2008, is estimated to have climbed up to 5.5% based on the government's GDP forecasts for 2009. Further, the non-interest surplus that was 3.5% of the GDP in 2008 is calculated to have remained limited to 0.1% of the GDP in 2009. Turkey's debt dynamics deteriorated quickly in parallel with the rapid rise in the budget deficit. The ratio of EU-defined public debt stock to GDP is estimated to go over 47% at the end of 2009 from 39.5% in 2008.

International rating agencies revised Turkey's outlook in 2009. Fitch upgraded Turkey's rating two notches, one notch below the investment grade. The first months of 2010 saw Turkey's rating upped by one notch also by Moody's and S&P.

CHAIRMAN'S LETTER



Dear Shareholders,

2009 has, for the whole world, been a year of dressing wounds inflicted by the financial crisis that announced its arrival beforehand, but which we were compelled to confront when it knocked on our door in September 2008. When assessing the year we left behind from the viewpoint of our country and our Bank, it should be kept in mind that we suffered the greatest global and financial shock after the Great Depression.

More than a year passed since the onset of the crisis, during which we have experienced the worst in economic indicators. We talked about countries going bankrupt, alongside the companies going out of business. And finally in the last quarter of 2009, we started receiving signals of getting out of the crisis on the back of a battle fought in unprecedented global harmony. In a sense, the world seems to have overcome the anxious atmosphere and started to regain its confidence in financial markets. Yet, challenging fiscal packages, broadening budget deficits and debt burden continue to be the major risk elements.

In 2009, we realized once again the great impact that the financial sector has on economic growth. Deteriorated lending channels manifested themselves in poor manufacturing and unemployment data, as well as in the confidence department. Even in such an environment, we did not hesitate to extend major support to the real industry. Our Bank's efforts in this vein will gain further momentum.

While the number of bankrupt banks went over 100 in the USA, the Turkish banking industry performed very well in 2009. Thanks to the measures implemented after our own crisis in 2001 our banking sector remained resilient in the course of a global financial crisis. We have enjoyed the benefits

of our strong support and commitment we have given to our banking system. Presently, the average capital adequacy ratios of our banks are standing at higher levels than those in many Western countries. In a setting of international markets where banks are reluctant to lend to one another, large oversubscribed syndication facilities granted to Turkish banks attest to the confidence held in our national banking industry.

Having grown for twenty-seven consecutive quarters with a respectable average rate, the national economy contracted in the last four quarters. Now, we are expecting recovery replacing contraction. A contributor to the recuperation in our country will be the fact that the global economic activity in, with which we are in strong economic relationships, is recuperating. Moreover, Turkey is in a very good shape in terms of economic capacity to receive significant share from increasing capital movements driven by the improving international conjuncture. In this frame, we will keep supporting the reviving economy through extending loans in the upcoming period.

On behalf of our Board of Directors, I would like to thank our valuable employees for their excellent performance that brought stability to our Bank in these rough times that the world and Turkey had to live through, to our customers for their continued confidence, and to all our economic and social stakeholders for all their support.

Sincerely,


Ferit F. Şahenk
Chairman
Board of Directors

LETTER FROM THE CEO

Dear Shareholders,

We left behind a highly challenging year in which the global financial crisis grew into a global economic recession. While the Turkish banking sector displayed a solid stance, Garanti stood out, once again, for its dynamic balance sheet management and successful business model. We have achieved nearly 20% growth in our total assets despite the shrinkage in loan demand and increased our assets to over TL 100 billion level, a first in our history.



We did not use the crisis as an excuse to call back any loan before its maturity. We continued to stand by our customers throughout the most severe periods, and remained the largest lender in Turkey. As part of our long-term business plans, we focused more on long-term growth potential rather than short-term profit motives; therefore we opened nearly 70 new branches and continued to provide new jobs. We succeeded in increasing our deposits far in excess of the sector's on the back of our expanded branch network and superior customer service. We accurately evaluated the developments in global and local economy and managed our risks successfully. As a result, we increased our net earnings by almost 70% even with the TL 330 million free provisions set aside as part of our prudent approach and became Turkey's most profitable private bank.

The Turkish banking sector successfully came through one of the severest crises in the world's history and helped the national economy from suffering a major damage.

The global crisis deepened in the last quarter of 2008 and the effects continued to persist throughout 2009. While the first quarter of 2009 proved to be dire for the world economy and global markets, the crisis lost momentum during the year with the impact of incentive and rescue packages launched one after another. Liquidity provided by central banks and G-20's decision in April on systematic cooperation have also been effective in alleviating the crisis.

The crisis continued to impact Turkey negatively during 2009 as well. As unemployment increased due to economic recession, we tested all time lows in inflation driven by reduced domestic demand. In

view of the downward trend in inflation and weakened economic activity, the CBRT slashed the interest rates by 850 basis points during the year, while benchmark interest rates dropped from 16% at the beginning of the year to 9%. In March, tax incentives were implemented on Special Consumption Tax and VAT to revive the economy.

While banks in many developed and emerging countries recorded immense losses and were only able to survive by government assistance, not a single bank in Turkey received government subsidy. The sector did not experience any liquidity issues and banks increased their profitability significantly with rapidly declining interest rates. Despite the crisis, banks continued to expand their branch networks even though it was at lower pace relative to previous years.

The Turkish banking sector proved resilient and was able to come out of one of the most severe financial crisis ever with flying colors, thanks to the structural reforms implemented in the last decade, effective monitoring and supervision by the BRSA, and the improved risk management implementation across the sector. Garanti had foreseen the coming crisis beforehand. We had taken necessary measures starting from 2007 and 2008. During the crisis, we strengthened our relationship with our customers while maintaining the commercial focus. We accurately evaluated the rapidly changing market conditions, managed our balance sheet very dynamically and displayed remarkable performance in 2009.

We have given more importance to relationship banking in 2009. In line, increased the number of our customers by nearly one million for the year, to nine million and further deepened our relationships with

our existing customers. Even though our total loans remained unchanged from 2008, given the effects of economic recession on credit demand, we remained the largest lender in Turkey.

The credit risk the banks are exposed to, increased significantly in 2009 in conjunction with the economic slowdown and rising unemployment. By means of our stringent approach to risk management, we maintained the lowest NPL ratio among peer banks, despite having the largest loan portfolio. We also recorded a healthy increase in our deposit base, in a year, when overseas funding sources diminished and increased our market share.

Maturity mismatch, a structural problem in the Turkish banking sector, led to wider margins in a year of rapidly falling inflation and interest rates; and our revenues were affected positively. On the other hand, taking into account the fragile state of the global economy, we set aside non-performing loan provisions at a much higher level than legally required. We further strengthened our cautious position by allocating TL 330 million in free provisions against any potential volatility in financial markets. Despite all these extra provisions, we succeeded in increasing our net income by more than 70% and became Turkey's most profitable private bank.

Garanti focuses on sustainability and launches projects that will add value to society in the long run.

Not restricting its corporate mission to banking services only, Garanti is one of the most prominent contributors to social and cultural wealth of Turkey. The institutions sponsored by Garanti support and fund numerous projects in the fields of art, culture, education, sports and environment.

The Teachers Academy Foundation, which we established based on a long-term commitment to focus on our teachers who will educate the future generations, started activities in 2009. Developing training programs for the personal and professional

advancement of teachers, the Foundation offered face-to-face training to 6,000 teachers in 14 cities in 2009 within the frame of its inaugural project "No Limits in Teaching".

Each one producing major projects in its own field, Garanti's cultural and artistic institutions, namely the Ottoman Bank Museum, Platform Garanti Contemporary Art Center and Garanti Gallery, were reorganized under Garanti Kltr A.Ŗ. with a view to joining their forces and reaching wider audiences. With the reorganization process, the buildings housing these institutions will be renovated. Our support to the arts continued in 2009 through sponsorship of major exhibitions. Garanti was the sponsor of Sarkis's "Site" exhibition at Istanbul Modern that points to all the stages of a career of one of the most important actors on the contemporary art scene. Garanti was also the sponsor of the first retrospective exhibition of Yksel Arslan, one of the world's most exceptional 20th Century artists, at Santralistanbul.

The meetings we have been organizing to add to the vision of professionals and businesses continued in 2009. Now a brand name in its own right, "Garanti Anatolian Meetings" brought more than 20,000 entrepreneurs together with expert economists and banking specialists since 2000. We also continued "Women Entrepreneurs Meetings" in 2009, which we had started organizing with the support of KAGİDER (Women Entrepreneurs Association). To date, we have reached 1,600 women entrepreneurs in total via these meetings.

Our long lived sponsorship to the National Men's Basketball Team, the "12 Giant Men", continued during 2009 European Basketball Championship. 12 Giant Men Basketball Schools remain a project we value and take pride in as much as our sponsorship of the National Men's Basketball Team. In 2009, a total of 3,547 teenagers received basketball training at 55 locations where 12 Giant Men Basketball Schools were organized. Thus, 30,000 students in total have been

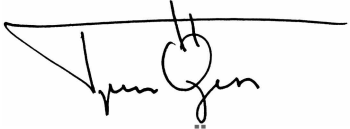
introduced to basketball culture since the launch of the project.

The gradual recovery in macroeconomic indicators is encouraging for 2010. Garanti will keep instilling confidence and creating value for all its stakeholders with its robust stance.

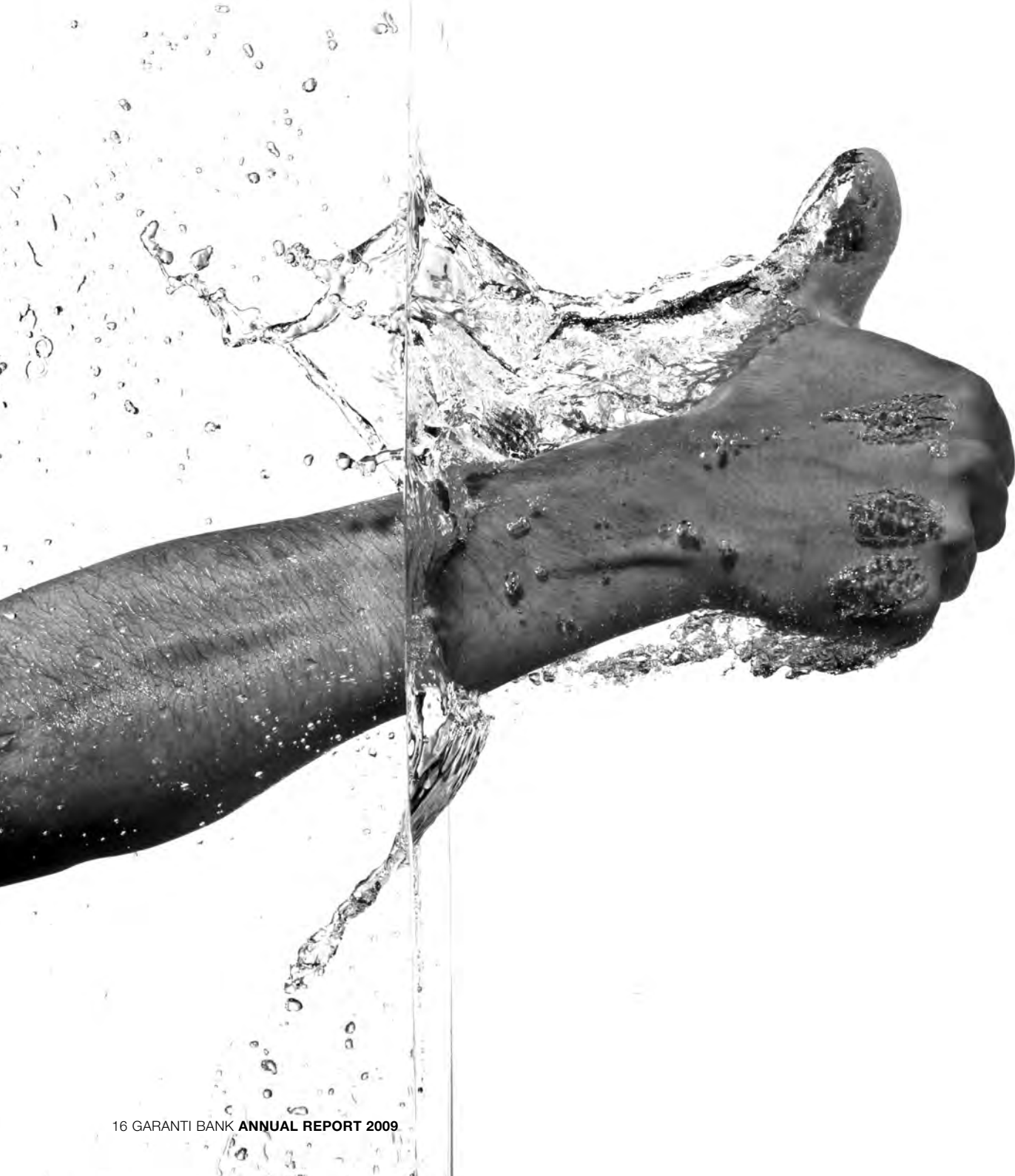
Current signs suggest that the global economy is again entering a growth path with the effects of announced support packages. Turkey is the only country whose rating was upgraded by two notches by international rating agencies with the positive contribution of solid national banking sector, and is expected to step into a new period of growth. Leveraging on its strong capital base, liquid balance sheet and customer-focused approach, Garanti is ready to provide the necessary support to the growth of the economy. As always, in 2010 as well, we shall do our best for a profitable and sustainable growth, by correctly defining our risks and managing them rationally. Our long-term investments will continue at and we will expand our branch network to 875 branches by opening nearly 80 new ones.

I would like to thank all my colleagues, who have increased the value of Garanti brand with their devoted efforts in a particularly challenging year, to our shareholders, who consistently support us, to our customers for the trust they place in our Bank, and to all our social stakeholders. We shall all together seek to excel ourselves in 2010 and carry Garanti further.

Sincerely,


Ergun Özen
President and CEO

Water enables continuity: Half of the wetlands in the world have vanished during the last one hundred years since some rivers no longer reach the sea. Out of 10,000 species of freshwater fish, more than 20% are now either extinct or endangered.



FINANCIAL HIGHLIGHTS

Through its solid and transparent stance, Garanti channels its energy to instilling confidence in all of its stakeholders and creating value for them.

FINANCIAL HIGHLIGHTS

Garanti continues to outperform the sector based on its efficient, profitable and sustainable growth strategy; customer-centric service approach, innovative products and services offered with strict adherence to quality, extensive branch network and effective alternative delivery channels.

In the past five years, having averaged 30% growth rate in its assets, Garanti increased its shareholders' equity by nearly 37% and

further strengthened its capital base. Thus, the Bank once again proved that it is ready to provide the necessary support to the potential growth of the Turkish economy.

Having provided uninterrupted support to the economy, even through the drastic times of the global crisis, Garanti has reinforced its position as Turkey's largest lender with TL 69 billion in cash and non-cash loans. Further enhancing its focus on relationship banking in 2009, Garanti

recorded 19% increase in its deposits.

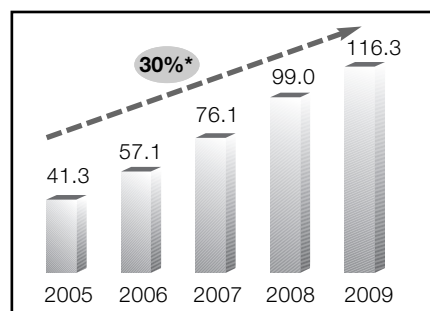
Garanti's outstanding performance in 2009 lies in its solid and well positioned balance sheet that has been managed by correctly reading the changing conditions and taking the right steps at the right times.

Consequently, Garanti stands out as Turkey's most profitable private bank with TL 3.1 billion in earnings generated in 2009.

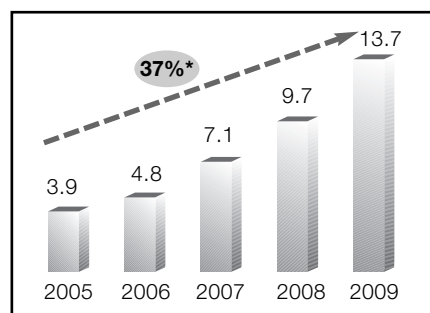
KEY FINANCIAL FIGURES (TL billion)

	2008	2009	Growth
Assets	99.0	116.3	17%
Loans	52.8	53.5	1%
Securities	26.6	37.8	42%
Deposits	58.0	68.8	19%
Shareholders' Equity	9.7	13.7	40%
Net Fees and Commissions	1.5	1.7	15%
Ordinary Banking Income	4.7	6.8	44%
Net Income	1.9	3.1	64%

Assets

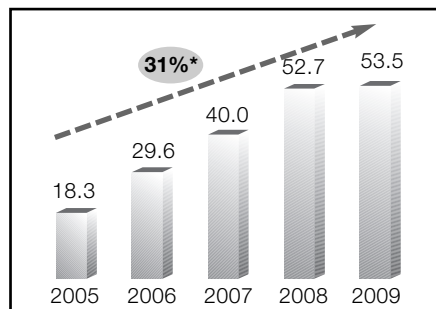


Shareholders' Equity



*Growth rates represent compounded annual growth rates over the past five years.

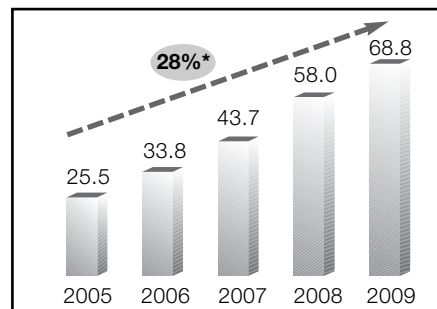
Loans



Turkey's largest lender

31% average growth rate
over the past 5 years

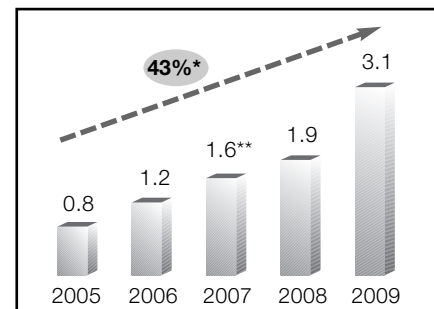
Deposits



Customer-focused, reliable, ally bank

28% average growth rate
over the past 5 years

Net Income



Turkey's most profitable private bank

43% average growth rate
over the past 5 years

KEY FINANCIAL RATIOS

Return on
Average Assets **2.9%** ↑

Return on
Average Equity **27%** ↑

Cost/Income Ratio **39%** ↓

Garanti once again distinguished itself with its dynamic balance sheet management, operational efficiency approach and successful business model.

In 2009, Garanti further strengthened its capital base.

In 2009, Garanti's earnings per share increased by 64%.

Capital
Adequacy Ratio **19.2%** ↑

Earnings Per
Share (TL) **0.74** ↑

GARANTI'S MARKET SHARES (%)

	2008	2009	Change (PP)
Assets	13.0	13.6	0.6
Loans	14.2	13.8	(0.3)
Deposits	11.7	12.4	0.7
<i>Demand Deposits</i>	13.9	14.4	0.5
<i>Time Deposits</i>	11.4	12.1	0.7

Assets

Turkey's second largest private bank with TL **116** billion of assets

Loans

Turkey's largest lender with TL **69** billion contribution to national economy

Deposits

Second largest deposit base in Turkey with its focus on relationship banking and solid customer base

Note: Sector data represent commercial banks only.

*Growth rates represent compounded annual growth rates over the past five years.

**Net income for 2007 was normalized to exclude non-recurring income from the sale of shares of Garanti Insurance and Pension Companies amounting to TL 669 million (post-tax) and non-recurring income from the sale of custody services operations amounting to TL 112 million (post-tax).

GARANTI'S COMPETITIVE ADVANTAGES

Dynamic human resources capable of making a difference

State-of-the-art technology

Innovative customer-oriented products and services

Best customer relationship management solutions

Strong brand and reputation

Exceptional data warehousing and management reporting

Centralized operations

Integrated financial services

Extensive branch network

Use of alternative delivery channels

GARANTI: THE LEADING BANK IN TURKEY

Each year, one million new customers prefer Garanti:

9 million customers

Covers 90% of Turkey

792 branches

Competent human resources that grow every year:

~17k employees

Innovative products and services that are considered exemplary all around the world

Leader in Payment Systems:

>13.2 million cards

~360k POS terminals

The most extensive merchant network in Turkey

2nd largest ATM network:

~3,000 ATMs

The largest Financial Call Center in Turkey

>40 million customer contacts
per year

1

in Internet and Mobile Banking

GARANTI'S CREDIT RATINGS

Fitch Ratings	
Outlook	Stable
Long Term FC IDR	BBB-
Short Term FC IDR	F3
Individual Rating	C
Support	3
Long Term TL IDR	BBB-
Short Term TL IDR	F3
National Rating	AAA(tur)

Moody's	
Outlook	Stable
Long Term FC Deposit	Ba3
Long Term TL Deposit	Baa1
Short Term TL Deposit	Prime-2
Short Term FC Deposit	NP
Financial Strength	C-
National Scale Rating– Long Term/Short Term	Aa1.tr / TR-1

Ratings of Garanti Bank represent the highest ratings assessed for Turkish Banks.

The Long Term TL Deposit (BBB-) and the Long Term FC Deposit (BBB-) ratings assessed by Fitch Ratings are one notch above Turkey's sovereign ratings and represent investment grade.

The Long Term FC Deposit rating (Ba3) assessed by Moody's is one notch below Turkey's sovereign rating and represents the highest rating among Turkish Banks. The Long Term TL Deposit rating (Baa1) assessed is four notches above the sovereign rating granted to Turkey and represents investment grade.

JCR Eurasia Ratings	
Outlook	Stable
Long Term International FC	BBB-
Long Terms International TL	BBB
Long Term National Local Rating	AAA (Trk)
Short Term International FC	A-3
Short Term International TL	A-3
Short Term National Local Rating	A-1+ (Trk)
Sponsored Support	1
Stand-Alone	A

Standard & Poor's	
Outlook	Positive
Long Term FC Counterparty	BB
Long Term FC Deposits	BB

The Long Term International TL (BBB) and International FC (BBB-) ratings assessed by JCR Eurasia Ratings are three notches and two notches above Turkey's sovereign ratings, respectively, and represent investment grades.

Credit ratings assessed by Standard & Poor's are identical with Turkey's sovereign ratings and represent the highest ratings assessed for Turkish Banks.

Capital Intelligence	
Outlook	Stable
Long Term FC Obligations	BB-
Short Term FC Obligations	B
Financial Strength	BBB+
Support	2

FC obligations assessed by Capital Intelligence are identical with Turkey's sovereign ratings and represent the highest ratings assessed for Turkish Banks.

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT PAYMENT CAPABILITY

The consolidated net income of Garanti Bank grew by more than **70%** year-on-year and reached **TL 3,099,601,000** in 2009.

Despite all the challenges, Garanti Bank completed 2009 successfully relying on its **solid and well-positioned balance sheet structure and robust shareholders' equity** and by taking the **right steps at the right times**.

Even at the dire moments of the global crisis, Garanti **never lost its faith in the national economy, stood by its customers at all times** and remained the largest lender in Turkey.

Advanced risk management systems and the focus on operational efficiency were the main assurance of Garanti's performance on lending as well as readiness against all contingencies. With this approach, Garanti prevailed through these hard times and emerged stronger, increasing its market share across the board.

Continuing with its investments in order to increase customer convenience and reach out to more people willing to experience Garanti's unique offerings, the Bank added 62 branches to its distribution network reaching close to **800** branches and increased its employees to nearly **17,000**. Having the most widespread POS network

in Turkey with **360,000** terminals and with a credit card portfolio of **8 million**; Garanti is the leader in number of debit cards as well as number of plastic cards. Managing a strong alternative delivery channels network consisting of almost **3,000** ATMs and investing continuously with its customer-oriented approach, Garanti was able to increase its customer base by another **1 million** in 2009 as well.

Garanti's total assets surpassed TL 100 billion level at year-end 2009 and reached **TL 116,334,466,000** with a 17% increase on a yearly basis.

Preserving its standing as **Turkey's largest lender** in 2009, Garanti's support to the economy through cash and non-cash loans increased to **TL 68,590,103,000**.

Outperforming the sector in 2009, Garanti expanded its deposits base by 19%, year-on-year, to **TL 69 billion** and further strengthened its solid funding structure. The Bank's loans/deposits ratio dropped from 90% at the end of 2008 to **77%** at the end of 2009.

Garanti continued to offer innovative products and services that address all the needs of its customers during 2009 and through placing further emphasis on relationship banking, it increased its demand deposits by **34%** and

sustained its market share above **14%** level.

In 2009, Garanti further strengthened its capital base and reached a lower financial leverage in its operations. Garanti's **free equity** grew by **49%** on an annual basis, enabling the Bank to finance nearly 1/4 of its interest earning assets through free funds.

Despite volatilities in the economy, Garanti further enhanced its capacity to generate sustainable income in 2009 and continued to generate **the highest ordinary banking income** among peers. Garanti's ordinary banking income increased by 44% to **TL 6.8 billion** in 2009. The Bank managed to grow its net fees and commissions and was able to diversify the sources of such revenues as well. During 2009, one out of every four new participants to the pension system preferred Garanti. The Bank solidified its sustainable banking income generation through its leadership position in bancassurance and increased market share to 7% in equity and derivatives markets.

As of year-end 2009, the Bank's consolidated capital adequacy ratio stood at **19.2%**. Garanti distinguished itself from its peers with its **proactive and dynamic balance sheet management** and attained a return on average equity of **27%** and a return on average assets of **2.9%** in 2009.

AUDITORS' REPORT

To the General Shareholders' Assembly of T. Garanti Bankası Anonim Şirketi

We have audited the calendar year 2009 transactions and accounts of T. Garanti Bankası Anonim Şirketi in accordance with the Banking Law No. 5411, Turkish Commercial Code, Capital Markets Law,

generally-accepted accounting principles, related legislation and the provisions of the Articles of Association of the Bank. We determined that the Balance-Sheet and Profit and Loss Statements of the Bank comply with the accounting records, and such records comply with the relevant documents. Consequently, we recommend

the approval of the Balance-Sheet and Profit and Loss Statement of the Bank for the year 2009 as submitted by the Board of Directors and also state that we agree with the allocation of the net profit within the principles proposed by the Board of Directors.



MURAT İNAN
Auditor



ALTAN REHA GÖKSU
Auditor

PROFIT DISTRIBUTION

Our Bank ended its 64th fiscal year with a profit of TL 2,962,241,033.48. We propose our esteemed shareholders profit be distributed as it is detailed in the below table in accordance with the "Article 45 - Distribution of the Profit" of the Articles of Association of the Bank, and Board of Directors be authorized regarding the timing of the profit distribution.

Sincerely,
Board of Directors

2009 PROFIT DISTRIBUTION TABLE - TL

NET PROFIT	2,962,241,033.48
A- 5% for the 1 st Legal Reserve Fund (TCC 466/1)	148,112,051.67
Legal Funds To Be Statutorily Set Aside and Saved in the Bank	3,817,420.84
B- First dividend corresponding to the 5% of the paid up capital	210,000,000.00
C- 5% Extraordinary Reserve Fund	130,015,578.05
D- Second dividend to ordinary shareholders	140,000,000.00
D- Extraordinary Reserve Fund	2,316,295,982.92
2 nd Legal Reserve Fund (TCC 466/2)	14,000,000.00

INFORMATION ON 2009 DIVIDEND PAYOUT RATIO

INFORMATION ON DIVIDEND PER SHARE

	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND PER SHARE (NOMINAL VALUE: TL 1)	
		AMOUNT (TL)	RATIO (%)
GROSS*	350,000,000.00	0.08333	8.33333
NET	297,500,000.00	0.07083	7.08333
RATIO OF DIVIDEND TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS			
AMOUNT OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS (TL)	350,000,000.00	RATIO OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS (%)	
		12.42	

* 15% tax deduction on cash dividend payments will not be attributable to resident corporate entities and non-resident corporate entities who have establishment or permanent representative in Turkey

GARANTI BANK'S STOCK PRICE AND MARKET CAPITALIZATION

Garanti shares are traded on the Istanbul Stock Exchange (ISE) under the ticker symbol "GARAN". The shares are also listed on the London Stock Exchange Main Market (LSE). Garanti shares were initially offered to public in 1990. In 1993, the Bank became the first Turkish company to offer its shares to international markets in the form of American/Global Depository Receipts (ADR/GDR). These international DRs are currently traded on the International Order Book (IOB), which is the

international market of the LSE.

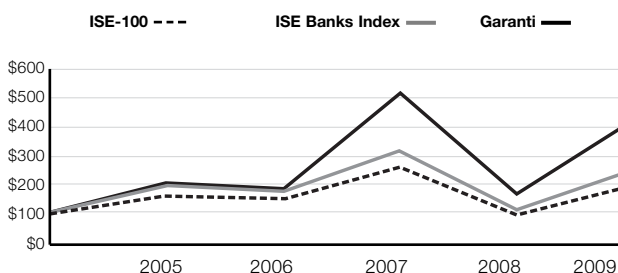
The shareholding structure of the Bank as of December 31, 2009 is presented on page 9 of this Annual Report.

In 2009, with a free float of 49%, Garanti was the company with the highest floating market capitalization on the ISE. Garanti stocks accounted for 17% of the turnover in the ISE-100 and 39% of the ISE Banks Index. Furthermore, Garanti shares

constituted 21% of the foreign transactions in the ISE and represented almost half of the foreign transactions among all listed banks. In 2009, Garanti's share price recorded a remarkable increase of 147% and significantly outperformed the ISE-100 index by 26%.

US\$ 100 invested in Garanti shares five years ago increased to US\$ 415, whereas TL 100 invested reached TL 457 by the end of 2009.

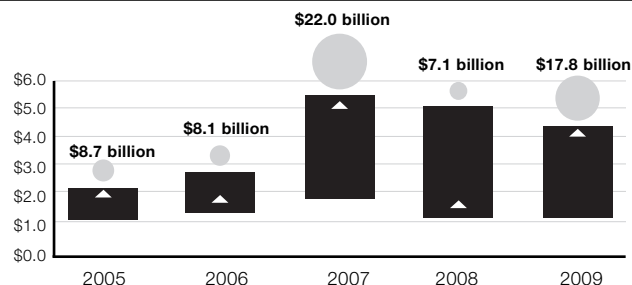
Total Cumulative Shareholder Return in 5 Years



(US\$ - Year-end)	2004	2005	2006	2007	2008	2009
ISE-100	100	161	151	259	96	192
ISE Banks Index	100	197	178	319	113	247
Garanti	100	203	188	513	164	415

(TL - Year-end)	2004	2005	2006	2007	2008	2009
ISE-100	100	159	157	222	108	212
ISE Banks Index	100	195	185	273	127	272
Garanti	100	201	195	440	185	457

5 Year Stock Performance and Market Capitalization



(US\$)	2005	2006	2007	2008	2009
High*	2.08	2.73	5.46	5.08	4.36
Low*	1.03	1.22	1.72	1.04	1.05
Close △	2.08	1.92	5.25	1.68	4.25

(TL)	2005	2006	2007	2008	2009
High*	2.80	3.61	6.40	5.94	6.35
Low*	1.42	2.02	2.47	1.76	1.89
Close △	2.80	2.71	6.11	2.57	6.35

● Market Capitalization (in US\$) based on Closing Prices

*Based on Closing Prices

Water is necessary: Water makes up 92% of blood, 22% of bones and 75% of the brain and muscles. Water is crucial for cells to perform their vital activities.



AWARDS

Constantly working to achieve the better, Garanti is motivated by national and international awards earned. The Bank keeps competing against itself to create the more distinctive and to reach the better.

GARANTI'S AWARDS

With its customer-centric approach and strict adherence to quality, Garanti continuously develops innovative products and services that are considered exemplary all around the world. Its achievements were rewarded by various national and international authorities in 2009.

2009 has been yet another year of many awards for Garanti. Honored by various national and international prestigious institutions, Garanti Bank believes that behind these achievements are its customers, always inspiring the Bank to do better and its human resource, capable of making a difference. These awards motivate Garanti to surpass global standards in all of the fields it operates.

Garanti: “Best Managed Company in Central and Eastern Europe”

Garanti Bank is recognized as the “Best Managed Company in Central and Eastern Europe” by Euromoney Institutional PLC. The first Turkish Bank entitled to this award in this category; Garanti also took the first place in the “Most Convincing and Coherent”, “Most Transparent”, “Most Accessible Senior Management” and “Most Improved” subcategories, as well as in “Turkey” and “Banking and Finance” subheadings.

Garanti: Turkey’s Best Banking Group

Garanti Bank has been voted “Turkey’s Best Banking Group” in a poll held in certain categories among 40,000 active members in the database of World Finance, a leading economics magazine in the world.

2009 Achievement Award to Garanti from Emerging Markets

Garanti Bank has been honored with the “2009 Achievement Award” by Euromoney Institutional Investor PLC’s Emerging Markets Newspaper. Featuring a broad range of news and analyses about emerging markets, the publication has chosen Garanti as the most successful bank in the “Emerging Europe” category. Garanti has become the first Turkish bank to be bestowed this award.

Garanti: The first and only Turkish company to receive silver certification from the IIP

Certifying the quality of businesses’ human resources practices, the IIP (Investors in People) launched a new system in 2009 to recognize organizations that perform above the standards. In the new system now incorporating gold, silver and bronze categories of certificates, Garanti Bank has been honored with the silver certificate, awarded to only 126 of the approximately 35,000 organizations holding the IIP certificate worldwide.

STP Quality award for Garanti from the world banks

Garanti has been granted with “Quality Award 2008” by JP Morgan Chase Bank, Commerzbank AG and Dresdner Bank for achieving high straight through processing

(STP) volumes. Garanti has also received 2008 STP Award (EUR&US\$ payments) for the sixth consecutive year from Deutsche Bank.

2 Awards to Garanti Project Finance

Euromoney-Project Finance Magazine, one of the best known publications in the global project finance community, selected the MMK (Russia) and Atakaş Group sponsored MMK Atakaş 2.3 million tons Flat Steel Making Project as “Europe Metals Deal of the Year 2009”. Euromoney-Project Finance Magazine also selected the 1,360 MW Eren Energy Thermal Power Plant Project as “Europe Power Deal of the Year 2009.”

Garanti: “Best Local Private Bank”

Euromoney named Garanti Masters Private Banking the “Best Local Private Bank” operating in the private banking segment in Turkey. The readers of the leading economics/financial magazine, World Finance, selected Garanti Masters Private Banking the “Best Provider of Private Banking Services in Turkey”.

Two Awards to Cash Management

In the 2009 Cash Management survey conducted by Euromoney Magazine, Garanti Bank was awarded as the “Best Domestic Cash Management Bank” in Turkey.

Within the scope of the International Treasury Today Adam Smith 2009 awards, Garanti Bank and Mercedes-Benz Turkey received the

“Best Practice and Innovation 2009” award in the Working Capital Management/Supply Chain category with Garanti’s special the inventory financing solution provided for Mercedes-Benz Turkey.

Innovation award from Romania for Garanti’s solutions geared towards the SMEs

Within the annual awarding ceremony organized by Romania’s largest financial media group, GarantiBank International N.V. received “The Most Innovative Financing Solutions for SMEs” award in “Best Banking Product of the Year” category.

Two awards to garantimortgage.com

Garanti Mortgage’s website garantimortgage.com received the “Outstanding Achievement Award” in Financial Services within the frame of Interactive Media Awards 2009, and has also been bestowed with the “Standard of Excellence in Financial Services” given by Web Marketing Association.

Garanti Call Center among the world’s best call centers

Garanti Bank Call Center has been granted the silver medal in the “Best Contact Center”, “Best Outbound Campaign” and “Best Technology Innovation” categories in Europe, Middle East and Africa region in the World Awards organization by ContactCenterWorld.com.

Award from “The Banker” to Branchless Money Transfer

Within the scope of the Technology Awards, Garanti Bank has been granted the “Innovation in Payment Technologies” award by “The Banker” magazine, published by the Financial Times.

Best Consumer Internet Bank Awards from Global Finance

Garanti Bank internet branch www.garanti.com.tr has been selected as “Turkey’s Best Consumer Internet Bank” for the eighth time in the “Europe’s Best Internet Banks” survey conducted by Global Finance, one of the world’s most prestigious business and finance publications. In the same assessment, Garanti International N.V. has been honored with “Romania’s Best Consumer Internet Bank” award.

Best Investment Bank 2009: Garanti Securities

For its activities in 2009, Garanti Securities has been bestowed with the “Best Investment Bank 2009” award by EMEA Finance in March and by Global Finance in April.

Garanti Pension: Turkey’s most admired Pension Company for 4 years

Garanti Pension has been selected Turkey’s most admired pension company for the fourth time in 2009 by Capital magazine.

Garanti Pension Hobby Clubs project has been the recipient of multiple awards: Platinum in Public Relations and Customer Loyalty categories at the Hermes Creative Awards; Bronze in Public Relations category at the Summit International Creative Awards; “Best Communication Campaign of the Year”, “Best Marketing Campaign of the Year” and “Best in Service” awards at the Stevie Awards. The primary communication channel of the Hobby Clubs project, hobimlemutluyum.com earned two awards: “Best Professional Services Website” in the Professional Services category and Online “Community Standard of Excellence” in the Online Community category within the frame of WebAward Competition.

Most Admired Factoring Company: Garanti Factoring

Garanti Factoring has been named the “Most Admired Factoring Company” in Turkey in 2009 based on the results of a survey carried out by Capital magazine.

Golden Spider Web Awards go to Garanti

Garanti Bank collected 7 awards this year at the Golden Spider Web Awards distributed by DorukNet since 2002.

www.garanti.com.tr won the 1st Prize in Online Banking and Corporate Website categories. Garanti also ranked 1st in the Education, Events and Financial Services categories with

www.ogretmeninsiniriyok.com, www.garantitalentcamp.com, and www.flexicard.com respectively.

GARANTI'S AWARDS

Garanti received the 2nd prizes in the Financial Services category with www.andclub.com.tr, in the Sports category with www.nba-garanti.com, and in the Content Sharing category with eticaret.garanti.com.tr.

Garanti web sites inundated with awards

Bonus Card website at www.bonus.com.tr collected a total of 7 different awards, winning the "Best Website Award" in Financial Services and Marketing categories at the WebAward Competition 2009, "Best in Class" Award, the biggest prize in the Financial Services category, at the Interactive Media Awards 2009; gold in Marketing & Visual Appeal categories, and silver in Home Page and Structure & Navigation categories at the American Communicator Awards 2009.

Bonus Card's website accessible at www.ilovebonus.com earned the gold medal in Entertainment, Microsite and Campaign B-to-C categories at the American Communicator Awards 2009. The website at the address www.hangikartbanagore.com won the silver medal in the same assessment. www.bonusnet.com.tr, the website for the Bonus Card Platform, received the "Outstanding Achievement Award" in Financial Services category at the Interactive Media Awards 2009.

While the Money Card website www.money.com.tr earned the "Best in Class" award in Financial Services and Marketing categories at the Interactive Media Awards 2009, it has been named the "Best Website" in Financial Services and Marketing categories

at the WebAward Competition 2009. Shop&Miles website at www.shopandmiles.com has been the recipient of the "Standard of Excellence Award" in financial category at the WebAward Competition 2009.

Garanti: The Leading Bank in Commercial Card Transaction Volume

Garanti Bank received Visa's 2008 Achievement Award as the Leading Bank in Commercial Card Transaction Volume. In addition, Garanti Commercial Cards website at the address www.garantiticarikartlar.com has been bestowed with the Best in Class Award in Financial Services category at the Interactive Media Awards and the Award of Distinction in Financial Services and Structure & Navigation categories at the American Communicator Awards.

Two International Awards to Bonus Card

Bonus Card has been named the "Most Innovative Product" at the China Union Pay 2009, while it has been honored with the "Best Banking Award" at the Piata Financiara Romania 2009.

First prize to Bonus e-bulletin

Bonus flashmail e-bulletin received the first prize in the "Best E-mail Based Marketing Activity" at the Grand Interactive Awards 2009.

Prize from MediaCat Felis Awards to Bonus Card image campaign

Garanti won the first prize for the Best TV Usage in Media category owing to the special medium usage created for Bonus Card image campaign, as well as for the Adults branch in the Target Audience category within the scope of MediaCat Felis Awards that hold an important place in corporate and marketing communication.

Garanti Technology awarded for Bonus Kontor Forum Prepaid

During the Prepaid Expo USA's welcome session on March 10, 2009, in Orlando, Fla., Garanti Technology had been awarded the Paybefore Best Gift Card Award for the outstanding contribution of "Bonus Kontor Forum Prepaid" initiative. Developed by the PayWIZZ framework, the product represents the first and only example of a co-branded prepaid card developed for a chain department store in Turkey.

8 awards to Garanti's 2008 Annual Report

Garanti Bank received a total of 8 awards in 5 international competitions with its 2008 Annual Report designed with an environmentally-friendly approach. While the report received Gold Award in Annual Reports and Best Agency Materials in EMEA within the frame of 2009 Spotlight Awards organized by the League of American Communications Professionals (LACP), it ranked 23rd among the Top 100 Communications Materials where there were

more than a thousand entries worldwide. Garanti Annual Report 2008 is also recognized with a Gold Award in Eco-Friendly Design category in Creativity Annual Awards, one of the longest running international advertising and graphic design competitions. The report is awarded with the Silver Vision Award in the Banking category at the Vision Awards - Annual Report Competition organized by the LACP.

The 2008 Annual Report of Garanti has been honored with Bronze Award at the 20th International Galaxy Awards Competition held by MerComm, the organization that sets the standard of excellence in communication. In the Annual Report Competition - the ARC Awards - that are globally recognized as the "Oscars" of the Annual Report Competition, Garanti is recognized with an Honors Award in Overall Annual Report category among international banks and a Silver award in Green and Environmentally Sound Annual Report category.

With 5 awards, Garanti is the winner of most awards in banking sector at Turkey's first IR Awards

At Turkey's first Investor Relations Awards organized by Acclaro, one of the world's leading investor relations and corporate governance consultancy organization, Garanti ranked first in "Turkey's Best Investor Relations Department" category. In the assessment, Garanti Bank President and CEO Ergun Özen received "Turkey's Best Investor Relations by the CEO" award. In addition, Garanti was honored with the third

place in "Turkey's Best Investor Relations Officer", and the second place in "Turkey's Best Communication of Financial Results" and "Turkey's Best Investor Relations Website" categories.

Golden Compass Award for Garanti Anatolian Meetings

Garanti Bank has been awarded the 1st Prize in the Agenda Management category at the 8th Golden Compass Public Relations Awards, organized by the Turkish Public Relations Association, for the Garanti Anatolian Meetings event that has been going on ceaselessly since 2002.

Two awards to Garanti from Active Academy Finance Summit

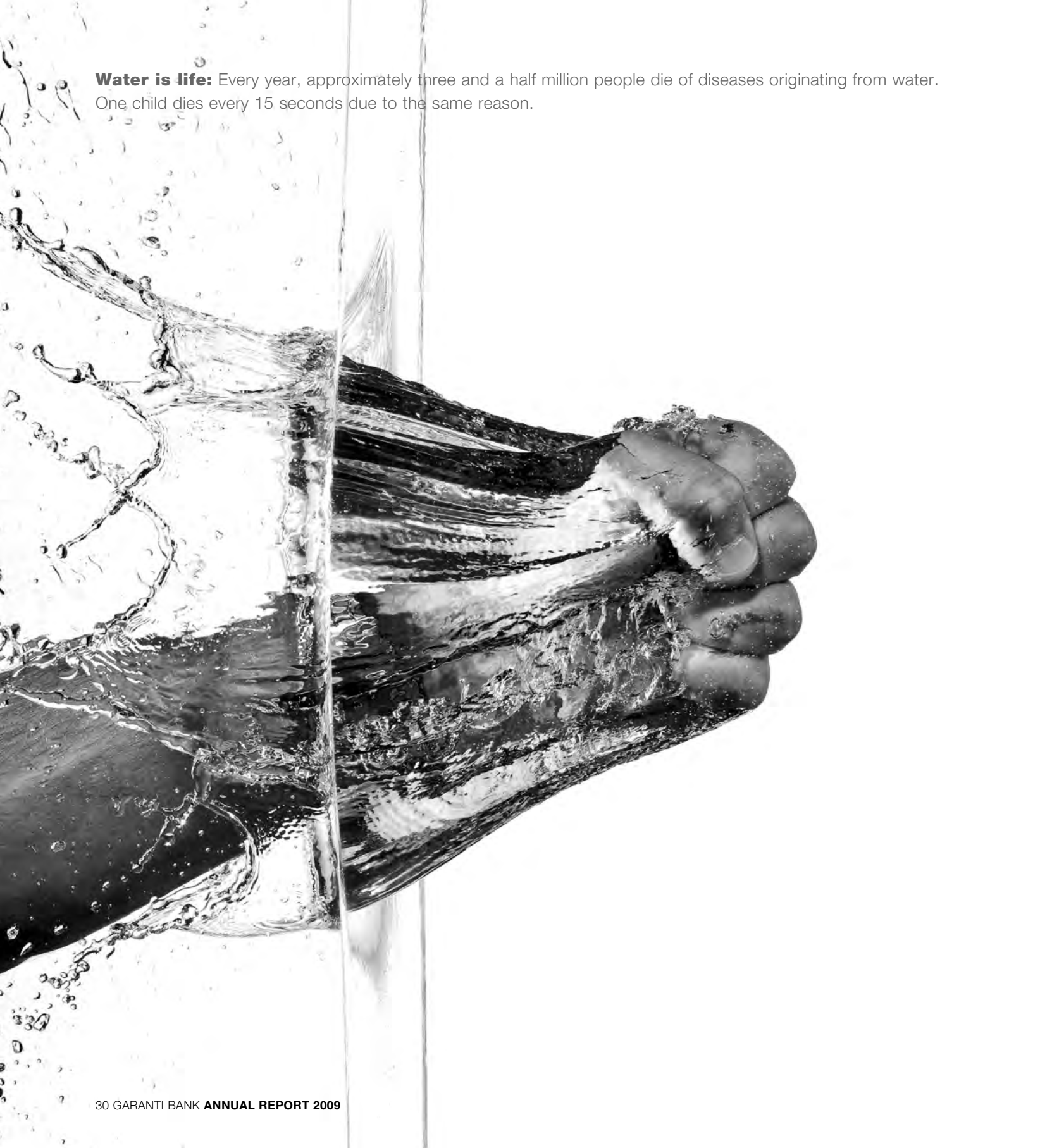
At the Active Academy International Finance Summit that is a significant contributor to information exchange in the world of finance, Garanti Bank won the Corporate Social Responsibility Award with Öğretmenin Sınırı Yok (No Limits to Teaching), a project conducted by the Teachers Academy Foundation it has founded, and the Contribution to Economy Award as the best performing bank on the basis of the evaluation of the distribution of asset management portfolio of banks in 2008.

Garanti: The Advertiser of the Year

Within the frame of the "İZ İletişimin Zirvesindekiler" (Top Communicators) Awards organized to celebrate the 25th anniversary of the Turkish Association of Advertising Agencies, Garanti has been honored with the Advertiser of the Year Award.



Water is life: Every year, approximately three and a half million people die of diseases originating from water. One child dies every 15 seconds due to the same reason.



ACTIVITIES IN 2009

Garanti emerged from a very challenging year as Turkey's most profitable private bank by correctly analyzing the rapidly changing market conditions, adopting measures, taking the necessary steps and dynamically managing its balance sheet.

Retail Banking

Adopting a customer-centric approach in all of its processes, Garanti works to make a difference in the lives of its customers by responding to their ever changing needs on the back of its successfully implemented relationship management based service model, state-of-the-art technological infrastructure and a rich variety of products.

Active in retail banking for 22 years in line with the principle of “making a difference” in the lives of individuals, Garanti Bank focuses on making life easier for its customers utilizing its state-of-the-art technological infrastructure and broad product portfolio. The dynamic capability of responding to the ever-changing needs of individuals backed by its qualified human resources, high quality service and technology underlies Garanti’s long-standing leadership in retail banking and successful service offered to millions of customers from different segments of society.

The key elements that set Garanti apart in retail banking are:

- Customer-centric approach, processes and performance systems,
- Innovative products, services and practices to suit the changing needs of customers,
- A broad-based and expanding network of physical distribution channels,
- Dynamic and highly-qualified human resources,
- Reliable and innovative alternative delivery channels,

- State-of-the-art technological infrastructure enabling fast and effective performance monitoring.

2009 Activities

Garanti maintained its focus on growth and new customer acquisition during the crisis period. Having been initiated in 2008, the rapid branch expansion continued at full speed in 2009, each new branch opening playing a significant part in new customer acquisition. Garanti acquired nearly 850,000 new customers last year. Having grown its customer base by 12% within a year, Garanti now serves 7.7 million retail customers through a network of 792 branches and a retail banking sales and relationship management team of 1,819.

Reaching TL 35.4 billion in 2009, retail banking volume accounted for 26% of the Bank’s overall business volume. Consumer loan disbursements, totaling TL 10.5 billion, correspond to a 17% share within the Bank’s total cash loans as of year-end. Garanti’s retail deposit volume amounting to TL 23.3 billion, accounted for 37% of the Bank’s total deposits.

Consumer Loans

Garanti expanded its retail banking mortgage portfolio to TL 5,832 million, thereby maintained its leadership in this segment in 2009. With 58%, general-purpose loans got the largest share within the consumer loan disbursements. In the reporting period, the volume of retail banking general-purpose loans reached TL 3,026 million, while that of auto loans stood at TL 607 million. Garanti, capitalizing on creative marketing approaches targeting different customer requirements, continues to offer retail loan products.

Retail Deposits and Investments

Garanti’s retail deposit base grew 11% in 2009, bringing the Bank’s market share in savings deposits to 11.52%. This growth was driven by widespread availability, scale, reliability, quality service, customer satisfaction and innovative products. Structured Deposits (linked to gold and Eurobond) that were launched in 2009, have been offered to a considerable number of customers. Another contributor to new customer and resource acquisition has been Investment Consultancy service offered

within the frame of financial advisory by customer relationship managers who have gone through a quality training program to serve upscale retail customers.

Other Products that Make Life Easier

In 2009, Garanti continued to make life easier for customers through its service-oriented products. At the end of last year, 2.6 million customers were using E.L.M.A., while 1.9 million customers had automatic-payment facility and another 1.7 million were making use of overdraft accounts aiming to finance short-term cash needs of individuals.

Salary Payments

Garanti had another active and productive year in 2009 with 27% growth in salary payments that serve as a crucial channel for customer acquisition. In 2009, the regulation concerning salary payment of employees working at companies engaged in commercial activities via banks has been enacted, contributing to acquisition of new salary payment customers. By the end of 2009, salary payments for approximately 1.5 million individuals were made via Garanti. The loyalty of Garanti salary

payment customers is further enhanced through the broad product portfolio, widespread branch network, and special innovative products and services offered to these customers.

Life Cycle Banking

Life Cycle Banking programs offer products and services that meet the needs of individuals at different stages of their lives. At the end of 2009, 160,000 customers were served through product packages targeting different age levels such as Mini Bank, g'bank and Unibank.

Projections for 2010

In 2010, Garanti will continue to be a pioneer in retail banking segment with its continued emphasis on customer-centric approach. To

Having successfully increased the number of its customers by 12% and attained a business volume of TL 35.4 billion in 2009, Garanti will continue to grow in retail banking based on its customer-centric approach in 2010.

this end, the Bank aims to keep investing in its qualified human resources, solid technological infrastructure and effective physical and alternative delivery channels, and will respond to its customers' evolving needs with innovative products and service processes. Considering profitability and correct pricing policies along with growth, Garanti will continue to broaden its customer base and increase its market share by developing alternative deposit and investment products. Targeting to broaden its lending portfolio by introducing a new approach to consumer loans, the Bank will sustain its activities to enhance the effectiveness of salary payment customers who offer high prospects for cross sales opportunities, and will realize increased profitability in this segment.

Housing Finance

Offering Turkey’s widest range of products through its rapid and advanced processes, expert teams and various delivery channels, “Garanti, the Mortgage Expert” successfully remains the leader and the pioneer in the market with its distinguished innovative operations in housing finance.

Established in October 2007, Garanti Konut Finansmanı Danışmanlık Hizmetleri A.Ş. (Garanti Mortgage) distinguishes in the sector with the name “Garanti, the Mortgage Expert” that stands out with its product variety, its focus on delivery channels, its field teams and outstanding service quality. Being the first bank to claim the name “mortgage” in Turkey, Garanti is recalled by one out of every two person when asked to associate the word with a mortgage provider, based on results of independent research.

Recognizing that house purchase is a big decision in an individual's life cycle; Garanti stands by its customers in the process and supports them with its “Mortgage Expert” staff. Portfolio managers who become

specialists upon completion of a certification program constitute the solid and competent team of Garanti. The key characteristics that make Garanti strong in this field include its ability to offer various product options and payment plans to customers through a variety of delivery channels, as well as its expertise in mortgage.

2009 Activities

During the year 2009 in which the crises impact was intense, Garanti carried on with its activities and continued to turn its customers' home-ownership dreams into reality. Outperforming the sector in the housing loans market and preserving the leadership in this segment, Garanti finished 2009 with 13.4% market share. As

compared to TL 5,208 million in the year-end 2008, the housing loans portfolio of Garanti grew by 12% to TL 5,832 million in the year-end 2009 during which the economy shrunk by 6%. Thanks to service quality and wide variety of products responding to different customer needs, the housing loan portfolio brought the share of housing loans within credit cards excluded total consumer loans to 43%.

In 2009, in order to gain new customers and increase its market share in housing finance, Garanti focused on prioritizing its service quality through its expertise in mortgage. In this scope, Garanti moved forward with the awareness of continued improvement in processes and execution of the fastest and



most accurate underwriting that are imperative for a healthy financial structure of customers and investors. Finalizing the development of new payment plan alternatives for customers with different needs and risk perceptions, Garanti started introducing sector-pioneering practices in 2009. The new “quick application” process made it possible for Garanti to instantly respond to housing loan applications. Today with the utilization of its improved and rapid processes, Garanti averages 3 days to finalize a mortgage application and makes its customers home-owners.

Recognizing that the expertise also requires the offering of different delivery channel alternatives to customers, the “Garanti, the Mortgage Expert” expanded its sales force team to enhance its relationships with the real estate agencies. Taking into account the fact that housing loans were recently introduced in Turkey and the economy was picking up, Garanti continued to organize educational mortgage conferences for real estate agencies throughout the country during the course of the year.

Garanti increased the share of its alternative delivery channels and of its call center, within the housing loan performance. Serving to 400 people on average daily with a team of 20 specialists since April 2008, Turkey’s first mortgage call center at 444 EVIM (HOME)

Having reached TL 5,832 million in portfolio size that corresponds to 13.4% market share in housing loans in 2009, Garanti aims to outperform the sector’s growth and preserve its market leader position in 2010.

continued to respond incoming calls with an average of 10 seconds. Based on the emphasis it places on new delivery channels and setting new service standards, Garanti began to take mortgage applications over the phone. The Bank also launched its WebChat service which brought Garanti positive feedbacks shortly, allowed customers to contact mortgage specialists on the internet.

garantimortgage.com, the housing loan website of Garanti was renewed in 2009 with the consumer needs and developments taken into account. A striking development in this aspect was Turkey’s real estate index that was launched on the website. Prepared with the support of “Mortgage Expert Garanti”, the REIDIN Real Estate Index posts the sales and rental values of housing units and computes the monthly and annual returns in real estate markets initially in the seven large cities of Turkey, namely Adana, Ankara, Antalya,

Bursa, Istanbul, Izmir and Kocaeli.

Projections for 2010

Garanti Bank aims to constantly enhance its service quality and to offer its expertise to a more extensive base of customers, while continuing to outperform the sector’s growth and maintaining its market leadership.

Delivery channels will continue to be the main focus for Garanti in 2010. With a view of maintaining its leadership and expertise, Garanti aims to continue providing certified mortgage trainings of branch personnel and to strengthen relationships with real estate agencies and developer financing activities. Additionally, the Bank aims to broaden the services offered via alternative delivery channels and to add information and application features to the call center and online banking services.

Private Banking

Garanti Masters Private Banking aims to maintain and increase customer assets, by differentiating through its service quality, specialist teams, customer-centric approach, transparency in relationships and enhanced return record.

The specialist teams of Garanti Masters identify the financial needs of its customers to offer tailor-made corporate investment advisory in addition to high quality retail banking products and services. Eligibility criteria for accessing the private banking services of Garanti Masters, which targets customers with a net-worth of US\$ 1 million and above, require a minimum asset size of US\$ 250,000. Having widened its network by opening a new branch in İstanbul in 2009, in line with its growth targets, Garanti Masters operates with a team of 190 specialists and 12 private banking branches: seven in İstanbul, one each in Ankara, İzmir, Bursa, Antalya and Adana.

2009 Activities

Following the global economic crisis, asset management of individuals became even more significant. Acting on this sense of responsibility, Garanti Masters displayed a successful performance in private banking in 2009. On a year-on-year basis, the number of customers went up by 13% from 6,153 to 6,923; assets under management (AUM) grew 26% from TL 4.7 billion to TL 5.9 billion and net profit rose by 33% from TL 37.5 million to TL 50 million in 2009. Garanti Masters secured a total of TL 1,258 million new assets in 2009.

The private banking business line made up 6.2% of the Bank's AUM and 7.5% of total deposits. In terms of its share in the Bank's transaction volumes, Garanti Masters accounted for 41% of the T-Bill, Government Bond and Eurobond trading volume of individual investors with TL 1.89 billion, 21.5% of stock trading volume of individual investors with TL 11,729 million, and 11% of the trading volume of individual investors at the Turkish Derivatives Exchange (TurkDEX) with TL 4,976 million.

The business line's mutual funds that averaged TL 338.8 million in 2008 was up 47% in 2009 and reached TL 498 million, while the year-end balance grew by 100% to TL 572 million. The share of mutual funds in the business line's total assets rose from 6% to 10%, while the business line increased its share within funds held by Garanti Bank from 30% to 47%. In 2009, 20% of the business line's total mutual funds consisted of funds issued specifically for Garanti Masters customers. Meanwhile, the private banking business line constituted 38% of Garanti's total options trading volume.

Rapid decline in interest rates during 2009 brought alternative investment instruments under spotlights. In this perspective,

Istanbul Hedge Fund, first of its kind in Turkey, and principal protected Agriculture Fund were offered to private banking customers. Garanti Masters was accountable for 57% of Istanbul Hedge Funds, amounting to TL 30.7 million, sold across Garanti Bank. The Agriculture Fund designed specifically for the business line reached TL 28 million in sales. Private banking secured 44% share in Garanti's principal protected funds.

Financial planning and corporate investment advisory services compatible with the risk profile continued to be an important part of the integrated services provided by Garanti Masters in 2009. Based on a new practice introduced in November, Private Banking clients were divided into two main groups: TL and FC investors. Model portfolio advises started to be prepared in accordance with a total of six risk profiles.

In 2009, Garanti Masters increased the diversity of structured deposit products in view of current market conditions as well as clients' expectations and needs, and designed and offered the best fitting alternative products on a weekly basis. In 2009, sales of structured deposits and option strategies reached US\$ 184 million.

Private Banking Customer Relationship Managers, in cooperation with the Wealth Managers in charge of the pension plans of Garanti Masters customers within the Garanti Pension Company continued to assess the customers' pension plans in line with the market conditions. In 2009, Garanti Masters reached 26.3% of the Bank's share with TL 16 million in Private Pension Insurance production, and reached 6.3% of the Bank's total Pension Funds under management with TL 80 million.

In an effort to come together with customers and to reach potential clients, a number of organizations and sponsorships have been undertaken by Garanti Masters in 2009. In this context, the business line took on the sponsorship of Turkish National Equestrian Teams in addition to its existing official sponsorship of the Turkish Equestrian Federation, thus supporting the achievements of the Children, Juniors and Junior Adults National Teams on the international scene. Garanti Masters sponsored sports events such as Atatürk Cup Equestrian Competition, Balkan Steeplechasing Championship, Porsche Track Days, as well as Istanbul Jazz Center Concerts, various exhibition inaugurations and special invites and cultural artistic

Successfully managing the assets of nearly 7,000 customers via a specialist team of 190 in 2009, Garanti Masters aims to remain the leader of the private banking segment in 2010.

events. Garanti Masters organized two conferences: "Towards a New Financial System: Shifting Balances and Potential Scenarios" organized with the support of International Institute of Finance (IIF) and "There is Light at the End of the Tunnel" presented by Dr. Marc Faber, famous investment expert from Switzerland. The private banking business line also organized a lunch meeting with Erin Brokovich, the name behind the largest settlement paid in a lawsuit in the US history.

During 2009, technical and personal development training programs were organized for the Private Banking Customer Relationship Managers. Within this context, division and branch staff attended domestic and international training programs for an average of 9.24 days.

Garanti Masters introduced another groundbreaking service in the sector in

2009. Masters Online Magazine, which started to be published in July, reached a broad base of readers in a short period of time.

Projections for 2010

Creating a difference in the sector with its understanding of quality, customer-focused and proactive approach, innovative banking services and products offered to its customers, well-trained and experienced human resource, and technological infrastructure, Garanti Masters aims to maintain its leading position in private banking in 2010. Having achieved a high recommendation score in a customer satisfaction survey conducted among private banking clients in 2009, Garanti Masters will continue to measure customer satisfaction in 2010 as an extension of its service quality.

Investment Banking

Relying on its dynamic and expert staff, successful relationship management and proactive service understanding, Garanti keeps fulfilling any investment need of its customers.



Backed by the power of Garanti Bank and planning the marketing activities for capital market products under the Bank's structure, Garanti Investment Banking defined its priority targets as keeping the sales teams informed on products and markets, and developing new investment products in line with customers' needs. To achieve these objectives, Investment Banking provides special investment services to the Bank's branches and customers via 15 Investment Centers, 2 Corporate Investment Branches, an Investment Banking Branch and 25 Trading Rooms.

Garanti's strengths in investment banking are the successfully implemented relationship management, its specialized team, innovative products and quality service understanding. These features enable Garanti Bank to maintain its privileged position in the capital markets, and secure itself a distinctive place among the leading organizations.

2009 Activities

Garanti, in 2009, targeted to meet its customers' needs in the most effective manner by maintaining its strength in capital markets, backed by its market share and product variety.

Mutual Funds

In 2009, Garanti increased its assets under management in the mutual funds by 28% and further strengthened its market position with an inflow of new funds worth TL 1 billion. The Bank continued to introduce new products by offering new capital protected funds catering to different risk-return profiles. Diverging from other mutual funds by enabling using leverage, short selling and taking short position, the first hedge fund by Garanti, Istanbul Hedge Fund, has been offered to the public in May. Targeting qualified investors only, the fund attained a sales figure of TL 67 million upon its initial introduction, thus becoming Turkey's largest hedge fund.

Equity

Garanti provides equity services via Investment Centers, Call Center, mobile banking facility CepBank, and Online Banking with the support of its upgraded technological infrastructure and specialized staff. Having captured more than 100% growth in business volume in 2009, Garanti outgrew the market and obtained 6.8% market share in the transaction volume for December. In this way, Garanti rose to second place among institutions operating in the ISE Stock Market.

TurkDEX

Compared to 2008, Garanti increased the number of its customers trading on TurkDEX by 65%, up to 6,000, and reached a market share of 10.63% in the number of open accounts in 2009. The Bank's TurkDEX transaction volume increased 81% year-on-year in 2009, and in line with volume growth, commission income increased as well. Having achieved 6.7% market share on the basis of its profitable and sustainable

growth strategy, Garanti fortified its standing in the market. The Bank also included call center into its channels for conducting TurkDEX transactions in addition to investment centers and online branch in 2009. Garanti more than doubled its revenues derived on equity market and TurkDEX, significantly augmenting it by 146% in 2009.

Custody Branch

In order to be able to take custody of financial assets owned by “Private Portfolio Management” customers in accounts to be opened in the name of the customer, Garanti obtained the permission to operate as “Custodian” and started offering custody services from February onwards. The Custody Branch, whose activities are carried out by Investment Banking, was offering custody service to TL 427 million assets of four asset management companies as of the end of October.

Projections for 2010

Through effective analysis of investors’ needs, constantly improved business processes and advanced technology integration, Garanti will retain its privileged position in the sector, offering its products and services based on its efficient and innovative service approach also in 2010. Pursuing its activities based on the notion of being an essential partner for its customers, Garanti will keep putting into life new projects in 2010 with the support of a further expanded product range and its robust technical infrastructure. Targeting to

Increasing the number of its trading customers and the inflow of funds by 2.5 times in 2009, Garanti aims to keep growing in 2010 by increasing market share on the back of its innovative products and services.

increase its asset size in performance funds and new structured funds through new customer acquisition, Garanti intends to introduce new products and tap new markets in equity and futures markets. In 2010, Garanti will continue to grow by capturing increased market share in capital market instruments.

Garanti plans the offering of “T. Garanti Bankası A.Ş. MSCI Turkey Index Exchange Traded Fund” in March 2010, which the Bank will set up by merging the expertise of Garanti Asset Management and MSCI Barra, a leading provider of investment decision support tools.

Another project for 2010 is to incorporate E-Trader, a new investment platform within Garanti’s online branch so as to enable uninterrupted and quick trading of investment products to the customers. Supporting investment centers as well, this technological infrastructure is also intended to serve to continued increase of market share in the capital markets. E-Trader, which

will initially offer equity and TurkDEX services, is targeted to be transformed into an investment platform that will provide service in a variety of investment products during the course of 2010.

2010 targets of Investment Banking include increasing the number of Investment Centers and Trading Rooms to 16 and 30 respectively, in parallel with the Bank’s growth, in order to be closer to its customers who actively trade investment products and are interested in trading faster and receiving professional support. Garanti Investment Banking also aims to increase the activities and help sustain the growth of its two Corporate Investment Centers that serve corporate customers and an Investment Banking Branch for high- volume retail traders. Capitalizing on its capability to integrate novelties, and its commitment to offer innovative products and services, Garanti will remain an active player driving the development of capital markets, and keep enhancing its effectiveness in new markets to be established.

Branchless Banking / Alternative Delivery Channels

Utilizing its state of the art technology, Garanti continues to create innovative products and services that facilitate the lives of its customers.

Garanti Bank positions alternative delivery channels (ADCs), a significant contributor to operational efficiency, as in-depth customer satisfaction tools and sales outlets. Based on its competence to know its customers well and its customer-centric approach, Garanti formulates Branchless Banking strategies with the objective of developing the most effective products, programs and campaigns responding to customer needs. Supporting integrated use of all ADCs with a rich selection of transaction options, and infrastructures capable of offering flexible products, Garanti provides complex products through branchless banking channels, and thus enhances customer satisfaction through personalized advantages. Garanti Bank remains the leader in alternative delivery channels through continuous technology and brand investments.

2009 Activities Online Banking

In 2009, Garanti maintained its solid standing in online banking that had been going on for 12 years. Capturing 40% market share within all financial transactions carried out via online banking in Turkey, Garanti grew the number of its active online branch users to over 1.5 million. Based on data from the Banks Association of Turkey, Garanti retained its leadership in the number of active online banking customers with a market share of 27%, while generating a total of TL 210 million annual commission income from branchless banking. Facilitating 98% of all retail banking transactions and offering more

than 200 transaction options, Garanti Online Branch has been instrumental in the execution of more than 130 million transactions in 2009.

Garanti heavily used the Online Branch in the communication of “advantageous” and “profitable” products specific to this facility in 2009, and launched e-pension, the private pension product free of entrance fee, e-time deposit account with additional interest yield, and the general purpose e-loan designed specifically for the Online Branch applying a lower interest rate than the ones posted at branches in the first quarter of 2009. The loans applied and extended via Branchless banking channels got 15% share of total general purpose loans granted throughout 2009.

Another new service, and a first in the world, introduced during the reporting period was sending and receiving money with Western Union, which can be carried out via Garanti’s Online Branch.

Mobile Branch

Garanti carried its leadership in the variety of transactions offered on the Online Branch also to the Mobile Branch. The Bank’s leadership in mobile banking that has become a significant channel particularly in banking has been sustained with the number of Mobile Branch customers that topped 200,000 at the end of the year. Further enriched in 2009 to incorporate the innovations introduced by 3G technology,

Mobile Branch and wap.garanti.com.tr now offer faster and higher quality service, as well as daily market commentary videos, and facilitate making face-to-face mortgage applications using video.

Developed in 2009 utilizing a location-based service infrastructure, “Bulbana” (Find Me) gave direct access to the list of nearest Garanti Paramatiks and branches to Turkcell subscribers entering wap.garanti.com.tr from their mobile phones, whether they are Garanti customers or not, without having to specify their present location.

As a result of the collaboration with Turkcell and Avea, the two major mobile phone operators in Turkey, accessing wap.garanti.com.tr and Garanti Mobile Branch has become free of charge for subscribers of these operators in 2009. Free-of-charge access brought new customers, as well as enhanced customer loyalty.

Introduced in 2004 as a first in Turkey and making it possible to instantly and securely send money to anyone with a mobile phone just by sending a text message, CepBank service reached 275,000 users. In addition, the service has been used as a reward vehicle in marketing campaigns conducted with firms in different sectors throughout the year, thereby increasing consumer awareness of the CepBank service.

Garanti Paramatik

Facilitating 100 different transactions in addition to cash withdrawals, Paramatik network has been expanded in 2009, bringing the total number of these ATMs to 2,700. 35% of transactions conducted using Garanti Paramatik were those other than cash withdrawal. Garanti introduced yet another first in Turkey through its ATMs having the capability to dispense coins for excess amounts of the money to be deposited. In 2009, banking product sales via Online Branch, Alo Garanti, and Paramatik accounted for more than 30% of the overall Bank total. The share of the Offer

Box platform that enables personalized campaign management through the Online Branch and Paramatik played a major role in enhancing customer loyalty through advantageous packages offered in cooperation with various business partners, as well as product sales.

Projections for 2010

Garanti's targets for 2010 include increasing the number of active customers using Branchless Banking to 1.65 million and increasing product sales carried out via these channels. Aiming to top 5 million in the number of products sold via alternative

delivery channels, Garanti plans to strengthen customer loyalty through advantageous products and programs specific to non-branch channels. Branchless Banking will be a constant direct contributor to the Bank's strategy of creating sustainable value capitalizing on the functionality and service versatility of alternative channels. Objectives of Branchless Banking cover growing its commission income to TL 240 million, and increasing the number of Paramatik to over 3,000. Garanti pursues operations with the target of maintaining its leadership in the sector in 2010 through Branchless Banking channels.

Call Center

Garanti Call Center offers around-the-clock service to customers via an expert team of 910 agents utilizing a strong technological infrastructure.

Maintaining its leadership in the industry with processes involving responding to incoming calls and conducting sales activities through outgoing calls, Garanti Call Center aims to maximize customer satisfaction with its activities yielding financial returns and high quality in service.

2009 Activities

Garanti Call Center met 20% of the financial call volume in Turkey with a total of 40.1 million customer contacts in 2009. The Call Center responded the incoming calls within 13 seconds on average, while the industry average was 41 seconds. Ratio of abandoned calls remained at 1% where industry averaged 5%.

Offering 28 products to its customers along with growing sales activities during 2009, the Call Center realized almost one out of every four sales carried out across Garanti.

Renewing its IVR menus, the Call Center sells special products such as private pension policies, automobile insurance, mortgage etc. via expert teams, along with banking products. Investment Banking experts holding CMB licenses serve in equity and TurkDEX transactions.

Customers are provided with additional channels of access via webchat-webmail-3G applications, as well as the telephone service offered, at Mortgage (444 EVIM).

Functioning as a single point of contact for handling complaints, suggestions and compliments concerning Garanti Bank's practices and services, Customer Care Line operates under the Call Center. 90% of the complaints received at 444 0 338 are resolved during the initial contact, while average duration of finalizing a complaint remains below 8 hours.

Representing a major social responsibility initiative, the second location within Sivas Cumhuriyet University started operations in January 2009 and offers service with a team of 150, consisting fully of university students. The Call Center also assumes the management of outsource companies operating in new credit card user acquisition and information provision. These teams win, on annual basis, 18% of the new credit card users for Garanti.

The Call Center takes on the additional mission of raising candidates equipped with the knowledge and background to offer service in any channel within Garanti Bank in the medium

term. In this frame, utmost importance is given to maximize the knowledge of existing employees throughout their training and employment. The recruitment process starts with the selection of the right candidates and ends with the hiring of 2 out of 100 by Garanti. In addition to 51-day basic introduction training given to every new hire, refreshment trainings are also provided, which average 12 days every year.

Projections for 2010

The priority targets of Garanti Bank Call Center for 2010 include, among others, ensuring sustainability of the performance attained in service quality. The Call Center aims to bring the annual product sales figure to above 3 million and plans to add different products to its product range. The Call Center's objectives also involve ensuring effective use and continuity of the products sold; diversifying and increasing customer and product retention performance; facilitating widespread use of webchat-webmail-3G technologies by special teams, and creating employment for handicapped individuals by introducing the "home agent" practice within the frame of social responsibility.

Insurance and Pension

Fulfilling the insurance and pension needs of its millions of customers with innovative products and quality service understanding, Garanti helps its customers hold an optimistic outlook for the future with its reliable brand.



Standing out as the provider of most effective bancassurance activities in Turkey, as well as for its capability to fulfill all banking and insurance needs of its customers from a single point, Garanti Bank collaborates with Eureko Insurance in non-life branches, and with Garanti Pension and Life in life and pension branches. Therefore, the Bank offers insurance and pension products to customers under the reliable “Garanti” brand, and operates as the bancassurance market leader in the sector.

Garanti Bank is positioned strongly in this field owing to its ability to provide innovative and quality products developed in line with its customers’ insurance and pension needs from its branches and all non-branch channels thanks to the advanced technological infrastructure at its disposal.

2009 Activities

Garanti Bank displayed a rapid growth in

bancassurance premium and commission production in 2009. The sector’s leader in non-life with a market share of 21.4%, Garanti took second place in life branch with 17.3%. Premium production in non-life products increased to TL 265 million with a 10% growth in 2009. Attaining 47% growth year-on in life insurance products with a premium production of TL 178 million, Garanti reached a pension funds asset size of TL 1,264 million with 375,854 participants. One out of every four new participants that joined the Private Pension System in 2009 preferred Garanti.

Product development in bancassurance went on in 2009, and Sağlıkım Garantide (My Health Guaranteed) and Garanti’li Yarınlar (Guaranteed Tomorrows) covering critical illnesses were launched. At the end of the year, the SME Health Package, a special package in health branch targeting SME customers, has been launched. SME

Woman Entrepreneur Pension Plan was also launched regarding all women entrepreneurs’ needs.

2009 also saw the start of pension sales via Garanti Bank website. Customers can now apply to pension using their Garanti Bank credit cards by simply visiting Insurance/Pension menu in www.garanti.com.tr.

Due to the increased demand for unemployment insurance in the sector in parallel with the crisis, there was a significant rise in the production of unemployment insurance launched in 2008. With 627,000 policies sold in 2009, Garanti leads the sector in this branch.

Garanti used special product and service packages including insurance and pension products to reach salaried retail customers working for commercial and corporate

companies. The sales project was put into life in the last quarter of the year to ensure more effective and productive growth. As a result of systemic improvements taken on in 2009, Compulsory Earthquake Insurance sales started via 444 0 333 Alo Garanti.

Garanti regularly carried on with its customer satisfaction activities in 2009. Solutions were provided using the Customer Care Line for the customers' needs in relation to insurance and pension products and services, in an effort to assure customer satisfaction.

In addition, to achieve compliance with the Regulation on the Application Principles of Insurance Associated with Retail Loans based on the legal arrangements in the sector, Garanti started an informative effort targeting its customers in a credit relationship. Furthermore, half of the branches received training by the end of 2009 through the compulsory training organized for technical personnel, which was rendered mandatory as per the Agency Regulation.

Projections for 2010

In the year ahead, Garanti aims to maintain

Having successfully completed 2009 by attaining respective market shares of 21.4% and 17.3% in non-life and life branches, Garanti will continue steering the sector, raising awareness of insurance in 2010.

its lead in the sector by increasing its market share, expanding its customer base, offering the products and services that will provide maximum benefits in line with customer needs, and contributing to enhanced awareness on having insurance cover among its customers.

To this end, Garanti intends to revise its insurance products to suit its customers' needs and create alternative packages incorporating banking products in 2010. Garanti will devise the sales strategies of products and highlight their potential advantages along these lines, while increasing its focus on insurance transactions of commercial and corporate customers and giving weight to customer visits in the coming period. Garanti also intends to increase the effectiveness of insurance related activities conducted via alternative distribution channels in 2010.

In 2010, Garanti also targets to assert a more active presence in the health branch. In moving towards this objective, Garanti capitalizes on the background and information of Eureko B.V., the Bank's partner that commands the highest market share in life insurance in the Netherlands.

Garanti Bank also plans to create a need-based segmentation for its pension customers, store the customers' risk perceptions in the system, synchronize customer information on all channels, and undertake improvement on business analytics and web-based communication channels. Selling the right products through the right channels and rapid finalization of claims payments through appropriate risk assessment take place among other important topics Garanti will concentrate on in 2010.

SME Banking

Garanti, as an ally bank, stands by its customers through their rough times, and makes a difference in SME banking with the accessibility ensured via its extensive branch network and specialist team serving in the field, combined with the transparent communication that it has espoused as a principle.



Known as the Bank of SMEs, Garanti has been serving enterprises from different sectors with an annual turnover of up to TL 10 million, as well as their shareholders and owners, with a wide range of products and customer-oriented approach since 1997.

The key qualities that solidify Garanti in SME banking and fortify the Bank's leading position are financial solutions produced with a focus on the needs and priorities of SMEs, specialty products geared toward the requirements of the relevant sector and the region, its innovative approach backed by extensive branch network, qualified human resource, and strong technological infrastructure.

Garanti Bank draws the attention in SME banking for its pioneering activities, as well. The first bank to use the word SME in its service model and to introduce sector-specific packages in an effort to approach its customers on a sectoral breakdown, Garanti is also the first private Turkish bank to arrange its organizational structure on the basis of the head office, regional offices and branches to serve the SMEs most effectively.

2009 Activities

"The Bank of SMEs", Garanti once again showed that it is an ally bank in 2009. Continuing to be there for the SMEs for all kinds of financial needs in the economic stagnation environment originating from the ongoing global crisis, Garanti kept extending affordable support to its customers. In 2009:

- The business volume contributed by SME banking was up 13% as compared with December 2008, and reached TL 14.7 billion.
- Continuing to acquire new customers even in the environment of economic stagnation, Garanti increased the number of its SME banking customers to 1,197,777.
- Achieving considerable expansion in deposits, Garanti realized 23% growth in its FC deposits and 20% in TL deposits year-on-year, and reached TL 7.7 billion in total deposits. With this performance, SME banking had 13.4% share of total deposits across Garanti.
- Garanti extended TL 4.1 billion in new loans to 120,000 SME customers. While the

overall banking sector shrank in terms of the loans granted to SMEs, Garanti had 13% and 12% share in cash and non-cash loan markets, respectively, according to the official definition of SMEs.

- Garanti acts as an intermediary for the loan interest support projects provided by KOSGEB (Small and Medium Sized Industry Development Organization), and provided support to SMEs for the financing of manufacturing, exports, production and employment. In this frame, the Bank extended loans amounting to TL 290 million to 8,390 SME customers. Within the frame of the "100,000 SME Support Loans" program launched on November 04, 2009 by KOSGEB, Garanti captured 16% market share on account of 17,325 applications worth TL 386 million in total. Under the program, 5,422 SME customers were given TL 134 million in loans as of the end of 2009.
- Supporting small enterprise owners faced with hardships due to the crisis through discounted interest rates on loans and advantageous product proposals, Garanti extended Businessowner Support Loan to almost 14,300 customers totaling TL 156 million.

- Through the Women Entrepreneurs Support Package, Garanti provided financial support in the amount of TL 85 million to more than 3,000 women entrepreneurs. Aimed at supporting and encouraging woman entrepreneurship, the Woman Entrepreneur of Turkey Competition reached 2,119 participants in its third year. In addition, with the Women Entrepreneurs Meetings, more than one thousand women entrepreneurs were reached, creating a platform for exchanging information, opinions and experience in management, marketing, and technology.

- Strengthening and maintaining cooperation with the chambers of commerce, industry and trade in various cities within the frame of its service understanding focusing on local needs since 2002, Garanti executed special loan agreements with a total of 565 industry, commerce, agriculture, trade and pharmacist chambers. In this frame, over 33,000 loans, amounting to TL 1.1 billion, have been granted to SME customers.

- Continuing to finance agricultural activities, Garanti undertook joint efforts with the Turkish Grain Board (TMO), Union of Turkish Agricultural Credit Cooperatives, Beet Producers Association of Turkey (Pankobirlik), and the Pioneering Farmer Association (Önder Çiftçi Derneği). The Bank provided financing to farmers for their pre-harvest needs through a cash loan nearly worth TL 150 million with a grace period that is aligned with harvest times and the Ekin Card offering a grace period of up to six months along with Bonus advantage.

- Garanti acted as an intermediary in the channeling of overseas funds created by the European Investment Bank (EIB) within the frame of SELP II to the SMEs. Under the

Having increased the number of its customers to 1.2 million and business volume to TL 14.7 billion in 2009, Garanti aims to maintain its customer-centric approach and sustain any support given to assist the SMEs in their development.

agreement made with the EIB, SMEs with solid economic, technological and financial projects were provided with a fund of EUR 200 million. SELP II funds were made available to support enterprises engaged in manufacturing, exports, service and agriculture industries.

- Thanks to growth and effective risk monitoring systems that correctly measure risks involved in loans, the NPL ratio stood at 3.9% as of September 2009, highly below the overall sector figure.

- With the participation of 3,000 SME representatives, Garanti organized five Anatolian Meetings, aiming to bring industrialists and managers in Anatolia together with Turkey's leading experts and join forces to develop regional solutions. Since 2002, the Bank has met nearly 19,000 SME representatives at 62 gatherings in 46 provinces.

- The Bank introduced a new service offering mortgage loans at extremely special terms to all real person customers under the SME segment.

- Garanti launched "GO Garanti", a product integrating Garanti Bank's banking implementations with Tiger2 and GO solution packages of the Logo company and thus,

enabling automatic accounting of banking transactions.

- "SME Health Package" has been introduced, which provides SME real person customers with "emergency cover" in cases requiring urgent treatment, offers "sickness support cover" and gives access to complementary healthcare including dental care package and flu vaccination.

- "Environmentalist SME Support Package" has been launched to finance investments by SMEs aiming to enhance energy efficiency and to render their operations under environmentally-friendly conditions.

Projections for 2010

In the coming year, Garanti targets to maintain its customer-centric approach and sustain any support given to assist the SMEs in their development, along with achieving profitable and healthy growth through adding new customers to its existing clientele. Along these lines, priority activities identified by Garanti SME Banking for 2010 are presented below:

- Focus on attaining increase in the number and volume of loans,
- Continue to give weight to customer visits and cooperation with local/sectoral organizations to strengthen customer relations.

Commercial Banking

Having outperformed the market's growth and reached a market share of 22.4% in commercial banking in 2009, Garanti, Turkey's largest lender, aims to increase its market share and maintain its market leadership in the sector by a large margin, on the basis of its strategy to acquire new customers and deepening relationships with existing ones across the country in 2010.

Garanti Bank is the sector leader in the business line that serves companies with an annual turnover of above TL 10 million or a credit line of above TL 1,000,000. Through its sector and customer-oriented strategy, Garanti operates as the primary banking partner of its customers in many different sectors and is the first bank that comes to mind in the commercial banking segment with a market share of 22.4%. The key elements rendering Garanti's market leadership in commercial banking sustainable are effective customer relationship management, custom-tailored solution concept, and quality service infrastructure.

Garanti serves its commercial customers with a total of nine dedicated commercial banking branches located in Istanbul, Ankara, Bursa and Antalya, 315 commercial customer relationship managers working in 176 branches across 42 provinces, and 270 commercial customer representatives.

2009 Activities

Garanti Bank kept fulfilling funding needs of its commercial customers in 2009 despite the global economic crisis, showing once again that it stands by its customers under any market condition. Garanti preserved its growth trend of the previous years and remained the leader in commercial banking, and served as a safe harbor for clients with its customer-centric approach. The Bank put its entire means to keep supporting its customers in line with their new cash flows. Moving one step ahead of competition with the successful management displayed in relationship banking, Garanti Bank further fortified its leading position in the market in this difficult period. Garanti increased the

support it extends to all sectors in commercial banking in 2009. Through solutions specific to sectors and tailored to meet customer needs, Garanti's commercial banking customers reached over 40,000 in 2009.

In the commercial banking business line in 2009:

- Asset size increased to TL 20.4 million,
- Total lending reached US\$ 18 billion,
- Deposits amounted to US\$ 9 billion,
- Total business volume increased to US\$ 27 billion. With this figure, commercial banking business line accounted for 35% of Garanti's overall business volume.

Garanti continually improves its outstanding performance in profitability in commercial banking. The business line increased its profitability by 20% in 2009, while there was 28% rise in non-interest income.

Projections for 2010

The key drivers of commercial banking in the coming year will be Garanti Bank's features that distinguish it in the highly competitive environment, such as effective relationship banking management, the quality and experience of the sales team, rich array of products and services, widespread service points paralleling the expanding branch network, technological know-how, and the synergies created with its financial affiliates.

Set apart from the competition with its solid capital structure, and high-quality asset management and asset creation capability, Garanti will continue to be there for its customers to fulfill all of their needs as their ally bank in 2010. Garanti will continue its active and effective traditional banking

operations such as investment, foreign trade and working capital finance under the current market conditions, and keep providing the necessary support to the economy in line with these objectives.

The principal goal of Commercial Banking is to deepen the Bank's relationships with customers, to capture a larger share of its customers' banking transactions so as to become their primary banking partner and to maintain its leadership in the sector. Garanti aims to achieve its 2010 targets in relation to commercial banking by acquiring potential customers as a result of systematic activities of its powerful and extensive sales team on one hand, and by building closer working relationships with the customers in its portfolio, on the other. Garanti closely monitors the market and its customers in line with this target.

2010 targets of Garanti Commercial Banking business line are spelled out below:

- Increase market share and maintain its position as the sector leader by a large margin
- Hold a strong position in the sector with an extensive service network and specialized and experienced human resources
- Become the primary banking partner of its customers with an extensive portfolio of value-added products
- Continue with the strategy of managing and creating high-quality assets
- Effectively manage costs and profitability
- Reduce the NPL ratio
- Maintain its success in relationship banking through active customer visits
- Increase the number of new customers acquired and build permanent relationships with new customers

Corporate Banking

Being the pioneer and the leader in corporate banking, Garanti continued to fulfill its customers' financial needs as their "business partner" and to make a difference in the sector throughout the challenging year of 2009. As a result, the Bank sustained its market leader position during the crisis period as well.

Having pioneered the banking sector by defining Corporate Banking as a separate business line in the early 1990s, Garanti, today, is the most preferred banking partner of major Turkish conglomerates and multinational corporations operating in Turkey under every market condition.

Effective customer relationship management, custom-tailored service concept and solution-oriented approach are the key factors that solidify Garanti's leadership in this segment. Garanti offers innovative products and services based on knowledge, backed by technology, strengthened with relationships and realized by financial power. Garanti enhances customer loyalty and makes a difference through presenting its products and services to the market with an expert marketing team that successfully analyzes its customers and the sector's needs and adopting a customized style.

Since new client acquisition is very limited due to the nature of the business, Corporate Banking line of business builds its primary strategy on the notion of establishing long-lasting cooperation with its customers and further deepening existing relationships. Its strategy in corporate banking and its perspective in customer relationships are the primary factors that make Garanti's performance sustainable in this segment.

Garanti serves its corporate customers with its specialized personnel at four exclusive corporate branches, one in Ankara and three in Istanbul.

2009 Activities

In a year when one of history's greatest economic crises was experienced, Garanti, with its solid financial structure, continued to fulfill all customers' needs and proved once again that it stands by them through any market condition. Thus, Garanti continued sustaining its 20 years of traditional market

leader position throughout the crisis period.

2009 was a year of stellar performance for the Corporate Banking line of business. As an indication of customer trust in Garanti, Corporate Banking, during the year, registered 22% growth in loans, and a record expansion of 59% in deposits.

Projections for 2010

Garanti will back the experience and competitive advantage it possesses in corporate banking with its customer-centric and innovative perspective, and will continue to respond to the market's demands in the most accurate and fastest manner in the year 2010 in which the economic recovery is expected. For the year ahead, Garanti will remain the solution partner for its customers and will keep transforming its potential in corporate banking into performance, by preserving its existing service quality and market leader position.

Sustaining its market leader position, Garanti will remain the solution partner of its customers in 2010.

Payment Systems / Credit and Debit Cards

Garanti continues to make life easier for its clientele based on its vision of creating a cashless society, customer-centric approach, and innovative products and services regarded exemplary across the world.

Managing a massive payment systems infrastructure consisting of more than 13.2 million debit and credit cards, Garanti Payment Systems continues to grow thanks to creative, innovative and competitive features, and steers the industry with its projects. Rendering chip-based, multi-branded and co-branded card programs, commercial cards, virtual cards, merchant relations, and e-commerce services as the fastest and most efficient product developer in the credit card market, Garanti constantly enriches its products and services. With an innovative and visionary structure and marketing-oriented team, Garanti pioneers numerous innovations in payment systems, in and out of Turkey.

According to great importance to customer analyses in order to manage portfolio returns optimally, Garanti Payment Systems integrates technology into Customer Relations Management (CRM) efforts and undertakes exemplary and pioneering projects in risk measurement, as well as in customer profitability and loyalty.

Covering Bonus, Money, Flexi, Shop&Miles, American Express, commercial credit cards, prepaid cards and debit cards in its product range, Garanti Payment Systems aims to reach its customers with the most appropriate cards that cater to their different needs. To this end, Garanti stands out as the bank with the highest number of credit

cards that stands at 7.9 million credit cards. Bearing much importance in terms of generating non-interest income, credit cards account for 34% of the Bank's commission income.

2009 Activities

With a market share of 20.8% in 2009, Garanti has been the bank to increase the number of credit cards issued at the highest rate, reaching 7.9 million cards. While the number of credit cards increased by 998.6 thousand in the overall market during the year, Garanti was single-handedly responsible for 355,000 of this figure.

Standing in fifth place in terms of the number of debit cards, Garanti was the leader in terms of retail volume turnover. In 2009, the Bank was the leader once again with 41.82% share in overseas retail volume, securing a margin of 16.89% with its closest rival. Garanti registered 32.5% growth in retail volume thanks to innovative projects in debit cards, with average spending per card reaching TL 199. Garanti Payment Systems captured 21.74% share in the market with a retail volume that triples the market average.

Garanti, having the largest portfolio in the market with eight unique commercial products, launched prepaid cards in 2009 for a number of companies seeking to reward their employees, motivate their sales

channels or secure customer loyalty. In this way, the Bank increased income derived on commercial cards, while further growing this new channel it has created to expand its place in payment systems. Accountable for 8% of the total turnover in 2009 with 161,000 plastic cards, commercial cards achieved 22.87% growth in turnover as compared with 2008.

Garanti Payment Systems completed 2009 as the leader on the basis of the following criteria: the number of total and plastic credit cards, domestic and international acquiring volume, international retail and total card volume, international debit card retail and cash withdrawal volume, and domestic debit card retail volume.

On the basis of all products, Garanti continued to attain growth in transaction volume, and numbers of users, member merchants and POS terminals. Serving through 360,000 POS terminals and 306,000 member merchants, Garanti remains the leader with respective market shares of 22.1% and 22.3% in acquiring volume and retail volume. With 9% expansion in the number of POS terminals compared to 2008, Garanti increased its acquiring volume by 8%.

Also furnishing Kolay Vezne (EasyTeller), Ödeme Noktası (Payment Point) and Card Application Point services to merchants,

Garanti Payment Systems fully meets the payment needs of all businesses. It also provides e-tailing services via e-commerce and www.garantialisveris.com, and offers various payment solutions including dial-up POS, ADSL POS, Mobile POS and Virtual POS.

Committed to use the Internet channel in the most effective manner and realizing numerous projects along this line, Garanti achieved 20% growth in the number of member merchants and 24% in volume within the frame of e-commerce. Garanti exceeded the 100,000 mark in joint POS use, an initiative the Bank had pioneered, claiming presence in 50% of the market and setting an example in this area for the industry, as in many others.

Always giving top priority to customer satisfaction, Garanti Payment Systems achieved 40% response rate in the customized campaigns for cardholders in 2009, and raised the ratio of active customers to 83%.

A role model with its environmentalist stance, Garanti increased the rate of e-statements to 33% in overall credit cards and continued to set an example. Throughout the reporting period that was characterized by a large number of lost customers and greater difficulty in new sales, 460,000 cards were recovered for the portfolio by solving customer problems and ensuring customer satisfaction.

Based on the thought of sharing a successful brand like Bonus with the customers of other banks instead of limiting its use exclusively to its own, Garanti Payment Systems introduced a first in Turkey and reached an agreement with DenizBank in 2002, thereby introducing the card platform to Turkey. Initially expanded with the inclusion of Türk Ekonomi Bankası (TEB), the platform was further broadened with the incorporation of Garanti International in Romania in 2007, Şekerbank and ING Bank in 2008, and TFKB and Eurobank Tekfen in 2009. Continuing to

increase its market share with every passing month, the Bonus Card Platform finished the year as the market leader with a share of 26.3% in terms of turnover. Issued by eight different banks including Garanti, Bonus Card keeps growing as "Bonus Card Platform", in other words Turkey's largest card platform, with almost 10 million cards.

Rapidly remodeling the shopping culture as the first and only chip-based credit card in Romania, as in Turkey, Bonus Card authored international achievements, reaching 5,000 POS terminals and 80,000 cards in Romania. Romania's and also Europe's first credit card with the contactless payment feature, Bonus Card is preferred more and more by Romanian consumers in terms of active use and number of users.

Garanti Bank authored many novelties in 2009...

Shop&Miles – two cards in one

Garanti Payment Systems renewed Shop&Miles, the fastest and the most mile-earning program for 9 years in the sector, the only card that adds the miles earned from purchases to those earned from flights made with THY and 24 other Star Alliance member airlines. With this renewal, the card now offers more miles and opportunities to its customers by offering them two complementary Shop&Miles cards in one with the MasterCard logo, one with American Express, the other with Paypass features. The credit card with Turkey's first and real flight mile program, Shop&Miles reached 650,000 in the number of cards. While the market expanded 8% in terms of turnover in the aftermath of the relaunch in May, Shop&Miles grew 28%.

A first in Turkey co-developed with Migros Türk: Money Card

Garanti Payment Systems introduced Money Card, Turkey's first credit card which is multi-branded and which also offers brand-specific loyalty benefits. A credit card developed in cooperation with Migros Türk

A.Ş. and combining the features of Migros Club and Bonus, valid across the world and bearing Visa logo, the Money Card offers instant discounts and free shopping owing to cashier and POS integration as well as profitable shopping benefits thanks to the money earned in addition to bonus points. Money, having reached 100,000 users within a single month, undersigned a record, and the number of Money Card customers reached 300,000 as of year-end 2009.

Fenerbahçe Bonus followed by Galatasaray Bonus Card

Acting on the notion that diverse needs should be fulfilled via optimally segmented products, Garanti introduced, in cooperation with DenizBank, GS Bonus Card, after the Fenerbahçe Bonus specially designed for the fans. Available in three different card types -Classic, Gold and Platinum- and in two unique card visuals, GS Bonus Card also features contactless payment based on Master Card Paypass infrastructure.

A brand new era in prepaid cards in cooperation with Coca Cola: Bonus Rock Card

Garanti Payment Systems put into use Turkey's first prepaid card in the real sense. Unprecedented in the world and using the infrastructure developed by Ingenico, Bonus Rock Card has been issued specifically for Rock'n Coke Festival. Cross-sales promotions were also carried out at the Festival, using the so-called 30 G Mobile terminals.

More than four-fold growth in contactless cards in a single year

Garanti Payment Systems, Europe's leader in contactless payment, increased the number of its credit cards with contactless payment feature from 192,000 to 800,000.

The first Turkish bank using all the cards in the world in POS terminals and ATMs: Garanti

All of Garanti POS terminals and Paramatiks now welcome cards with the Discover logo, in addition to VISA, MasterCard, American

Payment Systems / Credit and Debit Cards

Express, Diners, JCB and CUP cards. This makes Garanti the first and only Turkish bank able to accept the cards of all enterprises backed by electronic payment systems infrastructure in the world at its POS terminals and ATMs.

Garanti keeps growing in transport activities

Initiated for the first time in Europe by Garanti Payment Systems, efforts to use contactless credit cards in transport resulted in the addition of Dentur Tuzla-Altinova line in addition to the existing Eskişehir, Ayvalık, Diyarbakır, Samsun, Çanakkale, Dentur Beşiktaş-Kabataş-Üsküdar lines.

Easy shopping in 14 currencies with DCC POS

Garanti introduced DCC POS (Dynamic Currency Conversion POS), a system enabling tourists visiting Turkey to pay in their own currencies. Allowing shopping in 14 currencies, the DCC system debits the amount to the statement of the cardholder in his local currency and credits to that of the merchant in TL.

Payment without going to the cashier at stores in cooperation with TTNET: WiFi POS

In cooperation with TTNET, Garanti introduced the wireless WiFi POS offering faster, easier, safer and more economical credit card authorization. The system ensures significant savings in the communication costs on credit card charging for merchants and speeds up the whole process. Additionally, wireless transaction is facilitated not only at the cashier, but also at different spots in the business place.

Effective use of alternative delivery channels and the Internet

Making use of websites not only for information purposes, but also as sales outlets, Garanti Payment Systems launched six new websites during 2009. While 78,000

online applications have been collected via websites belonging to five primary brands, a total of 148,000 card applications have been received through all ADCs.

Projections for 2010

Single-handedly generating 34% of the Bank's commission income in 2009, Garanti Payment Systems targets to achieve increased market share in all products and services and attain profitable growth in 2010.

Just as in the past, so too in 2010, Garanti Payment Systems intends to increase its market share in all of its products and services in 2010 that will pave the way for an effective growth. The primary targets set for 2010 by Garanti in its payment systems are presented below.

In 2010, Garanti Payment Systems is targeting growth in all products in terms of the number of cards, spending per card and total turnover. In addition, the Bank is planning to acquire new customers on the back of American Express and the renewed Shop&Miles, in particular, geared toward the upper income segment.

Turkey's first chip-based and multi-brand credit card and the name that changed shopping habits in Turkey, Bonus Card will celebrate its 10th anniversary in 2010. A variety of campaigns and intense communication activities to be conducted throughout the year are intended to serve to increase the number of Bonus Cards and active use of the card.

Activities are planned to fulfill specific needs of businesses through new product developments and additional features in debit and prepaid cards, thereby incorporating the spendings of individuals unable to use credit cards within the payment systems network. An additional target is achieving growth in commercial prepaid cards. Targeting to top 1 million in the number of cards in contactless

payment, Garanti Payment Systems plans to undertake transportation projects in additional provinces and incorporate virgin areas into its payment systems based on cooperation to be entered into with municipalities.

Other 2010 objectives of Garanti Payment Systems include increasing the use and number of commercial cards, which are accountable for 8% of the total turnover on cards, and expanding the portfolio with new products. Launching Europe's first virtual card, Garanti aims to diversify its virtual card products in view of the fact that online shopping increases by the day, and to further increase the share it commands in this field.

On the customer management part, Garanti Payment Systems plans to carry on with Early Engagement, created to activate existing customers from the very first day, and Attrition Alert designed for customer attrition. Allowing to develop projects that cater to segments formed on the customers' various properties such as ownership and activity of bank products, credit card ownership, credit card limit, and card usage habits, Customer Segmentation is intended to be continued in an expanded scope in the year coming.

Bonus Card Platform, Turkey's first and broadest-based card platform, is planned to be enlarged in 2010 with the incorporation of new banks that will create a productive synergy and add to brand equity.

2010 objectives also include activities to bring the number of Bonus Cards issued in Romania to 100,000 in the first half of the year.

The large number of visitors expected to come to Istanbul, a.k.a. 2010 European Capital of Culture, is anticipated to use Garanti POS terminals and Paramatik for their transactions, given the fact that Garanti is the first and only bank in Turkey that welcomes all cards in the world at its POS and ATM machines, while increased turnover is targeted thanks to DCC.

Cash Management and Transaction Banking

Garanti offers a solid and advanced technology in providing solutions that create value for its customers' collections, payments and financial supply chain management transactions, and it realizes many "firsts" in the banking sector through the synergy created with companies it collaborates with.

Long-standing experience, expertise and advanced technological infrastructure represent Garanti's greatest strengths in cash management and transaction banking. Garanti Cash Management gives heed to its customers, provides solutions on collection and payments that meet the customer needs and constantly realizes the firsts in the world of cash management thanks to its dynamic structure and innovative solutions.

2009 Activities

Cash Management

Being the first to focus on cash management and investing in the field by establishing a dedicated department in 1996, Garanti continued to focus on its innovative approaches and on offering products and services in 2009 in which the interest rates dropped, and customer needs increased with further diversification. Although 2009 was a period of reduced volumes with the impact of the conjuncture, Garanti maintained its growth in cash management products.

Increasing the number of customers in the Direct Debit System (DDS) by 12% to 19,000 customers, Garanti preserved its leadership position in the sector and offered a brand new financing facility with the discounting of DDS receivables during the crisis.

Garanti sustained its leadership in the interbank market also through 2009. Reaching a market share of 18.3%, Garanti outperformed its closest competitors by 7.3%.

Being the leader in collection checks for the past eight years, Garanti retained its position also in 2009 and outpaced all banks with 12.4% market share. Preserving its second rank achieved in 2008 in payment checks, Garanti further enlarged the gap with its closest competitors. Maintaining 11% share in the market in 2009, Garanti reached the highest level it ever reached so far in payment checks.

Retaining its title as Turkey's top private bank in tax collections in 2009, Garanti gained 20.55% share in this market. The Bank continued to be the top private bank acting as an intermediary in Social Security Institution (in Turkish: SGK) collections with 14% share.

In 2009, 13 new firms joined Garanti Discount, Turkey's first online supplier finance system.

Garanti's Inventory Finance System, which was initiated first in Turkey in May 2008 targeting the automotive industry, reached TL 2.1 billion in volume to date. Initially implemented for motor vehicles, the system's scope was enlarged by Garanti to incorporate spare parts sales as of August 2009.

Transaction Banking

With intensified activities on the part of transaction banking on account of decreased interest rates in 2009, structural improvements and renewals were introduced to fundamental banking systems managing customer profitability and commission collections. 2009

was a year of new product and service development and of new commission tools generation. An innovation introduced by Garanti in this frame was the "Last Minute EFT", which extended the deadline for EFT hours on non-branch banking channels from 4:00 p.m. to 5:15 p.m. This new practice has soon been replicated by the other banks in the sector.

Projections for 2010

In 2010, commission income will gain increased importance for Garanti and for other banks in the sector with the impact of decreasing interest rates. For this reason, Garanti Cash Management and Transaction Banking aims to increase its revenues through more widespread use of new and existing products and services and to sustain its commission income and solid market leadership in the year ahead.

The key cash management strategy of Garanti in 2010 will be to increase the numbers and volumes of its existing products on one hand and to work on new applications addressing its customers' needs on the other. On the transaction banking part, Garanti will concentrate on generating new commission tools with new products and services in the year ahead.

Project Finance

Garanti Bank sustains its leadership in the Turkish project and acquisition finance market, through its long-term client relationships based on trust, rapid risk-analysis skills, and experience enabling the Bank to offer proactive and innovative solutions.

Garanti Bank has been involved as a lead arranger in the financing of all major privatization, infrastructure, energy and acquisition projects realized in the recent years. Capitalizing on its wealth of experience and know-how, Garanti Bank offers long-term financial solutions at international standards that meet the needs of its corporate and commercial customers engaged in various sectors.

Garanti Bank pursues the strategy of maintaining its leadership in financing acquisitions, energy, transportation, and infrastructure projects by structuring financings that support Turkey's sustainable growth, privatizations and foreign investment inflow, while meeting its customers' long-term structured finance requirements.

2009 Activities

In 2009, which was characterized as a difficult year due to the effects of the global crisis, Garanti Bank continued its support to private sector investments and maintained its leading position in project and acquisition financing. While energy investments, infrastructure privatizations and large-scale corporate loans took to the fore, Garanti Bank's project finance portfolio grew by

19% as of year-end 2009, reaching US\$ 7.8 billion.

Energy and Steelmaking

- Despite a global shrinkage in the financing of large ticket investment projects due to the economic volatility that started in 2008, projects in selected industries such as energy and steelmaking remained on Garanti Bank's agenda.
- Garanti Bank provided a financing totaling US\$ 310 million with a term of 10 years to Atakaş Group and Russia-based MMK's 2.3 million ton MMK- Atakaş Integrated Flat Steelmaking Project -the largest flat steelmaking investment in Turkey funded by the private sector. Expected to meet one third of Turkey's flat steel import need, the Project will create close to 2,000 employments. Euromoney-Project Finance Magazine, one of the global project finance community's best known publications, selected the Project as "Europe Metals Deal of the Year 2009".
- A 12-year financing package of US\$ 1,011 million for 1,360 MW Eren Energy Imported Coal-fired Power Plant has been finalized with Garanti Bank's participation. Considered to be Turkey's largest privately-owned imported coal-fired thermal power plant, the Eren Energy

Project has been named "European Power Deal of the Year" by Euromoney Project Finance Magazine.

- Taking every opportunity to emphasize its environmentally-sensitive approach, Garanti Bank extended a substantial amount of financing support to wind energy projects in 2009. A total of US\$ 420 million of project finance loans has been allocated to six Wind Energy Power Plant (WEPP) projects with a total installed capacity of 285 MW so as to further solidify Garanti's leading role in wind power plant projects. Including the existing financings, as of year-end 2009, Garanti Bank has allocated approximately US\$ 800 million to 15 wind power plant projects with a total installed capacity of 530 MW.
- The maturity of the bridge loan facility, provided by Garanti Bank for the financing of 141 MW energy generation assets acquired by Zorlu Holding for US\$ 510 million from the Privatization Administration has been extended. The structuring efforts for the long-term project finance loan are underway.
- A 12-year financing of US\$ 93 million in total has been arranged for the Niksar Hydroelectric Power Plant investment realized by the AES – IC Holding JV.

Acquisition Finance

- Garanti is the first bank in Turkey to work in the field of acquisition finance. Shares held by Akfen Holding, one of the investors in TüvTurk –the company that earned the operating rights of vehicle inspection stations in 2005 for a period of 20 years, have been sold to Bridgepoint Private Equity, with the financing support extended by Garanti Bank. The first non-recourse acquisition finance realized in Turkey in the aftermath of the global crisis, the transaction gave significant signals with respect to liquidity conditions and 2010 estimates.
- Transferred to the private sector through 100% share sale within the frame of electricity distribution privatizations, Meram Elektrik Dağıtım A.Ş. has been acquired for US\$ 440 million in October 2009 by Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş., co-owned by Alsim Alarko and Cengiz Holding. The tender price has been covered by the financing support of four banks including Garanti.

Transportation

- A five-year financing has been granted to İETT (Electricity, Tramcar and Bus Administration of Istanbul) for the funding of Coach Station – Olympic Village metro line project.

Other Activities

- Aksa Gaz Dağıtım A.Ş. has been provided with an 8.5-year financing package participated by Garanti, for the Çukurova

Carrying on with its support to private sector investments in 2009 despite the global crisis, Garanti will keep contributing to the economy in 2010, based on its strategy to finance Turkey's growth.

Gas Distribution Infrastructure project.

- Zorlu Group has been provided with a 1-year bridge loan facility within the frame of gas distribution infrastructure projects in Thrace and Gaziantep. Garanti continues with its endeavors to arrange a long-term financing for the same projects. Half of the package is expected to be provided by Garanti Bank.
- Large-scale structured corporate loans were prominent in the market in 2009, where Garanti Bank participated in the US\$ 320 million and EUR 339 million syndicated loan facilities extended to Koç Holding, as well as the US\$ 120 million and EUR 211.5 million facilities arranged for refinancing the one-year tranche thereof.
- The 3-year US\$ 600 million club loan arranged for Turk Telecom was closed at the end of 2009 with the participation of Garanti Bank.
- As of year-end 2009, Garanti Bank's share in the US\$ 3.7 billion of financings arranged for Treasury-Guaranteed Projects in the existing portfolio stood at US\$ 1.6 billion.
- While improving its portfolio monitoring infrastructure through ongoing software developments, Garanti Bank raises the

quality of its post-closing services to project companies and participating banks to international standards.

Projections for 2010

With the global economy giving signals of recovery, large-scale infrastructure investments, privatizations and public sector investments are expected to regain momentum in 2010. Due to Turkey's favorable position among emerging markets, the upward foreign direct investment trend is expected to pick up from where it left.

In 2010, Garanti Bank targets to provide its clients with solutions that suit their long term financing needs in relation to energy and infrastructure investments, which are expected to accelerate, as well as acquisitions that will naturally result from foreign investors' interest in Turkey. Parallel to its strategy of "financing Turkey's growth", Garanti Bank will further strengthen its leading position in project and acquisition finance.

International Banking

As a result of transparent communication principles in its successfully maintained and long lasting relationships, Garanti is being favoured as a “reliable” partner in international markets. The leading position of the Bank in the sector is sustained by the ability to be the pioneer thanks to its experienced team and diversified product base.

Garanti Bank is able to execute projects quickly and efficiently with its skilled team, broad customer base and varied products. The greatest strength of the Bank is the ability to adapt its international banking, trade finance and relationship management strategies in today's changing global market conditions. The bank maintains its leading position initiating the vision of being the first choice of international banks and investors in Turkey.

2009 Activities

2009 has been a challenging year, particularly for international markets. In such an environment, Garanti Bank carried out numerous successful transactions drawing on its entrepreneurial approach and strong international network along with its know-how on correspondent banking, trade finance and structured finance. Thanks to its strong stance, Garanti differentiated itself by gradually expanding its international investor base even when the capital markets were closed, undersigning successful syndicated loan facilities and maintaining its leadership in the sector on the international trade front.

Correspondent Banking

Garanti's strong and extensive correspondent banking network plays a major role in tapping new funds and developing close relationships with international financial markets. The bank's network of more than 3,000 foreign banks in 153 countries is managed by the

correspondent banking team, which is responsible for Garanti's relationships with international banks and financial institutions. Correspondent banking team seeks alternative solutions for its customers to reduce risk and cost in international trade transactions while continuing to expand the product range offered to foreign banks for cooperation.

Garanti's relationship management concept is based on mutual trust, transparency, and cooperation. Under the changing global market conditions, Garanti proved its success in correspondent banking once again, and sustained its position as the primary relationship bank that foreign institutions wish to collaborate with in 2009.

Trade Finance

In trade finance, Garanti focused on new product development in line with market dynamics and customer demands, structuring of transactions between local/international parties, and increasing global sources for funding of trade. With its advanced technological infrastructure and customer-focused approach, the Bank carried on its activities related to alternative financing structures such as supply chain finance and ECA loans. Garanti aims to successfully maintain its leadership in trade finance by generating innovative and customer-focused solutions in export and import transactions. In line with these objectives Garanti cooperated with Türk

Eximbank in 2009, and took new steps to offer competitive funds for exporters. In order to provide foreign long-term financing at affordable interest rates for its customers importing investment goods, the Bank maintained its existing cooperation agreements with international Eximbanks and worked to get new agreements signed.

Targeting to create new financing alternatives tailored to customer needs with the use of Trade Services Utility (TSU) system, Garanti continued to organize informational meetings to introduce the TSU system to its customers, and develop the necessary financing structures in line with their needs.

In 2009, the Bank organized five foreign trade meetings where customers were informed by Garanti's expert team about local and international developments in foreign trade, legislation and products. Intending to keep holding these meetings throughout Turkey, Garanti continues to increase its support towards organization of international trade finance seminars in Turkey.

Structured Finance

In February 2009, Garanti signed an agreement with PROPARGO, the private sector arm of the French Development Agency (AFD), for a subordinated loan in the amount of EUR 50 million with a maturity of 12 years and call option at 7 years, which

will be on-lent to clean and renewable energy projects.

Based on an agreement signed in March with the Development Bank of Turkey (TKB), a 10-year loan of EUR 20 million was obtained, which is to be channeled to small and medium sized enterprises, provided that at least 50% will be located in priority development areas.

Garanti signed two agreements in February and April 2009 with the Development Bank of Germany (Entwicklungsbank - KfW), four-year loans in the respective amounts of EUR 20 million and EUR 5 million, which are to be extended to small and medium sized enterprises.

In March, Garanti participated in the Istanbul Venture Capital Initiative (IVCI), advised by the European Investment Fund (EIF), with a contribution of EUR 5 million, and has become the first privately owned Turkish bank to join the initiative. The total size of the fund is EUR 160 million, which also covers direct investments in small and medium sized enterprises as their ultimate beneficiaries, as portfolio investments and as venture capital.

In May, Garanti signed a one-year syndicated term loan consisting of two tranches of EUR 517 million and US\$ 109 million to be utilized in the financing of exports. Participated by 31 banks from

Having successfully managed to strengthen its investor base during the challenging 2009, Garanti aims to continue being a pioneer in international banking in 2010, as well.

15 countries, the loan has been the first syndicated term loan renewed by 100% in Turkey after September 2008, when the global financial crisis made its peak.

In November, a credit agreement has been signed with the European Bank for Reconstruction and Development (EBRD) for a EUR 50 million loan, which consists of three tranches. The loan will be channeled to small sized enterprises, with the 5-year tranche of EUR 23.4 million funded directly from EBRD and the 3-year tranche of EUR 14.5 million from the Development Bank of the Netherlands (FMO) funds. The tranche in the amount of EUR 12.1 million with a one-year term has been funded with the participation of six banks from four countries.

Again in November, Garanti signed a 1-year syndicated term loan consisting of two tranches in the amounts of US\$ 151.6 million and EUR 365.6 million. The loan has been completed with the participation of 35 banks from 15 countries, which will be used in export finance, Garanti realized the lowest

all-in cost transaction in 2009 and became the first bank to increase the loan amount.

In December, Garanti signed a loan agreement with Overseas Private Investment Corporation (OPIC), the US government-owned private sector financing corporation for a 10-year fund of US\$ 100 million to be on-lent to small and medium sized enterprises. The transaction is the first one that OPIC realized directly with a bank in Turkey.

Garanti obtained a 12-year loan in the amount of US\$ 147 million from the (European Investment Bank – EIB) in December, which will be extended to SMEs.

Projections for 2010

Garanti Financial Institutions Department aims to continue and further increase its international borrowing activities through its strong international relations; focus on the effective and productive structuring of foreign trade transactions, and maintain its leading position in the sector in 2010.

Treasury

Garanti displays an outstanding performance in treasury transactions owing to the successfully managed relationships, proactive approach, advanced technological infrastructure and vast database equipping the Bank with fast decision-making ability. As a result, Garanti derives a significant strategic advantage.

The sense of confidence instilled in the customers over the course of many years is today one of the key factors that brings growth to Garanti in terms of volume and profitability. Activities by the Treasury Division played a big part in ensuring this confidence and allowing Garanti to stand solidly and strongly even through a challenging period.

The experience, theoretical and technical know-how, the broad range of products, and custom-tailored innovative solutions are the key strengths that carry Garanti Bank Treasury Division to success. The advanced technological infrastructure and database is another important factor that result in the successful performance of the Treasury. Financial Planning and Analysis department, the provider of regular maintenance to this database established by Garanti Technology and enabling swift inquiries on a need basis, bestows upon Treasury Division a significant strategic advantage in taking the necessary position or improving its existing strategy.

Treasury Department

Treasury Department is responsible for the management of Garanti Bank's foreign currency position and risks related to the Turkish Lira (TL) and foreign currency (FC) bonds portfolio. It is the Department's responsibility to increase the share of the Bank in customer transactions through competitive pricing to corporate and commercial customers via the Treasury Marketing Unit and the branch network. Maintaining and improving the Bank's long-term market making position in the

interbank market and executing customer-based gold market transactions as a member of the Istanbul Gold Exchange are also among the Department's duties.

Treasury Marketing Department

Treasury Marketing Department consists of four sections in line with Garanti Bank's customer segmentation: corporate banking, commercial banking, private banking and financial solutions. For both the limited number of corporate and commercial customers that are served directly and other customers served through branches, the Treasury Marketing Department performs the pricing of treasury products (foreign exchange, cross rates, forwards, options, swaps, repo, deposits, loans, TL/FC bonds, Eurobonds, etc.). In addition, the Treasury Marketing Department informs corporate and commercial customers on risk management, offers solutions related to balance sheet management and potential financial risks, and structures products as needed.

Asset/Liability Management Department

The primary purpose of the Asset/Liability Management Department is to maximize the risk-adjusted return-on-capital of Garanti Bank. Asset/Liability Management manages the Bank's interest rate, sovereign credit, structural exchange rate and liquidity risks, in accordance with the objectives set by the Asset/Liability Committee. The Department creates investment, funding and hedging strategies based on prevailing market conditions, interest rates and volume trends of the balance sheet items and risk

parameters. The Asset/Liability Management Department also takes action accordingly based on quantitative analyses performed according to the principles of financial engineering.

Treasury Derivatives Department

The Treasury Derivatives Department carries out activities for the effective management of the Bank's balance sheet and liquidity, such as those aimed at increasing profitability and hedging current risks in the balance sheet. To this end, the Department works in coordination with the other departments under the Treasury Group to develop all kinds of derivative products that might be needed and prepares the contracts related thereto. The Treasury Derivatives Department also assesses and analyzes the documented risks of treasury transactions from the perspective of applicable legislation, regulations and accounting standards, in accordance with local and International Financial Reporting Standards (IFRS).

The Risk Control and Middle Office Unit monitors market risk, profitability and volume of treasury transactions; verifies and reports on the position size and stop-loss limits of each trading desk, as well as the confirmations of treasury transactions and the accuracy of system entries of transactions.

2009 Activities

2009 was a challenging year in terms of clarity and projections, thus dominated by trust and stability. In this rough period,

Garanti Bank carefully followed the ongoing and potential developments in global and national economy and exhibited a solid standing based on the correct decisions taken at critical moments drawing on its distinctive leadership qualities. Maintaining its successful profile in financial and capital markets through its competence in treasury operations, Garanti increased its trading volumes in real terms.

Garanti Bank,

- Accounted for 13.6% of the market in the foreign currency spot market transactions (against the Turkish lira) in 2009. Having increased its share that stood at 11.8% in the same period of 2008, the Bank maintained its leading role in the foreign exchange markets.
- Substantially increased its market share from 21.2% in 2008, to an amazing 34% in 2009 in options and forwards with bank customers against the Turkish lira.
- As a partner and one of the first members of the Turkish Derivatives Exchange (TurkDEX), it was accountable for 13.3% of the total transaction volume of TurkDEX, a result that exceeded its 11.6% share in 2008 despite increased competition.

Projections for 2010

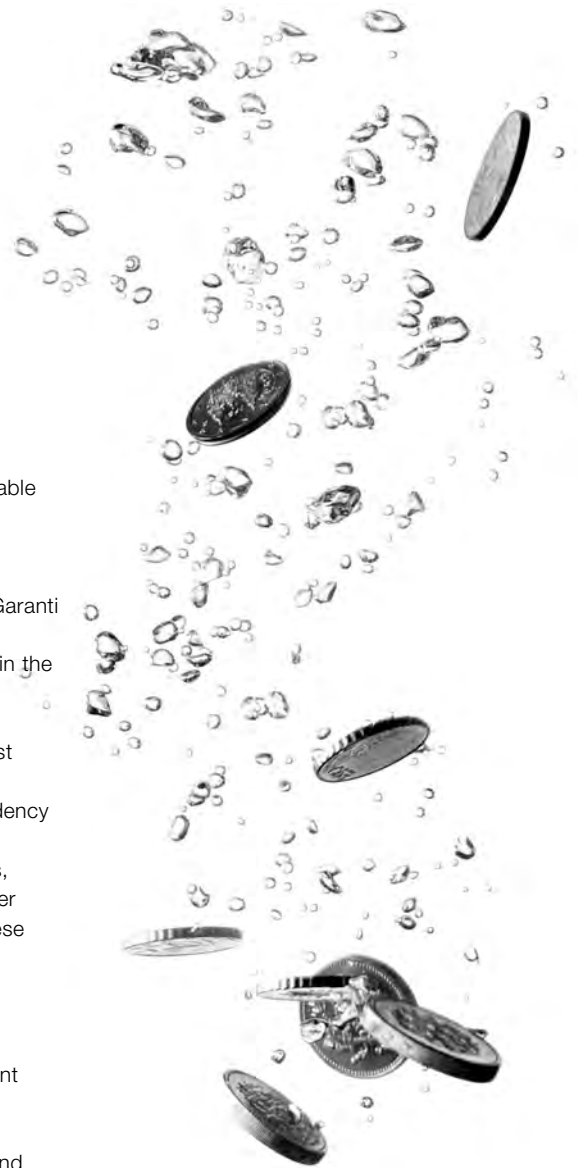
Demand for derivative transactions for hedging purposes is expected to increase in 2010 due to high level of uncertainty. With this perspective, Garanti aims to meet the diverse needs of its customer base, from hedging transactions to transactions performed for the purpose of enhancing returns, with an extensive product portfolio. The high potential in this area is highlighted by the large share taken from derivative transactions carried out during 2009. The integration of the national manufacturing

sector and the financial markets with international markets continues at an increasing pace. In parallel, the noticeable increase in the share of foreign currency-denominated transactions is expected to maintain in the upcoming periods. With its competitive pricing, Garanti targets to remain the first choice of its corporate and commercial customers in the foreign currency market in 2010.

The low levels in the TL and FC interest rates are expected to be noticed by individual investors and boost the tendency to generate trading profit on securities investments in 2010. Along these lines, Garanti intends to increase its customer trading volume with its expertise in these markets, custom-tailored innovative solutions and its competitive pricing competency.

In 2010, the Asset/Liability Management aims to maximize the risk-adjusted return-on-capital, by identifying the strategies to hedge interest, liquidity and sovereign credit risk in the balance sheet and by taking investment positions in accordance with Garanti Bank's capital.

Garanti targets to sustain its successful performance, increase real trading volumes, and be the primary choice of its customers in 2010.



ABACUS

The central operation unit of Garanti Bank, ABACUS ensures centralized, fast and secure execution of operational transactions at high standards, with its competent human resource that makes a difference, customer-focused and high quality service approach, and superior technology.

ABACUS, the central operation unit of Garanti, ensures that the operational transactions of millions of customers are executed at high standards, and its branches and customers are provided year-round non-stop cash service at 4,490 locations.

Having started to work on centralization in 1994 and the first bank to set up central operations in Turkey, Garanti today captures a high centralization ratio with the branches channeling 99% of operational transactions to ABACUS. ABACUS consists of a team of 1,032 individuals, 45 of whom hold CDCS (Certified Documentary Credit Specialist) certificates that proves their expertise on foreign trade transactions in the international arena, working with an outstanding service approach. Key factors that enable ABACUS to achieve high standards are advanced technology, and highly-qualified and well-trained human resource, as well as the experience and know-how.

ABACUS handles the following tasks at Garanti:

- All foreign trade transactions
- Issuance of domestic and international letter of guarantees
- SWIFT transactions
- All operations regarding the utilization of commercial loans and system entry of related collaterals
- Verification of documents submitted with retail/auto/housing loan applications
- All domestic payments including EFT, tax and Social Security Institution (SGK) premium collections
- Physical and electronic archiving processes

- Repossession processes and query letters received from governmental offices
- Data entry of hard copy credit card application forms
- Card embossing processes
- POS application and installation follow-up
- Cheque and promissory note transactions
- High volume salary payments/high volume internal and interbank (EFT) money transfers
- Investment account opening and account transfer operations
- After-sale support services for credit cards
- Cash support services including cash collection and delivery
- Answering any queries related to legislation and banking practices directed by the Bank's branches and Head Office Departments
- Monitoring changes in legislation and regulations, and informing all of the Bank employees and conducting necessary training sessions

2009 Activities

Efforts were undertaken toward increasing operational efficiency, ensuring continuity of high quality service and reducing risk at ABACUS in 2009. In this frame:

- The promissory note project facilitated tracking, entry and accounting of promissory notes sent from the branches to ABACUS, thereby saving labor and time. In addition, the risk of loss of promissory notes was also decreased. 3,100,000 sheets of paper were saved on annual basis thanks to the ability to track the creditor and the forwarding branch from the system instead of sheets attached to promissory notes. Garanti keeps contributing to the

environment by not placing photocopiers in its branches.

- With the archive system project, images of notices and credit card agreements are made available on the electronic environment to the Legal Department and law firms following up the receivables. While this added speed to the follow-up process, the daily task of locating 1,300 documents in the archives and sending them to the Legal Department and the related law firms has been eliminated.
- The resource freed up owing to the archive project is planned to be used in the archiving of Banking Service Agreements (BSA), which occupy a huge space in branches and which are difficult to keep. The BSAs are started to be archived upon checking their version numbers and signatures, and taking electronic images for those which are not yet available. With the project intended to be completed by June 2010, BSAs of 5 million customers are planned to be archived.
- POS inventory tracking project facilitated tracking of POS equipment throughout the entire process from their importation up to their delivery to the customers, provided a clear inventory list of POS machines, and allowed for effective cost management.
- A project was put into life for scanning the barcodes of credit card statements that are returned for failure to be delivered to customers; reaching such customers via alternative delivery channels for address update, transition to e-statement or

discontinuing statement posting. The number of credit card statements returned for failure to reach the address was decreased from 120,000 to 70,000 per month. A similar project is being planned for other documents not delivered to customers due to incomplete addresses.

- Import and export letters of credit of GBI Romania is started to be examined by ABACUS
- With the modification made to the SWIFT format in November 2009, ordering customer and beneficiary data have become mandatory in interbank payment messages, which are complementary to payment orders. In an effort to prevent risks that might arise in the process, a system infrastructure has been established, which matches the crediting message with the payment messages and credits the amount to the relevant account. This eliminated the risk of not crediting the account and also enabled depositing the incoming money to the customer accounts as quickly as possible.
- Credit Card Life Insurance and Income Protection Insurance policy entries have been moved from Garanti Pension to ABACUS.
- To help ABACUS and branch staff get better acquainted and empathize, a rotation program has been put in place. Within the scope of the rotations that positively reflected on business, branch personnel and ABACUS personnel spent one day at one another's work places, and started learning the business conduct of the other.

Other activities in 2009 were as follows:

- Operational transactions were ensured to be executed at high efficiency and quality, thus increasing the agility of marketing units. As a result, ABACUS significantly contributed to the increases of Garanti's market share in numerous areas.

Noted for the high centralization ratio it has achieved, ABACUS will keep contributing to the Bank in 2010 through further enhancing its operational efficiency and service quality.

- Undertaking cash collection from 1,331 Migros locations, Garanti very efficiently and successfully managed the operation, which is an ongoing project.
- Expertise of ABACUS in letters of credit and external guarantees led many customers to prefer Garanti.
- Resized banknotes upon transition from YTL to TL at the onset of 2009 brought along the need to replace ATM cassettes in order to dispense new banknotes from the ATMs. Owing to its fast decision-making mechanisms, technological infrastructure and coordination among departments, Garanti was able to replace 10,324 cassettes in its 2,581 ATMs in as short a period of time as one month and has been one of the first banks to dispense TL banknotes from all of its ATMs.
- With the restriction on types of currencies that banks can transact with lifted in April 2009, steps were taken to carry out transactions with Russian ruble. Garanti finalized the changes in the system, imported new money counters that recognize fake ruble, trained its personnel and has become the first bank to carry out transactions with this currency both through its branches and alternative delivery channels.
- Considering Garanti branches as customers of ABACUS, periodic visits were paid to branches and regions. During these visits, feedbacks were received with respect to how the services provided by ABACUS were perceived by the branches. Necessary actions were taken in line with the comments and suggestions to enhance the satisfaction level of branches.

Projections for 2010

In the year coming, ABACUS aims to give the priority to safety and minimize risk, in an effort to preserve and improve high operational quality standards. Having introduced numerous practices that reduced the operational workload of the Bank in 2009, the Department plans to launch further new practices in 2010. Content control of documents, one of the focal points for ABACUS in 2009, will continue in the year ahead, thus allowing for safer and faster processing. A noteworthy activity of ABACUS in 2009 has been its contributions to the Bank in terms of marketing, in addition to the operational tasks it has taken on. ABACUS will sustain its support to win new business for the Bank in 2010.

Key Indicators for ABACUS	2009	2008	2007	2006
Number of Annual Transactions	55 million	54 million	51 million	47 million
Transaction Volume (US\$)	760 billion	820 billion	625 billion	448 billion
Average number of monthly transactions	4.6 million	4.5 million	4.3 million	3.9 million

Human Resources

Consistent growth of Garanti is driven by its qualified and dynamic human resources that make a difference, coupled with HR systems and processes focused on productivity. While growing rapidly, Garanti keeps constantly investing in its employees and exceeds world standards in its HR practices.

Garanti Bank grows consistently and rapidly, pursuing its activities on the firm conviction that its human resource is its most valuable asset. In parallel with this growth, the Bank exceeds world standards in its HR practices.

2009 Activities

Garanti Bank maintained its long-term healthy growth processes, supporting the rapid expansion of the past two years in its branch network with effective HR and training functions.

Continuing to expand its branch network in 2009 as well, Garanti Bank kept recruiting experienced candidates and new graduates at the same pace. In this frame, Management/Sales Trainee program was offered also in 2009. Attaching importance to initiate the recruitment process prior to graduation, Garanti Bank carried out the Young Garanti-er Internship Program at Head Office departments and investment centers, Garanti-er Experience Internship Program at regional offices, and Basic Banking Internship Program at branches across Turkey.

In 2009, Garanti continued to organize Garanti Talent Camp, a first in the banking industry initiated in 2007. During the organization that involved senior executives, Garanti made use of simulations and

workshops to introduce banking practices and different departments within the Bank to university students.

Employee Loyalty and Motivation

One of the human resource feedback tools periodically implemented at Garanti such as 360 Degrees, Internal Customer Satisfaction, and Human Resources Index, Employee Loyalty Survey results yielded high scores, revealing that employees gave high marks on various aspects including company credibility, training and development opportunities, effectiveness of senior management, and career opportunities etc. Low turnover rates in parallel with high loyalty scores were attained in 2009. The results were shared across the Bank, analyzed on the basis of individual departments, feedbacks were provided, and department-specific actions were recommended based on continual improvement notion.

Head office, regional office and branch employees got together in the “4 Seasons” gatherings organized to enhance employee motivation, strengthen the bonding among employees, and facilitate a more effective communication across the bank in 2009. The existing rewarding program was revised and the new SPOT program, which gives more weight to motivation, has been introduced in order to reward employees

that make a difference, and to create awareness throughout the organization.

Training

Garanti Bank continued to invest in the training and development of its employees so as to help them attain the level of knowledge and skills required by their positions. This investment was nearly two-fold of the average of European companies in 2009. Employees received 7.2 days of training per person with all training methods except technology-based training sessions.

Garanti employees continued to receive technology-based training programs. While remote training sessions provided savings equal to four days of cost and time, there was 50% increase in the number of participants. Within the frame of coaching practices organized to support on-the-job training, nearly 330 in-branch coaches kept giving support to new hire portfolios.

The share of development activities in credit and risk topics has been increased within all training efforts and the participation of employees in training sessions on these topics was nearly doubled.

In the framework of management trainee development programs, “Garanti Management Academy” has been expanded and two more special programs have been

launched. Approximately 200 employees attended the Garanti Management Academy trainings in 2009.

Career Management

Giving priority to appointing managers from within, Garanti Bank posts the internal needs on the Intranet under the heading “Career Opportunities”, and shares them with all the employees. Employees are able to set their career targets making use of the “Career Maps” application accessible to all employees, and apply for the positions they are interested in. Candidates who cannot be immediately taken into consideration for the relevant position are placed in the candidate pool. Within the scope of controlled growth strategy in 2009, priority was given to inter-regional and intra-regional moves for new branch openings and vacant positions. 706 employees were appointed to different positions within the frame of Career Opportunities that became available during 2009. In line with the tradition to appoint its managers from within, 125 Garanti employees, all of whom have been evaluated by the “Assessment Center”, were promoted to manager

Showing that it stands by its employees in 2009, Garanti will continue to invest in its human resources, in other words its most valuable asset, on various platforms in 2010.

positions, while 2,554 others rose to non-manager positions.

Capitalizing on the branch visits and one-on-one meetings carried out during the year, Garanti Human Resources got better acquainted with the employees, contributed to their career development, and offered one-on-one career advisory to all employees by providing the necessary guidance.

Projections for 2010

Also in the aftermath of the crisis-inflicted 2009, Garanti Bank will give the priority to internal resources, remain loyal to its development strategy, and keep concentrating on investments that observe employee motivation and highlight communication at any level.

2010 Targets of Garanti Human Resources:

Carrying on with its activities on the back of a performance-based culture for many years, Garanti Bank will keep its focus on continual development, introduce a new career and performance management program titled “Field Star”, and continue to organize reward and communication practices such as “SPOT” and “4 Seasons” in 2010.

In 2010, Garanti Bank will focus on more effective measurement of the reflection of its training investments on the actual business, increase web-based applications and keep concentrating on training technology by adding informal development tools to the system, and diversify the platforms whereby employees share their experiences with each other and which will support learning from one another.

	2004	2005	2006	2007	2008	2009
Number of Personnel (excluding security guards)	8,513	9,850	11,158	13,631	15,285	15,654
Number of branches	384	437	487	592	724	792
Number of personnel per branch (excluding security guards)	22.16	22.54	22.91	23.02	21.11	19.77
	2004	2005	2006	2007	2008	2009
Career Opportunities Program	36	48	97	167	87	76
Total promotions	244	520	813	1,050	3,130	2,679

Water is the guarantee of existence: By 2050, the need for water is estimated to be 50% more than what the world needs today. It is anticipated that two billion people in the world will be deprived of water, and in 30 years, three billion people will lose usable water resources.



GARANTI FINANCIAL SERVICES GROUP COMPANIES

Garanti makes life easier for its customers, offering pioneering, innovative and swift products and services in various areas of specialization that cater to the needs of its customers.

GarantiBank International N.V.

Offering customized, fast, competitive and innovative services to its clients in its areas of specialization, GBI will generate a steady return on equity focusing on sustainable growth and prudent risk management in 2010.

GarantiBank International (GBI), a wholly-owned subsidiary of Garanti Bank, was established in 1990. Headquartered in Amsterdam, the Netherlands, GBI also has operations in Germany, Romania, Turkey, Switzerland and Ukraine via its branches and representative offices. As a "global boutique bank", GBI furnishes fast, accurate, customized, innovative and country-specific financial solutions to its customers worldwide in the areas of trade finance, private banking, structured finance, and commercial and corporate banking.

Commodity finance, structured finance and trade finance products such as syndicated loans and forfaiting are offered by the Trade Finance Division, which acquires customers for GBI in the international arena among SMEs and corporate companies as well as financial institutions.

GBI stands out with its high-quality services and the added value created in international trade. GBI's upscale and sophisticated global products and services in Private Banking offered to high net worth private and corporate customers are categorized into two segments as advisory and intermediary services.

Structured Finance Division works in synergy with the other departments of GBI and provides services in project finance, Islamic finance and shipping finance globally. Established in 2009, Corporate and Commercial Banking Division operates to fulfill all banking requirements of the target companies in its segment assuring utmost quality of service.

GBI has a Long Term Deposits Rating of Baa1 from Moody's. This rating, being five notches higher than the Turkish sovereign rating, reflects GBI's role as a niche player in the competitive segment of international trade and commodity finance, its strong financial fundamentals and asset quality, historical low credit losses, its reliable funding profile and solid profitability.

In spite of the global financial crisis, GBI achieved a very good performance in 2009 compared to its peers as well as the large banks in Europe, and maintained its high profitability. Following a strategy that focuses on low-risk fundamental banking activities such as trade finance and private banking, GBI preserved its high asset quality against the backdrop of persistently deteriorating credit markets, with a very low non-performing loans ratio. All business lines of the Bank performed well, despite adverse market conditions.

2009 Activities in Romania

Adding seven new branches to its network, GBI Romania increased the number of its branches in the country to 51, 21 of which are in Bucharest. Total assets doubled to EUR 800 million particularly due to the increase in loans, which grew 45% compared to 2008 (Corporate and SME by 30%, Retail by 60%). The bond portfolio of EUR 125 million, had 16% share in total assets.

On the liabilities side, deposits from other banks and customers increased 3.5 times

in comparison to last year. Within this item, growth in time deposits and demand deposits were 3 times and 5 times, respectively, while deposits from other banks increased by 30%.

The number of customers increased from 43,000 in 2008 to 135,000 in 2009, 95% being retail clients while the rest consist of SMEs and large corporate customers. A total of more than 75,000 Bonus credit cards have been issued, almost two-thirds thereof during 2009, since its launch two years ago.

In 2010, GarantiBank International will aim to create added value for its customers focusing on inherently low-risk activities of trade finance, private banking and structured finance. GBI will generate a steady return on equity in the years ahead, in line with its prudent and sustainable growth strategy.

GarantiBank Moscow

Standing out with its service quality and ability to rapidly adapt to changes, GarantiBank Moscow targets controlled growth, a balance sheet of high asset quality, and sustainable profitability in 2010.

GarantiBank Moscow (GBM), which began operations in 1996, is one of the 81 foreign banks operating in Russia. Holding a full-scale banking license, GBM operates with 81 employees in one branch and two satellite branches.

Having defined its core businesses as corporate and commercial banking, GBM serves a clientele of Russian firms from various sectors and major Turkish companies active in the Russian market. GBM also offers service to large-scale Turkish tourism establishments in Russia. Of the nearly 600 commercial customers in its portfolio, 84% is constituted by resident companies and 16% by non-residents.

Economic Developments

The Russian economy has been one of the economies to suffer most severely from the 2008–2009 global economic crisis. Having registered 5-7% growth from 2004 until 2008, the Russian economy contracted by 8% in 2009. However, the inflation that averaged above 10% or more for years has dropped to 9% in 2009, mainly due to the significant contraction in domestic demand. Decreased inflation allowed for interest rate cuts by the Russian Central Bank, resulting in slashing the interests by 400 basis points during 2009. The anticipation that this trend would live on in 2010 has been confirmed by the Central Bank, which declared that interest rate cuts will be continued.

The ruble lost value by approximately 35% from November 2008 until January 2009, leading to a capital outflow of US\$ 130 billion in the same period. The rise particularly in raw material prices such as oil and gas that came later in the year reversed the loss of value ruble suffered, and helped make up for nearly half of the losses. In this period when ruble started regaining value, the Russian Central Bank took on US\$ purchases. Though the national reserves, which had fallen down to US\$ 376 billion at the worst times of the crisis, have not reached the pre-crisis levels yet, they rose to US\$ 450 billion.

In addition to interest rate cuts made in an effort to revive the real economy, the Central

Bank injected significant amounts of liquidity to the banking system. The Government strived to alleviate the negative effects of the crisis through various countermeasure packages, succeeding to a significant extent. In conjunction with the recovery in global markets and increased raw material prices, the economy moved on to positive growth, though at a slow pace, from the second half of 2009. The economy is anticipated to attain 4-5% growth in 2010. However, the growth rate and overall performance of the Russian economy in the coming year will depend on the global economic developments, owing particularly to its dependence on raw material prices and integration with the worldwide financial system.

Activities in 2009

Garanti quickly adapted to the crisis conditions started to be felt in August 2008 in Russia, and pursued a risk-focused and conservative management approach, thus successfully living through the said period.

GBM reviewed its conservative lending policy during the crisis period, maintaining its long-term customer relationship principle. GBM concentrated in the real sector on companies that have strong shareholding structures, relatively low leverage, strong cash generation capability, relatively low short-term financing needs, strict financial discipline and a sound management. The Bank's lending priorities were revised toward increasing liquidity and strengthening the collateral requirements of its loans. While the number of large and medium-sized credit customers rose to 125 in 2009, more than 90% of the total loan portfolio was made up of loans extended to Russian companies.

Under the market conditions that started turning in the positive direction from the

second half of 2009, GBM proceeded cautiously as always, and targeted to attain a balance sheet with high asset quality and sustainable profitability.

In the corporate bond market that stopped functioning normally since August 2008, the prices, particularly those of ruble-denominated bonds, dropped down to levels that no longer reflected the borrowers' credit quality. On the other hand, number of companies defaulting on their bond payments on the option or maturity dates increased sharply. In this environment GBM made a decision to redeem the bonds in its portfolio on the option dates, and downsized its corporate bond portfolio significantly. From mid-2009, corporate bond market started opening up gradually, initially on the basis of companies with high credibility. New purchases came in this period in corporate bonds offering attractive returns and enjoying high credibility. Furthermore, owing to the attractive returns that recently formed in the market, investments started in the Ruble denominated Russian Sovereign bonds, which had failed to attract investors before due to their low returns. The bond prices saw significant increases and investment opportunities were capitalized on in the market, particularly due to the interest rate cuts of the Central Bank and decreased funding costs. Based on the expectation that interest rate reductions will continue in 2010, opportunities to materialize will be taken benefit of as far as possible.

As a result of the precaution taken in the crisis period and a slowdown in lending activity, GBM's lending portfolio and total assets shrank rapidly, closing 2008 and 2009 with US\$ 314 and US\$ 285 million in total asset size respectively. Despite these difficult conditions, pre-tax profit for 2009 is anticipated to be in the region of US\$ 10 million.

In 2009, GBM also purchased a head office building, taking advantage of the decreased property prices as a result of the crisis.

The process provided GBM with the opportunity to test itself under highly adverse conditions and to adapt to challenging conditions. Relations with existing customers were put to crisis-test and further improved, while providing opportunities for establishing new relations with its potential customers. The unbroken principle of GBM is “always being close to its customers”. Aware that this principle is even more significant in the current environment, GBM espouses a proactive approach on the basis of which the Bank closely monitors its customers and also conveys the message that it is there for them through difficult times.

Garanti Securities

“Garanti” brand name, the experienced team, wide product range and strong relationships built on customer focused management enhance the leading position of Garanti Securities.

Garanti Securities provides corporate finance, research and capital markets brokerage services to its domestic and foreign clients. A subsidiary of Garanti Bank, Garanti Securities, stands out as the sector’s leading institution in brokerage activities and also in consultancy services offered in mergers and acquisitions, public offerings and privatizations.

Corporate Finance

The volume of corporate finance

transactions advised by Garanti Securities, to date, totaled US\$12.5 billion. In 2009, the Company handled the bond issue of Bank Pozitif amounted to TL50 million. With the effects of the global financial crisis still lingering, there were no new public offerings in Turkey in 2009; yet even in this environment, the tender put out by the Privatization Administration for the advisory services for the privatization of Başkent Doğalgaz was won by Garanti Securities in a consortium with Nomura. The tender is expected to take place in the first half of this year.

Garanti Securities carries out the merger or stake sale transactions of customers engaged in various industries including energy, ports, iron & steel and real estate, which were initiated in the last quarter of 2008 and continued in 2009, with an estimated total transaction size over US\$1.5 billion.

Brokerage Services

Garanti Securities provides equity market brokerage services to domestic and foreign customers. The Company’s cutting-edge technological infrastructure enables retail and corporate clients to easily execute their transactions. Garanti Securities captured a market share of 6% in 2009 with an average daily trading volume of TL231 million, thus securing itself a place among the top three companies trading on the ISE. Garanti Securities served 290,000 clients in 2009, with total trading volume reaching TL58 billion.

Research

Reports drawn up by Garanti Securities’ experienced research team are delivered to the extensive client base, investment centers and international corporate investors across the world. The team’s portfolio recommendations consistently outperform the index returns every year. The equity

portfolio constituted based on the research team’s recommendations in 2009 outperformed the ISE-100 index by 54%.

The team includes 11 qualified analysts who provide extensive coverage of ISE-listed companies, as well as produce research coverage on macro economics and fixed income securities. Their current scope of coverage encompasses Turkey’s leading industries, including banking, telecoms, automotive, commodities and conglomerates. The research team provides periodical and daily updates with fundamental and technical analysis for stocks in its coverage to its domestic retail and institutional international clients.

Institutional Sales

The Institutional Sales Department offers research and execution services to foreign institutional investors in accordance with their needs with a customer-oriented approach. With a solid team of four experienced sales staff and three traders, the Department serves corporate investors in Continental Europe, the USA and the UK. The global financial crisis which hit international markets in 2009 bore a negative impact on foreign investors trading on the ISE, as well. As a consequence, the share of trading volume created by foreign investors of the total ISE trading volume dropped from 27% in 2008 to 14% in 2009. Obviously, trading volume and commission income of the Institutional Sales Department suffered in such an environment. Nevertheless, in 2009, the Department finalized the infrastructure enabling service delivery for domestic and international clients in international markets, as well as the ISE and TurkDEX; it started winning customers for these markets as well, starting from September. Apart from the regular client visits abroad, the “Turkey Investment Conference” was held in November, which attracted an audience of

more than 100 investors and featured senior executives of the leading ISE companies and the Vice President of the Privatization Administration as speakers.

Private Equity

Garanti Securities continues to press ahead with its activities to engage in the private equity segment, which has especially gained momentum and prevalence as a funding tool adopted by Turkish companies, particularly after 2006. Garanti Securities continues to offer research and reviews on companies suitable for investment, for those seeking to actively start private equity investments in anticipation that appropriate price levels will be established in relevant markets, depending particularly on the post-global crisis conjuncture. As part of these activities, the Company aims to utilize Garanti Bank's extensive branch network and its customer portfolio to reach small and medium-sized Turkish enterprises in particular need of such capital leverage, to create funding, to contribute reaching their targeted growth, and as such, to create value in the private equity investment portfolio.

In 2010, Garanti Securities intends to remain Turkey's most popular brand in corporate finance and brokerage business by producing customer-oriented solutions. The Company aims to maximize the shareholder value and consequently increase its market share by exploiting opportunities provided by the economic recovery. One of the main objectives of Garanti Securities in 2010 will be to attract foreign direct investments and portfolio flows to Turkey and thus contribute to the national economy.

Garanti Asset Management

Possessing the capability to provide its investors with diverse products and services under changing market conditions, as well as world-class business processes, competent human resources and effective audit function, Garanti Asset Management will remain the first choice of investors in 2010.

The first asset management company in Turkey, Garanti Asset Management has been providing individual and corporate investors with mutual fund, pension fund and discretionary portfolio management as well as alternative investment solutions since 1997. With a corporate investment and management philosophy based on analytical thought, competent human resources and an advanced technological infrastructure, Garanti Asset Management remains the pioneer in the sector.

The most distinctive strength enjoyed by Garanti Asset Management is its proactive business strategy coupled with the synergy and effective cooperation with Garanti Bank and its branches that represent its primary delivery channels. The organizational structure that covers Compliance, Strategy & Research, and Risk Monitoring Divisions is the key feature that sets Garanti Asset Management apart from other companies operating in the sector.

In 2009, Garanti Asset Management managed 17 mutual funds of Garanti Bank,

3 mutual funds of Garanti Securities, 11 pension funds belonging to Garanti Pension and Life, Garanti Bank's İstanbul Hedge Fund, and the Garanti Investment Trust portfolio. As of end-December 2009, total mutual and pension funds under Garanti Asset Management's management were worth TL 5,866 million.

Mutual Funds

The mutual funds market, which had exhibited a healthy growth for the past several years, shrank in 2008 with the effect of the global economic crisis. Though the impact of the crisis lingered on in 2009, it also revealed the importance of the mutual funds sector. The need of investors to seek alternative returns grew, as the interest rates and inflation dropped to single-digits and margins contracted. While assets under management in the mutual funds sector increased from TL 24,119 million to TL 30,081 million during this period, Garanti Asset Management raised its assets under management from TL 3,528 million to TL 4,491 million.

Pension Funds

Pension funds proved to be one of the fastest growing investment products in Turkey. The constant growth of the sector increases the importance of pension funds from the standpoint of market share. The share of pension funds in total assets under management continues to increase day by day, giving rise to the conviction that, in the very near future, this business line will be the financial lever for the Turkish economy in general.

Garanti Asset Management continued to work in cooperation with its sister company, Garanti Pension and Life. During 2009, Garanti Asset Management offered management services for 11 different types of pension funds of Garanti Pension and Life. As such, the Company reached a

volume of TL 1,303 million, and increased its market share to 14.31%.

Discretionary Portfolio Management

The 2008 crisis transformed investment understanding and investor culture, and highlighted the need for professional management. According to December figures published by the Capital Markets Board of Turkey, the overall discretionary portfolio management market has assets under management of TL 2,932 million, whereas Garanti Asset Management has assets under management of TL 456 million in this segment, corresponding to 15.56% market share. Garanti Asset Management will be the company to benefit the most from the changing market conditions, drawing on the superiority bestowed upon it by its pioneering position in the sector and the competitive and high-quality service approach of Garanti Bank.

Alternative Investment Products

Alternative Investment Products Division started managing 3 new principal protected mutual funds, after the 2 mutual funds that expired in 2009. With the relevant work finalized in 2008, the Hedge Fund has been offered to the investors in June 2009; due to the global economic crisis, however, the road show planned therefore has been postponed to the first half of 2010.

In 2009, Garanti Asset Management continued to provide information flow to Garanti Bank employees on its products through visits and training sessions, which allowed more active and better-informed marketing efforts for these products.

Committed to remain the choice of investors and display a performance that suits the Garanti brand also in 2010, Garanti Asset Management aims to increase its market share and further strengthen its position through efficient delivery channels and new

products to be added to its portfolio in this period.

Garanti Leasing Pursuing activities as the pioneering company in the leasing sector with its extensive sales network, solid funding, and customer-oriented approach, Garanti Leasing aims to maintain its market share, keeping its focus on profitability in 2010.

The only Turkish leasing company rated by two different rating agencies, Garanti Leasing pursues activities as the pioneer of the leasing sector. Following the upgrade of Turkey's sovereign rating by Fitch Ratings in December 2009, Turkish lira and foreign currency ratings of Garanti Leasing was upgraded to the investment-grade, BBB-, which is also one notch above the Turkey ratings. In addition, the Bank's national credit rating was also upgraded to AAA, the highest possible rating. The other agency, Standard & Poor's, issued a BB- rating for Garanti Leasing.

In November, Garanti Leasing successfully rolled over its two-year non-cash syndication of EUR 100 million, and once again proved its ability to sustain its presence both in national and international money markets even through crisis periods.

While the Company increased the variety of the products offered to fulfill the different needs of its customers, mostly SMEs, based on its innovative approach, it is differentiated from its peers with a

customer-centric approach. As such, Garanti Leasing further solidified its long-going stance as the leader in the sector in 2009.

Total assets of Garanti Leasing reached TL 1.9 billion as of year-end 2009, while its after-tax net profit registered as TL 54.4 million. Having signed 1,176 new contracts during the course of the year, the Company created a total business volume of US\$ 338 million.

Garanti Leasing was able to increase its market share without compromising from profitability in a year of contraction at the sector level through optimum usage of direct contact and its extensive vendor-based sales network, as well as its primary sales outlet, Garanti Bank branches.

Garanti Filo Yönetimi AŞ

Garanti Filo Yönetimi AŞ (Garanti Fleet Management) was incorporated in 2007 as a wholly-owned subsidiary of Garanti Leasing to operate in fleet management, one of the main operational leasing areas. In 2009, the Company reached a fleet size of more than 5,000 vehicles with the 1,804 new additions during the year, and a balance sheet size of over US\$ 90 million. The Company aims to increase its presence in the fleet management market by underscoring customer satisfaction and its service quality. Intending to reach its customers with more diversified products in 2010 with the expanded uses of operational leasing in Turkey, Garanti Fleet Management will initiate new product implementations that will address different groups of equipment. Pilot projects will also be put in place for renting luxury vehicles to higher income individuals, in addition to fleet rentals to companies.

The new leasing law pending for enactment at the Parliament is expected to broaden

the uses of the leasing product and to bring it to a greater number of clients. Products such as operational leasing, sale-and-lease-back and software leasing that leasing companies will be allowed to market upon enforcement of the law will, in the long run, drive the leasing penetration of 2.5% in Turkey toward the European average of 15-20%. In this context, the leasing sector is anticipated to recapture an upward trend in 2010, contributed also by the new law, after a break taken during the crisis period from its growth performance over the last decade.

Operational leasing will be a totally different financial product for Turkey, which differs from financial leasing in that the leased equipment can be returned to the leasing company when the contract expires, and all maintenance, repairs, etc. in relation to the equipment are handled by the leasing company during the contract term. Companies using this product will enhance their productivities and contribute added value to national economy. Upon introduction of the new law, Garanti Leasing, in conjunction with Garanti Fleet Management, will be unchallenged in operational leasing segment in view of the present market conditions.

Vendor-based leasing and relations with vendors have always signified top priorities for Garanti Leasing. Strengthening this business line and increasing relations with vendors will result in a deeper insight into the customers, thus enabling the Company to offer the most appropriate product and therefore, add to the success.

Garanti Factoring

Garanti Factoring will keep operating as Turkey's leading factoring company with its tailored innovative products, solid IT infrastructure, and competent human resource.

Having started operations in 1990 as one of the first factoring companies in Turkey, Garanti Factoring offers products for businesses controlling an extensive dealer or supplier network, export and import oriented companies, and SMEs. In addition to traditional factoring products, Garanti Factoring diversifies its services through products tailored to the relevant sector's or customer's features and operates as Turkey's leading factoring company with its innovative, dynamic and customer-oriented approach.

Garanti Factoring provides, in a single package, the financing, guarantee and collection management products required by both the domestic and international trade, with a particular focus on trade finance and receivable-based financing. 34.82% of the Company's shares are traded on the ISE National Market.

Garanti Factoring reached a transaction volume of US\$ 5.8 billion in 2009 with a growth rate of 61% while the sector expanded only by 6%. As a result, Garanti Factoring increased its market share from 17.7% in 2008 to 22% in 2009, and became the second largest company in Turkey in terms of factoring turnover.

Garanti Factoring increased its profit by 41% year-on-year to TL 10 million in 2009, and its net assets by 52% to over TL 1 billion. Despite the ongoing crisis, the Company continued to grow its market share and the number of its customers owing to the monitoring and early warning systems developed, and kept its NPL ration limited to 1.6%.

In addition to the standard banking products, the need for receivable-based financing methods continuously increases as the export and import financing rapidly develops in Turkey. Garanti Factoring delivers fast and effective solutions for its customers' needs, using export factoring, and international supplier financing structures.

A set of services, launched under the heading Commercial Collections Management in 2008, which allowed for the handling and reporting of corporate clients' collections by the call center of Garanti Factoring, continued to grow rapidly also in 2009. With the new reporting system designed, corporate clients were provided with a much broader assessment on the status of their collections. Structures that will give CRM support to customers using this product are slated for introduction in 2010.

The cooperation between Garanti Bank and Garanti Factoring reached its peak in 2009, with factoring transactions performed at nearly 350 Garanti Bank branches every month. Further enhancing its concentration on the SMEs, Garanti Factoring initiated the online application system in 2009. While the applications filed using the system were responded within 24 hours, the foundations were laid also for a significant delivery channel. In 2010, it is targeted to build on

this important alternative delivery channel that speeds up new customer acquisition and enhances customer satisfaction, and to introduce major projects that will provide e-factoring solutions.

The IT project, which was launched in 2008 to increase operational efficiency, minimize the fixed costs within operating expenses and help the Company to capture technological leadership in the sector, has been brought to completion to a large extent, and introduced in 2009. In the year coming, increased productivity to be derived on new systems will reflect on the Company's performance.

The demand for export factoring products is expected to increase rapidly with the export volume of Turkey reentering into a growth period in 2010 following a significant contraction in 2009 due to the global crisis. Having expanded its overseas correspondent network on the back of the new relationships established in 2009, Garanti Factoring is now in a position to easily respond to the business volume that will gain pace in 2010.

Garanti Factoring will keep improving its existing cooperation with Garanti Bank in 2010. Along this line, the Company plans to build on the existing collaboration with branches and business lines, contribute to customer satisfaction by offering the complementary products of factoring, and carry out factoring transaction at every Garanti branch serving corporate, commercial and SME customers. Garanti Factoring works with the objective of further improving its performance in 2010 and deepening the roots of its leading position in the sector.

Garanti Factoring Ratings

FC Long Term Rating	BB
FC Short Term Rating	B
LC Long Term Rating	BBB-
LC Short Term Rating	F3
National Long Term Rating	AAA (tur)
Support Rating	3

Fitch Ratings

Garanti Pension and Life

Garanti Pension remains the role model for the sector with its efficient bancassurance activities carried out in unique synergy with Garanti Bank, correctly positioned sales and after-sales services.

Founded in 1992, Garanti Pension and Life acquired a pension company license in 2002 and added pension activities to its efforts in life insurance. Garanti Pension continues to lead the sector thanks to its exemplary bancassurance practice. The Company's goal is to provide outstanding services to customers drawing on the joint vision and cooperation created with Garanti Bank, a partnership of Doğus Group and General Electric, and Eureko B.V., one of the leading insurance companies in Europe. With its experience in bancassurance, Garanti Pension is the exemplar in the sector.

Highly recognized and trusted Garanti brand as well as Garanti's extensive distribution channels, its strong shareholders, technological infrastructure, customer-focused innovative approach, highly-qualified human resources and leadership in the sectors in which it operates with new products, its ability to

lead the sector in profitability by acquiring additional market share each year bestow upon Garanti Pension a significant competitive edge in this highly aggressive sector. Garanti Pension has 597 employees, 354 of whom are employed in regional offices.

Garanti Pension acquired the largest market share both in the number of participants and contributions in 2009 in the pension sector. Achieving the highest increase in the number of participants with 19% growth, Garanti Pension reached 400,000 participants. With 64,000 new participants, Garanti Pension gained a 26.2% market share among 13 companies and took the lead of the sector. Having raised its market share in contributions to 14.8%, Garanti Pension has been the company to increase its market share the most with 0.9%, and reached TL 1 billion 310 million in funds under management, increasing its share in the market from 14.1% to 14.5%.

The Company grew its direct premium production by 47%, three times as fast as the sector. Having gained 2.2 percentage points market share, Garanti Pension escalated to third place with a 10.2% share in the market. One of the key drivers behind this rapid growth was the life insurance policies providing unemployment cover, which were started to be sold for the first time in the industry by Garanti Pension. The Company generated TL 72 million in premiums on this product with a total of 627,000 policies.

The first pension company to introduce pension income plans and to pay pensions to its participants within the frame of a scheduled repayment system, Garanti attained a year-on-year increase of 18% in its after-tax net profit, bringing the figure to TL 75 million in 2009.

Garanti Pension sets its main objectives for 2010 as continued market share gain both in life insurance and pensions through effective use of alternative delivery channels and bancassurance.

Combining its innovative insurance products with vigorous sales force of Garanti Bank, Garanti Pension aims to increase its premium production in life insurance and gain market share. Garanti Pension also intends to increase the portion of life insurance premium produced by the alternative distribution channels. The Company aims to maintain its leadership in acquiring new business in the pension sector while increasing its market share in pension funds by diversifying its product mix. Garanti Pension will further enhance its projects aimed at improving customer satisfaction, while targeting increased profitability along with sustainable growth.

Garanti Payment Systems

Espousing a customer-centric approach and developing systems that will replace cash, Garanti Payment Systems draws the attention for its products and practices that are exemplary across the world.

Garanti Payment Systems was established by Garanti Bank in 1999 on the vision of developing systems that will replace cash. Garanti Payment Systems renders commercial and virtual cards, marketing and e-commerce services including chip-based, multi-branded and co-branded card programs as the fastest and most active service provider in the Turkish credit card market.

Defining the structure of the sector with its product implementations and projects diversified according to customer needs and financial dynamics, Garanti aptly analyzes customer demands thanks to its marketing-oriented payment systems team and state-of-the-art technology infrastructure. As a result, the Company strives to reach card users in each segment via products specially tailored to the needs of the segment.

The product portfolio of Garanti Payment Systems includes:

- Bonus Card for customers who like smart shopping in every segment,
- Money Card offering the chance to earn extra points called “money” in addition to “bonus” for customers who like to supplement their smart supermarket shopping with additional benefits,
- Flexi Card offering flexible payment options for customers who demand customized services to suit their spending habits,
- Shop&Miles for customers who frequently travel abroad and incur high entertainment and restaurant expenses in and out of Turkey,
- American Express Centurion Line as a global brand that offers high standards for customers who spend high entertainment expenses abroad,
- Paracard and Bonus Kontör for customers who prefer to use debit card instead of cash for shopping,
- Bonus Trink making life easier for customers who don't want to carry change, also available in the form of watches, key chains and stickers as well as a regular plastic card,
- Business card portfolio consisting of Bonus Business Card, Shop&Miles Business Card, Joint Card, Corporate Card, Fleet Card, Ekin Card, Corporate Travel Card and American Express Business Card for customers who prefer to make payments on behalf of their companies in a secure and

easy manner as well as for customers who have diverse needs,

- Virtual Shop&Miles and Bonus Cards for customers who wish to shop online,
- Garanti e-commerce services for companies that wish either to shop online or to set up an online store.

Garanti Payment Systems closed 2009 as the leader in the number of total and plastic cards, domestic and international acquiring volume, international retail and total retail volume, and international debit card retail and cash withdrawal and domestic debit card retail volume. Garanti is also the only bank in Turkey that accepts VISA, MasterCard, American Express, JCB, CUP, Diners and Discover cards.

Garanti Payment Systems provides Kolay Vezne (Easy Teller), Ödeme Noktası (Payment Point), and Card Application Point services to merchants. Fully satisfying all payment needs of all businesses, Garanti Payment Systems also provides e-commerce and e-tailing services via garantialisveris.com, and offers various payment solutions including dial-up POS, ADSL POS, Mobile POS and Virtual POS.

Garanti Mortgage

Garanti Mortgage, in line with its strategy of creating an “expert” brand specialized in housing loans in the banking sector, offers full-fledged consultancy and support services to mortgage companies, since its establishment in 2007.

As the Turkish banking sector’s first entity focusing on the subject and one of the most crucial components of the global financial system Garanti Mortgage (Konut Finansmanı Danışmanlık Hizmetleri AŞ) was established in October 2007, with the vision in accordance with the growth potential of mortgages in Turkey.

Purchasing a house takes the lead among the long-term and the most important investment decisions for consumers. Garanti recognizes that purchasing a house with a mortgage loan requires expertise, and thus sets out with an expert team that closely monitors the developments and needs in Turkey and across the world, and thereby designs suitable solutions. Garanti Mortgage continues its operations with a team of 70 individuals with expertise in the field.

The actions taken in the process are summarized below:

- Departments are constituted, specializing in Developer Financing, Sales Coordination, Marketing, and Product and Business Development.
- Garanti Bank stood out with its “Garanti, the Mortgage Expert” identity and became the first bank recalled in relation to mortgages when it is relatively new to the

Turkish market.

- All relevant branch personnel were included in the Financial Mathematics and Property Law trainings, to become Mortgage Experts.
- Thanks to its effective delivery channels and mortgage expertise, Garanti reached a market share of 13.4% in 2009 and sustained its market leadership position it has been preserving since 2007.
- Garanti has launched Turkey’s first mortgage call center 444 EVIM (HOME). Enabling customers to take mortgage advice and place applications on the phone through 20 Mortgage Experts and thus eliminating the need to visit a branch, 444 EVIM call center constituted the 7% of the mortgage loans provided in 2009.
- www.garantimortgage.com is launched, providing consumers with access to information on both mortgages and real estate, and was honored with two major international awards in 2009.
- The online WebChat advisory system is launched in January 2009, providing mortgage expertise to customers over the internet, in addition to branch and telephone channels.
- Garanti Mortgage sponsored Reidin Real Estate Index, leading to the creation of Turkey’s housing index, an important necessity of the Turkish real estate sector.
- A dedicated team was formed to manage the relations between real estate agencies and Garanti Bank so as to make periodic field visits for better relationship management.
- Developer financing activities continued to establish new collaborative relations with more than 300 construction firms and projects around Turkey.
- 23 products have been launched, addressing different product and payment method needs of consumers. Among these, Fixed Rate Mortgage and Discounted Mortgage products attracted the highest demand.
- Other products include Decreasing Rate

Mortgage, Interim Payment Mortgage and Variable Mortgage, which were new and innovative products to the market.

- In addition, products addressing different segments were offered such as the Non-Resident Mortgage and Mortgage for Foreigners.

Garanti Technology

Garanti Technology enhances the efficiency, speed and quality of banking transactions, and thus makes life easier for its customers and contributes to Garanti Bank’s profitability.

A provider of services in information technology, Garanti Technology (GT) delivers technology infrastructure, software development, internet applications, integration, systems management, security management, project management and office application services as well as consultancy services primarily for companies in the banking and financial services, automotive, construction, media and tourism industries. Garanti Technology operates via its team of 806 competent individuals possessing the skill to offer creative technological solutions on any platform.

Operating as a full-scale IT Center, GT has a technological architecture providing real-time, uninterrupted system resources, an infrastructure executing millions of on-line transactions, and an operational control system ensuring perfect operability of the system 24/7. With a strong communications backbone, infrastructure-based video and data communications services, and design

and engineering activities at global standards, GT manages all of the hardware and communication software of its clients. GT also provides field support services at more than 3,000 points via its countrywide locations.

GT develops IT strategies for the organizations it serves, transforms customized solutions into value-added services, creates, manages and maintains change and quality. GT's corporate governance is based on the ITIL process model and built on Design-Operate-Support principle. Every single project is developed in accordance with quality standards including COBIT and ISO to ensure the most appropriate solutions that meet the requirements of the organizations served.

In 2009, GT focused on mobile applications and the use of new technologies. The following results were obtained in this context:

- The award-winning internet branch applications can now be accessed from mobile phones and mobile platforms so as to enhance customer satisfaction, make their lives easier, and enrich their experience with Garanti Bank.
- Customers are presented with the privilege of making Western Union payments online from internet branch application, a first in the world, in an effort to increase the diversity of online products and services.
- TurkDEX transactions can now be performed via the call center.
- Garanti Bank has become the first bank in Turkey to offer banking services with the Russian currency, ruble.
- A brand-new credit card, Money, has been developed in collaboration with Migros. With this card, gift cheques have been incorporated into the loyalty program.
- Visual communication of financial data to customers using 3G technologies represents another major novelty.

- Banking systems have been securely integrated with the ERP software by LOGO, an established brand name both in Turkey and abroad; in this way, LOGO product users can easily perform the transactions they carry out via Garanti Bank, and get the results instantly.

- The Dealer Online Project, which will enable quick application for auto loans via dealers, has been completed and launched.

- Early warning systems were developed in an effort to decrease the ratio of non-performing loans. In addition, integration with law firms was established to ensure collection of these receivables, and recovery of non-performing loans by the Bank is accelerated.

- Various anti-fraud applications were combined under the Worldcheck application.

- Momentum was given to integration of Garanti Bank with public institutions with a view to increasing internal productivity, decreasing costs, and enhancing quality. Paper and archive need was reduced thanks to e-signature used in the integration with public institutions, in particular.

- The call center infrastructure, which had been in use at Garanti Bank for more than ten years, has been upgraded with IP-based systems and converted into a contact center. This upgrade enabled call center back-up, enhanced service quality, and creation of new employment opportunities in different cities across Turkey with the call center opened in Sivas.

- Telephone infrastructures of branches have been replaced with IP-based systems; effectiveness of call management has been enhanced across branches and the overall organization.

- Video-backed application has been developed for supporting the sales of the mortgage product; videophones have been allocated in support of sales.

- Efforts for system-server consolidation, which was started in previous years,

continued; reductions were attained in cost items such as electricity, layout, cooling etc.

- New arrangements have been introduced to IT management processes to achieve alignment with the rules and processes of the BRSA and other agencies. New monitoring and management systems have been developed and ensured to run effectively.

Garanti Technology will pursue its activities in 2010 based on an awareness of its identity as an organization that has developed all the firsts in its industry and on the mission of keeping Garanti Bank, its subsidiaries, and other Doğuş Group companies one step ahead at all times. GT will maintain its technological leadership in the year coming by constantly investing in current technology, uninterrupted processing capability, infrastructure security, and others that will ensure energy saving and reduce overall IT management costs.

Water is the source of all life: Although transparent and simple in composition, water is one of the most extraordinary matters on earth. This miraculous “liquid of life” is composed of hydrogen and oxygen an inflammable and a combustible substance.



RESEARCH AND DEVELOPMENT ACTIVITIES

Innovative products and services delivered with strict adherence to quality carry Garanti to a pioneering and leading position in the Turkish banking sector. With these new and creative offerings, Garanti accomplished many firsts not only in Turkey but also in the worldwide banking sector.

Research & Development Activities

With the principle of understanding its customer best, Garanti accurately and promptly identifies its customer needs through research, and introduces many innovative products accordingly.

Customer-Market Research and Process Development

Garanti Bank acts on the principle of offering all its products and services in line with customer needs and with the focus of best understanding its customers. Garanti listens to its customers in order to establish long-lived and customer-oriented relationships and conducts many research activities.

The main targets of the research activities are:

- Monitor customer experience and reveal improvement areas in services received
- Understand customers' needs and preference criteria in relation to banking
- Study the changes and evolution in customers' financial attitudes
- Establish the status of Garanti brand within competition

Research activities conducted in 2009 are listed below:

1. Satisfaction Surveys

- Turkey Customer Satisfaction Index Survey
- Private Banking Customer Satisfaction Survey
- Commercial Banking Penetration and Loyalty Survey
- Insurance Internal Customer Research

2. Product and Service Research

- Online Banking Usability Research
- Insurance Perceptions and Attitudes Research

- Sensitivity to Transaction Fees Research

3. Customer Needs Research

- CCL Banking Consumer Motivations Research
- Research on Approaches to Saving Concept and Saving Attitudes
- Mass Banking Research
- Research for Understanding Retail Loan Attitudes
- Research for Understanding SMEs and their Banking Attitudes

4. Brand and Advertisement Monitoring Research

- Brand and Advertising Tracking Research
- Garanti Cultural Institutions Research
- Online Advertising Tracking Research
- Basketball Sponsorship Research

The results from research show that the key factors driving people to prefer Garanti Bank, which has been delivering service with an extensive branch and ATM network throughout the years, are the Bank's strength and reliability, combined with its insight into customer needs and with the placed importance to customer satisfaction.

Main reasons for its customers to differentiate Garanti brand are; its speed, advanced technology, innovative approach, well-deserved means of its services and its reputation in the international arena.

The outcomes from research conducted in

order to determine the financial needs that are reshaped by economic developments also shed light for new products and services to be introduced in 2010.

Customer Centricity Index, that launched in 2008 to measure and to sustain Garanti's differentiated service quality, aims to standardize customer centric, fast and continuous services at every branch. Providing input for the CCI, Mystery Shopping is also carried out across all Garanti branches.

Intelligent processes in place at Garanti helped the Bank create a difference in customer experience, while enabling maximum efficiency and productivity in transactions. During 2009, Garanti successfully managed almost 500 processes relating to customers and nearly 1000 across the bank, and kept efforts for their continual improvement.

Striving to be the first bank recalled for its customer-focus and for best understanding its customers, Garanti intends to design practices and services that will make the customers' lives easier particularly in mass and SME banking in 2010. Completing the year 2009 with 792 branches, Garanti aims to expand the area of contact with its customers by reaching 875 branches and more than 3,000 Paramatikis in 2010.

Product Development

Having developed 59 new products and making its customers' lives easier with a total of 373 products in 2009, Garanti will keep responding to the evolving needs of customers at the same pace in 2010, through innovative products, services and practices to be developed.

Garanti pioneers numerous new initiatives not only in Turkey, but across the whole world, with the new and innovative products developed. The Bank regards it as the key requirement to develop its products in alignment with market conditions and customer needs. Working to this end, Garanti highly benefits from the Idea Workshop, a platform bringing the divisions together on a monthly basis to discuss the developments in the market and exchange ideas, as well as market research activities.

Garanti Bank launched 59 new products in 2009, and kept responding to its customers' diversified needs with 373 products in total. The products Garanti added to the product portfolio in 2009 and are planning for 2010 are presented below:

Deposit Products

"Structured Deposit Indexed to Gold", which offers principal protection and a fixed revenue, hedges against risks that might arise in relation to the price of gold as it enables to benefit from its return. The product is launched as an alternative that might generate high returns in a low-interest rate environment.

In order to alleviate the follow-up burden in relation to time deposit transactions of customers and branches, and to allow customers to regularly add money to their savings, Automatic Money Addition to Time Deposit Account function has been

introduced, and Maturity Extension Options have been created.

Aiming to differentiate itself and reach every customer with its product characteristics in a low interest rate environment, Garanti also plans on offering deposit products allowing premature transition to different currencies without loss of interest and breaking the term in 2010,

Loan Products

Loans will still play a dominant role in the Turkish economy in the coming period, particularly under the conditions of consistent low interest rates. In this manner, Garanti strives to create a product portfolio with the diversity to respond to all potential borrowing needs of its customers, and to fulfill their borrowing needs at the most favorable terms through every distribution channel in the fastest manner.

Along these goals, in 2009 Garanti introduced, the Offset Account, which enables channeling the balance in the deposit account to loan installment repayments, in addition to three new nonrecourse foreign currency loan products that can be extended domestically within the frame of modified legislation. In 2010, Garanti aims to include automatic extension, interest reduction and new limit proposals to customers who have been or are still in a loan relationship with Garanti subject to certain criteria, so as to enhance the Bank's

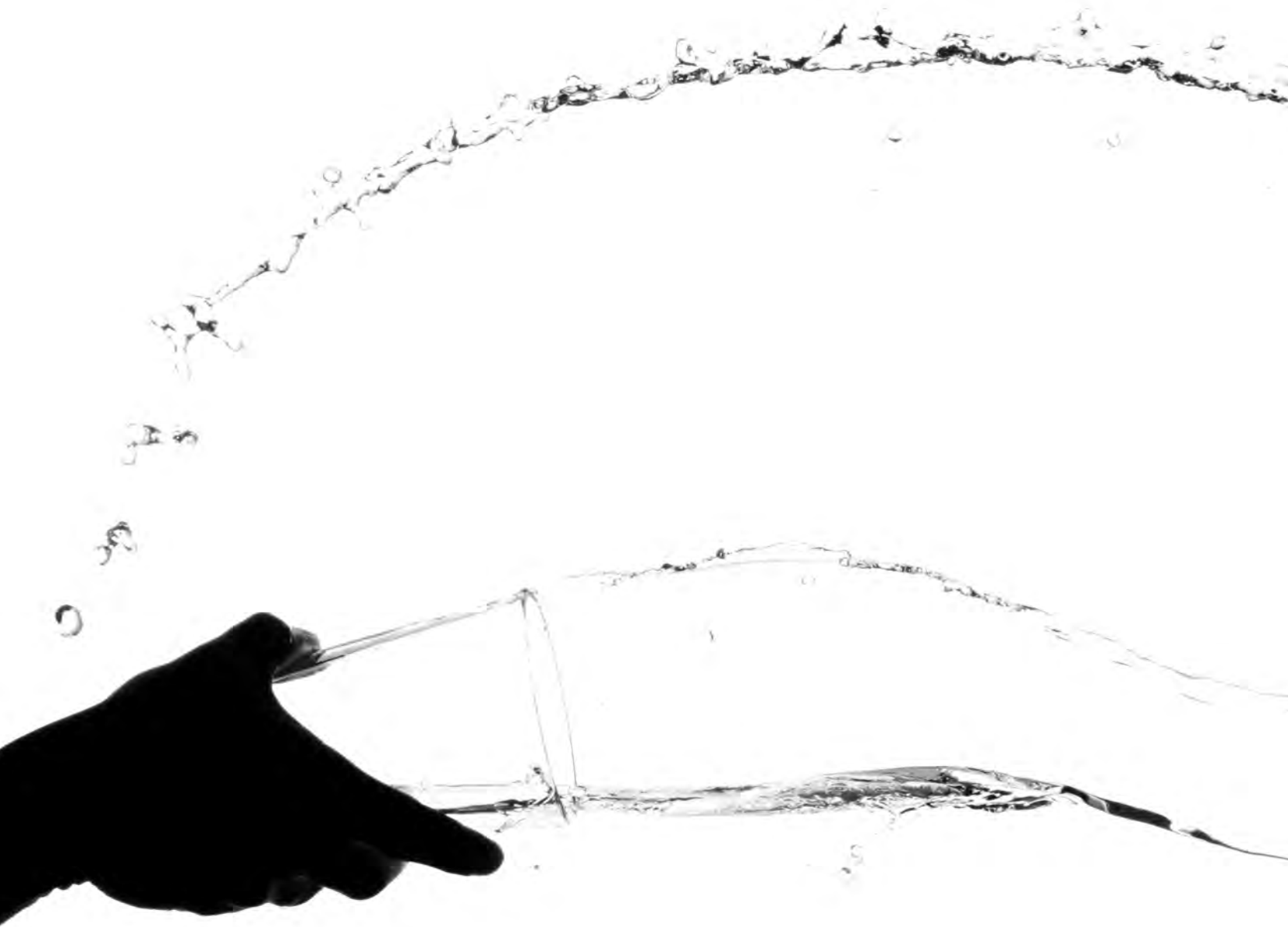
asset quality and ensure sustainability of the lending volume.

In 2010, Commercial Installment Loan Module is planned to be introduced, which will arrange different repayment schedules the businesses need and run the lending processes systematically in order to be able to fulfill all needs of commercial companies. The creation of this module will be followed by activities on three new installment loan products: Gold Installment Loan, Export Installment Loan and FX Installment Loan.

Insurance Products

In 2009, Garanti launched Health Insurance product, aiming to meet customers' healthcare needs by providing more comprehensive coverage. Customers are able to personalize this product in line with their needs, which covers healthcare expenses to be incurred in case of illness and/or injury, and provides additional services through protective maintenance packages.

Water must be accessible: More than five billion people have access to usable water resources across the world, while the remaining one billion are deprived of the means.





CORPORATE SOCIAL RESPONSIBILITY PROJECTS

In addition to its contributions to the sector and the national economy through its banking services, Garanti is dedicated to add value to the society in which it operates. To this end, Garanti creates long-term projects in the areas of education, arts, culture, sports and the environment.

Corporate Social Responsibility Projects

Developing banking services that contribute added value to the economy and the society on the back of a productive, profitable and sustainable growth strategy, Garanti reflects the same approach in the corporate social responsibility projects it supports.

Not restricting its mission to banking services only, Garanti remains strictly committed to its objective of constantly building on the values it creates for the society in its activities. To enhance and sustain the society's quality of life along these lines, the Bank extends long-lived support to projects in education, culture, arts, sports and environment that represent the corporate culture and broaden the vision of individuals and the community.

Supporting Society and Creating Opportunity

Teachers Academy Foundation (Öğretmen Akademisi Vakfı)

Garanti, recognizing the role education plays in upgrading the overall well-being of the society, set up a foundation in 2008, an initiative exhibiting its sensitivity in this aspect and its long-term commitment. The objectives of the Teachers Academy Foundation include, among others, supporting the personal and professional development of teachers who educate the future generations. In this frame, a five-year protocol has been signed with the Ministry of National Education in relation to the Foundation's first project, Öğretmenin Sınırı Yok (No Limits in Teaching) which seeks to contribute to the current education model, supporting analytical thinking and research. Within the scope of the project formulated to provide teachers with training activities on personal and professional development, 100,000 elementary school teachers, directors and inspectors will receive face-to-face training. The project started in April 2009 with pilot runs in five cities, and then reached 14 cities by the end of 2009. The aim is to spread the project across the country.

12 Giant Men Basketball Schools Project

Since 2002, Garanti has been supporting the 12 Giant Men Basketball Schools (12 DABO) which were initiated in cooperation with the Turkish Basketball Federation in an effort to inculcate basketball culture in young children and help basketball become a commonly played game, and reach a broad base in Anatolia. At 12 DABO schools, more than 27,000 youngsters received basketball training in 55 centers to date.

NBA Skills Challenge

To bring the American National Basketball Association (NBA) closer to Turkish basketball fans, Garanti has been the main sponsor of the events held by NBA in Turkey in 2008 and 2009. Young players aged 13-18 uploaded short videos displaying their basketball skills on www.nba-garanti.com, for a chance to attend the NBA camp in the USA. Winners of the contest were sent to the 5-day instructional camp in Orlando as a prize.

Community Volunteers Foundation (TOG)

Since 2003, Garanti has been the main corporate sponsor of TOG, a foundation that acts on the vision of achieving social peace, solidarity and change through the involvement and leadership of the youth.

Dad, Send Me to School (Baba Beni Okula Gönder) Project

Since 2006, Garanti has annually been providing scholarships for the education of 100 female students through its support to the Dad, Send Me to School project, a joint effort of Milliyet newspaper and the Association in Support of Contemporary Life (ÇYDD).

Supporting Women Entrepreneurs

Garanti, the first private bank in Turkey providing services specific to women entrepreneurs, supports entrepreneurial women in terms of courage, training and funding. To this end, the Bank annually organizes "Turkey's Women Entrepreneur Competition" in cooperation with the Ekonomist magazine, and has become the main sponsor of International Women Entrepreneurship & Leadership Summit, which will be organized for the second time in 2010. To provide women entrepreneurs with training and a networking platform, the Bank annually organizes the "Women Entrepreneurs Gatherings" across 5 cities, in cooperation with KAGIDER (Women Entrepreneurs Association of Turkey). Finally, Garanti offers Women Entrepreneur Support Package for financial support at favorable terms.

Supporting Arts, Culture and Cultural Heritage in Turkey

Garanti Kültür A.Ş.

Garanti, via its own cultural and artistic institutions, provides solid support to culture and the arts in Turkey, and takes on "sustainable" initiatives in these areas. Platform Garanti Contemporary Art Center signifies the first example of these initiatives, which was decided to continue with its activities after it has been taken over from the Ottoman Bank in 2001. Platform is regarded as one of the world's top few institutions in contemporary arts, its main focus. On another wing, the Ottoman Bank Museum and the Ottoman Bank Archives and Research Center established in 2002 to perpetuate the invaluable legacy of the Ottoman Bank not only narrate the story of an establishment and of a period, but also contribute to collective memory with

endeavors in social and economic areas, as well as a comprehensive activity program. Transformed from Garanti Art Gallery, Garanti Gallery was established in 2003 and hosts projects that combines all disciplines concerned with architecture and design.

Each one producing major projects in its own field, these three entities were brought together under Garanti Kültür A.Ş. in 2009. Garanti Kültür A.Ş. will actively commence operations by early 2011 with exhibition, research, archive and education functions, and will be engaged in activities in the national and international arena. İstanbul will be presented with a new epicenter of culture and the arts when the historical buildings in Karaköy (former OBM building) and Beyoğlu (former Platform Garanti building) reopen their doors upon completion of the renovation that will vest them in a contemporary setting.

Istanbul Museum of Modern Art

Garanti Bank sponsors the education program of Istanbul Modern, Turkey's first and only modern and contemporary art museum. The program aims to play a central role in raising creative and inquisitive individuals who are literate, and also actively involved, in the arts, while supplementing classroom education. Through the ongoing Garanti-sponsored Istanbul Modern training programs, 77,000 children and teenagers received training to date.

In 2009, Garanti also has been instrumental in bringing together Sarkis, one of the most important actors on the contemporary art scene today, with the art enthusiasts in Turkey, and sponsored the "Site" exhibition hosted at Istanbul Modern, which pointed to all the stages that the artist's career has gone through in the course of half a century.

Garanti Jazz Green

Garanti, aiming to broaden and spice up music lovers' horizons in the genre of jazz, is among the leading sponsors of jazz music in Turkey, extending long-term support with the slogan "Garanti Jazz Green". Garanti has, for the past 12 years, been undertaking

the main sponsorship of the International Istanbul Jazz Festival, organized by the Istanbul Foundation for Culture and Arts. Supporting Istanbul Jazz Center concerts and sponsoring one of the top music venues in Istanbul, Babylon, for ten years, Garanti has been creating opportunity to listen to worldwide famous jazz artists, engaged predominantly in jazz and nu jazz.

The Lycian Way

Garanti sponsored putting in place a way-marking system at international standards along the Lycian Way, a 500 km long-distance trail stretching from Fethiye to Antalya, and further contributed to tourism in the region by publishing a guidebook for the Lycian Way in 2006.

Supporting National Sporting Success Basketball

A long-time supporter of basketball that reflects Garanti's values of teamwork, dedication, confidence and discipline, the Bank has been the main sponsor of the 12 Giant Men (Turkish National Men's Basketball Team) since 2001, and of the Nymphs of Basketball (Turkish National Women's Basketball Team) since 2005.

Football

With the objective of contributing to improvement of football and broadening the scope of its commitment to support sports, Garanti has become one of the main sponsors of the Turkish National Men's Football Team in 2008. In the process, the Bank launched the communication campaign naming the national footballers as "Turko"s, which represented the national team and reflected values such as competition, ambition and team spirit.

Creating an Environmentally Sustainable Society

WWF-Turkey

(Foundation for Protecting Wildlife)

Garanti Bank has been the main sponsor of the Foundation for Protecting Wildlife (WWF-Turkey) since 1992, thereby helping the conservation of natural resources and creating enhanced awareness of

environmental issues among the public. One of the many projects jointly conducted by Garanti and WWF-Turkey and introduced in 2007, the Environmentalist Bonus Card is a credit card providing cardholders with the chance to donate parts of their spending credits to WWF-Turkey to support their activities to protect the nature. Through the "Environmentalist SME" package devised in 2009, the Bank supports businesses to operate in a livable environment, with sustainable resources.

Corporate Volunteering

Denizyıldızları (Starfish) Project

The Denizyıldızları (Starfish) Project has been supported by the donations of Garanti employees, customers, and friends since 1998. Within the frame of the project, every year, 2,500 students receive education on the campus, comprising one primary school and four vocational and technical high schools.

Creating Value for Customers

Garanti Anatolian Meetings (GAS)

In 2002, Garanti initiated a series of conferences, known as Garanti Anatolian Meetings, to bring together SMEs and local administrators from all around Turkey. Paving the way for professionals and experts to discuss changing economic and market conditions, evaluate regional and international opportunities, explore potential areas of business, and find regional solutions in cooperation with local businesses and officials, these meetings gathered more than 20,000 SMEs so far.

Mini Bank International Children's Film Festival

Since 2004, Garanti has been co-organizing the first children's film festival in Turkey, "Mini Bank International Children's Film Festival", with TURSAK (Turkish Foundation of Cinema and Audio-Visual Culture). The Festival brought some of the world's select children films to almost 40,000 children so far. In 2009, having expanded its reach beyond Istanbul, Ankara and Izmir, the festival reached children in Urfa and Mardin.

Water must be used correctly: Overall, 88% of diseases result from unhealthy potable water and poor hygienic conditions. This corresponds to 5 billion working days lost in emerging countries.



MANAGEMENT AND CORPORATE GOVERNANCE

**Garanti's successful, solid and consistent performance makes it a
"universal bank" well recognized around the globe.**

SUMMARY OF THE BOARD OF DIRECTORS' ANNUAL REPORT

In 2009, when the global financial crisis turned into a global economic recession, Turkish banking sector displayed a solid stance based on the experience derived on past crisis. During this period, Garanti stood out once again for its dynamic balance sheet management and successful business model.

Garanti had foreseen the coming crisis beforehand and has taken necessary measures starting from 2007 and 2008. During the crisis, the Bank strengthened its relationship with its customers while maintaining the commercial focus. It accurately evaluated the rapidly changing market conditions and displayed a remarkable performance in 2009 positioning its balance sheet by taking the right steps at the right times.

The consolidated net income of Garanti grew by more than 70% year-on-year and reached TL 3,099,601,000 in 2009.

Garanti's total assets surpassed TL 100 billion level at year-end 2009 and reached TL 116,334,466,000 with a 17% increase on a yearly basis.

Advanced risk management systems and the focus on operational efficiency were the main assurance of Garanti's performance on lending, as well as its readiness against all contingencies. With this approach, Garanti prevailed through these hard times and emerged stronger, increasing its market share across the board. Preserving its standing as Turkey's largest lender in 2009, Garanti's support to the economy through cash and non-cash loans increased to TL 68,590,103,000.

Continuing with its investments in order to increase customer convenience and reach out to more people willing to experience Garanti's unique offerings, the Bank added new branches to its distribution network reaching close to 800 branches and increased its employees to nearly 17,000. Having the most

widespread POS network in Turkey with 360,000 terminals and with a credit card portfolio of 8 million; Garanti is the leader in number of debit cards as well as number of plastic cards. Managing a strong alternative delivery channels network consisting of almost 3,000 ATMs and investing continuously with its customer-oriented approach, Garanti was able to increase its customer base by another 1 million in 2009 as well.

Outperforming the sector in 2009, Garanti expanded its deposits base by 19%, year-on-year, to TL 69 billion and further strengthened its solid funding structure. The Bank's loans/deposits ratio dropped from 90% at the end of 2008 to 77% at the end of 2009.

Garanti continued to offer innovative products and services that address all the needs of its customers during 2009 and through placing further emphasis on relationship banking, it increased its demand deposits by 34% and sustained its market share above 14% level.

In 2009, Garanti further strengthened its capital base and reached a lower financial leverage in its operations. Garanti's free equity grew by 49% on an annual basis, enabling the Bank to finance nearly 1/4 of its interest earning assets through free funds.

Despite volatilities in the economy, Garanti further enhanced its capacity to generate sustainable income in 2009 and continued to generate the highest ordinary banking income among peers. Garanti's ordinary banking income increased by 44% to TL 6.8 billion in 2009. The Bank managed to grow its net fees and commissions and was able to diversify the sources of such revenues as well. During 2009, one out of every four new participants to the pension system preferred Garanti. The Bank solidified its sustainable banking income generation through its leadership position in bancassurance and increased market share to 7% in equity and derivatives markets.

As of year-end 2009, the Bank's consolidated capital adequacy ratio stood at 19.2%. Garanti distinguished itself from its peers with its proactive and dynamic balance sheet management and attained a return on average equity of 27% and a return on average assets of 2.9% in 2009.

Garanti's performance, its business model, its products and services continued to be well recognized on national and international platforms during 2009. World Finance awarded Garanti as the "The Best Banking Group in Turkey". More importantly, Euromoney honored Garanti with the award of "Best Managed Company in CEE (Central and Eastern Europe)". Thanks to its competent human resources, the true owners of this success, Garanti was rewarded with the "Silver" statue by the only HR quality standard designed by Investors in People (IIP), for which only 0.36% of 35,000 companies around the world are worthy of.

Garanti was rewarded by various international authorities in several fields ranging from private banking, payment systems and cash management to branchless banking (Alternative Delivery Channels). Euromoney magazine has named Garanti "The Best Domestic Cash Management Bank" and "The Best Local Private Bank" operating in the private banking segment in Turkey. Garanti has been granted the "Innovation in Payment Technologies" award by "The Banker" magazine. Named "Turkey's Best Consumer Internet Bank" by the Global Finance magazine, Garanti garnered record seven first places at the Golden Spider web awards.

In 2010, Garanti will, as always, continue to take solid steps and move ahead even more strongly together with all of its stakeholders.

Sincerely,
Board of Directors

BOARD OF DIRECTORS AND AUDITORS

Ferit Faik Şahenk **Chairman**

Ferit Faik Şahenk earned a Bachelor's degree in Marketing and Human Resources from Boston College and is a graduate of the "Owner/President" Management Program at Harvard Business School. He served as the founder and Vice President of Garanti Securities, CEO of Doğuř Holding and Chairman of Doğuř Otomotiv. Currently, Şahenk is the Chairman of Doğuř Group. He served as the Chairman of Turkish-American Business Council of the Foreign Economic Relations Board (DEİK), and currently serving as the Chairman of the Turkish-German Business Council and a member of Turkish-United Arab Emirates Business Council. He is also an active member of the World Economic Forum and the Alliance of Civilizations Initiative. In addition, Şahenk is the Regional Executive Board Member of Massachusetts Institute of Technology (MIT) Sloan School of Management Europe, Middle East, South Asia and Africa.

Süleyman Sözen **Vice Chairman**

Süleyman Sözen is a graduate of Ankara University Faculty of Political Sciences and has worked as a Chief Auditor at the Ministry of Finance and the Treasury. Since 1981, he has served in various positions in the private sector, mainly in financial institutions. Sözen has been serving on the Board of Directors of various Doğuř Holding and Garanti affiliates since 1997. He holds a Certified Public Accountant license.

Ahmet Kamil Esirtgen, PhD **Board Member**

After graduating from Istanbul University Faculty of Economics, Ahmet Kamil Esirtgen earned his MBA from Stanford Graduate School of Business and his PhD from Istanbul University School of Business Administration. He worked at various private sector companies after concluding his academic career in 1975. In 1987, he joined Doğuř Group as Finance Group President. He currently is a Board Member of several subsidiaries of Garanti, as well as some other companies in the private sector.

Dmitri Lysander Stockton **Board Member**

Dmitri Lysander Stockton earned his

undergraduate degree in Accounting from North Carolina A&T State University. He started his career at GE and served in executive positions at various group companies. Stockton served as the President and CEO of GE Money's Central and Eastern European Strategic Business Unit between 2005-2008. In 2009, he was appointed as the President and CEO of GE Capital-Global Banking, responsible for GE Capital's global banking and consumer lending businesses and joint venture relationships in 25 countries. Stockton is also a member of the GE Company Corporate Executive Council.

Des O'Shea **Board Member**

Des O'Shea received his undergraduate degree from University College Cork, Ireland. He is a Fellow of the Institute of Chartered Accountants in Ireland. After working in an audit firm, he assumed positions in risk management at various banks. O'Shea joined GE Consumer Finance Europe in 1998 as Risk Management Director and worked at several positions including Chief Commercial Officer (CCO), Head of Business Development and Chief Risk Officer. He is currently the CCO of GE Capital-Global Banking with responsibility for Global Partnerships, Business Development and Sales & Distribution. O'Shea is a Board Member of five other foreign banks as well.

Denis Arthur Hall **Board Member**

Denis Arthur Hall is a graduate of Spalding Grammar School. After 35 years of experience in Finance and Banking, he joined GE Money in 2007. Since January 2009, he has been the Chief Risk Officer for GE Capital Global Banking Group. In addition, he sits on the board of BAC (Central America) and the supervisory board of Bank BPH (Poland) where he is also the chairman of the risk committee.

Xavier Pascal Durand **Board Member**

Xavier Pascal Durand is a graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées in France. After beginning his career as a Strategy and Management Consultant, Xavier Pascal Durand has accumulated over 20 years of international experience in the financial services sector in sales, business development and general management positions. He joined GE in 1996. In 2005, Xavier Pascal Durand was appointed

as the CEO of GE Capital Global Banking for Western Europe. Effective January 2010, he is the CEO of GE Capital Global Banking for Western Europe, Russia & Latvia.

M. Cüneyt Sezgin, PhD **Board Member**

M. Cüneyt Sezgin received his undergraduate degree from Middle East Technical University Department of Business Administration, his MBA from Western Michigan University and his PhD from Istanbul University Faculty of Economics. He served in executive positions at several private banks. Sezgin is the Country Director of the Global Association of Risk Professionals. He is a Board Member at Garanti Pension and Life, Garanti Factoring, Garanti Leasing, Eureko Insurance, Garanti Bank Pension Fund Foundation and the World Wildlife Fund-Turkey.

Ergun Özen **Board Member, President and CEO**

Ergun Özen earned a BA in Economics from New York State University and is a graduate of the Advanced Management Program at Harvard Business School. He joined Garanti in 1992 where he has been serving as President, CEO and Board Member since April 1, 2000. He is a Board Member of Garanti Bank Moscow, Garanti Bank International NV, the Banks Association of Turkey, the Institute of International Finance (IIF), the Turkish Industrialists' and Businessmen's Association (TÜSİAD), the Istanbul Foundation for Culture and Arts (İKSV), and a Member of Board of Trustees of TED İstanbul Koleji Foundation. He is also Chairman of the Board of Directors of Garanti Securities, Garanti Asset Management, Garanti Pension and Life, Eureko Insurance, Garanti Factoring and Garanti Leasing.

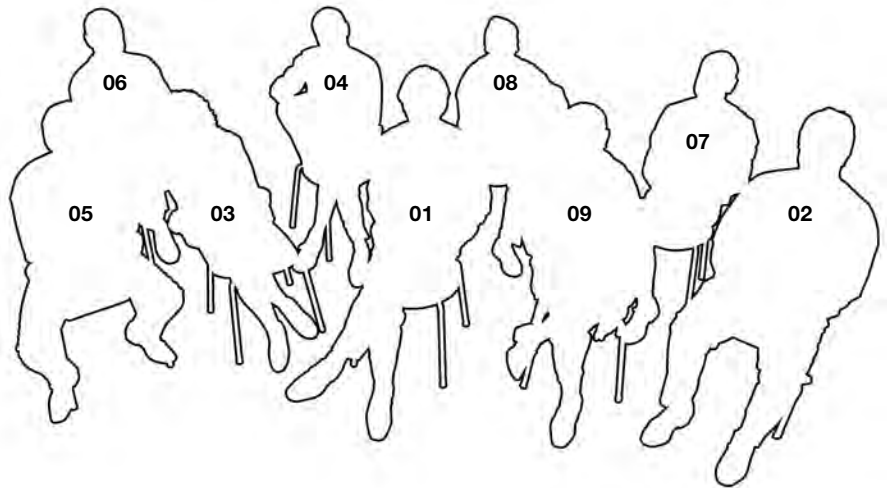
Murat İnan **Auditor**

Murat İnan graduated from Istanbul University Faculty of Economics. After serving in various positions at the Ministry of Finance and at private companies, he joined the Doğuř Group in 1998.

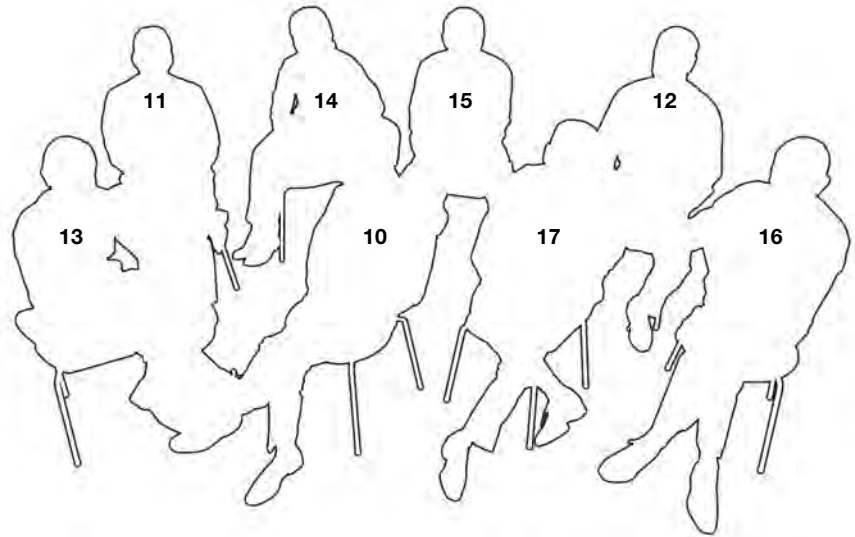
Altan Reha Göksu **Auditor**

Altan Reha Göksu graduated from Istanbul University Law School and became an attorney after graduation. He joined Doğuř Group in 1972 and serves as Legal Advisor for the Doğuř-GE Real Estate Investment Trust.

SENIOR MANAGEMENT



- 01 Ergun Özen
- 02 A. Aydın Düren
- 03 Ebru Dildar Edin
- 04 Tolga Egemen
- 05 Ali Fuat Erbil
- 06 Uruz Ersözoğlu
- 07 Nafiz Karadere
- 08 Afzal M. Modak
- 09 Aydın Şenel



- 10 Hüsnu Erel
- 11 Gökhan Erün
- 12 Turgay Gönensin
- 13 Adnan Memiş
- 14 Murat Mergin
- 15 Zekeriya Öztürk
- 16 Mehmet Sezgin
- 17 Ali Temel

SENIOR MANAGEMENT

01 Ergun Özen

Board Member, President and CEO

Please see page 85 for his biography.

02 A. Aydın Düren

Executive Vice President - Legal Services

Aydın Düren graduated from Faculty of Law at Istanbul University and earned his graduate degree from International Law at American University Washington College of Law. After working as a senior executive and managing partner positions at various national and international private law firms over 18 years, Düren joined Garanti in 2009 as Executive Vice President responsible of Legal Services.

03 Ebru Dildar Edin

Executive Vice President - Project and Acquisition Finance

Ebru Dildar Edin graduated from Boğaziçi University Department of Civil Engineering. After she worked at various private banks, in 1997 she joined the Corporate Banking division at Garanti Bank. In 1999, she took part in the establishment of Garanti Bank's Project and Acquisition Finance Department. After leading the department for six years as Senior Vice President, and another three years as Coordinator, Edin was appointed to her current position in 2009.

04 Tolga Egemen

Executive Vice President - Financial Institutions and Corporate Banking

Tolga Egemen graduated from the Middle East Technical University Department of Mechanical Engineering. He began his banking career in 1992 and joined Garanti as the Head of Cash Management Unit in 1996. He was appointed as an Executive Vice President in 2000 and has been responsible for Corporate Banking, Financial Institutions, Cash Management and foreign

branches and offices since 2004. Egemen is a Board Member of Garanti Securities as well.

05 Ali Fuat Erbil

Executive Vice President - Retail Banking and Distribution Channels

Ali Fuat Erbil graduated from the Middle East Technical University Department of Computer Engineering. He earned his MBA from Bilkent University and his PhD in Banking and Finance from Istanbul Technical University. After working as an executive at various private companies and banks, he joined Garanti as the Distribution Channels Unit Manager in 1997. Erbil was appointed to his current position in 1999 and is a Board Member of Garanti Pension and Life, Garanti Asset Management and Garanti Bank Pension Fund Foundation.

06 Uruz Ersözoğlu

Executive Vice President - Treasury

Uruz Ersözoğlu graduated from Middle East Technical University Department of Economics. After serving as an executive at various private banks and the Istanbul offices of foreign banks, he joined Garanti as Head of Treasury Marketing, Trading and Asset-Liability Management in 2003. He was appointed to his current position in 2006 and is a Board Member of Garanti Asset Management.

07 Nafiz Karadere

Executive Vice President - SME Banking / Corporate Brand Management and Marketing Communication

Nafiz Karadere graduated from the Faculty of Political Sciences' Department of International Relations at Ankara University. He worked as a senior executive at various private banks and was appointed to his current position in 1999. Karadere is a Board Member of Garanti Pension and Life,

Garanti Payment Systems, and the Teachers Academy Foundation.

08 Afzal M. Modak

Executive Vice President - CFO

Afzal M. Modak earned his undergraduate degree from Mechanical Engineering Department of the Indian Institute of Technology and his graduate degree from Computer Sciences Department of Pace University, New York. He joined GE in 1985 and assumed senior executive positions in many GE companies including GE Mortgage Services (US), GE Capital Bank (Hong Kong) and GE Capital International Services (India). He was appointed to his current position at Garanti Bank in 2007.

09 Aydın Şenel

Executive Vice President - General Accounting

Aydın Şenel is a graduate of Marmara University Faculty of Commercial Sciences. Between the years 1981 and 1984, he worked as Auditor, Human Resources Group Manager, Credit Cards Manager, Financial Analysis Coordination Manager and Financial Monitoring Manager at Garanti. Şenel was appointed Head of General Accounting in 1999 and promoted to his current position in 2006. He is the Vice Chairman of the Board of Directors at Garanti Bank Pension Fund Foundation and member of the Board of Trustees at Teachers Academy Foundation.

10 Hüsnü Erel

Executive Vice President - Technology, Operational Services and Central Marketing

Hüsnü Erel graduated from Istanbul Technical University Department of Electronics and Communications Engineering. He served as an executive at various private companies and banks. In

1994, he joined Garanti Technology as General Manager and was appointed to his current position in 1997. Erel is a Board Member of Garanti Payment Systems.

11 Gökhan Erün

Executive Vice President - Human Resources / Investment Banking

Gökhan Erün earned his undergraduate degree from Istanbul Technical University Department of Electronics and Communications and his graduate degree from the Business Administration Department of Yeditepe University. In 1994, he joined Garanti Bank's Treasury Department, and between the years 1999 and 2004, he served as the Senior Vice President of the Commercial Marketing and Sales Unit. In 2004, he became the CEO of Garanti Pension and Life and in 2005, he was appointed to his current position. Erün is also the Board Member of Eureko Insurance, Garanti Asset Management and Garanti Securities, the Vice Chairman of Garanti Pension and Life and Teachers Academy Foundation, and the Chairman of the Board of Directors of Garanti Bank Pension Fund Foundation.

12 Turgay Gönensin

Executive Vice President - Commercial Banking

Turgay Gönensin graduated from Boğaziçi University Department of Business Administration. In 1987 he joined Garanti Bank, where he worked at various departments. He served as the CEO of Garanti Bank International between 1997 and 2000 and CEO of Ottoman Bank between 2000 and 2001. Gönensin was appointed to his current position in 2002 and is the Vice Chairman of the Board of Garanti Leasing and Garanti Factoring and a Board Member of Garanti Bank International.

13 Adnan Memiş

Executive Vice President - Support Services

Adnan Memiş earned his undergraduate degree from Istanbul University Faculty of Economics and his graduate degree from the Managerial Economics Institute of the same university. He joined Garanti Audit Board as an Assistant Inspector in 1978, served as the Manager of Loans Department and then was appointed to his current position in 1991. Memiş is currently the President of the Financial Restructuring Working Group of the Banks Association of Turkey and a Board Member of Garanti Bank Pension Fund Foundation and Darüşşafaka Society. He is also the Group Leader of Denizyıldızları (Starfish) Project.

14 Murat Mergin

Strategic Planning Executive Director

Murat Mergin graduated from the City University of New York Departments of Economics and Finance. He assumed executive responsibilities at various private banks before joining Garanti in 1994. Mergin was appointed to his current position in 2002.

15 Zekeriya Öztürk

Executive Vice President - International Business Development

Zekeriya Öztürk earned his undergraduate degree from Istanbul Technical University, Department of Marine Engineering, graduate degree from the Robotics Department of the same university, and his MBA from Edinburgh University. After working as a senior executive at various national and international private investment banks, he joined Garanti in 2006. Öztürk is a Board Member of Garanti Securities and Garanti Asset Management.

16 Mehmet Sezgin

Garanti Payment Systems – CEO

Mehmet Sezgin graduated from Middle East Technical University Department of Business Administration and earned his MBA from the University of Massachusetts. He worked at various private banks and at MasterCard Europe. Sezgin has been serving as the CEO of Garanti Payment Systems since 1999. He is a Board Member of Garanti Pension and Life, Board Member of MasterCard Europe, President of Mastercard Turkey Coordination Committee, and Supreme Board Member of Visa Turkey.

17 Ali Temel

Executive Vice President – Loans

Ali Temel graduated from Boğaziçi University Department of Electrical-Electronic Engineering. He worked in various departments in Interbank between 1990 and 1997. He joined Garanti as the head of Cash Management department in 1997, after that, he worked as the department manager in Commercial Banking. He was appointed to his current position in 1999. Temel is a Board Member of Garanti Leasing and Garanti Factoring.

COMMITTEES AND COMMITTEE MEETINGS ATTENDANCE

Credit Committee

In accordance with the Banking Law, the Board of Directors of Garanti Bank has delegated a certain amount of its loan allocation authority to the Bank's Credit Committee, comprised of four Board members and the Chief Executive Officer.

The Credit Committee holds weekly meetings to review appropriate loan proposals from among those sent by the branches to the Head Office but exceed the loan authorization limit of the Head Office. The Credit Committee reviews these loan proposals and decides on those that are within its authorization limits. The Committee then submits the remaining proposals that are outside of its authorized limits, but it deems appropriate to the Board of Directors for finalization.

Committee Members

Ergun Özen (President and CEO, Board Member), **Süleyman Sözen** (Vice Chairman), **Ahmet Kamil Esirtgen, PhD** (Board Member), **Xavier Pascal Durand** (Board Member), **Denis Arthur Hall** (Board Member).

The individuals named below may attend meetings in order to communicate decisions, although they are not members of the Credit Committee.

Ali Temel (Executive Vice President), **Turgay Gönensin** (Executive Vice President), **Tolga Egemen** (Executive Vice President), **Ebru Dildar Edin** (Executive Vice President), **Ufuk Tandoğan** (Coordinator), **Recep Baştuğ** (Coordinator), **Fulya Göyenci** (Senior Vice President).

Assets and Liabilities Committee

Assets and Liabilities Committee is charged with managing the assets and liabilities of the Bank, and its objective is to assess interest rate risk, exchange rate risk, liquidity risk, and market risks. Based on these assessments and taking into account the Bank's strategies and competitive conditions, the Committee adopts the decisions to be executed by the relevant units in relation to the management of the Bank's balance sheet, and monitors their practices. The Committee is chaired by the Chief Executive Officer.

Committee Members

Ergun Özen (President and CEO, Board Member), **M. Cüneyt Sezgin, PhD** (Board Member), **Hüsnü Erel** (Executive Vice President), **Uruz Ersözoğlu** (Executive Vice President), **Turgay Gönensin** (Executive Vice President), **Nafiz Karadere** (Executive Vice President), **Tolga Egemen** (Executive Vice President), **Ali Fuat Erbil** (Executive Vice President), **Zekeriya Öztürk** (Executive

Vice President), **Aydın Şenel** (Executive Vice President), **Afzal M. Modak** (Executive Vice President), **Ali Temel** (Executive Vice President), **Gökhan Erün** (Executive Vice President), **Ebru Dildar Edin** (Executive Vice President), **İbrahim Aydın** (Financial Coordinator), **Mehmet Sezgin** (Garanti Payment Systems CEO), **Tunç Daşar** (Garanti Payment Systems Executive Vice President), **Murat Mergin** (Strategic Planning Executive Director), **Recep Baştuğ** (Coordinator), **Cenk Kaan Gür** (Coordinator), **Didem Dinçer Başer** (Coordinator), **Aydın Güler** (Senior Vice President), **Metin Kılıç** (Senior Vice President), **Ali İhsan Gelberi** (Senior Vice President), **Handan Saygın** (Senior Vice President), **Ebru Ogan** (Senior Vice President), **Nihan Turgay** (Senior Vice President), **Fulya Göyenci** (Senior Vice President), **Çağrı Memişoğlu** (Senior Vice President).

Note: Corporate branch managers and regional managers alternate in attending the committee meetings.

Risk Management Committees

Audit Committee

This committee is comprised of two members of the Board of Directors who do not have any executive functions.

Committee Members

M. Cüneyt Sezgin, PhD (Board Member),
Des O'Shea (Board Member)

Committee Activities

The Audit Committee was set up to assist the Board of Directors in the performance of its audit and supervision functions. The committee is responsible for:

- Monitoring the effectiveness and adequacy of the Garanti Bank's internal control, risk management and internal audit systems, the operation of these systems and accounting and reporting systems in accordance with applicable regulations and the integrity of resulting information;
- Performing the preliminary studies required for the election of independent audit firms and regularly monitoring their activities;
- Ensuring that the internal audit functions of consolidated organizations are performed in a consolidated and coordinated manner.

In this context, Audit Committee is appointed and authorized to:

- Monitor compliance with internal control regulations and internal policies and procedures approved by the Board of Directors and to advise the Board of Directors on measures that are deemed necessary;
- Monitor the Audit Department's

compliance with its obligations under internal policies;

- Verify that the internal audit system covers existing and planned activities of the Garanti Bank, as well as risks arising from these activities and to review internal audit regulations that are going to become effective upon the approval of the Board of Directors;
- Advise the Board of Directors on the election and dismissal of the managers of internal systems units reporting to the Audit Committee;
- Confirm that auditors are performing their duties in an independent and unbiased way;
- Review internal audit plans;
- Monitor the measures taken by senior management and affiliated units about issues identified by auditors and independent auditors;
- Confirm that methods, tools and procedures are in place to identify, measure, monitor and control the Garanti Bank's risk;
- Review and evaluate the independent audit firm's conclusions in relation to the compliance of Garanti Bank's accounting practices with applicable legislation;
- Confirm that the rating firms, independent audit firms and valuation firms with which Garanti Bank is going to sign contracts (including their managers and employees) are able to act independently in their relations with the Bank and to confirm that

adequate resources have been set aside for these purposes;

- Evaluate risk involved in the support service to be obtained by Garanti Bank and monitor the adequacy of the support service provided by the relevant Firm;
- Confirm that the financial reports of Garanti Bank are accurate, contain all necessary information and are prepared in accordance with applicable legislation and to ensure that errors and irregularities are resolved.

In 2009 the Audit Committee held eight meetings, which were attended by all committee members.

Liquidity Risk Management Committee (LRMC)

Committee Members

Ergun Özen (CEO and Board Member),
M. Cüneyt Sezgin, PhD (Board Member),
Uruz Ersözoğlu (Executive Vice President),
Barış Karaayvaz (Senior Vice President),
Ebru Ogan (Senior Vice President), **Metin Kılıç** (Senior Vice President)

Committee Activities

- Determining the excess liquidity the Garanti Bank holds in foreign currencies;
- Periodically monitoring the liquidity report and early-warning signals;

COMMITTEES AND COMMITTEE MEETINGS ATTENDANCE

- Determining the stress level of the Garanti Bank monitoring internal and external data that might affect the Garanti Bank's liquidity in case of a liquidity crisis;
- Ensuring that the action plan specified in the Liquidity Crisis Plan is properly implemented.
- Determining measures required by the Bank's customer confidence, cost of funding and liquidity increasing strategies and ensuring communication and coordination within the Bank with regard to the implementation of committee decisions

Anti-Fraud Committee

This committee is chaired by a Board Member who doesn't have any executive functions. Committee members are; Senior Vice Presidents and Executive Vice Presidents of technology and operation services, alternative delivery channels and retail loans, CEO of Garanti Payment Systems, Board Member in charge of Risk Management, Senior Vice President of Anti-Fraud Department, Director of Audit Department and Senior Vice President of Internal Control Unit.

Committee Members

M. Cüneyt Sezgin, PhD (Board Member), **Hüsni Erel** (Executive Vice President), **Mehmet Sezgin** (CEO of GÖSAŞ), **Ali Fuat Erbil** (Executive Vice President), **Ali Temel**

(Executive Vice President), **Beyhan Kolay** (Senior Vice President), **Osman Bahri Turgut** (Director of Audit Department), **Faruk Ergin** (Senior Vice President), **Tunç Daşar** (Executive Vice President, GÖSAŞ), **Barbaros Uygun** (Senior Vice President), **Emre Özbek** (Senior Vice President), **Feridun Aktaş** (Senior Vice President)

Committee Activities

- To provide views and suggestions regarding the strategies and precautionary actions performed by Anti-Fraud Department in order to prevent external based fraud attempts and actions.
- To declare views on the strategies and precautionary actions, that are applied or that are planned to be applied, in order to prevent fraud attempts and actions and to minimize resulting financial and non-financial losses.
- To assess the impact of new products and processes at Garanti Bank, on fraud risk and to provide suggestions when necessary.
- To communicate all decisions regarding strategies and precautionary actions performed by Anti-Fraud Department to the business lines in a timely manner.
- To establish a corporate culture and awareness of fraud throughout the Garanti Bank.

Other Committees

Sub-committees for market risk, credit risk and operational risk have been set up to facilitate exchange of information and views with the relevant units of the Garanti Bank and to promote the use of risk management and internal audit systems within the Bank.

Market risk committee monitors market risk arising from trading activities, the interest rate risk arising from maturity mismatches, the liquidity risk, risk limits and limit utilizations of the trading portfolio. This committee ensures flow of information on changes in the positions exposed to market risk.

Credit risk committee monitors the effectiveness of the methods and models that are being used to measure credit risk results and ensures flow of information on changes in the positions exposed to credit risk.

Finally, **the operational risk committee** performs activities related to the control and management of operational risk loss database and the follow-up of actions to be taken.

SUPPORT SERVICES PROVIDERS

Companies providing support services in accordance with the regulations on the provision of support services to banks and the authorization of support service providers are indicated below, together with the type of service outsourced:

- Garanti Bilişim Teknolojisi ve Ticaret AŞ: Consulting services for network

management, system management, infrastructure management and support services, software applications, security services, policy and procedure management.

- Garanti Ödeme Sistemleri AŞ: Consulting, product development and promotion services related to payment systems.

- Garanti Konut Finansmanı Danışmanlık Hizmetleri AŞ: Consulting and supporting services for housing finance and mortgage finance.

RISK MANAGEMENT POLICIES

Risk Management and Internal Audit Organization

At Garanti Bank, the risk management and internal audit and control functions are carried out in compliance with applicable legislation and independent of executive functions through an organization that reports directly to the Board of Directors. The Board of Directors is ultimately responsible for establishing and ensuring the effective functioning of risk management and internal audit systems and for devising, implementing and maintaining risk management and internal audit and control strategies and policies that are compatible

with the Garanti Bank's capital and risk level. In accordance with the importance given to corporate governance principles, the Audit Committee continues its activities in order to enable the Board of Directors to carry out audit and supervision functions. The Committee receives information from independent auditor and from Internal Control, Audit, Risk Management and Anti-Fraud departments with regard to their activities and confirms that adequate methods are in place to identify, control and monitor the Garanti Bank's risks and regularly informs the Board of Directors of its activities and their results. It also advises the Board of Directors on activity

results from the responsible departments, action that must be taken and other issues it deems important for the safety of the Garanti Bank's activities.



RISK MANAGEMENT POLICIES

Risk Management Activities

Garanti Bank measures and monitors market, credit and operational risks using methods that comply with international standards. In 2007, Garanti has begun to implement advanced risk management software to be used throughout the entire risk management system and for Basel II applications. Implementation of operational risk loss database has been completed in 2008, and implementations of trading risk module and operational risk economic capital module have been completed in 2009.

Market Risk

Market risk is measured, effectively managed and evaluated within a continuously improving structure in accordance with local and international regulations, the Garanti Bank's structure, policies and procedures and internationally accepted methodologies.

For market risk management and limit allocation, the Garanti Bank uses such methods as Value-at-Risk (VaR), stress tests, scenario analyses, duration, gap and sensitivity analyses and economic capital.

Market risk is managed by measuring and limiting risk in accordance with international standards, providing sufficient capital and mitigating risk through hedging transactions.

Trading Risk

Trading risk is defined as the risk the Garanti Bank faces as a result of fluctuations in market prices in relation to the positions it maintains on or off its balance sheet for trading purposes, and is calculated daily using the VaR model.

Value-at-Risk is a measure of the maximum expected loss in market value of a portfolio of a certain maturity as a result of market price fluctuations, at a certain confidence interval and a certain probability. VaR is calculated using historical simulation method and 260-day historical data at 99% confidence interval.

VaR was previously calculated with parametric method, and it is being calculated with historical simulation method since June 2009, taking into consideration the structure of Garanti Bank's trading portfolio and market conditions.

The resulting value is used to manage the trading transactions of the Treasury. VaR limits are specified in accordance with the capital allocation approved by the Board of Directors and dynamically updated at the end of each three month period depending on changes in the Bank's shareholders' equity. These limits are monitored and reported daily by the Risk Management Department. Calculated for the entire trading portfolio including available for sales portfolio, VaR stood at TL 100.27 million by the end of 2009 and its average value for 2009 was TL 104.17 million.

VaR which increased due to the volatility of market prices in the last period does not form an important risk for the bank when being evaluated considering amount of the equity of the bank. In order to identify risk that might arise from major market fluctuations, regular stress tests and scenario analyses are conducted using the VaR model.

Structural Interest Rate Risk

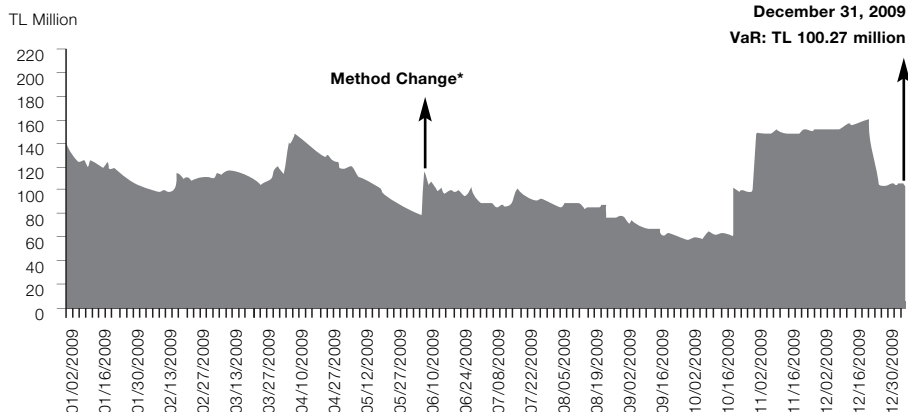
Reports on duration/gap and sensitivity analyses are prepared to determine the interest rate risk the Garanti Bank faces as a result of maturity mismatches in its balance sheet. The Assets and Liabilities Committee and the Asset-Liability Management Department use the duration/gap reports to manage balance-sheet interest risk and for liquidity management. The instruments such as IR swaps, futures, long-term repos and credit default swaps (CDS) have been used to manage basis interest rate, funding and country credit spread risks. The long-term funding such as syndication and securitization has been provided. Approval of the Assets and Liabilities Committee is required for hedging transactions that are related to the Garanti Bank's balance sheet.

Liquidity Risk

The Asset-Liability Management Department and the Assets and Liabilities Committee manage liquidity risk with a view to taking appropriate and timely measures in case of a liquidity crisis arising from market conditions or the Garanti Bank's balance sheet structure.

The Garanti Bank uses a corporate procedure to monitor liquidity risk within the context of written early warning signals, stress levels and possible action to be taken.

Value at Risk Annual Trend



(*) On 8 June 2009, calculation method for VaR is changed from parametric method to historical simulation method.

Deposits are an important balance sheet item in terms of liquidity management and undergo core-deposit analyses. Garanti Bank complies with the regulatory liquidity ratio requirements.

Day-to-day cash management is followed by the Asset-Liability Management Department.

Credit Risk

Credit risk management is a process for consistently evaluating and monitoring credit risk and covers all credit portfolios.

The internal risk rating model, which was developed for the corporate and commercial loan portfolio, was aligned with the Garanti Bank's systems in January 2003 and its use at the loan approval stage was incorporated into the relevant policies and procedures. This model was developed using statistical methods on historical data in order to rate customers using objective criteria. The internal risk rating model calculates the default probability for each client.

Scorecards are being used in the allotment process of the consumer loan and credit card portfolios. On the other hand, setting up application scorecard for these portfolios is being conducted.

Within the context of treasury operations, the credit risk that may arise from money market, repo and derivatives transactions are monitored.

Operational Risk

All of the Garanti Bank's operational risk is managed under the supervision of the Board of Directors and the Audit Committee, with emphasis on the identification, evaluation, monitoring and control/mitigation of risks. The Audit Committee monitors and evaluates the results of the operational risk monitoring activities of the Audit Department and the Internal Control Unit. The Garanti Bank is making the necessary efforts to measure operational risk in accordance with its scale, internal control systems and databases, as well as local and international regulations (Basel II).

As part of this effort to measure and manage operational risks, Garanti Bank has primarily prepared a sample risk matrix that uses Basel II categories to categorize existing and potential operational risks and the related business units, reasons and cause and effect types. The audit status, impact and probability of each risk are evaluated within this matrix with a view to controlling risk. The risk matrix is monitored, updated and used by the Internal Control Unit and the Audit Department.

Garanti Bank's operational loss data is evaluated and gathered in an internal loss database centrally and systematically and in compliance with Basel II standards.

Activities of the Internal Control Unit

The Internal Control Unit ensures that a sound internal control environment is in place at the Bank. Accordingly, this unit performs the necessary coordination work in this regard, assuring that activities are performed regularly, efficiently, effectively and in accordance with the management strategy and policies of the Bank and the applicable rules and regulations; additionally, it monitors the integrity and reliability of accounting and recording systems. In this context, efforts are made to set up an infrastructure based on the functional separation of tasks, the sharing of authorities and responsibilities, the establishment of a sound reconciliation system, the integration of self-control mechanisms and systemic controls into processes and the identification and monitoring of exposures.

The control activities and improvement efforts of the Internal Control Unit are centered on the operational risk matrix. This allows the Garanti Bank to monitor operational risks within an integrated risk-based system that combines impact, probability and current processes. Internal controllers reporting to the Internal Control Unit perform monitoring tasks using centralized and on-site control methods;

- Within the scope of Central Control; retail loans and investment banking transactions of all branches are examined in a sampling

methodology in addition to monitoring of the whole bank's accounting and MIS records' convenience. Furthermore; in commercial loans of all branches which have not been included to the on-site control's scope as a result of a conducted risk assessment; agreements, collaterals and the documentation are examined in a sampling methodology by the Central Control's team in terms of their compliance with the Bank's procedure and the legislation.

- In on-site controls, selected units of the headquarters and branches which have been selected on a risk-based assessment undergo proactive or reactive controls for the compliance of their transactions and documents with internal regulations and applicable legislation.

In addition, tools such as risk reporting and self-assessment applications are used to enable all branches and units to manage their operational risk.

The disaster recovery and business continuity management at Garanti Bank is being conducted within the organization of the Internal Control Unit. Within this scope; in addition to studies on updating of the Disaster Recovery and Business Continuity Plan, periodical tests are being executed with relevant units in order that critical processes on the plan, required back-up systems and alternative working areas could be kept prepared for being active in a projected period and quality.

Compliance Controls

In accordance with Article 18 of the Regulation on the Internal Systems of Banks, issued by the Banking Regulation and Supervision Agency on November 1, 2006, a Compliance Controls Department was set up under the Internal Control Unit, to perform compliance tasks complying with applicable laws, organizational standards and ethical principles, to prevent events that would cause the Garanti Bank to suffer financial losses, cancellation of authorization or loss of reputation.

RISK MANAGEMENT POLICIES

The Compliance Controls Department coordinates and supervises existing control mechanisms regarding the compliance of the Garanti Bank's actions with laws, internal rules and policies and banking practice, ensures that processes are updated in accordance with changes in legislation, monitors efforts to communicate such changes to employees and gives its opinion on new products and transactions before they are implemented.

Other basic responsibilities of the compliance function include the monitoring of international branches and consolidated partnerships for compliance risks arising from foreign legislation and the continuous improvement of the compliance culture and awareness within the Garanti Bank.

Audit Department Activities

The auditing of the Garanti Bank's central units, branches and subsidiaries is performed by the Audit Department.

During audits, the Board inspects and evaluates the effectiveness of the internal control systems of the relevant units, with special emphasis on the following:

- Compliance of activities with applicable legislation and internal regulations;
- Accuracy and reliability of all financial and non-financial data;
- Effectiveness of asset protection practices;
- Efficiency and effectiveness of operations.

The Audit Department is also responsible for conducting investigations into fraud, swindling and counterfeiting activities of Garanti Bank employees or third parties.

In order to effectively perform all these functions, the Audit Department has divided its activities into the categories of on-site audits, centralized audits, investigations and examinations and IT audits and has arranged its structure accordingly.

On-site audits involve field work at the

subsidiaries; headquarter departments, regional offices and branches of the Garanti Bank. These are prioritized according to risk weights and various audit techniques are used.

The Audit Department adopts a risk-focused approach to ensure the efficient use of existing resources and to maximize the benefit the Bank derives from its activities. Annual on-site audit plans are prepared and implemented with this approach in mind.

The department also conducts centralized audits that use remote monitoring techniques aimed at identifying systematic deficiencies and errors in banking products, applications and processes. Moreover, the investigation of internal/external fraud events and the detection of fraud attempts via early warnings are also among the responsibilities of the department. Considering the external fraud events, close collaboration is observed with the Anti-fraud Department.

Also, in line with the risk-based audit approach, IT-audit practices take place in the form of general controls as well as application controls.

The scope and frequency of audits are determined based on the risk assessments to be performed by the Audit Department, the resources and priorities of the department and in accordance with the targets and strategies of the Garanti Bank. In addition, the previous audit results are used as an input to plan subsequent audits.

Compliance Officer

In accordance with Law No. 5549 on the Prevention of Laundering Proceeds of Crime and Combating Terrorist Financing Relating to Compliance to the Liabilities Program, the Compliance Officer of the Bank has the following duties and responsibilities:

- To manage all necessary efforts for the Garanti Bank to comply with the regulations of

law 5549 and to provide necessary coordination and communication with MASAK (Financial Crimes Investigation Board),

- To ensure that the compliance program is carried out; to form policies and procedures within this scope, to execute risk management, monitoring and control activities, to follow up the results of internal audit and training activities,
- To present to the approval of the Board, the studies with regard to the training program about Prevention of Laundering Proceeds of Crime and Combating Terrorist Financing and to ensure that the approved training program is carried out effectively,
- Evaluate the information in the possible suspicious transactions and according to the evaluation result if the transaction has been decided as suspicious, report the transaction to the MASAK,
- To manage relations with relevant official or private organizations.

In performing the above duties and responsibilities, the Compliance Officer cooperates with the Audit Department, the Internal Control Unit, Training Department and Legal Department and meets regularly with the relevant executives to review ongoing activities.

Activities of the Anti-Fraud Department

The Anti-Fraud Department which has started its activities in October 2007, is a new structure that brings together Card, Merchant, Internet and Application Fraud teams that were previously working under different organizations in order to counteract fraud, in accordance with the "enterprise fraud prevention" approach.

Within the scope of monitoring and controlling operational risks that the Garanti Bank is exposed to, Anti-Fraud Department develops strategies to monitor, detect, control and prevent external fraud actions with the aim of minimizing the Bank's and customers' losses due to fraud incidents. For this purpose, the Department performs forward looking

forecasts and process and product based trend analysis with regard to external fraud actions. Department develops views and suggestions by means of assessing new products and services with regard to external fraud risks in order to manage operations to detect fraud events on time and more effectively. Within the scope of Intelligence Management, the Department carries out all necessary investigation about external fraud actions, sharing information regarding external fraud actions within the bank and with other banks. In addition to that, it performs training and awareness studies in order to help Garanti Bank personnel understand the importance of struggle against fraud and to establish this culture throughout the Bank.

Within the scope of monitoring and prevention of fraud attempts and incidents, Department works, to make products and services provided by alternative delivery channels and card payment systems more reliable, and to detect and prevent attempts of counterfeiting and account takeover with regard to credit card and consumer loan applications. For this purpose, the Department takes the most efficient and effective actions in a short period of time, by means of following technological developments and developing strategies that comply with the Bank's policies.

Managers of Internal Systems Units

Name, Length of Service, Responsibilities, Education and Professional Experience

Ebru Ogan

Ebru Ogan graduated from the Business Administration Department of Middle East Technical University. She has worked as an executive at various private companies and banks between 1991 and 2001. Having joined the Subsidiaries Risk Management Department of Garanti in 2001, Ogan has been Manager of Garanti Bank's Risk Management Department since 2003. The responsibilities of the Risk Management Senior Vice President are summarized below:

- To ensure that risk management culture is recognized and risk management applications

are widespread throughout the Garanti Bank and its subsidiaries,

- To set up an integrated risk management system, that is in compliance with regulations, and where market, credit and operational risks are measured together, and to ensure that by means of this system, Garanti Bank's capital is used in a way to maximize Bank's value
- To determine risk management strategies and policies of Garanti Bank and to present these to the Board.

Osman Bahri Turgut

Osman Bahri Turgut graduated from the Economics Department of Marmara University and has 19 years of experience in banking. He joined Garanti in 1990 and served as Assistant Auditor, Auditor, Branch Manager, Assistant Director of Audit Department, Commercial Loans Senior Vice President and Internal Control Unit Manager. He has been serving as the Director of the Audit Department since October 4, 2006. The responsibilities of the Director of the Audit Department are summarized below:

- To determine internal audit policies and procedures and to implement these after obtaining the necessary approvals;
- To monitor and guide internal audit activities, policies, programs, processes and practices;
- To confirm that Department members possess the qualifications required by their authorities and responsibilities;
- To confirm that Department members perform their duties in an independent, diligent and unbiased manner.

Emre Özbek

Emre Özbek graduated from Ankara University, Faculty of Political Sciences. He joined Garanti Bank as an assistant auditor in 1999 and appointed as the Vice- President of the Internal Audit Unit in 2007. Özbek; also holding a certificate of a Certified Internal Auditor and having 10 years banking experience, is acting as the Senior Vice President in Internal Control Unit since May 07, 2009. The responsibilities of the Internal Control Unit Manager are summarized below:

- To ensure the establishment of the Bank's internal control system in accordance with applicable legislation and the Garanti Bank's targets and policies;
- To collaborate with top management to define the rules and procedures governing the division of internal control tasks between operational employees and internal control employees;
- To prepare the annual business plans of the Internal Control Unit and to ensure that activities are performed in accordance with these plans;
- To confirm that internal control employees possess the qualifications required by their authorities and responsibilities;
- To confirm that internal control employees perform their duties in an independent, diligent and unbiased manner.

Beyhan Kolay

Beyhan Kolay graduated from the Public Administration Department of Middle East Technical University. She joined Garanti in 1994 as an Assistant Auditor and was promoted to Assistant Director of Audit Department in 2005. Kolay has 16 years of experience in banking and has been serving as Anti-Fraud Senior Vice President since September 15, 2006. The responsibilities of the Anti-Fraud Senior Vice President are:

- To develop and ensure the implementation of strategies for the minimization of financial and non-financial losses that may arise from external fraud;
- To prepare the annual business plans of the Anti-Fraud Department and to ensure that activities are performed in accordance with these plans;
- To confirm that the unit's employees possess the qualifications required by their authorities and responsibilities;
- To confirm that the employees of the Anti-Fraud Department perform their duties in an independent, diligent and unbiased manner.

AUDIT COMMITTEE’S ASSESSMENT OF THE INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

The global crisis that broke out in the second half of 2007 in the subprime mortgage market became systemic along with the major financial institutions in developed economies falling into trouble towards the end of 2008. While economic activity shrank rapidly, the rate of unemployment rose to historically record levels across the world. At the beginning of 2009, authorities adopted even tighter extraordinary measures in monetary policy, while systemic risk was eliminated through capital support extended to financial institutions. Policy rates were rapidly slashed worldwide in support of the economies; the liquidity needed by the financial system has been injected particularly by the central banks of developed countries. Governments supported fiscal policies in extents that reached 7% of the GDP in an attempt to mitigate the effect of the crisis on a global scale. At the G-20 conference in April 2009, a decision was taken to coordinate these fiscal and monetary policy measures internationally.

Upon these developments, various recommendations have been formulated for establishing global financial stability and for more effective implementation of risk management by institutions and committees such as the Institute of International Finance, Financial Stability Forum, Senior Supervisors Group, and Financial Services Authority. Further, efforts have been started to enhance the effectiveness of the IMF, as well as the regulation of the financial system. While confidence in international financial markets have been strengthened by all these resolutions, the worst period in economic activity has been experienced in the first quarter of the year. The severity of contraction in the world economy decreased to an extent during the rest of the year. However, the data indicating that the recovery in growth will be gradual and it will take time to recapture pre-crisis growth ratios, pointing a slow recuperation for the period ahead.

In such an environment, global risks need to be considered in a framework, keeping in mind that the year coming might be scene to a second financial turmoil given the fact that risks in the economies are not completely eliminated yet and that the recovery in progress is not a very strong one.

In parallel with the global developments, the Turkish economy suffered a historically high 14% contraction in the first quarter of the year. On the other hand, this narrowing lost pace with the interest rate cuts and fiscal policy supports of the Central Bank of the Republic of Turkey (CBRT) in the second and third quarters. In 2009, the Turkish banking system had a profitable year and grew by adeptly managing the interest margins that shrank at a certain rate, as well as the loans portfolio that was predicted to sustain some deterioration. Apart from these, it is regarded a positive development that Turkey, along with certain other countries, became a member of the Basel Committee that is working to fulfill the mission of strengthening global supervision practices and standards, and ensuring more effective execution of reforms needed in the international financial system.

Characterized by economic contraction, and occasional significant volatilities in the market, 2009 was well managed by Garanti Bank that forecasted the risks, and the Bank outperformed the industry’s average increases in total assets, net profit and free capital. The NPL ratio, on the other hand, remained below the sector’s average.

In 2009, in an economy where the CBRT slashed the interest rates to a significant degree; in terms of management of interest rate risk and profitability, Bank’s trading portfolio was composed by giving more weight to floating rate securities, taking into account the potential fluctuations in interest rates during exit from the global crisis. Interest rate swaps and long-term borrowings have been used in the management of balance sheet interest rate risk arising from maturity mismatch this year; this risk was regularly monitored through duration and gap analyses, and necessary measures were adopted by the limits created. In addition, sensitivity analyses have been utilized to track the impact of changes in the interest rate on the balance sheet.

In November 2009, the expired syndication facility has been renewed at 100% and created a significant source of funding, though the demand exceeded the need for borrowing. The interest rate risk of the trading portfolio and derivative products were measured using the value-at-risk model and were monitored with limits set based on the Bank’s capital. The Bank did not have any significant exchange rate risk stemming from the foreign currency position, which has been kept at limited levels. Monitoring the early warning signals within the frame of liquidity risk management as well as the daily cash flows and observing compliance with regulatory ratios, Garanti Bank continued to successfully manage the liquidity risk that might arise from the market and the Bank.

During 2009, Garanti Bank continued to expand its loan portfolio despite the global crisis. In consumer loans portfolio; while housing loans registered an increase over the previous year, more risky automobile loans contracted in line with the sector-wide trend. Due to the systematic annual reviews of the loan approval processes, lending policies and the risk rating and scoring systems, the NPL ratio realized as 4.42%, 0.86 points below the sector's average as of December 2009. As a result of the importance attached to assessment of credit needs of borrowers, collateralization and constantly improved credit monitoring and system infrastructure in the lending process, the Bank continued to timely set aside special provisions for past due receivables. The Bank regularly reviews scoring and rating models, and expands their scopes accordingly on an annual basis.

Operational risk has been actively monitored and proactively managed by the Audit Department and the Internal Control Unit. No significant operational risks arose thanks to centralized controls and established processes, credit limit monitoring systems and the IT infrastructure. Risk-based audits continued to be conducted both by centralized and on-site audit techniques at the Head Office units, branches, and Garanti Bank subsidiaries including information systems. The Compliance Officer and his team supervised compliance with internal and external regulations as an independent function reporting to the Board of Directors. Within the frame of the Compliance Program that came into force in 2009, corporate policies and procedures have been established, monitoring and control activities have been carried out, and establishment of corporate culture is supported via visits to branches and units.

The Fraud Division continued with its activities on internet banking security, card security, member merchant security and credit card and consumer loan application security. Implemented modules of the software purchased –internet banking, credit cards, application fraud– have been effectively used for generating the scenarios on identified fraud trends and risks, and for taking the necessary measures against fraud risks through flexible and effective policies and rules. In this way, although the fraud trend increased during 2009, there was a decrease in terms of volumes in acts of fraud and forgery owing to the actions taken rapidly. Works are going on to implement the other modules of the software in 2010, which will cover member merchant frauds as well.

During 2009, key risk indicators have been formed, that will be used as early warning signals in the calculation of capital requirement for operational risk and management of operational risks as part of Basel II Advanced Measurement Approaches.

2010 is expected to be a challenging year for the Turkish banks in view of the current economic structure that adversely affects also the real sector, and in a market environment of shrunk profit margins. It is estimated that banks will attain a limited growth in their securities portfolios, which have reduced returns as compared with 2009, and rather intend to grow in credit volume. Depending on this trend, consumer loans, SME loans and credit cards which display decelerated growth are expected to rise in 2010 in an environment where competition increased. Thus, banks will have to give importance to credit risk management, observing the deterioration in credit quality in 2009. Another key consideration that needs to be managed more carefully is the interest rate risk that will stem from maturity mismatches in balance sheet management.

Garanti Bank will continue to grow in loans with strict adherence to credit quality and keeping the costs under control as always. On the market risk side, the Bank will give importance to active margin management, while considering the fixed versus floating interest rate composition of portfolios in order to manage risks that will arise from potential price fluctuations, and will keep using borrowings and derivative products for risk management purposes. As fraudulent activities are likely to surge during such periods, monitoring and control of these incidents will be the crucial aspects of operational risk management.

Taking into consideration the high capital adequacy ratio and liquidity of the industry, the Turkish banking industry is not expected to be faced with major issues in 2010. Nevertheless, risk management and audit activities that are both critical to banking and the real sector must be carried out effectively and proactively.

Des O'Shea

Board Member, Member of the Audit Committee



M. Cüneyt Sezgin, PhD

Board Member, Member of the Audit Committee



RELATED PARTY RISKS

(Thousands of Turkish Lira (TL))

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

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	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,454,678	23,581	2	920	214,868	299,669
Interest and Commission Income	51,623	137	17	2	14,485	2,411

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	953,386	61,690	1	1,090	65,794	168,482
Balance at end of period	1,729,413	132,864	25	1,661	220,662	183,932
Interest and Commission Income	70,863	108	18	8	7,346	1,114

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	240,915	154,208	300,582	86,051	183,763	235,532
Balance at end of period	231,523	240,915	359,876	300,582	323,665	183,763
Interest Expense	26,476	30,081	16,547	21,885	10,088	20,929

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 for Trading						
Beginning of Period	331,010	-	-	-	-	-
End of Period	303,015	331,010	-	-	3,326	-
Total Profit/Loss	83,325	17,843	-	-	595	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

The Bank's risk group

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.

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

The cash loans of the risk group amounting TL 551,924 thousands (31 December 2008: TL 667,071 thousands) compose 1.11% (31 December 2008: 1.34%) of the Bank's total cash loans and 0.52% (31 December 2008: 0.75%) of the Bank's total assets.

The total loans and similar receivables amounting TL 1,669,548 thousands (31 December 2008: TL 1,950,100 thousands) compose 1.59% (31 December 2008: TL 2.19%) of the Bank's total assets.

The non-cash loans of the risk group amounting TL 324,170 thousands (31 December 2008: TL 308,457 thousands) compose 2.21% (31 December 2008: 2.17%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 915,064 thousands (31 December 2008: TL 725,260 thousands) compose 1.46% (31 December 2008: 1.38%) 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 TL 4,178 thousands (31 December 2008: TL 23,357 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 1,785 thousands (31 December 2008:

TL 7,934 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 37,215 thousands (31 December 2008: TL 25,987 thousands) to related parties.

Operating expenses of TL 6,708 thousands (31 December 2008: TL 16,885 thousands) for IT services rendered by related parties and rent income of TL 1,664 thousands (31 December 2008: TL 1,462 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 59,001 thousands to its top management considered as key management as of 31 December 2009 (31 December 2008: TL 58,742 thousands).

Other matters not required to be disclosed

None.

Transactions accounted under equity method

Please refer to Note 5.1.8 of the Unconsolidated Financial Report prepared as of December 31, 2009.

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, a real estate with a net book value of TL 40,581 thousands was sold to Doğuş Holding AŞ at a sale price of US\$ 35,000,000 (equivalent of TL 42,693 thousands). The sale price, of which US\$ 15,000,000 was collected immediately at the date of sale, was fully collected. A gain of TL 2,112 thousands was recognized as income on this transaction in prior period.

At 6 March 2009, a real estate was purchased from Eureko Sigorta AŞ at a price of TL 12,434 thousands and fully paid.

The Bank purchased a real estate at a total price of US\$ 11,000,000 plus VAT (equivalent of TL 18,121 thousands) at 3 June 2009 through payments of US\$ 6,000,000 at 6 April 2009 and US\$ 5,880,000 at 3 June 2009 as per the trading commitment agreement with Doğuş-Ge Gayrimenkul Yatırım Ortaklığı AŞ.





Water is indispensable: More than 90 percent of the water drawn from usable water resources is used for irrigation in many emerging countries. Agriculture is followed by the industry in the order of the largest consumers of water. Industrial water use increases in parallel with a country's revenues.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Its customers are the source of life for Garanti. Basing its activities on its customer-centric approach, Garanti places a great importance on its customers' ever-changing needs, gains insight into them, and designs custom-tailored solutions accordingly.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

During the fiscal year that ended on December 31, 2009, Garanti implemented and complied with all four parts of the corporate governance principles published by the Capital Markets Board. The Bank accordingly updates its Annual Reports and website, making them available to stakeholders. Stakeholders can access detailed information at Garanti's continuously updated website and ask questions to the Investor Relations Department.

Investor Relations Department

Name Surname	Title	Phone	E-mail
Handan Saygın	SVP	+90 (212) 318 23 50	HandanSay@garanti.com.tr
Sinem Özönur	Manager	+90 (212) 318 23 57	SinemOzo@garanti.com.tr
Oğuz Aslaner	VP	+90 (212) 318 23 58	OguzA@garanti.com.tr
Ayça Paksoy	VP	+90 (212) 318 23 56	AycaPa@garanti.com.tr
Hande Tunaboşlu	VP	+90 (212) 318 23 54	HandeT@garanti.com.tr
Ceyda Akinç	AVP	+90 (212) 318 23 53	CeydaAk@garanti.com.tr
Gökay Bökbe	AVP	+90 (212) 318 23 55	GokayB@garanti.com.tr
Ekin Karaevli	AVP	+90 (212) 318 23 59	EkinKa@garanti.com.tr

Faks: +90 (212) 216 59 02

PART I – SHAREHOLDERS

2. Shareholder Relations Division

Investor Relations Department is in charge of managing relations with foreign investors and shareholders. Investor Relations Department is mainly responsible for;

- establishing and carrying out relations with prospective and existing investors,
- participating in the investors' meetings and conferences in Turkey and abroad,
- executing meetings with rating agencies,
- conducting conference calls on financial results,
- preparing unified meeting tools such as corporate presentations, organize targeted road shows and various other informational meetings,
- cultivating shareholder loyalty; proactively informing shareholders on a regular basis,
- posting corporate updates on its website, www.garantibank.com/investor_relations, in a timely manner.

As part of its activities throughout the year, the Department has;

- participated in 19 domestic and international investor conferences with executive management in 2009 along with

Subsidiaries and Shareholders Service of General Accounting Department

Name Surname	Title	Phone	E-mail
Hakan Özdemir	Manager	+90 (212) 318 19 47	HakanOz@garanti.com.tr
Sevgi Demiröz	VP	+90 (212) 318 19 45	SevgiD@garanti.com.tr
Ülkü Sıngın Toprak	AVP	+90 (212) 318 19 46	UlkuSi@garanti.com.tr

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one-on-one meetings with more than 620 international investment funds,

- executed due diligence meetings with 5 rating agencies,
- conducted 4 cohesive conference calls on financial results and posted these call logs on its website

The Department aims to provide responses to all incoming inquiries in complete depth and with timely manner in order to represent Garanti and communicate the value creation in a proactive, transparent and consistent way.

All actions and activities conducted by the Investor Relations Team are managed in an

eco-friendly manner.

In addition, to facilitate the follow-up of shareholder rights, Garanti operates a Subsidiaries and Shareholders Service at its General Accounting Department.

The Subsidiaries and Shareholders Service is mainly responsible for:

- organizing the Annual Shareholders' Meetings of the Bank,
- carrying out capital increases of the Bank,
- facilitating the use of bonus and rights offerings after the capital increase,
- facilitating the dividend payments as specified in article 45 of Articles of Association in case the General Assembly

resolves to make a dividend distribution to shareholders,

- sending the public announcements of the Bank to the Istanbul Stock Exchange in Material Event Disclosure format,
- responding to the questions of branches and shareholders about share certificates in a timely manner or to forward the questions to the related departments.

3. Exercise of Shareholders' Rights to Obtain Information

The Subsidiaries and Shareholders Service receives an average of 200 inquiries from shareholders every month in relation to share certificate procedures, general shareholders' meetings, capital increases, and dividend distributions.

In addition, for the fiscal year that ended on December 31, 2009, requests of shareholders and third parties related to matters such as annual reports, the current status of share certificates and the inheritance of share certificates were answered in writing.

The Investor Relations Department receives an average of 300 inquiries by telephone or e-mail per month. It organizes 60 or more one-on-one or group meetings each month with existing and potential investors and bank analysts, thus responding to all questions about Garanti.

Garanti has two investor relations websites, in Turkish and in English.

- The Investor Relations site in Turkish can be reached at www.garanti.com.tr/yatirimci_iliskileri/
- The Investor Relations site in English can be reached at www.garantibank.com/investor_relations/

These websites contain information about shares, corporate information, periodically published financial statements and annual reports, information about corporate governance, social responsibility projects,

presentations that provide information about the Bank and press releases about the Bank.

Material event disclosures (press releases) that contain information material to the value of the Bank's shares are submitted to the Istanbul Stock Exchange throughout the year. The appointment of a special auditor is not required by the Articles of Association of the Bank and so far no request regarding the appointment of a special auditor has been submitted to Garanti.

4. Information on the General Shareholders' Assembly

The General Shareholders' Assembly Meeting is held in accordance with a resolution adopted by the Board of Directors. Before these meetings, information about the date, the place and the agenda are provided to shareholders through Material Event Disclosures sent to the Istanbul Stock Exchange in accordance with the general principles, as well as the Turkish Trade Registry Gazette and national newspapers.

Balance sheets, income statements and annual reports are prepared prior to the General Shareholders' Assembly Meeting and made available to shareholders 15 days before the meeting via the website, at the branches and at the Head Office of the Bank.

At General Shareholders' Assembly Meetings, agenda items are discussed and submitted for the shareholders' approval. Shareholders are entitled to ask questions, express their opinions and submit proposals. Questions are handled and answered in accordance with the principles and procedures specified in the Turkish Commercial Code.

Proposals are submitted for the approval of the General Assembly and become

resolutions if approved by the specified majority. Shareholders can access the minutes and the list of attendants of the General Shareholders' Assembly Meetings at the Turkish Trade Registry Gazette as well as the Bank's and Istanbul Stock Exchange's websites and through the Subsidiaries and Shareholders Service.

In accordance with the provisions of the law, 206 share certificates are issued on an anonymous basis; the rest are registered to their owners. No time limit is specified for the registration of anonymous shares in the share book of the Bank.

5. Voting Rights and Minority Rights

Shareholders' rights for voting and execution of these rights are specified in articles 38 and 39 of the Articles of Associations. At the General Shareholders' Assembly Meetings, there are no privileged voting rights. Companies controlled by the majority shareholder of the Bank vote in the General Shareholders' Assembly Meetings. Minority shares are not represented in management. Garanti's Articles of Association do not specify regulation on cumulative voting procedures.

6. Dividend Policy and Dividend Distribution Period

Details of dividend distributions are specified in articles 45, 46, and 47 of Articles of Association. As witnessed in past years, the Bank has added its profit to its capital base and distributed it to shareholders in the form of bonus shares. In accordance with article 46 of the Articles of Association, dividend proposals are submitted for approval at General Shareholders' Assembly Meetings based on a decision by the Board of Directors. The proposed resolution becomes effective if approved in the General Shareholders' Assembly and the Istanbul Stock Exchange is informed about the resolution on the same day.

7. Transfer of Shares

The Articles of Association of the Bank do not contain any provisions that restrict the transfer of shares. The transfer of shares is executed in accordance with the Articles of Association and regulations including the article 5411 of the Banking Law.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy

The Information Policy of Garanti Bank, approved by the Board of Directors, came into effect during 2009. The Information Policy is publicly disclosed within the Bank's annual report and under the Corporate Governance heading on the Investor Relations website.

Purpose and Basis

This Disclosure Policy which has been prepared in accordance with the Communiqué on Principles Regarding Material Events Disclosure Serial: VIII, No: 54 issued by the Capital Markets Board of Turkey ("Communiqué") to ensure that high quality information will be provided to the Bank's shareholders, investors and all other beneficiaries including the public, has been entered into effect by a prior approval of the Board of Directors.

General Principles

Disclosure Policy:

- is in strict compliance with the relevant provisions of the Banking Law and the Capital Markets Law;
- has been formulated under the Bank's Corporate Governance Principles and transparency policy;
- aims at enabling the public administration and authorities, shareholders, existing and potential investors, customers and all other beneficiaries to have timely access to accurate and complete information under

equal conditions;

d. ensures that all information disclosed to public are indirect, easily understandable, analyzable and accessible at the most affordable cost so as to help and assist the decision making process of all persons and entities intending to use such information; and

e. does not result in any obligation of public disclosure in respect of the information in the nature of banking secrets and/or trade secrets or information which is not legally allowed to be disclosed.

Disclosure Means

The following means, channels and methods will be used for public disclosure purposes:

- Material events disclosures,
- Financial statements and their footnotes, independent audit report and Activity Report,
- Announcements published in the Turkish Trade Registry Gazette,
- Press bulletins and announcements,
- Information meetings, teleconferences and videoconferences,
- Investor meetings and presentations,
- Corporate web site, and
- News Channels (Reuters, AP, Bloomberg, Foreks, etc.)

Persons Authorized to Make Public Statements

Material events disclosures should be issued and published by the Executive Vice President in charge of General Accounting. Only the Chairman and Members of Board of Directors, the CEO and the Executive Vice Presidents are authorized to make statements directed towards press and media and/or data distribution firms in the name of the Bank. Information requests of the stakeholders will be handled and satisfied by the Executive Vice President in charge of Investor Relations and by the relevant Senior Vice President.

Enforcement and Amendments

The Board of Directors is authorized and responsible to follow-up, monitor and improve the disclosure policy. Efficiency and reliability of public disclosure processes as a part of the disclosure policy are under supervision and control of the Board of Directors. Accordingly, the Board of Directors is authorized to make changes and amendments in the text of this policy, and all such changes and amendments will be made public and published in the corporate web site within one week following the date of change or amendment.

The Bank Management is responsible to enforce and implement this disclosure policy.

9. Material Event Disclosures

Upon occurrence of any one of the transactions, events and circumstances specified in the Capital Market Board's Communiqué Serial: VIII, No. 54, a material event disclosure which is to be prepared and issued in the form attached to the Communiqué should be sent and delivered simultaneously both to the Istanbul Stock Exchange (ISE) and to the Public Disclosure Platform (www.kap.gov.tr) created by ISE for transparency and public disclosure purposes, and this disclosure will be further published in the corporate web site no later than the first business day following the public disclosure. Such disclosures should be kept in the corporate web site for a period of five years. In addition, such material events disclosures should be also circulated and distributed to corporate investors in electronic form.

In accordance with the Capital Market Board's Communiqué Serial: VIII, No. 54 on Public Disclosure of Material Events, 60 material event disclosures were made to the Istanbul Stock Exchange (ISE), via the

Public Disclosure Platform (in Turkish: KAP) during 2009. Neither the Capital Market Board, nor the ISE requested any additional explanation regarding the material event disclosures during the year that were made in line with the Capital Market Board regulations. Garanti Bank made all material event disclosures in a timely manner.

English translations of certain material event disclosures, that might have an impact on company valuation, are also sent to the capital market regulators in New York and London, within the frame of depositary receipts issued in the U.S. and listed on the London Stock Exchange in order to keep the foreign investors informed. These disclosures are made available on the Investor Relations website simultaneously.

10. Company's Website and Its Content

Garanti has two separate websites, one in Turkish and the other in English.

- The Turkish website is available at www.garanti.com.tr and
- The English website is available at www.garantibank.com

In addition to general information about the Bank, the websites contain detailed information on banking, credit cards, investment, insurance, leasing, factoring, pension and e-commerce products and services, while the Online Branch offers customers the opportunity to perform their banking transactions online.

Prepared in both Turkish and English, the websites feature an Investor Relations section, offering detailed information about shares such as listing information, financial data on stock performance, capital increases, dividend ratios, lists of analysts, credit ratings, the quarterly investor bulletin StockWatch, latest ownership and management structure, periodic financial statements, reports and presentations prepared in accordance with international

accounting standards and Banking Regulation and Supervision Agency (BRSA) regulations, reports and presentations on macroeconomic developments, corporate information, annual reports, material event disclosures, social responsibility projects, corporate governance information and awards.

Corporate web site is organized to ensure quick and easy access of all stakeholders for information. The information published in the web site is regularly updated. At the same time, for the sake of comparability, past-related information are kept and stored in a systematic manner. Initiatives aimed at improving the corporate web site so as to create the opportunity to have access to top quality and accurate information is given priority and attached importance.

Security of the web site is insured by the Bank.

Questions, comments and information requests of all stakeholders are answered by the Investor Relations Department as soon as possible. Mail address, telephone and facsimile numbers and e-mail address of such Department are made available to all stakeholders. In addition, the web site also contains frequently asked questions and their answers.

11. Disclosures of Real Person(s) Holding Ultimate Controlling Shares

The Bank does not make any public disclosures about individuals who are ultimate controlling shares after eliminating the indirect-shareholding and cross-shareholding relations.

There is sufficient public information and awareness about real person(s) holding ultimate controlling shares at Garanti and thus the Bank is not required to provide further data.

12. Public Disclosure of People who are in a Position to Acquire Insider Information

According to Article 16 of the Communiqué Serial: VIII No: 54 on Public Disclosure of Material Events, names of individuals with regular access to the Bank's internal information are stated in a list, which is kept up-to-date. The list clearly specifies the responsibilities of the individuals named therein, as well as the reason for their inclusion in the list.

Since the list of those with access to internal information and any updates made to the list are required, by applicable legislation, to be sent to the Capital Market Board and the relevant stock exchange the people in a position to acquire insider information are not publicly disclosed.

Necessary preventive measures are taken to ensure that any legal counsels, independent auditors, tax consultants, and people of similar nature, who can get into a position to access internal information during the execution of tasks and processes on behalf of the Bank, keep any information acquired as such in confidence, both legally and within specific articles of contracts.

PART III – STAKEHOLDERS

13. Informing Stakeholders

Stakeholders of Garanti receive information on a constant basis through material event disclosures sent to the Istanbul Stock Exchange, press bulletins, newspaper announcements, annual reports, meetings and internal announcements. All information regarding the stakeholders can be accessed on the Bank's website allowing instant reach to the latest data. Moreover, the Investor Relations Department of the Bank regularly holds proactive meetings with investors to share detailed analysis, latest developments and forecasts, strategy, the competitive

environment and market expectations, in addition to other legally required issues, making an effort to establish open, transparent, consistent and timely communication.

In order to ensure accurate and timely flow of information, a presentation is prepared on the Bank's financial statements announced quarterly. This presentation is shared with investors through the internet and by e-mail and also announced during a live teleconference. The Investor Relations Department regularly attends investor meetings organized by brokerage firms, providing information on recent developments at Garanti in particular and the sector in general. The Department also responds to questions and inquiries by phone or e-mail on a daily basis. Also, all Garanti departments respond to customers' needs and requests for any information about Garanti's services and products immediately.

A Corporate Portal has been created as an employee information sharing system. Since access to all corporate information including the procedures, announcements and documents can be accomplished over this system, employees can instantly access the information they seek from different entry points in the most effective manner. In addition, at Vision Meetings held at the beginning of every year, Garanti's CEO shares the past year's assessment and next year's targets with the employees.

14. Participation of Stakeholders in Management

The Bank, taking into consideration all stakeholders, aims to improve product and service quality and to achieve internal and external customer satisfaction. In order to achieve this, the Bank bases all its systems so that they can be open to further and continuous improvement. The stakeholders

can participate in management through these specially designed systems and meetings. In addition to responding to customer inquiries, to receive their advice and to respond to their complaints, the "Customer Care Line" was established to provide services to the customers. Garanti customers can submit their demands, complaints, ideas and suggestions about management anytime through our website or Call Center 444 0 338.

To have employees participate in management, the Bank has organized meetings where both parties can share their ideas. Participation in management is always encouraged and employees' suggestions for improving the Bank's business are collected via the suggestion system. Through this system employees can share their suggestions to improve services; the appropriate suggestions are evaluated carefully and rewarded. The Topic of the Month is part of this proposal system used as a channel to solicit employee views about the ongoing projects.

15. Human Resources Policy

The pillar of Garanti's approach to human resources is investing in human capital. Aware that the human capital is the driving force behind all progress, the Bank builds systems to continuously recruit, train and develop young and creative individuals, to offer its employees a working environment that encourages full utilization of their skills, to offer them a wide range of opportunities, and to recognize and award their accomplishments.

Garanti human resources are committed to prioritizing people, ensuring continuous investment, deploying sufficient resources for training, giving priority to internal promotions, undertaking training programs for this purpose, developing human resources systems, maximizing participation

by pioneering an environment of open communication, being fair and objective, and developing practices at international standards.

The mission of the Human Resources Department is to play a strategic role implementing efficient human resource policies to assist the organization to achieve its business objectives. Accordingly, this Department operates in accordance with Garanti's ethical values and based on the principles of recognizing the Bank's business objectives, closely cooperating with business units and those in the field, employing objective measurement and rating tools and methods in that match the right person with the right job, developing human resources applications in accordance with the Bank's strategies, making efforts to improve employee motivation, creating communication forums that allow employees to openly express themselves, providing "career consulting" for employees in accordance with their competencies, knowledge, skills, needs and expectations, and ensuring that employees receive proper training for personal development.

For the past ten years, a unit managing Employer Brand Management and Internal Relations has been established to handle relationships with the employees.

Standard criteria (experience, seniority, performance, competency evaluation, tests, interview, etc.) have been identified for all internal promotions and transfers between positions. These have been transparently announced throughout the Bank via career maps as employees are guided and supported in accordance with the career path of their choice. The compensation system of the Bank is based on salaries that fit the positions; employees who are employed in similar jobs receive similar

compensation. Jobs are rated and receive compensation according to objective criteria such as required competency, risk involved and number of employees supervised.

The performance evaluation system at Garanti measures employee performance by evaluating their objectives and their success in reaching these objectives. Employees of the Bank receive bonuses based on EVA (Economic Value Added) financial accomplishment metrics and the "Sell-Earn" bonus system. As a result of these and other similar systematic approaches, discrimination related complaints from employees have been eliminated.

Systematic bonus and performance models have been major and effective management tools for achieving cost management and efficiency while ensuring fairness among the employees. Since 2003, bonus payments made as part of the EVA model based on Profit and Risk Management have developed a significant level of awareness of these criteria among all employees at branch level.

With the help of quarterly sector analyses, issues on compensation, number of employees at branches and head office and turnover rates of branches are monitored, and the effects of sector dynamics on human resources strategies are taken into account. Garanti holds a pioneering position in the sector thanks to its low turnover rates and controlled personnel costs per capita.

16. Information on Relationships with Customers and Suppliers

The Customer Satisfaction Department was established on January 1, 2001 with a aim of "build a culture of customer satisfaction throughout the Bank and keep customer loyalty at the highest level". As of January 23, 2009, in order to centralize Garanti's communication and service providing

channels with its customers, Customer Satisfaction Department was transferred fully to the Call Center Department along with all its functions.

The Customer Satisfaction Department serves Garanti customers under the "Customer Care Line" brand.

The quality of the Complaint Management System of "Customer Care Line" has been documented with the ISO 10002:2004 certificate issued by the British Standards Institution (BSI). Garanti is the first Turkish bank to receive an international certificate for its system of complaint management, which aims to maximize customer satisfaction.

Garanti customers can use a variety of channels to submit their questions and complaints to the Customer Care Line.

Telephone: 444 0 338

Internet:

http://www.garanti.com.tr/hakli_musteri_hatti/

E-mail: haklimusteri@garanti.com.tr

Mail: PK 338 AVPIM/ISTANBUL

Fax: +90 (212) 630 16 68

Complaint Box: located at all branches

The new IVR system has been introduced in August 2009 in order to give a better quality of service to the customers. Under the new system, customers call the Customer Care on 4440338 are put through after punching in their card or customer ID numbers in combination with their card or Garanti Telephone Banking PIN, in order to complete the verification steps for security purposes. In addition to that, through segment prioritization, the customers receive faster service without being held on the line.

Every message which is transmitted to Customer Care Line, regardless of its subject, is assigned a reference number by

the system. These messages are stored on the system permanently. Messages received from all other channels are recorded automatically on the system by a fax server, which then become revision and change-proof. For the messages received over the phone, the agents record the message in the exact manner it is communicated by the customers. Moreover, the phone conversations with customers are recorded by the system. Each message recorded includes its customer's phone conversation, attached documents (if any); information on investigation and solutions offered; information on follow-up and request records (if applicable), and information on the category forming the basis of reporting.

Based on the above mentioned information entered into the system, incorporated reports can instantly be produced with desired details. These reports serve to effective management of the process, and also feed input for corrective actions.

In order to share information with all employees of the Bank about frequent complaint areas and customers' sensitivities; the number of messages received each month is announced by group, channel, category and subject. For frequent complaints, detailed reports are provided to relevant units and periodic meetings are held in order to take necessary corrective actions. Complaints from the employees are shared with the Human Resources and the Board of Inspectors on regular basis.

Complaints related to branches or employees are immediately communicated to the relevant branch managers to ensure rapid action and conveyed directly to the Customer Centricity Index.

In some cases, instead of contacting the Customer Care Line; customers send their complaints to certain consumer websites,

public institution or press Garanti Bank checks these websites daily and; complaints sent to media outlets are resolved in coordination with the Advertising and Public Relations Department and those sent to government agencies are resolved in coordination with the Legal Department.

If customers are unjustly treated because of the fault or negligence of the Bank, then these customers are compensated by the reimbursement of the loss. As of 2009, the reimbursements of the losses are reflected on the relevant branches after the evaluation of the customer complaints.

In addition to effectively and rapidly resolving customers' problems and complaints within a centralized system and in accordance with quality standards, Customer Care Line also makes efforts to establish a customer satisfaction culture throughout the Bank.

For this purpose;

- Employees who receive appreciation or messages of thanks from customers are prompted by rewarding them under the success program.
- Pioneered by the Department and supported by Garanti employees from all departments, Garanti put together a Customer Satisfaction Constitution, whose proper implementation is being monitored by the Customer Satisfaction Department.

17. Social Responsibility

Garanti pursues an efficient, profitable, long-term and sustainable growth strategy while designing banking services that create value for the economy and society. Firmly believing that its corporate mission extends beyond just banking, Garanti provides continuous support for the cultural, artistic, environmental, educational and athletic fields with the same approach and aims to deploy financial and other know-how to enhance quality of life and

meet its social responsibilities. For this purpose, Garanti improves and implements long-term national and international projects that improve the vision of the individual and society and create value through its own culture-oriented companies. It also provides long-term sponsorship support to national and international projects.

Garanti prioritizes Social Responsibility Projects that are part of its corporate values. Garanti chooses the projects to undertake or support based on the criteria of sustainability, ability to work as a partner with the institution it has teamed up with, contributes to the social quality of life, and most importantly, compatibility with the corporate identity. With all the projects it supports, Garanti strives to improve its own corporate culture along with the cultural know-how of society.

PART IV - BOARD OF DIRECTORS

18. Structure and Formation of the Board of Directors and Independent Members

The Board of Directors has nine members. The executive members are the Chairman of the Board of Directors Ferit Faik Şahenk, Chief Executive Officer Ergun Özen, Vice Chairman Süleyman Sözen, Ahmet Kamil Esirtgen, Denis Arthur Hall, Dmitri Lysander Stockton and Xavier Pascal Durand.

There are two non-executive members, Muammer Cüneyt Sezgin and Des O'Shea, on the Board of Directors in accordance with the Banking Law.

Rules and/or restrictions regarding Board members taking on additional duties outside the Bank are subject to practices that comply with the Turkish Commercial Code and other applicable legislation.

19. Qualifications of the Members of the Board of Directors

At Garanti, the selection of Board members is carried out in compliance with the provisions of Articles 3.1.1, 3.1.2 and 3.1.5 of Part IV of the Corporate Management Principles of the Capital Markets Board and the relevant provisions of the Banking Law.

20. The Mission, Vision and Strategic Objectives of the Company

Garanti's vision is to be the best bank in Europe. Its mission is to continuously and noticeably increase the value it creates for its customers, shareholders, employees, society and the environment by utilizing its influence, agility and organizational efficiency.

The vision and the mission of Garanti are publicly announced on the Bank's English and Turkish websites. In addition, both the Board of Directors and senior management disseminate the mission and vision of the Bank at meetings, interviews and other communications through print and visual media channels.

Information regarding Garanti's strategy and the main pillars of its strategy are presented in pages 10 and 11.

Within the context of this strategy, Garanti's budget and its short, medium and long term business plans are formed; reports on realization of objectives are monitored on a weekly basis. The senior management of the Bank holds performance review meetings with every branch and regional managers quarterly regarding the attainment of the targets. Moreover, effective realization of strategic objectives can be monitored in real time through the Garanti management information and reporting infrastructure (MIS).

21. Risk Management and Internal Control Mechanisms

The Board of Directors is ultimately responsible for developing and monitoring the Bank's internal audit and risk management policies and strategies. Accordingly, the following units directly report to the Board of Directors: the Audit Department, which performs internal audit functions, the Internal Control Unit, which performs internal control functions, the Risk Management Department, which performs risk management functions, the Anti-Fraud Department, which monitors and takes action to prevent external fraud and the Compliance Officer, who performs activities on the prevention of laundering proceeds of crime and combating terrorist financing. The departments that perform these functions are structured in accordance with the "segregation of duties" principle. They are independent of executive functions and directly report to the Board of Directors.

The current system is structured within the organization of the Garanti Bank as given in page 112.

The internal control system; consists of continuous control activities and the related mechanisms that Bank employees at all levels must comply with and implement in order to ensure the proper performance of the Garanti Bank's activities in accordance with the instructions of the Board of Directors, applicable legislation and internal regulations. Additionally, these guarantee the integrity and reliability of accounting and reporting systems and the timely availability of information.

The Audit Department; performs systematic audits that cover all activities and units of the Garanti Bank in accordance with applicable legislation and especially the Banking Law and Bank regulations. These audits are performed independently of day-to-day activities and mainly focus on internal control and risk management systems. In this context, audit

work is carried out in the domestic and international branches of the Garanti Bank and in units at the headquarters and in the subsidiaries that are subject to consolidation.

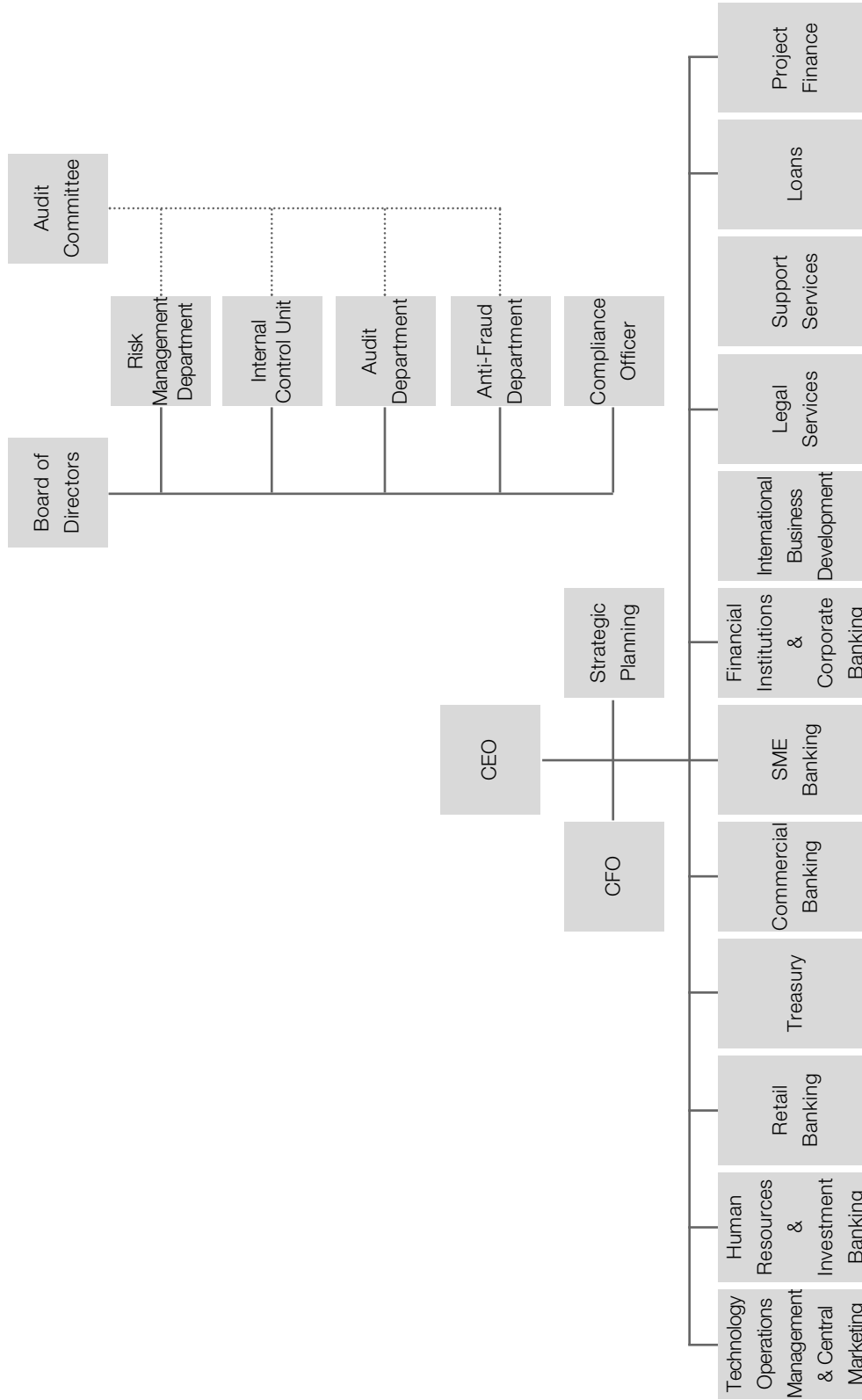
The Internal Control Unit; ensures that a sound internal control environment is in place at Garanti Bank and performs necessary coordination work in this regard and guarantees that activities are performed regularly, efficiently, effectively and in accordance with the management strategy and policies of the Bank and applicable rules and regulations and monitors the integrity and reliability of accounting and recording systems. In this context, efforts are made to set up an infrastructure based on the functional separation of tasks, the sharing of authorities and responsibilities, the establishment of a sound reconciliation system, the integration of self-control mechanisms and systemic controls into processes and the identification and monitoring of risks the Bank is exposed to. Also, compliance function is performed by a team set up under the Internal Control Unit. This team coordinates existing control mechanisms regarding the compliance of the Garanti Bank's actions with laws, internal rules and policies and banking practice, and controls new products and services and related processes, before they are implemented.

The risk management system; consists of the standardization, information flow, compliance-monitoring, decision-making and implementation mechanisms specified by the Board of Directors to monitor, control and, when necessary, change the risk-return structure of the Garanti Bank's future cash flows and the nature and level of resulting activities. Duties of the Risk Management Department include the establishment of an integrated risk management system that measures and manages all risk arising from the activities of the Garanti Bank, including the risks of the subsidiaries, in accordance with

applicable-legislation and to set up a structure throughout the Bank that will ensure an optimum risk-return-capital balance to maximize the value of Garanti in accordance with the above-mentioned system.

The Bank adopts an "enterprise fraud prevention" approach to find more effective solutions and measures against fraudulent activities that are becoming increasingly complicated and dependent on high technology. As part of a new and pioneering approach and structure in the field of fraud prevention, credit cards, internet banking and application fraud teams that were previously working under different organizations and departments were brought together under *The Anti-Fraud Department*. The purpose of this department is to prevent fraudulent acts with an enterprise approach, to minimize the risks arising from such acts, to reduce the losses incurred by the Garanti Bank in this regard and to take more effective operational security measures. The department also aims to save time and labour by reducing error rates in the identification of suspicious transactions and applications, to improve operational efficiency and to establish a corporate culture and awareness of fraud throughout the Garanti Bank.

These departments directly report to the Board of Directors. The Audit Committee also regularly evaluates their activities and prepares action plans.



22. Duties and Responsibilities of Board of Directors and Executives

Details about the duties and responsibilities of the Board Members and Managers of Garanti are presented in articles 18 and 32 of the Articles of Association, available on the Bank's website.

23. Principles Related to the Activities of the Board of Directors

Agendas from Board of Directors meetings mainly consist of issues that the Chief Executive Officer has requested to be discussed and any other issues requested by Board members.

The Board of Directors meets monthly and the meeting schedules are circulated to all members at the beginning of the year.

A secretarial office has been set up to facilitate communication between the members of Board of Directors and the Head Office.

Board members may voice any opinion and discuss any explanations at Board of Directors meetings or add reservations to decisions. In accordance with legal provisions, the Board of directors of Garanti does not have any independent members.

24. Non-compete and Non-transaction Rules

Garanti adopted principles in compliance with Articles 334 and 335 of the Turkish Commercial Code to make decisions regarding the non-compete and non-transaction issues between Garanti and its Board members.

25. Rules of Ethics

In accordance with the Bank's commitment to corporate governance principles and ethical values, the Human Resources Department issued a handbook of Ethical Principles and a related announcement to

govern employee behavior and professional relations of the employees.

The Handbook of Ethical Principles includes ethical principles on such issues as the Bank's resources, relationships, risk, equal opportunity, responsibilities and sexual harassment. It defines managerial responsibilities regarding the creation of a working environment consistent with these ethical principles and specifies the penalties the Disciplinary Board of the Bank is authorized to impose in case of a violation of ethical principles. Such violations include all actions that breach the laws, social values, Garanti's values, or the rights of employees or customers, or increase the Bank's operating expenses and reduce its efficiency.

Garanti believes that total quality can only be achieved through a strict implementation of human resources policies, business principles and ethical principles that are based on integrity, honesty and respect. In addition to the Handbook of Ethical Principles, core values are published on the intranet, which is open to all employees, as well as on the internet that is available to the public. Garanti has also compiled its customer-focus principles and values in a booklet entitled the Customer Satisfaction Constitution, which is available to all employees and customers.

26. Number, Structure and Independence of Committees under the Board of Directors

In line with its commitment to corporate governance principles, Garanti, at a time when no such legal obligation existed, set up an Audit Committee to assist the Board of Directors in its audit and supervision activities and to more effectively serve the interests of the Bank and investors.

The Committee has been active since 2001, with primary and ultimate responsibility in

the hands of the Board of Directors.

Committee's duties and responsibilities are fully aligned with the Banking Law and the relevant regulations.

Detailed information regarding the establishment and operation of Audit Committee and other committees is given in the Committees and Committee Meeting Attendance section of this report.

27. Remuneration of the Board of Directors

Members of the Board of Directors are paid attendance fees. The amount of this attendance fee is determined by the General Shareholders' Assembly and is reported to the Istanbul Stock Exchange.

The loans extended to the members of the Board of Directors or managers are restricted as per provisions of Article 50 of the Banking Law. The Bank does not extend loans to the members of the Board of Directors or managers outside of this framework.

Water is free, water knows no boundaries: Many business lines, led by food, beverage and cosmetic industries use water as an ingredient in their products. When such products are exported by a country, so is the “virtual water” embedded therein.





UNCONSOLIDATED FINANCIAL STATEMENTS

With its long-term sustainable growth strategy, Garanti continues to “make a difference” in its customers’ lives by producing custom-tailored solutions.



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ**
Yapı Kredi Plaza C Blok Kat 17
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**Convenience Translation of the Auditors' Report
Originally Prepared and Issued in Turkish (See Note 3.1.1)**

To the Board of Directors of Türkiye Garanti Bankası AŞ:

We have audited the unconsolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") as of 31 December 2009 and the related unconsolidated income statement, statement of cash flows, statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and notes to the financial statements.

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

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the unconsolidated financial statements; and for adopting sound accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements, communiqués and guidances published by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit is performed in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.

Basis of Qualified Opinion:

As of the balance sheet date, the accompanying unconsolidated financial statements include a general reserve amounting to TL 330,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and full amount of such provision has been recognized as expense in the current period.

Independent Auditors' Opinion:

In our opinion, except for the effect on the unconsolidated financial statements of the matter described in the fourth paragraph above, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ as of 31 December 2009 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 of (Turkish) Banking Law No 5411 and the statements, communiqués and guidances published by the BRSA on accounting and financial reporting principles.

İstanbul,
11 February 2010

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 Financial Report as of and for the Year Ended 31 December 2009

Levent Nispetiye Mah.Aydar Cad.
No:2 Beşiktaş 34340 İstanbul
Telephone: 212 318 18 18
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www.garanti.com.tr
www.garantibank.com.tr
investorrelations@garanti.com.tr

The Unconsolidated Year-End Financial Report prepared in accordance with the communiquéé 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:

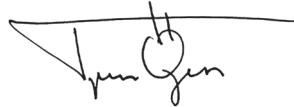
1. General Information about the Bank
2. Unconsolidated Financial Statements
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Other Disclosures and Footnotes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

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, 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 Turkish Lira (TL).



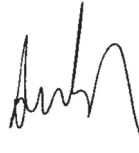
Ferit F. Şahenk

Board of Directors Chairman Director



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:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations

Phone no: 90 212 318 23 50

Fax no: 90 212 216 59 02

	Page No:
SECTION ONE - General Information	
I. History of the bank including its incorporation date, initial legal status, amendments to legal status	119
II. Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on bank's risk group	119
III. 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	119
IV. Information on the bank's qualified shareholders	120
V. Summary information on the bank's activities and services	120
SECTION TWO - Unconsolidated Financial Statements	
I. Balance sheet - Assets	121
II. Balance sheet - Liabilities	122
III. Off-balance sheet items	123
IV. Income statement	125
V. Statement of income/expense items accounted under shareholders' equity	126
VI. Statement of changes in shareholders' equity	127
VII. Statement of cash flows	128
VIII. Statement of profit distribution	129
SECTION THREE - Accounting Policies	
I. Basis of presentation	130
II. Strategy for use of financial instruments and foreign currency transactions	130
III. Investments in associates and subsidiaries	130
IV. Forwards, options and other derivative transactions	130
V. Interest income and expenses	131
VI. Fees and commissions	131
VII. Financial assets	131
VIII. Impairment of financial assets	131
IX. Netting of financial instruments	132
X. Repurchase and resale agreements and securities lending	132
XI. Assets held for sale and discontinued operations	132
XII. Goodwill and other intangible assets	132
XIII. Tangible assets	132
XIV. Leasing activities	133
XV. Provisions and contingent liabilities	133
XVI. Contingent assets	133
XVII. Liabilities for employee benefits	133
XVIII. Taxation	134
XIX. Funds borrowed	135
XX. Shares and share issuances	136
XXI. Confirmed bills of exchange and acceptances	136
XXII. Government incentives	136
XXIII. Segment reporting	136
XXIV. Other disclosures	136
SECTION FOUR - Financial Position and Results of Operations	
I. Capital adequacy ratio	137
II. Credit risk	140
III. Market risk	143
IV. Operational risk	144
V. Currency risk	145
VI. Interest rate risk	147
VII. Liquidity risk	150
VIII. Fair values of financial assets and liabilities	152
IX. Transactions carried out on behalf of customers, items held in trust	152
SECTION FIVE - Disclosures and Footnotes on Unconsolidated Financial Statements	
I. Assets	153
II. Liabilities	169
III. Off-balance sheet items	176
IV. Income statement	180
V. Statement of changes in shareholders' equity	185
VI. Statement of cash flows	186
VII. Related party risks	187
VIII. Domestic, foreign and off-shore branches or investments and foreign representative offices	189
IX. Significant events and matters arising subsequent to balance sheet date	189
SECTION SIX - Other Disclosures and Footnotes	
I. Other disclosures on activities of the bank	189
SECTION SEVEN - Independent Auditors' Report	
I. Disclosures on independent auditors' report	191

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 783 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 31 December 2009, the 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 Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 each to Doğuş Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğuş Group

The Doğuş Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with more than 70 companies and approximately 28 thousand employees.

The major worldwide joint ventures of the Group are; GE in finance and real estate, Volkswagen AG and TÜV SÜD in automotive, French Alstom and Japan Marubeni in construction, CNBC in media and Starwood Hotels & Resorts, Worldwide Inc., HMS International Hotel GmbH (Maritim) and Aldania GmbH in tourism.

The major investments of the Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Eureka Sigorta 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 four major business lines providing services through their own business units with more than 300 thousand employees. These four business lines are;

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

GE Global Banking that operates under GE Capital Finance, one of GE's major business lines extends loans to consumers, retailers and car vendors in 26 countries. GE Global Banking provides variety of financial products to customers such as store credit cards, consumer loans, bank cards, automobile loans and leasing, mortgage, corporate traveling and spending cards, debt consolidation.

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	19 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	27 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	21 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	35 years
Denis Arthur Hall	Member	08.10.2008	College	25 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	32 years
Dmitri Lysander Stockton	Member	22.12.2005	University	18 years
Xavier Pascal Durand	Member	02.04.2009	Master	9 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	22 years

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	22 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	31 years
Afzal Mohammed Modak	EVP-Finance and Accounting	20.07.2007	Master	24 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	17 years
Ali Temel	EVP-Loans	21.10.1999	University	19 years
Gökhan Erün	EVP-Human Resources & Investment Banking	18.08.2005	Master	15 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	27 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	24 years
Uruz Ersözoğlu	EVP-Treasury	03.04.2006	University	18 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	17 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	24 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	28 years
Zekeriya Öztürk	EVP- International Business Development	02.03.2006	Master	14 years
Avni Aydın Düren	EVP-Legal Services	15.01.2009	Master	15 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	15 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	1,121,504	26.7025%	1,121,504	-
GE Araştırma ve Müşavirlik Limited Şti	875,712	20.8503%	875,712	-

At 23 December 2009, Doğuş Holding AŞ has acquired 1,703,451 shares of the Bank at a total face value of TL 1,703 thousands from Doğuş Nakliyat ve Ticaret AŞ.

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 TL 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 TL 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.

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet

At 31 December 2009

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

2. Unconsolidated Financial Statements

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 December 2009			31 December 2008		
		TL	FC	Total	TL	FC	Total	
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	3,848,995	3,016,978	6,865,973	2,575,050	2,956,524	5,531,574
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	784,350	130,442	914,792	509,347	156,750	666,097
2.1	Financial assets held for trading		784,350	130,442	914,792	509,347	156,750	666,097
2.1.1	Government securities		317,533	14,312	331,845	4,663	15,599	20,262
2.1.2	Equity securities		1,108	-	1,108	600	-	600
2.1.3	Derivative financial assets held for trading		456,737	116,130	572,867	494,884	141,151	636,035
2.1.4	Other securities		8,972	-	8,972	9,200	-	9,200
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	Loans		-	-	-	-	-	-
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	2,518,057	5,816,281	8,334,338	1,425,450	3,375,585	4,801,035
IV.	INTERBANK MONEY MARKETS		1,000,180	-	1,000,180	40,552	-	40,552
4.1	Interbank money market placements		1,000,180	-	1,000,180	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	40,552	-	40,552
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	25,218,752	2,876,281	28,095,033	14,887,550	2,458,231	17,345,781
5.1	Equity securities		54,356	78,066	132,422	25,679	44,989	70,668
5.2	Government securities		24,952,926	1,049,312	26,002,238	14,550,954	755,085	15,306,039
5.3	Other securities		211,470	1,748,903	1,960,373	310,917	1,658,157	1,969,074
VI.	LOANS	(5.1.5)	28,582,799	21,149,896	49,732,695	28,030,439	21,876,968	49,907,407
6.1	Performing loans		28,158,157	21,149,896	49,308,053	27,580,293	21,876,968	49,457,261
6.1.1	Loans to bank's risk group	(5.7)	254,147	297,777	551,924	128,749	538,322	667,071
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		27,904,010	20,852,119	48,756,129	27,451,544	21,338,646	48,790,190
6.2	Loans under follow-up		2,237,105	-	2,237,105	1,239,739	-	1,239,739
6.3	Specific provisions (-)		1,812,463	-	1,812,463	789,593	-	789,593
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	5,960,353	1,385,808	7,346,161	6,054,289	1,563,008	7,617,297
8.1	Government securities		5,960,353	1,385,808	7,346,161	6,054,289	1,563,008	7,617,297
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	29,705	-	29,705	27,705	-	27,705
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		29,705	-	29,705	27,705	-	27,705
9.2.1	Financial investments in associates		27,991	-	27,991	25,991	-	25,991
9.2.2	Non-financial investments in associates		1,714	-	1,714	1,714	-	1,714
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	284,458	718,802	1,003,260	229,368	582,760	812,128
10.1	Unconsolidated financial investments in subsidiaries		270,155	718,802	988,957	219,005	582,760	801,765
10.2	Unconsolidated non-financial investments in subsidiaries		14,303	-	14,303	10,363	-	10,363
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)	-	-	-	-	69,161	69,161
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	69,161	69,161
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,141,266	1,326	1,142,592	1,083,517	1,179	1,084,696
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	20,626	-	20,626	15,764	-	15,764
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		20,626	-	20,626	15,764	-	15,764
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSET		22,439	-	22,439	34,255	-	34,255
17.1	Current tax asset		3,903	-	3,903	70	-	70
17.2	Deferred tax asset	(5.1.15)	18,536	-	18,536	34,185	-	34,185
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	81,150	-	81,150	81,304	-	81,304
18.1	Assets held for sale		81,150	-	81,150	81,304	-	81,304
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	832,352	40,758	873,110	844,459	61,645	906,104
TOTAL ASSETS			70,325,482	35,136,572	105,462,054	55,839,049	33,101,811	88,940,860

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

Balance Sheet

At 31 December 2009

THOUSANDS OF TURKISH LIRA (TL)									
		CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008				
		Footnotes	TL	FC	Total	TL	FC	Total	
LIABILITIES AND SHAREHOLDERS' EQUITY									
I.	DEPOSITS	(5.2.1)	36,093,812	26,714,233	62,808,045	29,006,986	23,708,295	52,715,281	
1.1	Deposits from bank's risk group	(5.7)	467,020	448,044	915,064	311,435	413,825	725,260	
1.2	Others		35,626,792	26,266,189	61,892,981	28,695,551	23,294,470	51,990,021	
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	111,538	117,246	228,784	296,508	118,588	415,096	
III.	FUNDS BORROWED	(5.2.3)	3,190,609	9,816,865	13,007,474	2,076,975	8,766,471	10,843,446	
IV.	INTERBANK MONEY MARKETS	(5.2.4)	10,377,251	157,453	10,534,704	10,452,524	250,419	10,702,943	
4.1	Interbank money market takings		-	-	-	-	-	-	
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3	Obligations under repurchase agreements		10,377,251	157,453	10,534,704	10,452,524	250,419	10,702,943	
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		2,339,620	20,730	2,360,350	1,932,052	17,679	1,949,731	
VIII.	OTHER EXTERNAL FUNDINGS PAYABLE		707,043	223,933	930,976	627,284	225,365	852,649	
IX.	FACTORING PAYABLES		-	-	-	-	-	-	
X.	LEASE PAYABLES (Net)	(5.2.5)	914	3,264	4,178	597	22,760	23,357	
10.1	Financial lease payables		984	3,548	4,532	631	24,176	24,807	
10.2	Operational lease payables		-	-	-	-	-	-	
10.3	Others		-	-	-	-	-	-	
10.4	Deferred expenses (-)		70	284	354	34	1,416	1,450	
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	3,464	3,464	-	4,871	4,871	
11.1	Fair value hedges		-	-	-	-	-	-	
11.2	Cash flow hedges		-	3,464	3,464	-	4,871	4,871	
11.3	Net foreign investment hedges		-	-	-	-	-	-	
XII.	PROVISIONS	(5.2.7)	1,009,841	32,725	1,042,566	781,480	22,951	804,431	
12.1	General provisions		407,179	30,155	437,334	409,543	19,256	428,799	
12.2	Restructuring reserves		-	-	-	-	-	-	
12.3	Reserve for employee benefits		165,367	-	165,367	197,372	-	197,372	
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5	Other provisions		437,295	2,570	439,865	174,565	3,695	178,260	
XIII.	TAX LIABILITY	(5.2.8)	351,317	151	351,468	378,236	107	378,343	
13.1	Current tax liability		351,317	151	351,468	378,236	107	378,343	
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)	-	874,358	874,358	-	781,638	781,638	
XVI.	SHAREHOLDERS' EQUITY	(5.2.11)	13,007,477	308,210	13,315,687	9,291,133	177,941	9,469,074	
16.1	Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2	Capital reserves		2,635,113	295,299	2,930,412	1,600,696	169,436	1,770,132	
16.2.1	Share premium		11,880	-	11,880	11,880	-	11,880	
16.2.2	Share cancellation profits		-	-	-	-	-	-	
16.2.3	Securities value increase fund		1,313,680	297,466	1,611,146	288,033	104,484	392,517	
16.2.4	Revaluation surplus on tangible assets		598,194	-	598,194	597,090	-	597,090	
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)		(63,648)	(2,167)	(65,815)	(71,314)	64,952	(6,362)	
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		3,210,123	12,911	3,223,034	1,739,949	8,505	1,748,454	
16.3.1	Legal reserves		362,398	4,634	367,032	268,796	4,097	272,893	
16.3.2	Status reserves		-	-	-	-	-	-	
16.3.3	Extraordinary reserves		2,847,764	-	2,847,764	1,470,724	-	1,470,724	
16.3.4	Other profit reserves		(39)	8,277	8,238	429	4,408	4,837	
16.4	Profit or loss		2,962,241	-	2,962,241	1,750,488	-	1,750,488	
16.4.1	Prior periods profit/loss		-	-	-	-	-	-	
16.4.2	Current period net profit/loss		2,962,241	-	2,962,241	1,750,488	-	1,750,488	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			67,189,422	38,272,632	105,462,054	54,843,775	34,097,085	88,940,860	

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

Türkiye Garanti Bankası Anonim Şirketi
Off-Balance Sheet Items

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

At 31 December 2009

THOUSANDS OF TURKISH LIRA (TL)

OFF-BALANCE SHEET ITEMS	Footnotes	CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		31,164,658	35,742,945	66,907,603	31,399,717	38,058,985	69,458,702
I. GUARANTEES AND SURETIES	(5.3.1)	4,513,990	10,169,309	14,683,299	4,231,196	10,034,868	14,266,064
1.1. Letters of guarantee		4,513,454	7,451,475	11,964,929	4,120,918	6,790,151	10,911,069
1.1.1. Guarantees subject to State Tender Law		-	-	-	238,990	541,707	780,697
1.1.2. Guarantees given for foreign trade operations		331,518	335,464	666,982	312,563	330,871	643,434
1.1.3. Other letters of guarantee		4,181,936	7,116,011	11,297,947	3,569,365	5,917,573	9,486,938
1.2. Bank acceptances		514	125,327	125,841	-	123,807	123,807
1.2.1. Import letter of acceptance		514	124,968	125,482	-	108,097	108,097
1.2.2. Other bank acceptances		-	359	359	-	15,710	15,710
1.3. Letters of credit		22	2,592,507	2,592,529	278	3,120,910	3,121,188
1.3.1. Documentary letters of credit		-	4	4	-	82	82
1.3.2. Other letters of credit		22	2,592,503	2,592,525	278	3,120,828	3,121,106
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)	15,449,634	4,255,825	19,705,459	14,325,782	3,577,545	17,903,327
2.1. Irrevocable commitments		15,449,634	4,255,179	19,704,813	14,325,782	3,576,891	17,902,673
2.1.1. Asset purchase and sale commitments		270,190	1,170,188	1,440,378	101,953	635,532	737,485
2.1.2. Deposit purchase and sale commitments		46,000	1,736	47,736	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		2,250	10,136	12,386	812	-	812
2.1.4. Loan granting commitments		3,270,340	1,694,869	4,965,209	2,787,561	1,535,359	4,322,920
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,513,300	-	1,513,300	1,356,364	-	1,356,364
2.1.8. Tax and fund obligations on export commitments		25,746	-	25,746	25,834	-	25,834
2.1.9. Commitments for credit card limits		9,057,598	-	9,057,598	8,789,048	-	8,789,048
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	1,378,250	2,642,460	1,264,210	1,406,000	2,670,210
2.2. Revocable commitments		-	646	646	-	654	654
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	646	646	-	654	654

OFF-BALANCE SHEET ITEMS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 December 2009			31 December 2008		
III.	DERIVATIVE FINANCIAL INSTRUMENTS		TL	FC	Total	TL	FC	Total
		(5.3.2)	11,201,034	21,317,811	32,518,845	12,842,739	24,446,572	37,289,311
3.1.	Derivative financial instruments held for risk management		-	1,295	1,295	-	110,523	110,523
3.1.1.	Fair value hedges		-	-	-	-	-	-
3.1.2.	Cash flow hedges		-	1,295	1,295	-	110,523	110,523
3.1.3.	Net foreign investment hedges		-	-	-	-	-	-
3.2.	Trading derivatives		11,201,034	21,316,516	32,517,550	12,842,739	24,336,049	37,178,788
3.2.1.	Forward foreign currency purchases/sales		1,927,085	2,992,507	4,919,592	1,842,879	2,509,939	4,352,818
3.2.1.1.	Forward foreign currency purchases		716,991	1,761,347	2,478,338	835,846	1,346,064	2,181,910
3.2.1.2.	Forward foreign currency sales		1,210,094	1,231,160	2,441,254	1,007,033	1,163,875	2,170,908
3.2.2.	Currency and interest rate swaps		5,776,756	8,787,554	14,564,310	9,282,041	14,428,281	23,710,322
3.2.2.1.	Currency swaps-purchases		2,588,879	4,718,074	7,306,953	5,342,075	6,590,355	11,932,430
3.2.2.2.	Currency swaps-sales		3,187,877	3,965,784	7,153,661	3,939,966	7,799,523	11,739,489
3.2.2.3.	Interest rate swaps-purchases		-	51,852	51,852	-	17,990	17,990
3.2.2.4.	Interest rate swaps-sales		-	51,844	51,844	-	20,413	20,413
3.2.3.	Currency, interest rate and security options		3,469,504	8,863,465	12,332,969	1,683,016	6,523,740	8,206,756
3.2.3.1.	Currency call options		1,211,007	3,047,363	4,258,370	658,260	1,580,783	2,239,043
3.2.3.2.	Currency put options		2,234,906	2,294,698	4,529,604	990,950	1,451,277	2,442,227
3.2.3.3.	Interest rate call options		-	1,810,844	1,810,844	-	1,799,040	1,799,040
3.2.3.4.	Interest rate put options		-	1,710,560	1,710,560	-	1,692,640	1,692,640
3.2.3.5.	Security call options		18,368	-	18,368	33,806	-	33,806
3.2.3.6.	Security put options		5,223	-	5,223	-	-	-
3.2.4.	Currency futures		24,689	24,715	49,404	27,209	33,537	60,746
3.2.4.1.	Currency futures-purchases		-	4,704	4,704	24,833	24,967	49,800
3.2.4.2.	Currency futures-sales		24,689	20,011	44,700	2,376	8,570	10,946
3.2.5.	Interest rate futures		-	32,184	32,184	-	-	-
3.2.5.1.	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sales		-	32,184	32,184	-	-	-
3.2.6.	Others		3,000	616,091	619,091	7,594	840,552	848,146
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		185,131,605	131,521,185	316,652,790	149,828,729	108,222,111	258,050,840
IV.	ITEMS HELD IN CUSTODY		45,183,674	15,367,633	60,551,307	38,828,829	15,588,198	54,417,027
4.1.	Customers' securities held		23,873,575	1,133	23,874,708	18,299,861	3,913,486	22,213,347
4.2.	Investment securities held in custody		14,546,869	4,662,027	19,208,896	13,804,387	932,508	14,736,895
4.3.	Checks received for collection		4,762,507	822,559	5,585,066	4,869,700	895,721	5,765,421
4.4.	Commercial notes received for collection		1,955,218	1,791,447	3,746,665	1,822,785	1,776,262	3,599,047
4.5.	Other assets received for collection		21,265	7,683,438	7,704,703	9,649	7,665,813	7,675,462
4.6.	Assets received through public offering		-	34,412	34,412	-	25,454	25,454
4.7.	Other items under custody		24,240	372,617	396,857	22,447	378,954	401,401
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		139,947,931	116,153,552	256,101,483	110,999,900	92,633,913	203,633,813
5.1.	Securities		548,240	257	548,497	77,210	-	77,210
5.2.	Guarantee notes		20,386,072	7,192,615	27,578,687	16,424,680	6,927,507	23,352,187
5.3.	Commodities		-	-	-	157	-	157
5.4.	Warranties		-	-	-	-	-	-
5.5.	Real estates		26,911,048	34,618,660	61,529,708	19,469,018	20,275,144	39,744,162
5.6.	Other pledged items		92,102,401	74,341,580	166,443,981	75,028,665	65,430,814	140,459,479
5.7.	Pledged items-depository		170	440	610	170	448	618
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			216,296,263	167,264,130	383,560,393	181,228,446	146,281,096	327,509,542

Türkiye Garanti Bankası Anonim Şirketi
Income Statement

For the Twelve-Month Period Ended 31 December 2009

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

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2009- 31 December 2009	1 January 2008- 31 December 2008
I. INTEREST INCOME	(5.4.1)	10,441,368	9,378,392
1.1 Interest income on loans		6,003,840	5,757,266
1.2 Interest income on reserve deposits		148,186	218,100
1.3 Interest income on banks		220,269	261,715
1.4 Interest income on money market transactions		3,182	7,120
1.5 Interest income on securities portfolio		3,917,937	2,955,527
1.5.1 Trading financial assets		18,151	24,908
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		2,897,216	2,111,947
1.5.4 Investments held-to-maturity		1,002,570	818,672
1.6 Financial lease income		-	-
1.7 Other interest income		147,954	178,664
II. INTEREST EXPENSE	(5.4.2)	5,361,386	6,200,432
2.1 Interest on deposits		3,936,377	4,318,410
2.2 Interest on funds borrowed		668,499	713,554
2.3 Interest on money market transactions		752,660	1,159,115
2.4 Interest on securities issued		-	-
2.5 Other interest expenses		3,850	9,353
III. NET INTEREST INCOME (I - II)		5,079,982	3,177,960
IV. NET FEES AND COMMISSIONS INCOME		1,642,508	1,441,128
4.1 Fees and commissions received		2,088,234	1,915,070
4.1.1 Non-cash loans		161,167	114,210
4.1.2 Others		1,927,067	1,800,860
4.2 Fees and commissions paid		445,726	473,942
4.2.1 Non-cash loans		808	453
4.2.2 Others		444,918	473,489
V. DIVIDEND INCOME	(5.4.3)	78,937	102,470
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	880,698	251,295
6.1 Trading account income/losses		361,107	49,366
6.2 Income/losses from derivative financial instruments		379,039	480,060
6.3 Foreign exchange gains/losses		140,552	(278,131)
VII. OTHER OPERATING INCOME	(5.4.5)	279,252	278,171
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		7,961,377	5,251,024
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	1,612,814	566,446
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	2,570,035	2,522,590
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,778,528	2,161,988
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)		3,778,528	2,161,988
XVI. PROVISION FOR TAXES (±)	(5.4.9)	816,287	411,500
16.1 Current tax charge		817,616	399,213
16.2 Deferred tax charge/(credit)		(1,329)	12,287
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	2,962,241	1,750,488
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)	2,962,241	1,750,488
EARNINGS PER SHARE (full TL amount per TL'000 face value each)		705	588

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Income/Expense Items Accounted under Shareholders' Equity
For the Twelve-Month Period Ended 31 December 2009

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

	THOUSANDS OF TURKISH LIRA(TL)	
	CURRENT PERIOD 31 December 2009	PRIOR PERIOD 31 December 2008
INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY		
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	1,379,598	31,407
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	196	84,412
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	(66,849)	32,591
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	9,583	(64,240)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	98,527	80,122
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(261,683)	(6,472)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	1,159,372	157,820
XI. CURRENT PERIOD PROFIT/LOSSES	2,962,241	1,750,488
1.1 Net changes in fair value of securities (transferred to income statement)	109,738	61,271
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	2,852,503	1,689,217
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	4,121,613	1,908,308

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows

For the Twelve-Month Period Ended 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 31 December 2009	PRIOR PERIOD 31 December 2008
STATEMENT OF CASH FLOWS			
	Footnotes		
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities	3,755,718	(596,645)
1.1.1	Interests received	10,657,486	7,574,346
1.1.2	Interests paid	(5,478,564)	(5,931,586)
1.1.3	Dividend received	78,937	102,470
1.1.4	Fees and commissions received	2,271,798	2,054,089
1.1.5	Other income	393,571	116,554
1.1.6	Collections from previously written-off loans and other receivables	39,016	25,323
1.1.7	Payments to personnel and service suppliers	(2,076,921)	(1,964,574)
1.1.8	Taxes paid	(1,035,411)	(372,940)
1.1.9	Others	(1,094,194)	(2,200,327)
	(5.6)		
1.2	Changes in operating assets and liabilities	7,708,099	8,094,899
1.2.1	Net (increase) decrease in financial assets held for trading	(309,542)	65,861
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	(2,814,808)	(1,518,419)
1.2.4	Net (increase) decrease in loans	(388,822)	(11,979,155)
1.2.5	Net (increase) decrease in other assets	1,062,576	3,260,282
1.2.6	Net increase (decrease) in bank deposits	665,402	77,234
1.2.7	Net increase (decrease) in other deposits	9,552,211	13,408,117
1.2.8	Net increase (decrease) in funds borrowed	2,296,389	2,353,243
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	(2,355,307)	2,427,736
	(5.6)		
I.	Net cash flow from banking operations	11,463,817	7,498,254
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash flow from investing activities	(8,008,898)	(7,013,989)
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures	(2,655)	-
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures	-	(37,883)
2.3	Purchases of tangible assets	(297,743)	(348,771)
2.4	Sales of tangible assets	25,378	144,244
2.5	Cash paid for purchase of financial assets available-for-sale	(17,790,579)	(11,690,440)
2.6	Cash obtained from sale of financial assets available-for-sale	9,869,206	4,449,682
2.7	Cash paid for purchase of investments held-to-maturity	(927,839)	-
2.8	Cash obtained from sale of investments held-to-maturity	1,115,334	469,179
2.9	Others	-	-
	(5.6)		
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash flow from financing activities	(307,799)	552,727
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	(275,000)	-
3.5	Payments for financial leases	(32,799)	(124,920)
3.6	Others (payments for founder shares repurchased)	-	(1,434,233)
	(5.6)		
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(48,103)	577,238
V.	Net increase/(decrease) in cash and cash equivalents	3,099,017	1,614,230
VI.	Cash and cash equivalents at beginning of period	5,031,725	3,417,495
VII.	Cash and cash equivalents at end of period	8,130,742	5,031,725

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit Distribution

At 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)	
STATEMENT OF PROFIT DISTRIBUTION		CURRENT PERIOD	PRIOR PERIOD
		31 December 2009	31 December 2008
I.	DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1	CURRENT PERIOD PROFIT	3,778,528	2,161,988
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	816,287	411,500
1.2.1	Corporate tax (income tax)	816,287	411,500
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	2,962,241	1,750,488
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	148,112	87,524
1.5	OTHER STATUTORY RESERVES (-)	3,817	4,424
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	2,810,312	1,658,540
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	210,000
1.6.1	To owners of ordinary shares	-	210,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	65,000
1.9.1	To owners of ordinary shares	-	65,000
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	6,500
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	1,377,040
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE (per YTL'000 face value each)		
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	705	417
3.2	TO OWNERS OF ORDINARY SHARES (%)	71	42
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

Decision regarding to the current year profit distribution will be held at General Assembly meeting.

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 that are in foreign currencies 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, 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.

The Bank had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16 – Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 Financial Instruments: Recognition and Measurement". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

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. There are no embedded derivatives.

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 and 20 August 2008 are for five-year maturity and with fixed real coupon rates of 5% and 6% 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 other intangible assets. 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. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. Estimated useful lives of the Bank's intangible assets are 3-15 years, and amortisation rates are 6.67-33.3%. 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.

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.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2009	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	2	4	2
Vaults	20-50	2-20	4-40	2-20
Motor vehicles	5-7	15-20	30-40	15-20
Other tangible assets	4-20	5-25	10-50	5-25

In prior periods, the tangible assets are depreciated over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. The tangible assets purchased since 1 January 2005 are depreciated based on the declining balance method which is one of the accelerated depreciation methods. The straight-line depreciation method is in use for the tangible assets purchased since 1 January 2009.

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 Liabilities for 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:

	31 December 2009	31 December 2008
Discount rate	5.92%	6.26%
Interest rate	11.00%	12.00%
Expected rate of salary/limit increase	4.80%	5.40%
Estimated employee turnover rate	6.70%	6.55%

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:

	31 December 2009	
	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 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 Saving Deposits Insurance Fund, 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 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 decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, 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.

The tax applications for foreign branches;

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subjected to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The prepaid taxes are paid in April, August and December in the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The excess part of the corporate tax that is not covered by such prepayments is paid to the tax office in September.

LUXEMBOURG

The corporate earnings are subjected to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 4% of the calculated corporate tax is paid as a contribution for unemployment insurance fund. The municipality commerce tax, which is set as 3% of the taxable income, can be increased up to 225% by the authorization of the municipalities. This rate is 6.75% in the municipality where the Bank's Luxembourg branch operates. The tax returns are examined by the authorized bodies and in case of detected mistakes, the amount of the taxes to be paid, is revised. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

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.

3.18.3 Transfer pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

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.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 31 December 2009, the Bank does not have any government incentives or aids.

3.23 Segment reporting

The Bank operates in corporate, commercial, retail and investment banking business lines. 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, TL 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 31 December 2009:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,551,764	2,425,221	2,461,229	444,226	7,882,440
Other	-	-	-	-	-
Total Operating Profit	2,551,764	2,425,221	2,461,229	444,226	7,882,440
Net Operating Profit	1,229,331	1,633,665	2,379,317	(1,542,722)	3,699,591
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	78,937	78,937
Net Operating Profit	1,229,331	1,633,665	2,379,317	(1,463,785)	3,778,528
Provision for Taxes	-	-	-	816,287	816,287
Net Profit	1,229,331	1,633,665	2,379,317	(2,280,072)	2,962,241
Segment Assets	16,937,989	32,794,707	51,676,386	3,020,007	104,429,089
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,032,965	1,032,965
Undistributed Items	-	-	-	-	-
Total Assets	16,937,989	32,794,707	51,676,386	4,052,972	105,462,054
Segment Liabilities	36,742,265	26,367,015	27,062,023	1,975,064	92,146,367
Shareholders' Equity	-	-	-	13,315,687	13,315,687
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	36,742,265	26,367,015	27,062,023	15,290,751	105,462,054
Other Segment Items					
Capital Expenditure	-	-	-	264,560	264,560
Depreciation Expenses	-	-	-	171,867	171,867
Impairment Losses	-	-	703	1,620,859	1,621,562
Other Non-Cash Income/Expenses	(36,348)	(196,896)	1,425,632	17,003	1,209,391
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures
None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 21.20%.

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".

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.1.2 Capital adequacy ratio

Value at Credit Risk	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
Balance Sheet Items (Net)	22,575,086	-	3,230,234	12,907,888	36,895,700	399,473	18,037
Cash on Hand	891,864	-	1,497	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	4,231,652	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	3,932,729	-	2,815,343	-	1,532,677	-	-
Interbank Money Market Placements	1,000,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,716,480	-	-	-	-	-	-
Loans	3,088,978	-	177,253	12,694,223	32,186,372	399,473	18,037
Loans under Follow-Up (Net)	-	-	-	-	424,642	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,065,721	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,237	-	-
Miscellaneous Receivables	39,026	-	-	-	80,153	-	-
Accrued Interest and Income	330,366	-	26,011	213,665	548,133	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	-	1,019,855	-	-
Tangible Assets (Net)	-	-	-	-	1,042,526	-	-
Other Assets	278,270	-	210,130	-	41,105	-	-
Off-Balance Sheet Items	1,705,076	-	1,096,091	806,350	9,510,243	-	-
Non-Cash Loans and Commitments	1,705,076	-	815,249	806,350	9,418,278	-	-
Derivative Financial Instruments	-	-	280,842	-	91,965	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	24,280,162	-	4,326,325	13,714,238	46,405,943	399,473	18,037

4.1.3 Summary information related to capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk (VaCR)	54,763,611	53,973,934
Value at Market Risk (VaMR)	2,525,413	2,523,750
Value at Operational Risk (VaOR)	7,212,178	5,766,996
Shareholders' Equity	13,672,917	10,047,717
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100	21.20%	16.14%

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	367,032	272,893
I. Legal Reserve (Turkish Commercial Code 466/1)	341,742	254,103
II. Legal Reserve (Turkish Commercial Code 466/2)	25,290	18,790
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	2,847,764	1,470,724
Reserve allocated as per the Decision held by the General Assembly	2,847,764	1,470,724
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,962,241	1,750,488
Current Period Profit	2,962,241	1,750,488
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	330,000	22,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	596,047	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) (*)	133,651	-
Prepaid Expenses (-) (*)	210,859	295,671
Intangible Assets (-) (*)	20,626	15,764
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	11,722,382	9,095,482
SUPPLEMENTARY CAPITAL		
General Provisions	437,334	428,799
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	851,910	760,000
45% of Securities Value Increase Fund (**)	710,309	142,608
Associates and Subsidiaries	95,790	46,593
Investment Securities Available for Sale	614,519	96,015
Other Reserves	8,238	4,837
Total Supplementary Capital	2,011,210	1,339,663
TIER III CAPITAL		
CAPITAL	13,733,592	10,435,145
DEDUCTIONS FROM CAPITAL	60,675	378,428
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	13,110	13,110
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	47,565	62,883
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	13,672,917	10,047,717

(*)According to the "Regulation on Equities of Banks" Temporary Article 1 published in Official Gazette no. 26333 dated 1 November 2006, starting from 1 January 2009 leasehold improvements, prepaid expenses, intangible assets and deferred tax assets above 10% of core capital are directly deducted from core capital.

(**) 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

Credit risk means risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is reviewed periodically in compliance with the legislation by the internal risk rating models. The credit limits are revised and further collateral is required if the risk level of debtor deteriorates. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the satisfactory collateral is required based on the financial position of the company and the lending terms demanded; like cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

The Bank has control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed under the risk from market fluctuations. The Bank follows up the risk arising from such instruments and takes the necessary actions to decrease it when necessary.

The liquidated non-cash loans are subject to the same risk weighting with the overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondents network. Accordingly, the Bank assigns limits to domestic and foreign banks and other financial institutions examining their credit worthiness, periodically.

The Bank's largest 100 cash loan customers compose 31.32% of the total cash loan portfolio.

The Bank's largest 100 non-cash loan customers compose 54.85% of the total non-cash loan portfolio.

The Bank's largest 100 cash and non-cash loan customers represent 11.51% of the total "on and off balance sheet" assets.

The general provision for credit risk amounts to TL 437,334 thousands.

The Bank developed a statistical-based internal risk rating model for its credit portfolio of corporate/ commercial/medium-size companies. This internal risk rating model has been in use for customer credibility assessment since 2003. Risk rating has become a requirement for loan applications, and ratings are used both to determine branch managers' credit authorization limits and in credit assessment process.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below. The small and micro-size enterprises, consumer loans and credit card portfolios are not included in this table as they are subject to different rating scorings on a product basis.

	Current Period	Prior Period
	%	%
Above Average	39.54	49.57
Average	50.22	43.58
Below Average	10.24	6.85
Total	100.00	100.00

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Customer and regional concentration of credit risks:

	Loans to Individuals and Corporates		Balances with Banks and Central Bank of Turkey		Securities*		Other Credits**		Off-Balance Sheet Commitments and Contingencies	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Customer concentration									
Private Sector	31,443,893	32,021,835	-	-	593,801	654,424	188,385	234,276	30,732,733	31,887,765
Public Sector	1,253,389	1,268,795	-	-	33,667,037	22,908,162	80,322	308	2,305	2,305
Banks	106,923	103,865	15,307,130	9,690,329	1,388,751	1,359,286	950,942	1,080,641	17,870,356	18,815,380
Retail Customers	16,928,490	16,512,912	-	-	-	-	15,469	404	1,951,071	127,546
Equity Securities	-	-	-	-	133,530	71,268	1,032,965	839,833	-	-
Total	49,732,695	49,907,407	15,307,130	9,690,329	35,783,119	24,993,140	2,268,083	2,155,462	50,556,465	50,832,996
Regional concentration										
Domestic	48,794,662	49,062,370	7,445,437	5,709,534	34,097,811	23,410,847	1,064,524	915,273	36,055,579	31,442,005
European Union (EU) Countries	784,284	667,477	7,154,425	3,042,197	1,257,553	1,277,785	1,010,302	944,132	6,575,988	10,895,571
OECD Countries ***	17,317	6,617	16,213	12,044	-	-	-	140	2,259,071	1,008,121
Off-Shore Banking Regions	75,523	90,103	63,772	57,151	229,387	226,765	281	212	21,266	30,461
USA, Canada	8,927	17,948	544,533	688,655	75,644	77,743	116,180	227,539	5,421,901	7,103,945
Other Countries	51,982	62,892	82,750	180,748	122,724	-	76,796	68,166	222,660	352,893
Total	49,732,695	49,907,407	15,307,130	9,690,329	35,783,119	24,993,140	2,268,083	2,155,462	50,556,465	50,832,996

*Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity

**Includes transactions defined as credit as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

***OECD countries other than EU countries, USA and Canada

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.2.1 Geographical concentration

	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit/(Loss)
Current Period					
Domestic	93,744,414	82,234,658	12,528,207	264,560	2,858,005
EU Countries	10,232,419	14,407,286	1,101,122	-	99,349
OECD Countries*	33,530	514,743	384,922	-	-
Off-Shore Banking Regions	372,155	436,414	21,266	-	4,887
USA, Canada	745,284	7,680,608	429,465	-	-
Other Countries	334,252	188,345	218,317	-	-
Unallocated Assets/Liabilities**	-	-	-	-	-
Total	105,462,054	105,462,054	14,683,299	264,560	2,962,241
Prior Period					
Domestic	81,258,972	74,770,923	11,500,025	341,854	1,674,576
EU Countries	5,961,447	6,511,645	1,635,450	-	73,356
OECD Countries*	18,801	836,228	433,287	-	-
Off-Shore Banking Regions	377,949	207,015	30,461	-	2,556
USA, Canada	1,011,885	6,421,186	314,583	-	-
Other Countries	311,806	193,863	352,258	-	-
Unallocated Assets/Liabilities**	-	-	-	-	-
Total	88,940,860	88,940,860	14,266,064	341,854	1,750,488

*OECD countries other than EU countries, USA and Canada

**Assets, liabilities and equity items that can not be allocated on a consistent basis

4.2.2 Sectoral distribution of cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	260,997	0.93	60,656	0.29	276,174	1.00	72,527	0.33
Farming and Stockbreeding	243,422	0.86	54,587	0.26	265,942	0.96	61,230	0.28
Forestry	10,263	0.04	-	-	4,937	0.02	-	-
Fishery	7,312	0.03	6,069	0.03	5,295	0.02	11,297	0.05
Manufacturing	3,678,528	13.06	7,508,606	35.50	3,871,969	14.04	7,511,040	34.33
Mining	102,415	0.36	205,355	0.97	121,982	0.44	246,644	1.13
Production	3,423,729	12.16	5,207,127	24.62	3,537,887	12.83	5,885,970	26.90
Electricity, Gas, Water	152,384	0.54	2,096,124	9.91	212,100	0.77	1,378,426	6.30
Construction	1,097,197	3.90	1,031,639	4.88	953,983	3.46	1,348,629	6.16
Services	4,874,984	17.32	9,329,664	44.11	4,568,160	16.57	10,261,707	46.90
Wholesale and Retail Trade	3,210,181	11.40	3,266,448	15.44	3,178,646	11.53	2,562,118	11.71
Hotel, Food and Beverage Services	244,417	0.87	1,198,029	5.66	208,057	0.75	974,713	4.46
Transportation and Telecommunication	553,652	1.97	3,325,939	15.73	575,719	2.09	3,693,885	16.88
Financial Institutions	543,237	1.93	728,769	3.45	283,019	1.03	2,269,082	10.37
Real Estate and Renting Services	57,200	0.20	385,292	1.82	70,624	0.26	373,717	1.71
"Self-Employment" Type Services	-	-	-	-	-	-	-	-
Educational Services	77,908	0.28	27,948	0.13	72,763	0.26	31,401	0.14
Health and Social Services	188,389	0.67	397,239	1.88	179,332	0.65	356,791	1.63
Other	18,246,451	64.79	3,219,331	15.22	17,910,007	64.93	2,683,065	12.28
Total	28,158,157	100.00	21,149,896	100.00	27,580,293	100.00	21,876,968	100.00

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.2.3 Credit risk by business segments

Loan Groups	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Performing Loans					
Cash Loans	31,836,695	9,795,736	6,913,450	6,338,990	54,884,871
Non-Cash Loans	14,498,868	4,965,209	9,057,598	5,682,006	34,203,681
Loans under Follow-Up					
Cash Loans	422,778	148,757	190,637	-	762,172
Non-Cash Loans	81,316	-	-	-	81,316
Non-Performing Loans					
Cash Loans	819,834	605,007	812,264	-	2,237,105
Non-Cash Loans	103,115	-	-	-	103,115
Total					
Cash Loans	33,079,307	10,549,500	7,916,351	6,338,990	57,884,148
Non-Cash Loans	14,683,299	4,965,209	9,057,598	5,682,006	34,388,112
Provision Types	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Specific Provision					
Cash Loans	556,575	493,598	762,290	-	1,812,463
Non-Cash Loans	56,105	-	-	-	56,105
General Provision					
Cash Loans	224,188	72,196	49,126	51,253	396,763
Non-Cash Loans	18,731	4,768	12,011	5,061	40,571

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 set 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 the highest authority 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, available-for-sale and derivative 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. Beside the VaR limits, the limits on transaction, dealer, desk, stop loss for trading portfolio as approved by the board of directors are also applied and monitored.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.3.1 Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	150,328
(II) Capital Obligation against Specific Risks - Standard Method	35,119
(III) Capital Obligation against Currency Risk - Standard Method	7,545
(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	9,041
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	202,033
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	2,525,413

4.3.2 Monthly average values at market risk

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	3,042,250	4,084,562	2,062,874	2,236,147	2,562,612	1,413,975
Common Share Risk	184,339	259,438	117,075	157,298	189,025	115,725
Currency Risk	193,895	495,825	5,238	109,942	268,725	12,963
Stock Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	241,970	470,975	108,788	175,148	316,100	122,113
Total Value at Risk	3,662,454	5,310,800	2,293,975	2,678,535	3,336,462	1,664,776

The value at market risk as of 31 December 2006 is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and the "Regulation on Equities of Banks" published in Official Gazette no.26333 dated 1 November 2006.

4.4 Operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The annual gross income is composed of net interest income plus net non-interest income reduced by realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

Basic Indicator Method	31 December 2008	31 December 2007	31 December 2006
(I) Net Interest Income	3,177,960	2,804,103	1,901,806
(II) Net Fees and Commissions Income	1,441,128	1,197,703	1,014,451
(III) Dividend Income	102,470	49,399	46,945
(IV) Net Trading Income/(Losses)	251,295	(135,904)	(56,272)
(V) Other Operating Income	297,971	1,017,870	212,746
(VI) Gain/(Loss) on Securities Available-for-Sale and Held-to-Maturity	48,991	47,375	50,081
(VII) Extraordinary Income	375,184	1,021,942	240,613
(VIII) Insurance Claim Collections	-	-	-
(IX) Gross Income (I+II+III+IV+V-VI-VII-VIII)	4,846,649	3,863,854	2,828,982
(X) Capital Obligation (IX * 15%)	726,997	579,578	424,347
(XI) Average Capital Obligation against Operational Risk		576,974	
(XII) Value at Operational Risk (XI * 12.5)		7,212,178	

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2009, the Bank's net 'on balance sheet' foreign currency short position amounts to TL 845,840 thousands (31 December 2008: a long position of TL 1,684,034 thousands), net 'off-balance sheet' foreign currency long position amounts to TL 893,798 thousands (31 December 2008: a short position of TL 1,928,664 thousands), while net foreign currency long position amounts to TL 47,958 thousands (31 December 2008: a net foreign currency short position of TL 244,630 thousands).

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 TL are as follows:

	USD	EURO	Yen (100)	GBP
Foreign currency purchase rates at balance sheet date	1.4900	2.1382	1.6029	2.4074
Rates for the days before balance sheet date;				
Day 1	1.4900	2.1301	1.6072	2.3844
Day 2	1.4900	2.1476	1.6226	2.3795
Day 3	1.4900	2.1447	1.6258	2.3849
Day 4	1.5000	2.1596	1.6448	2.3946
Day 5	1.5000	2.1596	1.6448	2.3946
Last 30-days arithmetical average rates	1.4887	2.1660	1.6504	2.4115

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	975,343	1,918,434	703	122,498	3,016,978
Banks	2,912,180	2,838,568	6,073	59,460	5,816,281
Financial Assets at Fair Value through Profit/Loss	84,547	33,936	40	248	118,771
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	244,919	2,631,362	-	-	2,876,281
Loans (*)	7,816,302	14,723,715	32,490	522,967	23,095,474
Investments in Associates, Subsidiaries and Joint-Ventures	612,710	106,092	-	-	718,802
Investments Held-to-Maturity	5,778	1,380,030	-	-	1,385,808
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	1,077	249	-	-	1,326
Intangible Assets	-	-	-	-	-
Other Assets	9,453	21,254	179	529	31,415
Total Assets	12,662,309	23,653,640	39,485	705,702	37,061,136
Liabilities					
Bank Deposits	737,318	829,003	4	39,622	1,605,947
Foreign Currency Deposits	9,211,652	15,094,759	29,180	435,131	24,770,722
Interbank Money Market Takings	-	157,453	-	-	157,453
Other Fundings	3,670,540	7,020,471	212	-	10,691,223
Securities Issued	-	-	-	-	-
Miscellaneous Payables	6,063	13,917	175	575	20,730
Derivative Financial Liabilities Held for Risk Management	-	3,464	-	-	3,464
Other Liabilities (**)	153,926	162,198	424	340,889	657,437
Total Liabilities	13,779,499	23,281,265	29,995	816,217	37,906,976
Net 'On Balance Sheet' Position	(1,117,190)	372,375	9,490	(110,515)	(845,840)
Net 'Off-Balance Sheet' Position	1,409,510	(624,017)	(8,891)	117,196	893,798
Derivative Assets	2,479,074	6,237,239	8,893	1,028,763	9,753,969
Derivative Liabilities	1,069,564	6,861,256	17,784	911,567	8,860,171
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	9,727,440	24,919,804	49,861	805,769	35,502,874
Total Liabilities	11,927,327	21,290,615	42,357	558,541	33,818,840
Net 'On Balance Sheet' Position	(2,199,887)	3,629,189	7,504	247,228	1,684,034
Net 'Off-Balance Sheet' Position	2,029,201	(3,707,044)	(8,155)	(242,666)	(1,928,664)
Derivative Assets	3,750,886	5,234,213	2,914	418,432	9,406,445
Derivative Liabilities	1,721,685	8,941,257	11,069	661,098	11,335,109
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,945,578 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities also include gold deposits of TL 337,564 thousands.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.6 Interest rate risk

The interest rate risk resulted from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on and off-balance sheet. 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), duration-gap and sensitivity analysis. Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. The duration-gap and sensitivity analysis are run every two weeks period. During the daily VaR calculations, the interest rate risks of the Bank's TL 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.

In the duration-gap analysis used for the quantification of market risk arising from maturity mismatches of assets and liabilities, 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. Furthermore, the interest rate risk is monitored within the limits approved by the board of directors. As a part of the duration-gap analysis, the bank-only sensitivity analysis for a +/-1 point change in the present values of interest sensitive balance sheet items excluding trading and available-for-sale portfolios as of 31 December 2009 is provided in the table below:

Sensitivity analysis for TL interest rates:

Stress applied	Change in portfolio value
(+) %1	(74,663)
(-) %1	75,211

Sensitivity analysis for FC interest rates:

Stress applied	Change in portfolio value
(+) %1	(143,505)
(-) %1	161,347

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	3-12Months	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	3,381,166	-	-	-	-	3,484,807	6,865,973
Banks	2,619,893	3,268,100	1,531,570	-	-	914,775	8,334,338
Financial Assets at Fair Value through Profit/Loss	24,275	8,070	268,548	29,719	4,393	579,787	914,792
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,119,497	5,787,005	8,151,995	2,612,367	468,557	2,955,612	28,095,033
Loans	15,080,303	8,011,378	11,504,216	9,799,800	4,168,639	1,168,359	49,732,695
Investments Held-to-Maturity	1,394,173	1,261,949	92,163	3,056,156	1,261,280	280,440	7,346,161
Other Assets	15,921	459	5,364	7,168	7,093	3,136,877	3,172,882
Total Assets	31,635,228	18,336,961	21,553,856	15,505,210	5,909,962	12,520,837	105,462,054
Liabilities							
Bank Deposits	856,621	48,816	42,404	-	-	1,381,242	2,329,083
Other Deposits	42,500,244	6,048,721	1,833,534	17,405	-	10,079,058	60,478,962
Interbank Money Market Takings	9,925,239	368	400,000	150,000	-	59,097	10,534,704
Miscellaneous Payables	-	-	-	-	-	2,360,350	2,360,350
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,748,328	4,373,084	2,515,234	2,217	-	242,969	13,881,832
Other Liabilities	56	1,424	2,674	23	-	15,872,946	15,877,123
Total Liabilities	60,030,488	10,472,413	4,793,846	169,645	-	29,995,662	105,462,054
On Balance Sheet Long Position	-	7,864,548	16,760,010	15,335,565	5,909,962	-	45,870,085
On Balance Sheet Short Position	(28,395,260)	-	-	-	-	(17,474,825)	(45,870,085)
Off-Balance Sheet Long Position	3,693	6,612	9,275	-	-	-	19,580
Off-Balance Sheet Short Position	(2,815)	(6,383)	(9,428)	-	-	-	(18,626)
Total Position	(28,394,382)	7,864,777	16,759,857	15,335,565	5,909,962	(17,474,825)	954

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Average interest rates on monetary financial instruments:

Current Period	EURO	USD	YEN	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	1.43	1.64	-	10.70
Financial Assets at Fair Value through Profit/Loss	6.28	3.78	-	9.26
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	4.33	5.32	-	13.30
Loans	5.73	5.86	5.06	18.37
Investments Held-to-Maturity	9.25	7.52	-	14.74
Liabilities				
Bank Deposits	0.52	0.90	-	6.85
Other Deposits	1.75	1.93	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.43	2.26	3.16	12.37

(*) The interest rates for USD and TL placements at banks are 0.76% and 6.57%, respectively, when the placements with range accrual agreements are excluded.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	3-12Months	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	1,728,238	-	-	-	-	3,803,336	5,531,574
Banks	1,718,535	816,777	1,258,619	-	-	1,007,104	4,801,035
Financial Assets at Fair Value through Profit/Loss	25	4,074	6,504	7,862	7,096	640,536	666,097
Interbank Money Market Placements	40,000	-	-	-	-	552	40,552
Financial Assets Available-for-Sale	963,557	5,538,579	4,993,862	4,128,800	241,928	1,479,055	17,345,781
Loans	15,628,128	8,808,272	12,727,647	8,476,743	2,717,529	1,549,088	49,907,407
Investments Held-to-Maturity	483,311	2,218,437	148,422	3,164,752	1,290,181	312,194	7,617,297
Other Assets	101	301	5,052	6,338	21,056	2,998,269	3,031,117
Total Assets	20,561,895	17,386,440	19,140,106	15,784,495	4,277,790	11,790,134	88,940,860
Liabilities							
Bank Deposits	770,085	87,388	25,519	-	-	783,557	1,666,549
Other Deposits	37,445,771	3,977,245	1,455,984	28,612	-	8,141,120	51,048,732
Interbank Money Market Takings	10,100,811	324	-	550,000	-	51,808	10,702,943
Miscellaneous Payables	-	-	-	-	-	1,949,731	1,949,731
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,471,428	2,969,534	1,129,186	12,327	760,000	282,609	11,625,084
Other Liabilities	3,570	5,465	11,159	3,163	-	11,924,464	11,947,821
Total Liabilities	54,791,665	7,039,956	2,621,848	594,102	760,000	23,133,289	88,940,860
On Balance Sheet Long Position	-	10,346,484	16,518,258	15,190,393	3,517,790	-	45,572,925
On Balance Sheet Short Position	(34,229,770)	-	-	-	-	(11,343,155)	(45,572,925)
Off-Balance Sheet Long Position	3,116	2,155	6,022	-	-	-	11,293
Off-Balance Sheet Short Position	(50)	(16,701)	(43,725)	-	-	-	(60,476)
Total Position	(34,226,704)	10,331,938	16,480,555	15,190,393	3,517,790	(11,343,155)	(49,183)

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Average interest rates on monetary financial instruments:

Prior Period	EURO	USD	YEN	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks (*)	2.98	1.75	-	2.07
Financial Assets at Fair Value through Profit/Loss	6.06	6.76	-	16.37
Interbank Money Market Placements	-	-	-	18.88
Financial Assets Available-for-Sale	5.25	6.52	-	19.16
Loans	7.86	6.86	5.51	24.53
Investments Held-to-Maturity	9.25	7.98	-	18.48
Liabilities				
Bank Deposits	4.39	4.27	-	18.11
Other Deposits	4.35	3.96	0.35	17.55
Interbank Money Market Takings	-	3.65	-	15.26
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	5.05	4.85	2.33	14.50

(*) The interest rates for USD and TL placements at banks are 2.01% and 19.17%, respectively, when the placements with range accrual agreements are excluded.

4.7 Liquidity risk

In order to avoid the liquidity risk, the Bank diversifies 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 of the years 2009 and 2008 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	140.51	175.51	99.52	117.84
Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	168.14	149.56	110.42	108.99

Contractual maturity analysis of liabilities according to remaining maturities:

The remaining maturities table of the contractual liabilities includes the undiscounted future cash outflows for the principal amounts of the Bank's financial liabilities as per their earliest likely contractual maturities.

Current Period	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Other Deposits	60,478,962	60,276,454	9,876,596	42,492,544	6,021,843	1,649,962	127,587	107,922
Other Fundings	13,881,832	13,638,863	-	217,237	230,960	3,302,501	5,372,888	4,515,277
Interbank Money Market Takings	10,534,704	10,475,607	-	9,925,239	368	400,000	150,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	87,224,581	86,716,332	11,254,167	53,446,522	6,297,022	5,387,417	5,703,040	4,628,164

Prior Period	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Other Deposits	51,048,732	50,724,242	7,816,630	37,431,789	3,948,697	1,309,473	111,545	106,108
Other Fundings	11,625,084	11,342,474	-	119,856	398,398	3,255,912	3,638,018	3,930,290
Interbank Money Market Takings	10,702,943	10,651,135	-	10,100,811	324	-	550,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	75,043,308	74,377,857	8,593,655	48,377,827	4,434,807	4,572,495	4,356,933	4,042,140

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	5,119,684	1,746,289	-	-	-	-	-	6,865,973
Banks	862,668	1,328,443	884,960	267,667	2,561,140	2,429,460	-	8,334,338
Financial Assets at Fair Value through Profit/Loss	1,108	275,684	269,800	301,775	61,591	4,834	-	914,792
Interbank Money Market Placements	-	1,000,180	-	-	-	-	-	1,000,180
Financial Assets Available-for-Sale	132,422	163,555	1,107,671	6,904,007	16,820,824	2,966,554	-	28,095,033
Loans	84,017	10,645,757	4,813,274	7,322,215	15,111,745	11,331,045	424,642	49,732,695
Investments Held-to-Maturity	-	-	528,334	829,050	4,700,925	1,287,852	-	7,346,161
Other Assets	464,028	176,206	459	5,364	7,168	7,093	2,512,564	3,172,882
Total Assets	6,663,927	15,336,114	7,604,498	15,630,078	39,263,393	18,026,838	2,937,206	105,462,054
Liabilities								
Bank Deposits	1,377,804	813,347	44,740	35,662	52,565	4,965	-	2,329,083
Other Deposits	9,876,596	42,645,484	6,043,953	1,675,886	128,743	108,300	-	60,478,962
Other Fundings	-	240,919	371,806	3,380,942	5,372,888	4,515,277	-	13,881,832
Interbank Money Market Takings	-	9,962,095	368	416,428	155,813	-	-	10,534,704
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	104,880	2,255,470	-	-	-	-	-	2,360,350
Other Liabilities (**)	574,342	232,171	76,395	46,102	30,895	52,327	14,864,891	15,877,123
Total Liabilities	11,933,622	56,149,486	6,537,262	5,555,020	5,740,904	4,680,869	14,864,891	105,462,054
Liquidity Gap	(5,269,695)	(40,813,372)	1,067,236	10,075,058	33,522,489	13,345,969	(11,927,685)	-
Prior Period								
Total Assets	5,315,959	13,568,405	6,780,137	10,911,437	34,491,603	15,068,568	2,804,751	88,940,860
Total Liabilities	9,221,750	50,794,760	4,589,989	4,809,186	4,628,762	4,186,699	10,709,714	88,940,860
Liquidity Gap	(3,905,791)	(37,226,355)	2,190,148	6,102,251	29,862,841	10,881,869	(7,904,963)	-

(*) 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.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	100,481,019	84,560,814	101,353,097	84,574,331
Interbank Money Market Placements	1,000,180	40,552	1,000,180	40,552
Banks (*)	14,306,950	9,649,777	14,306,950	9,649,777
Financial Assets Available-for-Sale	28,095,033	17,345,781	28,095,033	17,345,781
Investments Held-to-Maturity	7,346,161	7,617,297	7,933,852	7,626,548
Loans	49,732,695	49,907,407	50,017,082	49,911,673
Financial Liabilities	79,050,227	66,290,096	79,050,227	66,290,096
Bank Deposits	2,329,083	1,666,549	2,329,083	1,666,549
Other Deposits	60,478,962	51,048,732	60,478,962	51,048,732
Other Fundings	13,881,832	11,625,084	13,881,832	11,625,084
Securities Issued	-	-	-	-
Miscellaneous Payables	2,360,350	1,949,731	2,360,350	1,949,731

(*) Including the balances at the Central Bank of Turkey

Fair values of financial assets available-for-sale and investments held-to-maturity are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

Fair values of other financial assets and liabilities are represented by the total of acquisition costs and accrued interest income.

The table below analyses financial instruments carried at fair value, by valuation method:

31 December 2009	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	26,208,958	278,579	1,607,496	28,095,033
Financial Assets Held for Trading	334,035	4,283	3,607	341,925
Derivative Financial Assets Held for Trading	150,192	422,675	-	572,867
Investments in Associates and Subsidiaries	68,365	-	718,801	787,166
Financial Assets at Fair Value	26,761,550	705,537	2,329,904	29,796,991
Derivative Financial Liabilities Held for Trading	132,962	95,822	-	228,784
Derivative Financial Liabilities Held for Risk Management	3,464	-	-	3,464
Financial Liabilities at Fair Value	136,426	95,822	-	232,248

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

None.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5 Disclosures and Footnotes on Unconsolidated Financial Statements
5.1 Assets
5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	468,028	308,639	312,466	341,436
Central Bank of Turkey	3,375,837	2,596,775	2,258,831	2,589,911
Others	5,130	111,564	3,753	25,177
Total	3,848,995	3,016,978	2,575,050	2,956,524

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3,375,837	850,486	2,258,831	853,027
Unrestricted Time Deposits	-	29,809	-	15,200
Restricted Time Deposits	-	1,716,480	-	1,721,684
Total	3,375,837	2,596,775	2,258,831	2,589,911

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 9%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. The interest rate applied by the Central Bank of Turkey for TL reserves is 5.20%. The FC reserves do not earn any interests.

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	
	TL	FC	TL	FC
Forward Transactions	16,263	5,675	58,900	3,640
Swap Transactions	419,367	83,607	424,753	115,354
Futures	-	281	-	14
Options	21,107	26,567	11,231	22,143
Other	-	-	-	-
Total	456,737	116,130	494,884	141,151

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	61,207	411,438	82,934	737,306
Foreign banks	2,456,850	5,404,843	1,342,516	2,638,279
Foreign headoffices and branches	-	-	-	-
Total	2,518,057	5,816,281	1,425,450	3,375,585

Due from foreign banks:

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	2,766,800	1,478,907	4,387,625	1,563,290
USA and Canada	233,131	380,290	311,402	308,365
OECD Countries (*)	16,213	12,044	-	-
Off-Shore Banking Regions	47,948	41,198	15,824	15,953
Other	82,750	180,748	-	-
Total	3,146,842	2,093,187	4,714,851	1,887,608

(*) OECD countries other than the EU countries, USA and Canada

The placements at foreign banks include blocked accounts amounting TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits, and TL 4,327,359 thousands as collateral against funds borrowed.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 TL consist of government bonds. The carrying values of such securities with total face value of TL 1,844,500 thousands (31 December 2008: TL 2,421,747 thousands) is TL 1,761,802 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 234,079 thousands (31 December 2008: TL 125,357 thousands) and TL 29 thousands (31 December 2008: TL 1,743 thousands), respectively. The collateralized financial assets available-for-sale in foreign currencies consist of government securities. The carrying values of such securities with total face value of USD 7,000,000 (31 December 2008: USD 252,550,000) is USD 7,280,000 (31 December 2008: USD 251,524,241). The related accrued interests amount to USD 211,366 (31 December 2008: USD 8,680,426). There is no impairment losses (31 December 2008: an impairment loss of USD 368,200).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	1,995,852	11,162	2,488,593	394,951
Assets subject to Repurchase Agreements	7,957,698	84,018	6,491,961	104,557
Total	9,953,550	95,180	8,980,554	499,508

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	25,142,865	15,917,927
Quoted at Stock Exchange	23,570,847	14,363,860
Unquoted at Stock Exchange	1,572,018	1,554,067
Common Shares	34,281	33,531
Quoted at Stock Exchange	21,252	21,062
Unquoted at Stock Exchange	13,029	12,469
Value Increases/Impairment Losses (-)	2,917,887	1,394,323
Total	28,095,033	17,345,781

As of 31 December 2009, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 875,000,000 (31 December 2008: USD 875,000,000) and a total carrying value of TL 1,322,035 thousands (31 December 2008: TL 1,355,529 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	2	920	25	1,661
Corporates	2	920	25	1,661
Individuals	-	-	-	-
Indirect Lendings to Shareholders	212,884	299,669	216,995	183,922
Loans to Employees	71,717	-	47,155	-
Total	284,603	300,589	264,175	185,583

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Restructured Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	48,545,881	-	581,753	180,419
Discounted Bills	128,104	-	158	-
Export Loans	2,467,722	-	11,955	4,358
Import Loans	-	-	-	-
Loans to Financial Sector	1,038,283	-	1,209	-
Foreign Loans	937,911	-	-	-
Consumer Loans	9,795,736	-	117,835	30,922
Credit Cards	6,913,450	-	82,344	108,293
Precious Metal Loans	263,084	-	3,484	-
Other	27,001,591	-	364,768	36,846
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	48,545,881	-	581,753	180,419

Collaterals received for loans under follow-up:

	Corporate/Commercial		Credit Cards	Total
	Loans	Consumer Loans		
Loans Collateralized by Cash	2,013	314	-	2,327
Loans Collateralized by Mortgages	142,127	35,093	-	177,220
Loans Collateralized by Pledged Assets	33,295	4,977	-	38,272
Loans Collateralized by Cheques and Notes	13,269	4,613	-	17,882
Loans Collateralized by Other Collaterals	25,656	1,876	-	27,532
Unsecured Loans	206,418	101,884	190,637	498,939
Total	422,778	148,757	190,637	762,172

Delinquency periods of loans under follow-up:

	Commercial		Credit Cards	Total
	Loans	Consumer Loans		
31-60 days	32,736	76,801	64,543	174,080
61-90 days	18,161	22,136	28,540	68,837
Others	371,881	49,820	97,554	519,255
Total	422,778	148,757	190,637	762,172

5.1.5.3 Maturity analysis of cash loans

	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Restructured Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Short-term Loans	17,036,603	-	172,283	149,043
Loans	17,036,603	-	172,283	149,043
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	31,509,278	-	409,470	31,376
Loans	31,509,278	-	409,470	31,376
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	389,796	8,277,636	8,667,432
Housing Loans	58,456	5,078,778	5,137,234
Automobile Loans	12,972	556,731	569,703
General Purpose Loans	317,804	2,609,915	2,927,719
Other	564	32,212	32,776
Consumer Loans – FC-indexed	3,584	756,533	760,117
Housing Loans	200	675,893	676,093
Automobile Loans	385	22,675	23,060
General Purpose Loans	2,999	57,965	60,964
Other	-	-	-
Consumer Loans – FC	69	33,349	33,418
Housing Loans	-	17,406	17,406
Automobile Loans	16	14,274	14,290
General Purpose Loans	53	1,669	1,722
Other	-	-	-
Retail Credit Cards – TL	6,752,384	68,219	6,820,603
With Installment	2,779,239	68,219	2,847,458
Without Installment	3,973,145	-	3,973,145
Retail Credit Cards – FC	23,980	-	23,980
With Installment	9,427	-	9,427
Without Installment	14,553	-	14,553
Personnel Loans – TL	21,715	15,111	36,826
Housing Loan	-	1,434	1,434
Automobile Loans	2	286	288
General Purpose Loans	21,713	13,391	35,104
Other	-	-	-
Personnel Loans - FC-indexed	-	261	261
Housing Loans	-	175	175
Automobile Loans	-	86	86
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	39	41	80
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	39	41	80
Other	-	-	-
Personnel Credit Cards – TL	27,246	253	27,499
With Installment	19,759	253	20,012
Without Installment	7,487	-	7,487
Personnel Credit Cards – FC	505	-	505
With Installment	177	-	177
Without Installment	328	-	328
Deposit Accounts– TL (real persons)	446,359	-	446,359
Deposit Accounts– FC (real persons)	-	-	-
Total	7,665,677	9,151,403	16,817,080

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	466,128	3,180,756	3,646,884
Real Estate Loans	1,182	354,373	355,555
Automobile Loans	50,237	750,637	800,874
General Purpose Loans	414,709	2,075,746	2,490,455
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	76,607	453,330	529,937
Real Estate Loans	-	53,545	53,545
Automobile Loans	4,994	156,604	161,598
General Purpose Loans	71,613	243,181	314,794
Other	-	-	-
Installment-based Commercial Loans – FC	304	50,535	50,839
Real Estate Loans	-	444	444
Automobile Loans	49	4,632	4,681
General Purpose Loans	255	2,349	2,604
Other	-	43,110	43,110
Corporate Credit Cards – TL	228,002	803	228,805
With Installment	77,884	803	78,687
Without Installment	150,118	-	150,118
Corporate Credit Cards – FC	2,695	-	2,695
With Installment	5	-	5
Without Installment	2,690	-	2,690
Deposit Accounts– TL (corporate)	408,136	-	408,136
Deposit Accounts– FC (corporate)	-	-	-
Total	1,181,872	3,685,424	4,867,296

5.1.5.6 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	1,253,389	1,268,795
Private Sector	48,054,664	48,188,466
Total	49,308,053	49,457,261

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	48,370,142	48,683,233
Foreign Loans	937,911	774,028
Total	49,308,053	49,457,261

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	339,778	450,799
Indirect Lending	-	-
Total	339,778	450,799

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.5.9 Specific provisions for loans

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	185,391	62,160
Doubtful Loans and Receivables	560,941	179,505
Uncollectible Loans and Receivables	1,066,131	547,928
Total	1,812,463	789,593

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)	55,667	227,343	229,139
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-
Prior Period			
(Gross Amounts before Specific Provisions)	-	-	54,285
Restructured Loans and Receivables	-	-	-
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			
Additions during the Period (+)	1,763,145	61,846	66,509
Transfer from Other NPL Categories (+)	-	1,403,785	776,041
Transfer to Other NPL Categories (-)	1,403,785	776,041	-
Collections during the Period (-)	279,883	260,139	218,646
Write-offs (-)	-	11	135,455
Corporate and Commercial Loans	-	11	16,559
Retail Loans	-	-	2,816
Credit Cards	-	-	116,080
Others	-	-	-
Balances at End of Period	317,665	724,054	1,195,386
Specific Provisions (-)	185,391	560,941	1,066,131
Net Balance on Balance Sheet	132,274	163,113	129,255

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Movements in specific loan provisions:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	232,482	166,194	390,917	789,593
Additions during the Period(+)	423,671	502,627	824,645	1,750,943
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	83,019	172,407	337,192	592,618
Write-offs (-)	16,559	2,816	116,080	135,455
Balances at End of Period	556,575	493,598	762,290	1,812,463

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	73,754	39,090	188,322
Specific Provisions (-)	51,023	19,622	171,637
Net Balance at Balance Sheet	22,731	19,468	16,685
Prior Period			
Balance at End of Period	7,071	3,594	126,058
Specific Provisions (-)	467	526	95,401
Net Balance at Balance Sheet	6,604	3,068	30,657

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

	Group III	Group IV	Group V
	Substandard Loans and	Doubtful Loans and	Uncollectible Loans and
	Receivables	Receivables	Receivables
Current Period (Net)	132,274	163,113	129,255
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,187,365
Specific Provision (-)	185,391	560,941	1,058,110
Loans to Individuals and Corporates (Net)	132,274	163,113	129,255
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	176,028	115,109	159,009
Loans to Individuals and Corporates (Gross)	238,188	294,614	698,954
Specific Provision (-)	62,160	179,505	539,945
Loans to Individuals and Corporates (Net)	176,028	115,109	159,009
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	128	782	-	910
Loans Collateralized by Mortgages	421,452	141,899	-	563,351
Loans Collateralized by Pledged Assets	116,763	109,492	-	226,255
Loans Collateralized by Cheques and Notes	132,507	208,315	-	340,822
Loans Collateralized by Other Collaterals	116,885	23,771	-	140,656
Unsecured Loans	32,099	120,748	812,264	965,111
Total	819,834	605,007	812,264	2,237,105

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Uncollectible loans and receivables are collected through legal follow-ups and liquidation of collaterals.

5.1.5.12 "Write-off" policies

The Bank's general policy for write-offs of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible in legal follow-up process.

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	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,860,387	280,390	1,508,226	65,263
Investments subject to Repurchase Agreements	2,637,831	116,555	4,354,254	174,759
Total	4,498,218	396,945	5,862,480	240,022

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,960,353	6,054,289
Treasury Bills	-	-
Other Government Securities	1,385,808	1,563,008
Total	7,346,161	7,617,297

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	7,092,872	7,337,175
Quoted at Stock Exchange	7,092,872	7,337,175
Unquoted at Stock Exchange	-	-
Valuation Increase / Decrease (-)	253,289	280,122
Total	7,346,161	7,617,297

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,617,297	3,943,765
Foreign Currency Differences On Monetary Assets	(27,259)	66,130
Purchases during the Period	927,839	3,935,987
Disposals through Sales/Redemptions	(1,115,334)	(484,383)
Valuation Effect	(56,382)	155,798
Balances at End of Period	7,346,161	7,617,297

The Bank reclassified certain security investments, previously classified in its securities available-for-sale portfolio in its financial statements, with total face values of TL 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 TL 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 TL 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 TL 70,661 thousands and USD 6,831,700.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 Eureka Sigorta AŞ	Istanbul/Turkey	20.00	20.00
2 Bankalarası Kart Merkezi AŞ (1)	Istanbul/Turkey	10.15	10.15
3 Yatırım Finansman Menkul Değerler AŞ (1)	Istanbul/Turkey	0.77	0.77
4 IMKB Takas ve Saklama Bankası AŞ (1)	Istanbul/Turkey	5.83	5.83
5 Vadeli İşlem ve Opsiyon Borsası AŞ (1)	Istanbul/Turkey	6.00	6.00
6 KKB Kredi Kayıt Bürosu AŞ (1)	Istanbul/Turkey	9.09	9.09
7 Gelişen İşletmeler Piyasaları AŞ (1)	Istanbul/Turkey	5.00	5.00
8 Türkiye Cumhuriyet Merkez Bankası AŞ	Ankara/Turkey	2.48	2.48
9 Kredi Garanti Fonu AŞ	Ankara/Turkey	1.67	1.67

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	563,506	252,898	13,691	16,724	24,364	46,609	97,668	-
2	15,522	12,964	5,738	725	-	(369)	4,467	-
3	205,816	48,198	1,570	3,960	1,914	4,496	3,002	-
4	1,453,145	274,930	11,351	31,496	10,434	32,567	65,227	-
5	39,579	36,457	2,539	2,811	31	9,679	14,777	-
6	26,777	20,210	1,984	2,046	9	6,640	-	-
7	8,060	7,912	2	756	1	587	2,233	-
8	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-

(1) Financial information is as of 30 September 2009.

(*) 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	27,705	27,596
Movements during the Period	2,000	109
Acquisitions and Capital Increases	2,000	-
Bonus Shares Received	-	109
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Impairment Losses (-)	-	-
Balance at End of Period	29,705	27,705
Capital Commitments	2,250	250
Share Percentage at the End of Period (%)	-	-

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	16,679	14,679
Other Associates	1,714	1,714

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	29,705	27,705
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

At the Board of Directors meeting held on 3 June 2009, it was decided to participate in the capital increase of Kredi Garanti Fonu AŞ by TL 4,000 thousands and to subscribe for future capital increases upto TL 4,000 thousands in restructuring of the company to build a three-shareholders structure including the Turkish Union of Chambers and Commodity Exchanges (TOBB), the Small and Medium Size Enterprises Development Organization (KOSGEB) and the banks. As per this decision, the Bank has paid TL 2,000 thousands of its capital commitment of TL 4,000 thousands at 15 October 2009 for the capital increase of Kredi Garanti Fonu AŞ as decided on 11 September 2009.

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	75.09	100.00
13	Garanti Financial Services Plc	Dublin/Ireland	99.99	100.00
14	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	100.00

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	20,584	13,278	761	-	1,324	3,392	(97,418)	-
2	22,244	10,718	785	26	1,692	2,339	7,801	-
3	1,049	928	-	-	47	554	-	-
4	385	204	39	-	2	(14)	(126)	-
5	1,125	975	-	-	12	166	56	-
6	1,868,321	339,553	18,347	198,475	-	53,913	202,392	-
7	1,138,515	51,482	2,295	81,220	536	10,055	19,056	123,392
8	32,692	25,293	3,547	729	1,292	354	10,250	-
9	20,847	16,376	873	1,587	51	2,182	1,355	-
10	1,744,751	233,130	15,266	23,995	9,327	76,175	89,643	-
11	7,868,914	611,909	97,628	292,893	128,611	56,709	207,276	612,710
12	484,353	100,886	29,688	25,801	11,059	10,192	43,059	102,262
13	9,586	8,376	-	-	-	(820)	5,463	29,307
14	91	-	-	-	-	-	(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	812,128	577,408
Movements during the Period	191,132	234,720
Acquisitions and Capital Increases (*)	655	-
Bonus Shares Received (**)	(125,648)	72,284
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/(Decrease) in Market Values	310,519	80,122
Currency Differences on Foreign Subsidiaries	2,228	80,227
Impairment Reversals/(Losses)	3,378	2,087
Balance at End of Period	1,003,260	812,128
Capital Commitments	-	562
Share Percentage at the End of Period (%)	-	-

(*) The capital commitment amounting TL 562 thousands to Garanti Konut Finansmanı Danışmanlık Hizmetleri AŞ with a foundation capital of TL 750 thousands where the Bank has an ownership share of 100%, has been paid.

The Bank has acquired one ordinary share that EFG Finansal Kiralama AŞ had in Garanti Bank Moscow, one of the Bank's subsidiaries, representing a 0.0578% ownership in the registered share capital of this bank at a nominal value of Rouble 255,000 on 15 October 2009 for a purchase price of USD 65,000.

(**) As per the decision made at the general assembly meeting of Garanti Bank International NV at 14 April 2008, the bank's share capital had been increased from EUR 159,470,000 to EUR 196,567,000 through appropriation from the retained earnings amounting EUR 35,011,000 and the share premium amounting EUR 2,086,000. As per the decision made at the general assembly meeting of the bank at 15 April 2009, the bank's share capital had been further increased from EUR 196,567,000 to EUR 231,499,000 through appropriation from the retained earnings amounting EUR 34,932,000. Subsequently, the bank's share capital has been decreased from EUR 231,499,000 to EUR 136,836,000 as per the decision made at the general assembly meeting held at 16 October 2009. The capital reduction amounting EUR 94,663,000 has been added back to the retained earnings of Garanti Bank International NV.

Garanti Faktoring Hizmetleri AŞ had increased its share capital from TL 16,849 thousands to TL 17,960 thousands through appropriation from the dividends allocated from its retained earnings of the year 2007 at 10 September 2008. The company further increased its share capital from TL 17,960 thousands to TL 19,280 thousands through appropriation from its retained earnings at 15 July 2009.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.8.3 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	689,498	555,439
Insurance Companies	56,545	56,545
Factoring Companies	68,365	17,215
Leasing Companies	76,169	76,169
Finance Companies	98,380	96,397
Other Subsidiaries	14,303	10,363

5.1.8.4 Quoted subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	68,365	17,215
Quoted at International Stock Exchanges	-	-

5.1.8.5 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	202,612	202,049
Valued at Fair Value	787,166	599,975
Valued by Equity Method of Accounting (*)	13,482	10,104

(*) includes subsidiaries for which value decreases are provided against considering their equities.

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

Please refer to Note 5.1.8.2 of investments in subsidiaries.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

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	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	69,161
Net foreign investment hedges	-	-	-	-
Total	-	-	-	69,161

The eleven 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 in January 2009. The Bank recognized EUR 36,321,000 and USD 16,000,000 (equivalent of TL 100,808 thousands in total) that was collected on the date of these transactions as per the related agreements, under "Income/losses from derivative financial instruments".

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.12 Tangible assets

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at End of Prior Period					
Cost	891,183	389,089	35,290	731,240	2,046,802
Accumulated Depreciation	(215,776)	(252,236)	(26,380)	(467,714)	(962,106)
Net Book Value at End of Prior Period	675,407	136,853	8,910	263,526	1,084,696
Balance at End of Current Period					
Additions	94,773	14,288	3,349	144,738	257,148
Disposals-Costs	(19,571)	(1,373)	(6,512)	(46,242)	(73,698)
Disposals-Accumulated Depreciation	4,707	166	4,202	22,518	31,593
Reversal of/(Impairment Losses)	9,453	-	-	-	9,453
Depreciation Expense for Current Period (-)	(21,687)	(58,930)	(3,632)	(82,351)	(166,600)
Currency Translation Differences on Foreign Operations	-	-	-	-	-
Cost at End of Current Period	975,838	402,004	32,127	829,736	2,239,705
Accumulated Depreciation at End of Current Period	(232,756)	(311,000)	(25,810)	(527,547)	(1,097,113)
Net Book Value at End of Current Period	743,082	91,004	6,317	302,189	1,142,592

5.1.12.1 Disclosure for impairment losses or releases individually material for financial statements

Conditions for allocating/releasing any impairment:

None.

Amount of impairment losses provided or released in financial statements during current period:

None.

5.1.12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

A total provision of TL 9,453 thousands made for the impairment in values of certain real estates in prior periods in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets", is reserved in 2009.

5.1.13 Intangible assets

5.1.13.1 Useful lives and amortisation rates

Intangible assets include softwares and other intangible assets. The estimated useful lives of such assets vary between 3 and 15 years.

5.1.13.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation.

5.1.13.3 Balances at beginning and end of current period

	Beginning of Period		End of Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	68,282	47,656	60,995	45,231

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.13.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Net Book Value at End of Prior Period	15,764	11,886
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	7,412	7,829
Disposals (-)	-	-
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(4,598)	(3,951)
Currency Translation Differences on Foreign Operations	-	-
Other Movements	2,048	-
Net Book Value at End of Current Period	20,626	15,764

5.1.13.5 Details for any individually material intangible assets

None.

5.1.13.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.13.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.13.9 Commitments to acquire intangible assets

None.

5.1.13.10 Disclosure on revalued intangible assets

None.

5.1.13.11 Research and development costs expensed during current period

None.

5.1.13.12 Goodwill

None.

5.1.13.13 Movements in goodwill during current period

None.

5.1.14 Investment property

None.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.15 Deferred tax asset

As of 31 December 2009, the Bank has a deferred tax asset of TL 18,536 thousands (31 December 2008: TL 34,185 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 31 December 2009. However, there is a deferred tax asset of TL 167,727 thousands (31 December 2008: TL 107,145 thousands) and deferred tax liability of TL 149,191 thousands (31 December 2008: TL 72,960 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	83,136	115,599
Accumulated Depreciation	(1,832)	(2,749)
Net Book Value	81,304	112,850
End of Current Period		
Additions	33,183	6,917
Disposals (Cost)	(25,278)	(39,867)
Disposals (Accumulated Depreciation)	1,358	1,780
Impairment Losses (-)	(8,748)	487
Depreciation Expense for Current Period	(669)	(863)
Currency Translation Differences on Foreign Operations	-	-
Cost	82,293	83,136
Accumulated Depreciation	(1,143)	(1,832)
Net Book Value	81,150	81,304

As of 31 December 2009, the rights of repurchase on various assets held for sale amount to TL 3,263 thousands (31 December 2008: TL 13,714 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	17,353	29,530
Sale of Real Estates	-	455
Sale of Other Assets	2,884	2,863
Total	20,237	32,848

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	210,859	295,671
Prepaid Taxes	3,903	70

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	
	TL	FC	TL	FC
Central Bank of Turkey	24,471	9	51,629	8,645
Financial Assets at Fair Value through Profit or Loss	4,094	1,718	721	3,180
Banks	34,936	18,653	35,237	32,122
Interbank Money Markets	180	-	552	-
Financial Assets Available-for-Sale	2,713,745	109,445	1,360,541	47,847
Loans	453,023	290,694	755,777	343,165
Investments Held-to-Maturity	253,061	27,379	287,324	24,870
Other Accruals	15,769	-	13,351	2
Total	3,499,279	447,898	2,505,132	459,831

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>								Accumulating	Total
	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Deposit Accounts	
Saving Deposits	1,833,625	-	7,070,398	11,555,702	172,843	128,642	82,679	51	20,843,940
Foreign Currency Deposits	4,899,239	-	8,641,772	9,000,277	393,091	713,736	1,033,428	89,179	24,770,722
Residents in Turkey	4,562,108	-	8,147,347	8,552,469	340,970	249,290	744,837	87,831	22,684,852
Residents in Abroad	337,131	-	494,425	447,808	52,121	464,446	288,591	1,348	2,085,870
Public Sector Deposits	461,652	-	5,722	8,017	15	302	67	-	475,775
Commercial Deposits	2,262,983	-	4,047,922	7,238,876	38,372	45,113	149,459	-	13,782,725
Other	85,261	-	42,193	139,686	686	137	273	-	268,236
Precious Metal Deposits	333,836	-	34	2,610	-	1,084	-	-	337,564
Bank Deposits	1,377,804	-	751,030	73,888	25,573	35,545	65,243	-	2,329,083
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	9,593	-	203,816	5,227	-	13,000	-	-	231,636
Foreign Banks	1,058,842	-	547,214	68,661	25,573	22,545	65,243	-	1,788,078
Special Purpose Financial Institutions	309,369	-	-	-	-	-	-	-	309,369
Other	-	-	-	-	-	-	-	-	-
Total	11,254,400	-	20,559,071	28,019,056	630,580	924,559	1,331,149	89,230	62,808,045

<i>Prior Period</i>								Accumulating	Total
	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Deposit Accounts	
Saving Deposits	1,263,502	-	6,626,686	10,082,104	111,230	82,761	72,599	-	18,238,882
Foreign Currency Deposits	4,161,413	-	9,087,581	6,854,269	418,274	1,086,744	766,434	90,877	22,465,592
Residents in Turkey	3,858,891	-	8,739,310	6,595,492	396,877	519,663	556,614	89,588	20,756,435
Residents in Abroad	302,522	-	348,271	258,777	21,397	567,081	209,820	1,289	1,709,157
Public Sector Deposits	426,693	-	283,600	516,009	25	272	63	-	1,226,662
Commercial Deposits	1,711,753	-	3,220,581	3,612,242	48,451	13,975	95,574	-	8,702,576
Other	159,815	-	54,414	77,756	705	569	207	-	293,466
Precious Metal Deposits	93,443	-	1	2,002	-	24,020	2,088	-	121,554
Bank Deposits	777,477	-	367,317	299,213	142,162	6,757	73,623	-	1,666,549
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	8,019	-	66,930	68,751	125,692	462	-	-	269,854
Foreign Banks	324,151	-	300,387	230,462	16,470	6,295	73,623	-	951,388
Special Purpose Financial Institutions	445,307	-	-	-	-	-	-	-	445,307
Other	-	-	-	-	-	-	-	-	-
Total	8,594,096	-	19,640,180	21,443,595	720,847	1,215,098	1,010,588	90,877	52,715,281

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	9,284,979	8,435,686	11,352,216	9,545,348
Foreign Currency Saving Deposits	3,214,814	2,977,501	10,005,530	7,851,492
Other Saving Deposits	120,181	20,544	175,083	83,909
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

None.

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	401,603	543,248
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	172,124	244,985
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	
	TL	FC	TL	FC
Forward deals	12,147	9,949	54,361	10,273
Swaps	79,849	81,895	179,673	87,163
Futures	-	106	-	996
Options	19,542	25,296	62,474	20,156
Other	-	-	-	-
Total	111,538	117,246	296,508	118,588

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	154,465	158,979	251,138	126,591
Foreign Banks, Institutions and Funds	3,036,144	9,657,886	1,825,837	8,639,880
Total	3,190,609	9,816,865	2,076,975	8,766,471

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	154,465	2,859,824	560,393	2,894,570
Medium and Long-Term	3,036,144	6,957,041	1,516,582	5,871,901
Total	3,190,609	9,816,865	2,076,975	8,766,471

5.2.3.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad and TL funds obtained through repurchase transactions.

5.2.4 Other external funds

Funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	9,804,711	-	9,878,528	-
Financial Institutions and Organizations	9,749,113	-	9,810,615	-
Other Institutions and Organizations	18,423	-	19,774	-
Individuals	37,175	-	48,139	-
Foreign Transactions	572,540	157,453	573,996	250,419
Financial Institutions and Organizations	572,241	157,453	571,711	250,419
Other Institutions and Organizations	176	-	1,749	-
Individuals	123	-	536	-
Total	10,377,251	157,453	10,452,524	250,419

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	4,506	4,155	21,359	20,194
1-4 Years	26	23	3,448	3,163
More than 4 Years	-	-	-	-
Total	4,532	4,178	24,807	23,357

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	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	3,464	-	4,871
Net foreign investment hedges	-	-	-	-
Total	-	3,464	-	4,871

5.2.7 Provisions

5.2.7.1 General provisions

	Current Period	Prior Period
General Provision for	437,334	428,799
Loans and Receivables in Group I	383,421	378,581
Loans and Receivables in Group II	13,342	12,934
Non-Cash Loans	40,571	37,284
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	10,494	9,441
Medium and Long-Term Loans	9,244	1,855
Total	19,738	11,296

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

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	7,473	244
Doubtful Loans and Receivables	14,085	55
Uncollectible Loans and Receivables	34,547	2,160
Total	56,105	2,459

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	330,000	22,000

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	165,367	197,372
Recognized Liability for Defined Benefit Obligations	-	102,601
Provision for Promotion Expenses of Credit Cards (*)	36,208	36,206
Other Provisions	17,552	14,994
Total	219,127	351,173

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

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 15 January 2010 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 above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 722,746 thousands (31 December 2008: TL 445,178 thousands) at 31 December 2009 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2009 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 15 January 2010 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 324,807 thousands (31 December 2008: TL 32,799 thousands) remains as details are given in the table below.

The Bank's management, acting prudently, did not consider the health premium surplus amounting TL 191,521 thousands (31 December 2008: TL 135,400 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF. However, despite this treatment there are no excess obligation that needs to be provided against. Accordingly, it was decided to reverse the provision amounting TL 102,601 thousands that was charged fully as expense as of 31 December 2008, in the accompanying financial statements as of 31 December 2009.

	Current Period	Prior Period
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(287,981)	(296,328)
Net present value of medical benefits and health premiums transferable to SSF	191,521	135,400
General administrative expenses	(16,957)	(15,488)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(113,417)	(176,416)
Fair Value of Plan Assets (2)	836,163	621,594
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	722,746	445,178
Non-Transferable Benefits:		
Other pension benefits	(188,494)	(162,356)
Other medical benefits	(209,445)	(250,023)
Total Non-Transferable Benefits (4)	(397,939)	(412,379)
Asset Surplus over Total Benefits ((3)-(4)=(5))	324,807	32,799
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(191,521)	(135,400)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	133,286	(102,601)

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

	Current Period	Prior Period
	%	%
Discount Rate	10.86-8.42	17.41-10.51
Inflation Rate	6.90-4.80	9.50-5.73
Future Real Salary Increase Rate	1.5	1.5
Medical Cost Trend Rate	20.50-6.80	17.80-11.77
Future Pension Increase Rates	6.90-4.80	9.50-5.73

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.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 31 December 2009, the Bank had a current tax liability of TL 198,353 thousands (31 December 2008: TL 119,191 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	198,353	119,191
Taxation on Securities Income	88,060	191,148
Taxation on Real Estates Income	1,300	1,137
Banking Insurance Transaction Tax	29,605	37,189
Foreign Exchange Transaction Tax	27	12
Value Added Tax Payable	2,672	2,449
Others	30,057	25,981
Total	350,074	377,107

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	30	5
Bank Pension Fund Premium-Employer	15	27
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	474	427
Unemployment Insurance-Employer	875	777
Others	-	-
Total	1,394	1,236

5.2.8.2 Deferred tax liability

None.

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

None.

5.2.10 Subordinated debts

- On 5 February 2007, the Bank obtained a subordinated debt of US\$ 500 millions from foreign markets with an interest of 6.95% and maturity of 10 years with a repayment option for the Bank at the end of the fifth year.
- On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

These debts are qualified as the secondary subordinated debts to be included in the supplementary capital by the BRSA in the calculation of the Bank's capital adequacy ratio in compliance with the conditions set in the "Regulation on Equities of Banks" issued by the BRSA and published in the Official Gazette no.26333 dated 1 November 2006.

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	874,358	-	781,638
Total	-	874,358	-	781,638

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.11 Shareholders' equity

5.2.11.1 Paid-in capital

	Current Period	Prior Period
Common Shares	4,200,000	4,200,000
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

None.

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	63,768	181,780	31,099	124,089
Valuation difference	31,088	181,780	(9,247)	124,089
Exchange rate difference	32,680	-	40,346	-
Securities Available-for-Sale	1,249,912	115,686	256,934	(19,605)
Valuation difference	1,249,912	115,686	256,934	(19,605)
Exchange rate difference	-	-	-	-
Total	1,313,680	297,466	288,033	104,484

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	596,047	-	594,943	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	Prior Period
Garanti Yatırım Menkul Değerler AŞ	942	942
Eureko Sigorta AŞ	561	561
Kredi Kartları Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Tat Konserve AŞ	36	36
Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ	23	23
Yatırım Finansman Menkul Değerler AŞ	9	9
Total	2,453	2,453

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	341,742	254,103
II. Legal Reserve	25,290	18,790
Special Reserves	-	-

As per the decisions made at the annual general assembly at 2 April 2009, 5% of prior periods' profit is allocated to legal reserves.

As per the decisions made at the extraordinary general assembly at 3 September 2009, TL 6,500 thousands of extraordinary reserves is allocated to II.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	2,847,764	1,470,724
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

As per the decisions made at the annual general assembly at 2 April 2009, the remaining prior periods' profit after the appropriation to legal reserves and undistributable funds, are allocated to extraordinary reserves.

At the extraordinary general assembly held on 3 September 2009, it was decided to distribute a dividend of TL 275,000 thousands to shareholders and to allocate TL 6,500 thousands to II.legal reserves from 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	
	TL	FC	TL	FC
Deposits	154,150	52,033	250,628	80,405
Funds Borrowed	188,772	54,197	183,331	99,278
Interbank Money Markets	53,020	6,077	45,021	6,787
Other Accruals	18,754	537	23,902	9,978
Total	414,696	112,844	502,882	196,448

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 1,440,378 thousands (31 December 2008: TL 737,485 thousands), commitments for cheque payments of TL 1,513,300 thousands (31 December 2008: TL 1,356,364 thousands) and commitments for credit card limits of TL 9,057,598 thousands (31 December 2008: TL 8,789,048 thousands).

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,451,475	6,790,151
Letters of Guarantee in TL	4,513,454	4,120,918
Letters of Credit	2,038,315	2,311,731
Bills of Exchange and Acceptances	125,841	123,807
Others	-	-
Total	14,129,085	13,346,607

A specific provision of TL 56,105 thousands (31 December 2008: TL 2,459 thousands) is made for unliquidated non-cash loans of TL 103,115 thousands (31 December 2008: TL 15,901 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 31 December 2009, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a total face value of USD 925,000,000 (31 December 2008: USD 925,000,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	897,123	225,228
With Original Maturity of 1 Year or Less	13,519	15,067
With Original Maturity of More Than 1 Year	883,604	210,161
Other Non-Cash Loans	13,786,176	14,040,836
Total	14,683,299	14,266,064

5.3.1.4 Sectoral risk concentration of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,794	0.66	27,397	0.27	20,699	0.48	18,119	0.18
Farming and Stockbreeding	27,820	0.62	27,397	0.27	19,224	0.45	18,119	0.18
Forestry	661	0.01	-	-	461	0.01	-	-
Fishery	1,313	0.03	-	-	1,014	0.02	-	-
Manufacturing	1,696,354	37.57	3,539,678	34.81	1,444,368	34.14	3,027,583	30.17
Mining	303,385	6.72	28,978	0.28	329,968	7.80	21,024	0.21
Production	1,046,987	23.19	2,362,864	23.24	896,224	21.18	2,433,660	24.25
Electricity, Gas, Water	345,982	7.66	1,147,836	11.29	218,176	5.16	572,899	5.71
Construction	565,124	12.52	2,196,693	21.60	616,200	14.56	2,125,443	21.18
Services	1,931,945	42.80	3,683,693	36.22	1,819,846	43.01	4,585,181	45.69
Wholesale and Retail Trade	1,308,395	28.99	1,187,159	11.67	1,137,920	26.89	1,585,914	15.80
Hotel, Food and Beverage Services	76,349	1.69	68,732	0.68	60,126	1.42	152,716	1.52
Transportation and Telecommunication	171,887	3.81	792,506	7.79	127,545	3.01	890,931	8.88
Financial Institutions	301,308	6.67	1,615,950	15.89	452,129	10.69	1,922,241	19.16
Real Estate and Renting Services	33,882	0.75	6,129	0.06	8,179	0.19	6,126	0.06
"Self-Employment" Type Services	-	-	-	-	-	-	-	-
Educational Services	7,111	0.16	6,235	0.06	8,677	0.21	3,766	0.04
Health and Social Services	33,013	0.73	6,982	0.07	25,270	0.60	23,487	0.23
Other	290,773	6.45	721,848	7.10	330,083	7.81	278,542	2.78
Total	4,513,990	100.00	10,169,309	100.00	4,231,196	100.00	10,034,868	100.00

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.3.1.5 Non-cash loans classified under Group I and II

Current Period	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	4,485,463	10,116,520	28,527	52,789
Letters of Guarantee	4,484,927	7,401,468	28,527	50,007
Bills of Exchange and Bank Acceptances	514	123,133	-	2,194
Letters of Credit	22	2,591,919	-	588
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Sureties	-	-	-	-

Prior Period	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	4,219,436	10,016,914	4,120	9,693
Letters of Guarantee	4,109,158	6,784,258	4,120	334
Bills of Exchange and Bank Acceptances	-	113,162	-	9,359
Letters of Credit	278	3,119,494	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Sureties	110,000	-	-	-

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.3.2 Financial derivative instruments

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Hedging Derivatives						
A. Total Hedging Derivatives	1,295	-	-	-	-	1,295
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	1,295	-	-	-	-	1,295
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency Related Derivative Transactions (I)	17,493,520	5,064,972	4,434,328	363,764	861,000	28,217,584
Currency Forwards-Purchases	1,531,287	328,196	491,321	127,534	-	2,478,338
Currency Forwards-Sales	1,495,782	320,268	500,616	124,588	-	2,441,254
Currency Swaps-Purchases	4,860,104	1,428,996	667,703	52,150	298,000	7,306,953
Currency Swaps-Sales	4,692,129	1,164,810	674,230	59,492	563,000	7,153,661
Currency Options-Purchases	2,432,356	864,741	961,273	-	-	4,258,370
Currency Options-Sales	2,481,862	909,623	1,138,119	-	-	4,529,604
Currency Futures-Purchases	-	4,182	522	-	-	4,704
Currency Futures-Sales	-	44,156	544	-	-	44,700
Interest Rate Related Derivative Transactions (II)	20,237	61,430	178,088	3,421,120	-	3,680,875
Interest Rate Swaps-Purchases	8,862	14,544	28,446	-	-	51,852
Interest Rate Swaps-Sales	9,648	14,702	27,494	-	-	51,844
Interest Rate Options-Purchases	-	-	100,284	1,710,560	-	1,810,844
Interest Rate Options-Sales	-	-	-	1,710,560	-	1,710,560
Securities Options-Purchases	-	-	18,368	-	-	18,368
Securities Options-Sales	1,727	-	3,496	-	-	5,223
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	32,184	-	-	-	32,184
Other Trading Derivatives (III)	308,083	102,647	208,361	-	-	619,091
B. Total Trading Derivatives (I+II+III)	17,821,840	5,229,049	4,820,777	3,784,884	861,000	32,517,550
Total Derivative Transactions (A+B)	17,823,135	5,229,049	4,820,777	3,784,884	861,000	32,518,845

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Hedging Derivatives						
A. Total Hedging Derivatives	5,406	27,520	77,597	-	-	110,523
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	5,406	27,520	77,597	-	-	110,523
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency Related Derivative Transactions (I)	17,538,493	6,906,906	6,505,406	948,948	867,000	32,766,753
Currency Forwards-Purchases	958,092	432,737	603,602	187,479	-	2,181,910
Currency Forwards-Sales	955,765	444,281	585,220	185,642	-	2,170,908
Currency Swaps-Purchases	6,956,078	2,335,056	2,072,516	264,780	304,000	11,932,430
Currency Swaps-Sales	6,786,634	2,264,419	1,865,937	259,499	563,000	11,739,489
Currency Options-Purchases	909,385	663,848	641,857	23,953	-	2,239,043
Currency Options-Sales	972,539	714,914	727,179	27,595	-	2,442,227
Currency Futures-Purchases	-	40,705	9,095	-	-	49,800
Currency Futures-Sales	-	10,946	-	-	-	10,946
Interest Rate Related Derivative Transactions (II)	242	9,680	168,687	3,385,280	-	3,563,889
Interest Rate Swaps-Purchases	122	4,881	12,987	-	-	17,990
Interest Rate Swaps-Sales	120	4,799	15,494	-	-	20,413
Interest Rate Options-Purchases	-	-	106,400	1,692,640	-	1,799,040
Interest Rate Options-Sales	-	-	-	1,692,640	-	1,692,640
Securities Options-Purchases	-	-	33,806	-	-	33,806
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	128,010	20,683	669,053	30,400	-	848,146
B. Total Trading Derivatives (I+II+III)	17,666,745	6,937,269	7,343,146	4,364,628	867,000	37,178,788
Total Derivative Transactions (A+B)	17,672,151	6,964,789	7,420,743	4,364,628	867,000	37,289,311

5.3.3 Contingent liabilities and assets

None.

5.3.4 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	2,550,284	223,891	2,489,237	209,179
Medium and long-term loans	2,011,347	1,179,304	1,949,825	1,083,701
Loans under follow-up	39,014	-	25,324	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	4,600,645	1,403,195	4,464,386	1,292,880

(*) Includes also the fee and commission income on cash loans

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	10,097	480	10,624	775
Domestic Banks	12,570	634	9,859	2,676
Foreign Banks	122,171	74,317	152,457	85,324
Foreign Head Offices and Branches	-	-	-	-
Total	144,838	75,431	172,940	88,775

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	15,999	2,152	21,163	3,745
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	2,749,109	148,107	1,917,237	194,710
Investments Held-to-Maturity	894,768	107,802	770,629	48,043
Total	3,659,876	258,061	2,709,029	246,498

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	43,193	65,110

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	346,958	264,065	279,491	408,496
Central Bank of Turkey	-	-	-	-
Domestic Banks	31,483	6,787	34,875	4,799
Foreign Banks	315,475	257,278	244,616	403,697
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	57,476	-	25,567
Total	346,958	321,541	279,491	434,063

(*) Includes also the 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	26,476	30,081

5.4.2.3 Interest expenses on securities issued

None.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Time Deposits						Accumulating Deposit Accounts	Total
	Demand Deposits	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	2,276	44,564	-	-	-	-	-	46,840
Saving Deposits	1,230	695,740	1,271,261	18,687	16,994	10,829	-	2,014,741
Public Sector Deposits	2	20,940	24,878	3	37	9	-	45,869
Commercial Deposits	4,205	481,705	621,842	14,838	2,867	20,064	-	1,145,521
Other	5,932	15,141	44,213	189	42	29	-	65,546
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	13,645	1,258,090	1,962,194	33,717	19,940	30,931	-	3,318,517
Foreign Currency								
Foreign Currency Deposits	3,583	249,948	269,715	18,343	26,438	35,714	2,222	605,963
Bank Deposits	-	11,432	-	-	-	-	-	11,432
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	463	-	-	465
Total FC	3,583	261,380	269,717	18,343	26,901	35,714	2,222	617,860
Grand Total	17,228	1,519,470	2,231,911	52,060	46,841	66,645	2,222	3,936,377

5.4.2.5 Interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest paid on Repurchase Agreements	745,308	7,330	1,139,018	20,069

5.4.2.6 Financial lease expenses

	Current Period	Prior Period
Financial Lease Expenses	1,785	7,934

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets Valued at Fair Value through Profit or Loss	-	-
Financial Assets Available-for-Sale	675	29,307
Others	78,262	73,163
Total	78,937	102,470

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.4 Trading income/losses (Net)

	Current Period	Prior Period
Income	55,769,542	34,524,216
Trading Account Income	373,157	83,315
Gains from Derivative Financial Instruments	2,829,863	2,564,967
Foreign Exchange Gains	52,566,522	31,875,934
Losses (-)	54,888,844	34,272,921
Trading Account Losses	12,050	33,949
Losses from Derivative Financial Instruments	2,450,824	2,084,907
Foreign Exchange Losses	52,425,970	32,154,065
Total	880,698	251,295

TL 38,669 thousands (31 December 2008: TL 190,932 thousands) of foreign exchange gains and TL 257,233 thousands (31 December 2008: TL 503,605 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

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.

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 TL 131,178 thousands. In line with this conciliation and including a tax refund on an existing unused investment incentive certificate amounting TL 6,078 thousands, a total amount of TL 137,256 thousands is recorded as prior period income in the accompanying financial statements under "other operating income".

In 2008, a part of the Bank's non-performing loan portfolio amounting TL 98,221 thousands has been sold to a local asset management company at a sale price of TL 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	1,212,401	418,629
Loans and receivables in Group III	141,317	241,587
Loans and receivables in Group IV	421,079	44,938
Loans and receivables in Group V	650,005	132,104
General Provisions	11,255	143,578
Provision for Possible Losses	330,000	-
Impairment Losses on Securities	688	770
Financial assets at fair value through profit or loss	688	683
Financial assets available-for-sale	-	87
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	15	-
Associates	-	-
Subsidiaries	15	-
Joint Ventures	-	-
Investments Held-to-Maturity	-	-
Others	58,455	3,469
Total	1,612,814	566,446

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	994,048	943,116
Reserve for Employee Termination Benefits	1,563	-
Deficit Provision for Pension Fund	-	102,601
Impairment Losses on Tangible Assets	-	1
Depreciation Expenses of Tangible Assets	166,600	167,645
Impairment Losses on Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	4,598	3,951
Impairment Losses on Assets to be Disposed	8,748	-
Depreciation Expenses of Assets to be Disposed	669	863
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,082,873	1,001,658
Operational Lease related Expenses	131,983	109,035
Repair and Maintenance Expenses	29,696	28,691
Advertisement Expenses	103,617	104,139
Other Expenses	817,577	759,793
Loss on Sale of Assets	1,886	8,279
Others (*)	309,050	294,476
Total	2,570,035	2,522,590

(*) In the current period, this item includes a provision amounting TL 72,100 thousands (31 December 2008: TL 98,577 thousands) for short-term employee benefits.

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

The profit before taxes includes a net interest income of TL 5,079,982 thousands, a net fees and commissions income of TL 1,642,508 thousands and operating expenses of TL 2,570,035 thousands. The Bank's profit before taxes realized at TL 3,778,528 thousands increasing by 75% comparing to the prior year.

5.4.9 Provision for taxes including taxes from discontinued operations

As of 31 December 2009, the Bank recorded a tax expense of TL 817,616 thousands (31 December 2008: TL 399,213 thousands) and a deferred tax income of TL 1,329 thousands (31 December 2008: a deferred tax expense of TL 12,287 thousands).

Deferred tax income/expense on timing differences:

Deferred tax income/(expense) on timing differences	Current Period
Increase in tax deductible timing differences (+)	79,864
Decrease in tax deductible timing differences (-)	27,628
Increase in taxable timing differences (-)	65,150
Decrease in taxable timing differences (+)	14,243
Total	1,329

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)	52,236
(Increase)/decrease in taxable timing differences (net)	(50,907)
Increase/(decrease) in tax losses (net)	-
Increase/(decrease) in tax deductions and exemptions (net)	-
Total	1,329

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

None.

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

5.5.1 Any increases arising from application of accounting for financial instruments

5.5.1.1 Increases from valuation of financial assets available-for-sale

As of 31 December 2009, the revaluation of financial assets available-for-sale at fair value netted with the related deferred tax liability effect has resulted in an increase by TL 1,218,629 thousands that is presented as the current period movement in "securities value increase fund" in the statement of changes in shareholders' equity. The gains transferred to income statement from "securities value increase fund" are TL 61,271 thousands and TL 109,738 thousands for the year ended 31 December 2009 and 2008, respectively.

5.5.1.2 Increases due to cash flow hedges

None.

5.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period

The Bank had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank started to apply fair value hedge accounting as at 1 January 2009. Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period. The foreign exchange loss of TL 9,583 thousands netted with the related tax effect of TL 1,917 thousands that had been recorded under the shareholders' equity has been transferred from the shareholders' equity to the income statement as TL 7,666 thousands as per Garanti Bank International NV's capital decrease decision dated 16 October 2009.

5.5.2 Any decreases arising from application of accounting for financial instruments

5.5.2.1 Decreases from valuation of financial assets available-for-sale

None.

5.5.2.2 Decreases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. In the prior period the effective portion of the cash flow hedge amounting to TL 33,488 thousands were added to shareholders' equity, in the current period a gain of TL 80,646 thousands after netting with the related deferred tax effect was transferred to income from derivative financial instruments account in the income statement as explained in Note 5.1.11.1, and the shareholder's equity is reduced by TL 67,119 thousands.

5.5.3 Transfers to legal reserves

	Current Period	Prior Period
Transfers to Legal Reserves from Prior Year Profits	94,024	115,781
Transfers to Extraordinary Reserves from Prior Year Profits	1,377,040	1,629,268

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

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.5.4 Issuance of share certificates

Please refer to Note 5.2.11.3.

5.5.5 Effects of prior years' corrections to beginning balances of current period

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Statement of Cash Flows

5.6.1 Disclosures for "other" items and "effect of change in foreign currency rates cash and cash equivalents" in statement of cash flows

In 2009, the net cash inflows arising from banking operations amount to TL 11,463,817 thousands. TL 7,708,099 thousands of this amount is generated from the change in operating assets and liabilities and TL 3,755,718 thousands from operating profit. The "net decrease in other liabilities" under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 2,355,307 thousands for the year 2009. The "others" item under operating income composes of fees and commissions paid, foreign exchange gains, other operating income and other operating expenses excluding employee costs, and amounts to a loss of TL 1,094,194 thousands for the year 2009.

The net cash outflow from financing activities for the year 2009, is TL 307,799 thousands.

The effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange difference resulted from the translation of cash and cash equivalents in foreign currency into TL at the exchange rates valid at the beginning and end of the year, and amounts to TL 48,103 thousands for the year 2009.

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Note 5.1.8.2 of investments in subsidiaries.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	Current Period	Prior Period
Cash on Hand	653,902	445,030
Cash in TL	312,466	244,772
Cash in Foreign Currency	341,436	200,258
Cash Equivalents	4,377,823	2,972,465
Other	4,377,823	2,972,465
TOTAL	5,031,725	3,417,495

5.6.5 Cash and cash equivalents at end of period

	Current Period	Prior Period
Cash on Hand	776,667	653,902
Cash in TL	468,028	312,466
Cash in Foreign Currency	308,639	341,436
Cash Equivalents	7,354,075	4,377,823
Other	7,354,075	4,377,823
TOTAL	8,130,742	5,031,725

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts with a total principal balance of TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and NCTR, respectively as reserve deposits, and TL 4,327,359 thousands as collateral against funds borrowed.

The blocked account at the Central Bank of Turkey with a principal balance of TL 1,716,480 thousands is for the reserve deposits against foreign currency liabilities.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in operating capacity of the Bank

None.

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

<i>Current Period</i>	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
Bank's Risk Group						
Loans and Other Receivables						
Balance at beginning of period	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,454,678	23,581	2	920	214,868	299,669
Interest and Commission Income	51,623	137	17	2	14,485	2,411

<i>Prior Period</i>	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
Bank's Risk Group						
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	1,729,413	122,864	25	1,661	220,662	183,932
Interest and Commission Income	70,863	108	18	8	7,346	1,114

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	240,915	154,208	300,582	86,051	183,763	235,532
Balance at end of period	231,523	240,915	359,876	300,582	323,665	183,763
Interest Expense	26,476	30,081	16,547	21,885	10,088	20,929

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 for Trading:						
Beginning of Period	331,010	-	-	-	-	-
End of Period	303,015	331,010	-	-	3,326	-
Total Profit/Loss	83,325	17,843			595	-
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 TL 551,924 thousands (31 December 2008: TL 667,071 thousands) compose 1.11% (31 December 2008: 1.34%) of the Bank's total cash loans and 0.52% (31 December 2008: 0.75%) of the Bank's total assets. The total loans and similar receivables amounting TL 1,669,548 thousands (31 December 2008: TL 1,950,100 thousands) compose 1.59% (31 December 2008: TL 2.19%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 324,170 thousands (31 December 2008: TL 308,457 thousands) compose 2.21% (31 December 2008: 2.17%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 915,064 thousands (31 December 2008: TL 725,260 thousands) compose 1.46% (31 December 2008: 1.38%) 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 TL 4,178 thousands (31 December 2008: TL 23,357 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 1,785 thousands (31 December 2008: TL 7,934 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 37,215 thousands (31 December 2008: TL 25,987 thousands) to related parties. Operating expenses of TL 6,708 thousands (31 December 2008: TL 16,885 thousands) for IT services rendered by related parties and rent income of TL 1,664 thousands (31 December 2008: TL 1,462 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 59,001 thousands to its top management considered as key management as of 31 December 2009 (31 December 2008: TL 58,742 thousands).

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, Eureka 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, a real estate with a net book value of TL 40,581 thousands was sold to Doğuş Holding AŞ at a sale price of USD 35,000,000 (equivalent of TL 42,693 thousands). The sale price, of which USD 15,000,000 was collected immediately at the date of sale, was fully collected. A gain of TL 2,112 thousands was recognized as income on this transaction in prior period.

At 6 March 2009, a real estate was purchased from Eureka Sigorta AŞ at a price of TL 12,434 thousands and fully paid.

The Bank purchased a real estate at a total price of USD 11,000,000 plus VAT (equivalent of TL 18,121 thousands) at 3 June 2009 through payments of USD 6,000,000 at 6 April 2009 and USD 5,880,000 at 3 June 2009 as per the trading commitment agreement with Doğuş-Ge Gayrimenkul Yatırım Ortaklığı AŞ.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

5.8.1 Domestic and foreign branches and representative offices

	Number of Branches	Number Of Employees			
Domestic Branches	783	16,747			
				Country	
Foreign Representative Offices	1	1		1-Germany	
	1	1		2-Russia	
	1	-		3-England	
	1	1		4-China	
					Total Assets
Foreign Branches	1	19	1- Luxembourg		12,531,265
	1	13	2- Malta		16,651,896
	3	45	3- NCTR		220,370
					Legal Capital
					855,280
					-
					3,520

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure

During the year 2009, 67 new domestic branches were opened and 5 branch was closed.

5.9 Significant Events and Matters Arising Subsequent to Balance Sheet Date

"The Law for the Amendments to the Law on the Procedure for the Collection of Public Receivables and Certain Laws" was accepted by the Planning and Budget Commission Of the Turkish Parliament at the meeting held on 20 January 2010 and became effective by being published on the Official Gazette dated 5 February 2010. According to aforementioned Law; banks founded in Turkey and the foreign banks having head offices in Turkey are required to pay TL 200,000 for each year to obtain operating license. The banks founded to operate in the free trade zones and branches of the foreign banks are required to pay TL 200,000 for each branch and for each year to obtain operating license. All the branches of the banks including the branches operating in free trade zones (excluding branches of the foreign banks established in free trade zones) are required to pay license fee according to the population of the operating area at the beginning of the prior calendar year; branches operating in the municipalities which have population upto 5,000 are required to pay TL 12,000; branches operating in the municipalities which have population between 5,000 and 25,000 are required to pay TL 36,000; and branches operating in the municipalities which have population more than 25,000 and branches operating in the free trade zones are required to pay 48,000 for each year and for each branch.

6. Other Disclosures on Activities of the Bank

6.1 The Bank's latest international risk ratings

MOODY'S (January 2010*)

Long Term FC Deposit	Ba3
Long Term TL Deposit	Baa1
Short Term TL 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	Aa1.tr
Short Term National	TR-1

STANDARD AND POOR'S (January 2010*)

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

(*) Latest dates in risk ratings or outlooks.

Türkiye Garanti Bankası AŞ
Unconsolidated Financial Report As of and For the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

FITCH RATINGS (December 2009*)

Foreign Currency

Long Term	BBB-
Short Term	F3
Outlook	Stable
Individual	C
Support	3

Turkish Lira

Long Term	BBB-
Short Term	F3
Outlook	Stable
National	AAA (tur)
Outlook	Stable

JCR EURASIA RATINGS (February 2010*)

Long Term International FC	BBB- (Stable)
Long Term International TL	BBB (Stable)
Long Term National	AAA (Trk) (Stable)
Short Term International FC	A-3 (Stable)
Short Term International TL	A-3 (Stable)
Short Term National	A-1+ (Trk) (Stable)
Support	1
Independency from Shareholders	A

(*) Latest dates in risk ratings or outlooks.

CAPITAL INTELLIGENCE (November 2009*)

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

6.2 Dividends

At the annual general assembly dated 2 April 2009 and the extraordinary general assembly dated 3 September 2009, it was decided to distribute the profit of 2008 as follows:

2008 PROFIT DISTRIBUTION TABLE

2008 Net Profit	1,750,488
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(87,524)
Undistributable funds	(4,424)
B – First dividend at 5% of the Paid Capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(72,427)
D – Dividend to the owners of the Founder Shares	(65,000)
E – Extraordinary reserves	(1,304,613)
F – II. Legal reserve (Turkish Commercial Code 466/2)	(6,500)

6.3 Other disclosures

None.

7 Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The Bank's unconsolidated financial statements as of 31 December 2009, have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity). It was noted in their report dated 11 February 2010 that except for the effect of the matter described in the fourth paragraph on the financial statements, the accompanying financial statements present fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ as of 31 December 2009 and the result of its operations.

Water takes the shape of whatever holds it: Water is available in the form of vapor, liquid and ice on the Earth, and adopts different physical states through the so-called water cycle.



CONSOLIDATED FINANCIAL STATEMENTS

With its effective and dynamic business model and operational efficiency approach, Garanti aims to sustain the value it creates for its customers, shareholders, employees, society and the environment.



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ**
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**Convenience Translation of the Auditors' Report
Originally Prepared and Issued in Turkish (See Note 3.1.1)**

To the Board of Directors of Türkiye Garanti Bankası AŞ

We have audited the consolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") and its financial affiliates as of 31 December 2009 and the related consolidated income statement, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and a summary of significant accounting policies and notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for adopting sound accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements, communiqués and guidances published by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit is performed in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.

Basis of Qualified Opinion

As of the balance sheet date, the accompanying consolidated financial statements include a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and TL 330,000 thousands of such provision has been recognized as expense in the current period.

Independent Auditors' Opinion

In our opinion, except for the effect on the consolidated financial statement of the matter described in the fourth paragraph the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ and its financial affiliates as of 31 December 2009 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 and Article 38 of (Turkish) Banking Law No 5411 and the statements, communiqués and guidances published by the BRSA on accounting and financial reporting principles.

İstanbul,
11 February 2010

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 and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

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The consolidated financial report for the year ended 31 December 2009 prepared in accordance with the communiqué 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 Parent Bank
2. Consolidated Interim Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Other Disclosures and Footnotes
7. Independent Auditors' Report

The consolidated subsidiaries and associates in the scope of this consolidated financial report are the followings:

Subsidiaries

1. Garanti Bank International NV
2. Garanti Finansal Kiralama AŞ
3. Garanti Bank Moscow
4. Garanti Faktoring Hizmetleri AŞ
5. Garanti Emeklilik ve Hayat AŞ
6. Garanti Yatırım Menkul Kıymetler AŞ
7. Garanti Portföy Yönetimi AŞ
8. Garanti Financial Services Plc
9. Garanti Fund Management Co Ltd

Associates

1. Eureka Sigorta AŞ

Special Purpose Entities

1. Garanti Diversified Payment Rights Finance Company
2. T2 Capital Finance Company

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, 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 Turkish Lira (TL).



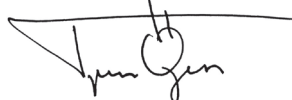
Ferit F. Şahenk
Board of Directors
Chairman



M. Cüneyt Sezgin
Audit Committee
Member



Des O'Shea
Audit Committee
Member



S. Ergun Özen
General
Manager



Aydın Şenel
Executive Vice
President Responsible of
Financial Reporting



Aylin Aktürk
Coordinator

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations
Phone no: 90 212 318 23 50
Fax no: 90 212 216 59 02

	Page No:
SECTION ONE - General Information	
I. History of parent bank including its incorporation date, initial legal status, amendments to legal status	197
II. Parent bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on its risk group	197
III. Information on parent bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the bank	197
IV. Information on parent bank's qualified shareholders	198
V. Summary information on parent bank's activities and services	198
SECTION TWO - Consolidated Financial Statements	
I. Consolidated balance sheet	199
II. Consolidated off-balance sheet items	201
III. Consolidated income statement	203
IV. Consolidated statement of income/expense items accounted under shareholders' equity	204
V. Consolidated statement of changes in shareholders' equity	205
VI. Consolidated statement of cash flows	206
SECTION THREE - Accounting Policies	
I. Basis of presentation	207
II. Strategy for use of financial instruments and foreign currency transactions	207
III. Information on consolidated subsidiaries	207
IV. Forwards, options and other derivative transactions	208
V. Interest income and expenses	208
VI. Fees and commissions	208
VII. Financial assets	208
VIII. Impairment of financial assets	209
IX. Netting of financial instruments	209
X. Repurchase and resale agreements and securities lending	209
XI. Assets held for sale, assets of discontinued operations and the related liabilities	209
XII. Goodwill and other intangible assets	210
XIII. Tangible assets	210
XIV. Leasing activities	210
XV. Provisions and contingent liabilities	211
XVI. Contingent assets	211
XVII. Liabilities for employee benefits	211
XVIII. Taxation	212
XIX. Funds borrowed	213
XX. Share issuances	213
XXI. Confirmed bills of exchange and acceptances	214
XXII. Government incentives	214
XXIII. Segment reporting	214
XXIV. Other disclosures	215
SECTION FOUR - Consolidated Financial Position and Results of Operations	
I. Consolidated capital adequacy ratio	215
II. Consolidated credit risk	219
III. Consolidated market risk	222
IV. Consolidated operational risk	223
V. Consolidated currency risk	223
VI. Consolidated interest rate risk	225
VII. Consolidated liquidity risk	229
VIII. Fair values of financial assets and liabilities	231
IX. Transactions carried out on behalf of customers, items held in trust	232
SECTION FIVE - Disclosures and Footnotes on Consolidated Financial Statements	
I. Consolidated assets	232
II. Consolidated liabilities	249
III. Consolidated off-balance sheet items	256
IV. Consolidated income statement	260
V. Consolidated statement of changes in shareholders' equity	264
VI. Consolidated statement of cash flows	265
VII. Related party risks	266
VIII. Domestic, foreign and off-shore branches or investments and foreign representative offices	268
IX. Significant events and matters arising subsequent to balance sheet date	269
SECTION SIX - Other Disclosures and Footnotes	
I. Other disclosures on activities of bank	269
SECTION SEVEN- Independent Auditors' Report	
I. Disclosure on independent auditors' report	271

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

1 General Information

1.1 History of parent 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 783 domestic branches, five foreign branches and four representative offices abroad. The Bank's head office is located in Istanbul.

1.2 Parent bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during period and information on its risk group

As of 31 December 2009, 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 TL 97,650 thousands each to Doğuş Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğuş Group

The Doğuş Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with more than 70 companies and 28 thousands employees.

The major worldwide joint ventures of the Group are; GE in finance and real estate, Volkswagen AG and TÜV SÜD in automotive, French Alstom and Japan Marubeni in construction, CNBC in media and Starwood Hotels & Resorts, Worldwide Inc., HMS International Hotel GmbH (Maritim) and Aldania GmbH in tourism.

The major investments of the Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Eureka Sigorta 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 four major business lines providing services through their own business units with more than 300 thousand employees. These four business lines are;

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

GE Global Banking that operates under GE Capital Finance, one of GE's major business lines extends loans to consumers, retailers and car vendors in 26 countries. GE Global Banking provides variety of financial products to customers such as store credit cards, consumer loans, bank cards, automobile loans and leasing, mortgage, corporate traveling and spending cards and debt consolidation.

1.3 Information on parent 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	19 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	27 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	21 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	35 years
Denis Arthur Hall	Member	08.10.2008	College	25 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	32 years
Dmitri Lysander Stockton	Member	22.12.2005	University	18 years
Xavier Pascal Durand	Member	02.04.2009	Master	9 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	22 years

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	22 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	31 years
Afzal Mohammed Modak	EVP-Finance & Accounting	20.07.2007	Master	24 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	17 years
Ali Temel	EVP-Loans	21.10.1999	University	19 years
Gökhan Erun	EVP-Human Resources & Investment Banking	18.08.2005	Master	15 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	27 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	24 years
Uruz Ersözöğlü	EVP-Treasury	03.04.2006	University	18 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	17 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	24 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	28 years
Zekeriya Öztürk	EVP- International Business Development	02.03.2006	Master	14 years
Avni Aydın Düren	EVP-Legal Services	15.01.2009	Master	15 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	15 years

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

1.4 Information on parent bank's qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	1,121,504	26.7025%	1,121,504	-
GE Araştırma ve Müşavirlik Limited Şti	875,712	20.8503%	875,712	-

At 23 December 2009, Doğuş Holding AŞ has acquired TL 1,703,451 shares of the Bank at a total face value of TL 1,703 thousands from Doğuş Nakliyat ve Ticaret AŞ.

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 TL 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 TL 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 parent 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 setforth 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.

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet
At 31 December 2009

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

ASSETS		THOUSANDS OF TURKISH LIRA (TL)						
		Footnotes	CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	5.1.1	3,849,004	3,037,901	6,886,905	2,575,060	2,974,970	5,550,030
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	5.1.2	892,050	349,183	1,241,233	659,366	614,557	1,273,923
2.1	Financial assets held for trading		892,050	349,183	1,241,233	659,366	614,557	1,273,923
2.1.1	Government securities		411,165	14,312	425,477	123,957	15,599	139,556
2.1.2	Equity securities		9,489	14	9,503	13,642	14	13,656
2.1.3	Derivative financial assets held for trading		462,424	179,688	642,112	512,567	230,668	743,235
2.1.4	Other securities		8,972	155,169	164,141	9,200	368,276	377,476
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	Loans		-	-	-	-	-	-
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	5.1.3	3,153,741	6,904,630	10,058,371	1,713,868	5,336,354	7,050,222
IV.	INTERBANK MONEY MARKETS		1,000,180	-	1,000,180	40,552	-	40,552
4.1	Interbank money market placements		1,000,180	-	1,000,180	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	40,552	-	40,552
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	5.1.4	25,422,478	4,347,156	29,769,634	15,031,030	3,296,591	18,327,621
5.1	Equity securities		21,732	78,066	99,798	17,464	44,989	62,453
5.2	Government securities		25,126,111	1,284,849	26,410,960	14,714,792	1,045,877	15,760,669
5.3	Other securities		274,635	2,984,241	3,258,876	298,774	2,205,725	2,504,499
VI.	LOANS	5.1.5	28,830,216	24,646,420	53,476,636	28,086,979	24,662,721	52,749,700
6.1	Loans		28,405,574	24,644,204	53,049,778	27,636,833	24,662,721	52,299,554
6.1.1	Loans to bank's risk group	5.7	119,441	146,867	266,308	48,308	201,823	250,131
6.1.2	Government securities	5.7	-	-	-	-	-	-
6.1.3	Other		28,286,133	24,497,337	52,783,470	27,588,525	24,460,898	52,049,423
6.2	Loans under follow-up		2,237,105	58,093	2,295,198	1,239,739	25,085	1,264,824
6.3	Specific provisions (-)		1,812,463	55,877	1,868,340	789,593	25,085	814,678
VII.	FACTORING RECEIVABLES	5.1.6	628,065	227,595	855,660	405,992	245,807	651,799
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	5.1.7	5,991,656	1,476,169	7,467,825	6,086,566	1,697,815	7,784,381
8.1	Government securities		5,991,656	1,438,946	7,430,602	6,086,566	1,658,021	7,744,587
8.2	Other securities		-	37,223	37,223	-	39,794	39,794
IX.	INVESTMENTS IN ASSOCIATES (Net)	5.1.8	69,297	-	69,297	57,074	-	57,074
9.1	Associates consolidated under equity accounting		50,579	-	50,579	40,342	-	40,342
9.2	Unconsolidated associates		18,718	-	18,718	16,732	-	16,732
9.2.1	Financial investments in associates		16,741	-	16,741	14,755	-	14,755
9.2.2	Non-financial investments in associates		1,977	-	1,977	1,977	-	1,977
X.	INVESTMENTS IN SUBSIDIARIES (Net)	5.1.9	22,432	681	23,113	20,780	674	21,454
10.1	Unconsolidated financial investments in subsidiaries		417	681	1,098	417	674	1,091
10.2	Unconsolidated non-financial investments in subsidiaries		22,015	-	22,015	20,363	-	20,363
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	5.1.10	-	-	-	-	-	-
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)	5.1.11	321,461	1,220,048	1,541,509	450,766	1,653,231	2,103,997
12.1	Financial lease receivables		396,311	1,389,287	1,785,598	560,173	1,869,013	2,429,186
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		74,850	169,239	244,089	109,407	215,782	325,189
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	5.1.12	-	-	-	-	69,161	69,161
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	69,161	69,161
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	5.1.13	1,166,985	123,268	1,290,253	1,108,806	98,218	1,207,024
XV.	INTANGIBLE ASSETS (Net)	5.1.14	41,572	5,374	46,946	32,456	5,023	37,479
15.1	Goodwill		6,388	-	6,388	6,388	-	6,388
15.2	Other intangibles		35,184	5,374	40,558	26,068	5,023	31,091
XVI.	INVESTMENT PROPERTY (Net)	5.1.15	-	-	-	-	-	-
XVII.	TAX ASSET		115,201	1,455	116,656	34,877	17,777	52,654
17.1	Current tax asset		36,484	1,455	37,939	70	63	133
17.2	Deferred tax asset	5.1.16	78,717	-	78,717	34,807	17,714	52,521
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.1.17	81,192	-	81,192	81,346	-	81,346
18.1	Asset held for resale		81,192	-	81,192	81,346	-	81,346
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	5.1.18	2,216,285	192,771	2,409,056	1,823,944	156,052	1,979,996
TOTAL ASSETS			73,801,815	42,532,651	116,334,466	58,209,462	40,828,951	99,038,413

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet
At 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)						
		CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008			
		TL	FC	Total	TL	FC	Total	
LIABILITIES AND SHAREHOLDERS' EQUITY								
I. DEPOSITS	Footnotes							
1.1	Deposits from bank's risk group	5.2.1	36,270,775	32,510,938	68,781,713	29,119,139	28,840,818	57,959,957
1.2	Other	5.7	248,102	475,122	723,224	150,823	350,667	501,490
			36,022,673	32,035,816	68,058,489	28,968,316	28,490,151	57,458,467
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2		117,872	223,544	341,416	302,141	298,951	601,092
III. FUNDS BORROWED	5.2.3		4,127,463	11,338,888	15,466,351	2,738,501	10,734,878	13,473,379
IV. INTERBANK MONEY MARKETS	5.2.4		10,377,251	387,478	10,764,729	10,452,524	700,656	11,153,180
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		10,377,251	387,478	10,764,729	10,452,524	700,656	11,153,180
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			3,642,036	95,805	3,737,841	2,795,404	121,233	2,916,637
VIII. OTHER EXTERNAL FUNDINGS PAYABLE			708,793	234,246	943,039	633,430	231,590	865,020
IX. FACTORING PAYABLES	5.2.5		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6		-	5,034	5,034	-	4,845	4,845
10.1	Financial lease payables		-	5,034	5,034	-	4,845	4,845
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7		-	3,464	3,464	-	4,871	4,871
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	3,464	3,464	-	4,871	4,871
11.3	Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	5.2.8		1,182,529	33,939	1,216,468	944,756	28,510	973,266
12.1	General provisions		407,179	30,155	437,334	409,543	19,256	428,799
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		167,758	-	167,758	198,840	-	198,840
12.4	Insurance technical provisions (Net)		128,614	-	128,614	123,603	-	123,603
12.5	Other provisions		478,978	3,784	482,762	212,770	9,254	222,024
XIII. TAX LIABILITY	5.2.9		381,104	16,066	397,170	390,131	6,746	396,877
13.1	Current tax liability		380,809	5,511	386,320	387,893	6,746	394,639
13.2	Deferred tax liability		295	10,555	10,850	2,238	-	2,238
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10		-	-	-	-	-	-
14.1	Asset held for sale		-	-	-	-	-	-
14.2	Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11		-	991,457	991,457	-	946,709	946,709
XVI. SHAREHOLDERS' EQUITY	5.2.12		13,556,361	129,423	13,685,784	9,752,345	(9,765)	9,742,580
16.1	Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2	Capital reserves		2,571,092	116,512	2,687,604	1,576,741	(18,270)	1,558,471
16.2.1	Share premium		11,880	-	11,880	11,880	-	11,880
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund		1,242,755	118,679	1,361,434	257,174	(79,268)	177,906
16.2.4	Revaluation surplus on tangible assets		598,194	-	598,194	597,090	-	597,090
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		1,509	-	1,509	1,509	-	1,509
16.2.8	Hedging reserves (effective portion)		(55,800)	(2,167)	(57,967)	(63,466)	60,998	(2,468)
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		3,650,529	12,911	3,663,440	2,061,101	8,505	2,069,606
16.3.1	Legal reserves		374,641	4,634	379,275	280,954	4,097	285,051
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,187,603	-	3,187,603	1,681,758	-	1,681,758
16.3.4	Other profit reserves		88,285	8,277	96,562	98,389	4,408	102,797
16.4	Profit or loss		3,085,717	-	3,085,717	1,879,378	-	1,879,378
16.4.1	Prior periods profit/loss		-	-	-	-	-	-
16.4.2	Current period net profit/loss		3,085,717	-	3,085,717	1,879,378	-	1,879,378
16.5	Minority interest		49,023	-	49,023	35,125	-	35,125
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			70,364,184	45,970,282	116,334,466	57,128,371	41,910,042	99,038,413

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Off-Balance Sheet Items
At 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
OFF-BALANCE SHEET ITEMS	Footnotes	TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		33,018,295	45,209,801	78,228,096	32,184,579	48,697,088	80,881,667
I. GUARANTEES AND SURETIES	5.3.1	4,507,230	10,606,237	15,113,467	4,228,584	10,338,550	14,567,134
1.1. Letters of guarantee		4,506,694	7,653,913	12,160,607	4,118,306	6,894,220	11,012,526
1.1.1. Guarantees subject to State Tender Law		-	-	-	238,990	541,707	780,697
1.1.2. Guarantees given for foreign trade operations		331,518	535,270	866,788	312,563	422,149	734,712
1.1.3. Other letters of guarantee		4,175,176	7,118,643	11,293,819	3,566,753	5,930,364	9,497,117
1.2. Bank acceptances		514	125,327	125,841	-	123,807	123,807
1.2.1. Import letter of acceptance		514	124,968	125,482	-	108,097	108,097
1.2.2. Other bank acceptances		-	359	359	-	15,710	15,710
1.3. Letters of credit		22	2,826,997	2,827,019	278	3,320,523	3,320,801
1.3.1. Documentary letters of credit		-	4	4	-	82	82
1.3.2. Other letters of credit		22	2,826,993	2,827,015	278	3,320,441	3,320,719
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		15,558,625	5,168,345	20,726,970	14,376,973	4,743,412	19,120,385
2.1. Irrevocable commitments		15,558,625	5,167,699	20,726,324	14,376,973	4,742,758	19,119,731
2.1.1. Asset purchase and sale commitments		387,216	1,876,854	2,264,070	153,483	1,418,639	1,572,122
2.1.2. Deposit purchase and sale commitments		46,000	1,736	47,736	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		2,250	10,136	12,386	812	-	812
2.1.4. Loan granting commitments		3,262,629	1,802,239	5,064,868	2,787,561	1,853,327	4,640,888
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,513,244	-	1,513,244	1,356,288	-	1,356,288
2.1.8. Tax and fund obligations on export commitments		25,746	-	25,746	25,834	-	25,834
2.1.9. Commitments for credit card limits		9,057,330	63,429	9,120,759	8,788,785	31,274	8,820,059
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	1,413,305	2,677,515	1,264,210	1,439,518	2,703,728
2.2. Revocable commitments		-	646	646	-	654	654
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	646	646	-	654	654

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Off-Balance Sheet Items
At 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
OFF-BALANCE SHEET ITEMS	Footnotes	TL	FC	Total	TL	FC	Total
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	12,952,440	29,435,219	42,387,659	13,579,022	33,615,126	47,194,148
3.1. Derivative financial instruments held for risk management		-	1,295	1,295	-	110,523	110,523
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	1,295	1,295	-	110,523	110,523
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		12,952,440	29,433,924	42,386,364	13,579,022	33,504,603	47,083,625
3.2.1. Forward foreign currency purchases/sales		1,818,821	3,115,457	4,934,278	1,937,437	2,904,909	4,842,346
3.2.1.1. Forward foreign currency purchases		632,918	1,852,653	2,485,571	934,191	1,490,485	2,424,676
3.2.1.2. Forward foreign currency sales		1,185,903	1,262,804	2,448,707	1,003,246	1,414,424	2,417,670
3.2.2. Currency and interest rate swaps		6,495,010	15,082,269	21,577,279	9,923,766	20,708,428	30,632,194
3.2.2.1. Currency swaps-purchases		2,751,465	8,058,713	10,810,178	5,472,200	9,895,595	15,367,795
3.2.2.2. Currency swaps-sales		3,743,545	6,933,665	10,677,210	4,451,566	10,772,760	15,224,326
3.2.2.3. Interest rate swaps-purchases		-	43,880	43,880	-	18,612	18,612
3.2.2.4. Interest rate swaps-sales		-	46,011	46,011	-	21,461	21,461
3.2.3. Currency, interest rate and security options		4,610,920	10,563,208	15,174,128	1,683,016	9,017,177	10,700,193
3.2.3.1. Currency call options		1,783,868	3,895,081	5,678,949	658,260	2,816,859	3,475,119
3.2.3.2. Currency put options		2,803,461	3,146,723	5,950,184	990,950	2,696,475	3,687,425
3.2.3.3. Interest rate call options		-	1,810,844	1,810,844	-	1,799,040	1,799,040
3.2.3.4. Interest rate put options		-	1,710,560	1,710,560	-	1,692,640	1,692,640
3.2.3.5. Security call options		18,368	-	18,368	33,806	10,642	44,448
3.2.3.6. Security put options		5,223	-	5,223	-	1,521	1,521
3.2.4. Currency futures		24,689	24,715	49,404	27,209	33,537	60,746
3.2.4.1. Currency futures-purchases		-	4,704	4,704	24,833	24,967	49,800
3.2.4.2. Currency futures-sales		24,689	20,011	44,700	2,376	8,570	10,946
3.2.5. Interest rate futures		-	32,184	32,184	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	32,184	32,184	-	-	-
3.2.6. Others		3,000	616,091	619,091	7,594	840,552	848,146
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		185,391,052	132,127,676	317,518,728	149,828,729	108,801,912	258,630,641
IV. ITEMS HELD IN CUSTODY		45,443,121	15,546,141	60,989,262	38,828,829	15,720,224	54,549,053
4.1. Customers' securities held		23,873,575	1,133	23,874,708	18,299,861	3,913,486	22,213,347
4.2. Investment securities held in custody		14,546,869	4,662,027	19,208,896	13,804,387	932,508	14,736,895
4.3. Checks received for collection		4,990,781	854,872	5,845,653	4,869,700	895,721	5,765,421
4.4. Commercial notes received for collection		1,963,409	1,826,388	3,789,797	1,822,785	1,776,262	3,599,047
4.5. Other assets received for collection		21,265	7,683,438	7,704,703	9,649	7,665,813	7,675,462
4.6. Assets received through public offering		-	34,412	34,412	-	25,454	25,454
4.7. Other items under custody		47,222	483,871	531,093	22,447	510,980	533,427
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		139,947,931	116,581,535	256,529,466	110,999,900	93,081,688	204,081,588
5.1. Securities		548,240	23,062	571,302	77,210	24,354	101,564
5.2. Guarantee notes		20,386,072	7,192,615	27,578,687	16,424,680	6,927,507	23,352,187
5.3. Commodities		-	-	-	157	-	157
5.4. Warranties		-	341,862	341,862	-	335,011	335,011
5.5. Real estates		26,911,048	34,618,660	61,529,708	19,469,018	20,275,144	39,744,162
5.6. Other pledged items		92,102,401	74,404,896	166,507,297	75,028,665	65,519,224	140,547,889
5.7. Pledged items-depository		170	440	610	170	448	618
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		218,409,347	177,337,477	395,746,824	182,013,308	157,499,000	339,512,308

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
For the Year Ended 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2009-	1 January 2008-
		31 December 2009	31 December 2008
INCOME AND EXPENSE ITEMS	Footnotes		
I. INTEREST INCOME	5.4.1	11,138,986	10,143,420
1.1 Interest income on loans		6,290,495	6,034,724
1.2 Interest income on reserve deposits		148,186	218,100
1.3 Interest income on banks		283,862	393,989
1.4 Interest income on money market transactions		3,182	7,120
1.5 Interest income on securities portfolio		4,068,812	3,075,798
1.5.1 Trading financial assets		28,434	49,756
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		3,026,039	2,171,769
1.5.4 Investments held-to-maturity		1,014,339	854,273
1.6 Financial lease income		196,488	235,025
1.7 Other interest income		147,961	178,664
II. INTEREST EXPENSE	5.4.2	5,733,146	6,635,372
2.1 Interest on deposits		4,148,311	4,542,020
2.2 Interest on funds borrowed		818,679	908,834
2.3 Interest on money market transactions		761,626	1,180,050
2.4 Interest on securities issued		2,272	2,872
2.5 Other interest expenses		2,258	1,596
III. NET INTEREST INCOME (I - II)		5,405,840	3,508,048
IV. NET FEES AND COMMISSIONS INCOME		1,725,073	1,500,991
4.1 Fees and commissions received		2,163,836	1,965,426
4.1.1 Non-cash loans		176,302	133,118
4.1.2 Others		1,987,534	1,832,308
4.2 Fees and commissions paid		438,763	464,435
4.2.1 Non-cash loans		972	453
4.2.2 Others		437,791	463,982
V. DIVIDEND INCOME	5.4.3	2,760	29,472
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	897,979	253,585
6.1 Trading account income/losses (Net)		416,966	61,176
6.2 Income/losses from derivative financial instruments (Net)		309,261	425,676
6.3 Foreign exchange gains/losses (Net)		171,752	(233,267)
VII. OTHER OPERATING INCOME	5.4.5	436,933	417,923
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		8,468,585	5,710,019
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	5.4.6		617,955
X. OTHER OPERATING EXPENSES (-)	5.4.7	1,715,819	2,755,946
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,930,133	2,336,118
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		9,221	10,657
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	5.4.8	3,939,354	2,346,775
XVI. PROVISION FOR TAXES (±)	5.4.9	839,753	455,597
16.1 Current tax charge		883,195	441,528
16.2 Deferred tax charge/(credit)		(43,442)	14,069
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	5.4.10	3,099,601	1,891,178
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	3,099,601	1,891,178
23.1 Equity holders of the bank		3,085,717	1,879,378
23.2 Minority interest		13,884	11,800
EARNINGS PER SHARE (full TL amount per TL'000 face value each)		735	632

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted under Shareholders' Equity
For the Year Ended 31 December 2009

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

		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		31 December 2009	31 December 2008
INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY			
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	1,454,692	5,102
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(9,440)	110,485
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	(62,895)	28,649
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	9,583	(80,301)
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	(273,337)	(15,857)
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	1,118,603	48,078
XI.	CURRENT PERIOD PROFIT/LOSSES	3,099,601	1,891,178
1.1	Net changes in fair value of securities (transferred to income statement)	109,738	61,271
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	2,989,863	1,829,907
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	4,218,204	1,939,256

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2009

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

	THOUSANDS OF TURKISH LIRA (TL)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revelation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Shareholders' Interest	Total Shareholders' Equity																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
STRENGTH OF CHANGES IN SHAREHOLDERS' EQUITY	FOOTNOTES																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
PRIOR PERIOD - 31 December 2008																			I. Balances at beginning of the period	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	II. Correction made as per FAS 8																		2.1. Effect of corrections																		2.2. Effect of changes in accounting policies																		III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784
I. Balances at beginning of the period	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	II. Correction made as per FAS 8																		2.1. Effect of corrections																		2.2. Effect of changes in accounting policies																		III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																			
II. Correction made as per FAS 8																		2.1. Effect of corrections																		2.2. Effect of changes in accounting policies																		III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																					
2.1. Effect of corrections																		2.2. Effect of changes in accounting policies																		III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																							
2.2. Effect of changes in accounting policies																		III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																									
III. Adjusted balances at beginning of the period (I+II)	772.954			168.267		1.388.951	5.935	2.413.778	189.537		29.864	1.509	32.238		7.102.343	23.334	7.125.677	Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																											
Changes during the period																		IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																													
IV. Mergers																		V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																															
V. Market value changes of securities									(11.931)						(11.931)	(9)	(11.940)	VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																	
VI. Hedging reserves											(34.706)				(34.706)		(34.706)	6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																			
6.1. Cash flow hedge											23.534				23.534		23.534	6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																					
6.2. Hedge of net investment in foreign operations											(62.940)				(62.940)		(62.940)	VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																							
VII. Revaluation surplus on tangible assets																		VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																									
VIII. Revaluation surplus on intangible assets																		IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																											
IX. Bonus shares of associates, subsidiaries and joint-ventures																		X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																													
X. Translation differences							93.324								94.424		94.424	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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																															
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	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																	
XII. Changes resulted from reclassification of assets																		XIII. Effect of change in equities of associates on bank's equity																		XIV. Capital increase	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																			
XIII. Effect of change in equities of associates on bank's equity																		XIV. Capital increase	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																																					
XIV. Capital increase	11.880														11.880		2.117.880	14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																																																							
14.1. Cash	2.700.000														2.700.000		2.700.000	14.2. Internal sources																		XV. Share issuance																		XVI. Share cancellation profits																		XVII. Capital reserves from inflation adjustments to paid-in capital						(1.434.233)									(1,434,233)		(1,434,233)	XVIII. Others																		XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																																																																									
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XIX. Current period net profit/loss							1,879,378										1,879,378	XX. Profit distribution				115,371		1,727,620	3,341	(2,493,778)			567,226							20.1. Dividends																		20.2. Transfers to reserves				115,371		1,727,620	3,341	(1,862,211)										20.3. Others																		Balances at end of the period (III+IV+V+...+XVIII+XIX+XX)	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	CURRENT PERIOD - 31 December 2009																		I. Balances at beginning of the period	4,200,000			285,651		1,681,758	102,797	1,879,378	177,906		597,090	1,509	(2,498)		9,707,455	35,125	9,742,580	Changes during the period																		5.5																		II. Mergers																		III. Market value changes of securities									1,183,258						1,183,258	14		IV. Hedging reserves																		4.1. Cash flow hedge																		4.2. Hedge of net investment in foreign operations																		V. Revaluation surplus on tangible assets																		VI. Revaluation surplus on intangible assets																		VII. Bonus shares of associates, subsidiaries and joint-ventures																		VIII. Translation differences																		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																		12.1. Cash																		12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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12.2. Internal sources																		XIII. Share issuance																		XIV. Share cancellation profits																		XV. Capital reserves from inflation adjustments to paid-in capital																		XVI. Others																		XVII. Current period net profit/loss							3,085,777										3,085,777	XVIII. Profit distribution				94,109		1,505,945	3,320	(1,979,378)			1,104							18.1. Dividends				6,500		2,513,500											(275,000)	18.2. Transfers to reserves				87,609		1,791,245											(275,000)	18.3. Others							3,320				1,104							Balances at end of the period (I+II+III+...+XVI+XVII+XVIII)	4,200,000			379,775		3,167,693	96,592	3,085,777		1,361,434	598,194	1,509	(57,967)		13,636,781	49,023	13,685,784																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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The accompanying notes are an integral part of these consolidated financial statements.

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows

For the Year Ended 31 December 2009

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

STATEMENT OF CASH FLOWS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
			CURRENT PERIOD 31 December 2009	PRIOR PERIOD 31 December 2008
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	5.6	4,343,405	2,619,095
1.1.1	Interests received		11,550,923	9,326,315
1.1.2	Interests paid		(6,038,824)	(6,366,874)
1.1.3	Dividend received		2,760	29,472
1.1.4	Fees and commissions received		1,725,073	1,578,335
1.1.5	Other income		620,804	909,909
1.1.6	Collections from previously written-off loans and other receivables		39,016	25,323
1.1.7	Payments to personnel and service suppliers		(2,436,743)	(2,427,788)
1.1.8	Taxes paid		(1,119,604)	(455,597)
1.1.9	Others		-	-
1.2	Changes in operating assets and liabilities	5.6	6,656,589	7,140,829
1.2.1	Net (increase) decrease in financial assets held for trading		(65,083)	405,513
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 and other financial institutions		(4,230,122)	1,815,904
1.2.4	Net (increase) decrease in loans		(2,740,559)	(13,744,573)
1.2.5	Net (increase) decrease in other assets		(109,570)	(698,201)
1.2.6	Net increase (decrease) in bank deposits		642,227	(310,214)
1.2.7	Net increase (decrease) in other deposits		10,334,104	14,432,747
1.2.8	Net increase (decrease) in funds borrowed		1,786,547	5,240,354
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		1,039,045	(701)
I.	Net cash flow from banking operations	5.6	10,999,994	9,759,924
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities	5.6	(8,748,255)	(7,352,046)
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures		(2,655)	-
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3	Purchases of tangible assets		(349,925)	(394,925)
2.4	Sales of tangible assets		26,205	166,529
2.5	Cash paid for purchase of financial assets available-for-sale, net		(18,841,407)	(12,369,975)
2.6	Cash obtained from sale of financial assets available-for-sale, net		10,191,749	4,653,806
2.7	Cash paid for purchase of investments held-to-maturity		(927,839)	-
2.8	Cash obtained from sale of investments held-to-maturity (redemption)		1,155,617	592,519
2.9	Others		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash flow from financing activities		(275,147)	677,559
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		(275,000)	-
3.5	Payments for financial leases		(147)	(88)
3.6	Others		-	(1,434,233)
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		171,752	(233,267)
V.	Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)		2,148,344	2,852,170
VI.	Cash and cash equivalents at beginning of period	5.6	7,145,989	4,293,819
VII.	Cash and cash equivalents at end of period (V+VI)	5.6	9,294,333	7,145,989

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

3 Accounting Policies

3.1 Basis of presentation

As per the Articles 37 and 38 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 consolidated 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 Regulation and Supervision Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidelines.

The accompanying consolidated 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 which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying consolidated 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 use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the 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 and its financial affiliates have 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 and its financial affiliates are 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 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 the management of the interest and liquidity risk 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, 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 for the parent Bank and with the Central Bank of Turkey's spot purchase rates for domestic financial affiliates, and the differences are recorded as foreign exchange gain or loss in the income statement.

The Bank, as the parent bank, had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16-Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 Financial Instruments: Recognition and Measurement". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

In the currency conversion of the financial statements of the Bank's foreign branches and consolidated financial affiliates, 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 Information on consolidated subsidiaries

As of 31 December 2009, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring), Garanti Fund Management Co Ltd (GFM) ve Garanti Financial Services Plc (GFS).

Garanti Sigorta AŞ was established in 1989 to perform insurance activities. In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank owns 20% of Garanti Sigorta AŞ that its name has been changed as Euroko Sigorta AŞ at 1 October 2007 and 84.91% of Garanti Emeklilik. Euroko Sigorta AŞ is accounted under equity accounting method in the accompanying consolidated financial statements. The head offices of these companies are in Istanbul.

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities. The company's head office is in Istanbul. The Bank owns 98.94% of the company's shares through direct and indirect shareholdings.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank and T. Ihracat Bankası AŞ own 55.40% and 9.78% of the company's shares, respectively. The remaining 34.82% shares are held by public.

GBI was established in 1990 by the Bank to perform banking activities in abroad. The head office of this bank is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Moscow was established in 1996 to perform banking activities in abroad. This bank's head office is in Moscow. The Bank and GFS own 75.09% and 24.86% of the company shares, respectively.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Diversified Payment Rights Finance Company and T2 Capital Finance Company are the special purpose entities established for the Bank's securitization and subordinated debt transactions. The Bank or any of its affiliates does not have any shareholding interests in these companies.

Liquidation of the associates and subsidiaries:

The liquidation processes of GFM ve GFS continue.

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 contacts. There are no embedded derivatives.

In accordance with 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 cash flow hedges 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

General

Interest income and expenses 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 income 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.

Financial lease operations

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the income statement.

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 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 and its financial affiliates have the intent and ability to hold until maturity, excluding originated 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.

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated 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 and 20 August 2008 are for five-year maturity and with fixed real coupon rates of 5% and 6% 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 through 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.

Specific allowances for non-performing loan and other receivables are provided in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are deducted from loans under follow-up 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 for Banks. 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. 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 and related borrowings

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 or its financial affiliates have no discontinued operations.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, softwares, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in accordance 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. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, are 3-15 years, and amortisation rates are 6.67-33.3%.

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.

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 accordance 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.

Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2009	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	2	4	2
Vaults	20-50	2-20	4-40	2-20
Motor Vehicles	5-7	15-20	30-40	15-20
Other Tangible Assets	4-20	5-25	10-50	5-25

In prior periods, the tangible assets are depreciated over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. The tangible assets purchased since 1 January 2005 are depreciated based on the declining balance method which is one of the accelerated depreciation methods. The straight-line depreciation method is in use for the tangible assets purchased since 1 January 2009.

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

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.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 or its financial affiliates. If an inflow of economic benefits 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 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

As per the existing labour law in Turkey, the entities are 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 and its financial affiliates subject to the labour law, 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:

	31 December 2009	31 December 2008
Discount rate	5.92%	6.26%
Interest rate	11.00%	12.00%
Expected rate of salary/limit increase	4.80%	5.40%
Estimated employee turnover rate	6.70%	6.55%

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:

	31 December 2009	
	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 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.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 Savings Deposit Insurance Fund, 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 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 regarding this application.

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.

The consolidated affiliates do not have retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Taxation

3.18.1 Corporate tax

In Turkey, 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 in Turkey are not subject to withholding tax. As per the decisions no. 2009/14593 and 2009/14594 of the Council of Ministers published in the Official Gazette no. 27130 dated 3 February 2009, 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 Turkish tax legislation, the 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.

Tax applications for foreign branches

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subjected to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The prepaid taxes are paid in April, August and December in the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The excess part of the corporate tax that is not covered by such prepayments is paid to the tax office in September.

LUXEMBOURG

The corporate earnings are subjected to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 4% of the calculated corporate tax is paid as a contribution for unemployment insurance fund. The municipality commerce tax, which is set as 3% of the taxable income, can be increased up to 225% by the authorization of the municipalities. This rate is 6.75% in the municipality where the Bank's Luxembourg branch operates. The tax returns are examined by the authorized bodies and in case of detected mistakes, the amount of the taxes to be paid, is revised. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

Tax applications for foreign financial affiliates

HOLLAND

In Holland, corporate income tax is levied at the rate of 20% for tax profits up to EUR 200,000 and 25.5% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. In general, there is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments. Under the Dutch taxation system, tax losses can be carried forward to offset against future taxable income for nine years. Tax losses can be carried back to the prior year.

Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return 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. The corporate income tax has been calculated using the nominal tax rate of 25.5% over the Dutch taxable income, 30% over the local taxable income of Germany branch and 16% over the local taxable income of Romania branches.

RUSSIA

The applicable tax rate for current and deferred tax for the Bank's consolidated affiliate in Russia is 20% (2% federal and 18% regional - in some locations 4.5% regional). The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open for a longer period.

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 of the consolidated subsidiaries are reported as net in their individual financial statements.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated affiliates are presented on the asset and liability sides of financial statements separately, without any offsetting.

3.18.3 Transfer pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

3.18.4 Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

3.19 Funds borrowed

Funds are generated 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.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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 31 December 2009, the Bank or its financial affiliates do 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 and 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, TL 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 on a consolidated basis is as follows as of 31 December 2009:

Current Period

	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,547,498	2,492,168	2,461,229	964,930	8,465,825
Other	-	-	-	-	-
Total Operating Profit	2,547,498	2,492,168	2,461,229	964,930	8,465,825
Net Operating Profit	1,225,066	1,700,612	2,379,317	(1,368,401)	3,936,594
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	2,760	2,760
Net Operating Profit	1,225,066	1,700,612	2,379,317	(1,365,641)	3,939,354
Provision for Taxes	-	-	-	839,753	839,753
Net Profit	1,225,066	1,700,612	2,379,317	(2,205,394)	3,099,601
Segment Assets	17,444,234	35,949,921	51,676,386	11,171,515	116,242,056
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	92,410	92,410
Undistributed Items	-	-	-	-	-
Total Assets	17,444,234	35,949,921	51,676,386	11,263,925	116,334,466
Segment Liabilities	38,259,084	26,479,457	27,062,023	10,848,118	102,648,682
Shareholders' Equity	-	-	-	13,685,784	13,685,784
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	38,259,084	26,479,457	27,062,023	24,533,902	116,334,466
Other Segment Items					
Capital Expenditure	-	-	-	316,741	316,741
Depreciation Expenses	-	-	-	182,942	182,942
Impairment Losses	-	-	703	1,724,905	1,725,608
Other Non-Cash Income/Expenses	(36,348)	(187,393)	1,425,632	151,883	1,353,774
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

3.24.1 Reclassification

As of 31 December 2008, interest income from factoring receivables amounting TL 77,344 thousands is classified to "Interest Income on Loans" from "Fees and Commissions Received".

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 19.16% (unconsolidated capital adequacy ratio: 21.20%) as of 31 December 2009.

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and "Regulation on Equities 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 once more 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".

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
Value at Credit Risk	0%	10%	20%	50%	100%	150%	200%
Balance Sheet Items (Net)	22,575,086	-	3,230,234	12,907,888	36,895,700	399,473	18,037
Cash on Hand	891,864	-	1,497	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	4,231,652	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	3,932,729	-	2,815,343	-	1,532,677	-	-
Interbank Money Market Placements	1,000,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,716,480	-	-	-	-	-	-
Loans	3,088,978	-	177,253	12,694,223	32,186,372	399,473	18,037
Loans under Follow-Up (Net)	-	-	-	-	424,642	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,065,721	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,237	-	-
Miscellaneous Receivables	39,026	-	-	-	80,153	-	-
Accrued Interest and Income	330,366	-	26,011	213,665	548,133	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	1,019,855	-	-
Tangible Assets (Net)	-	-	-	-	1,042,526	-	-
Other Assets	278,270	-	210,130	-	41,105	-	-
Off-Balance Sheet Items	1,705,076	-	1,096,091	806,350	9,510,243	-	-
Non-Cash Loans and Commitments	1,705,076	-	815,249	806,350	9,418,278	-	-
Derivative Financial Instruments	-	-	280,842	-	91,965	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	24,280,162	-	4,326,325	13,714,238	46,405,943	399,473	18,037

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

	Risk Weightings						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	23,550,505	-	5,258,070	13,338,322	42,219,060	399,473	18,037
Cash on Hand	912,796	-	1,497	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	4,231,652	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,609,961	-	3,627,505	-	1,761,615	-	-
Interbank Money Market Placements	1,000,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,716,480	-	-	-	-	-	-
Loans	3,169,856	-	1,329,104	12,876,604	35,320,548	399,473	18,037
Loans under Follow-Up (Net)	-	-	-	-	426,858	-	-
Lease Receivables	16,031	-	28,284	245,512	1,239,077	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,155,596	-	-	-	38,520	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,237	-	-
Miscellaneous Receivables	39,026	-	-	-	1,450,312	-	-
Accrued Interest and Income	326,620	-	61,550	216,206	573,474	-	-
Investments in Associates,							
Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	39,352	-	-
Tangible Assets (Net)	-	-	-	-	1,176,152	-	-
Other Assets	372,487	-	210,130	-	172,915	-	-
Off-Balance Sheet Items	1,731,042	-	1,391,795	817,090	9,800,192	-	-
Non-Cash Loans and Commitments	1,731,042	-	1,032,123	817,090	9,682,431	-	-
Derivative Financial Instruments	-	-	359,672	-	117,761	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	25,281,547	-	6,649,865	14,155,412	52,019,252	399,473	18,037

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	54,763,611	53,973,934
Value at Market Risk (VaMR)	2,525,413	2,523,750
Value at Operational Risk (VaOR)	7,212,178	5,766,996
Shareholders' Equity	13,672,917	10,047,717
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	21.20%	16.14%
	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	61,062,215	59,687,917
Value at Market Risk (VaMR)	4,447,563	4,120,450
Value at Operational Risk (VaOR)	8,212,044	6,621,287
Shareholders' Equity	14,125,554	10,460,637
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	19.16%	14.85%

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	379,275	285,051
I. Legal Reserve (Turkish Commercial Code 466/1)	349,148	261,424
II. Legal Reserve (Turkish Commercial Code 466/2)	30,127	23,627
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	3,187,603	1,681,758
Reserve Allocated as per the Decision held by the General Assembly	3,187,603	1,681,758
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Other Capital Reserves and Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	3,085,717	1,879,378
Current Period Profit	3,085,717	1,879,378
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	360,000	52,000
Income on Sale of Investments in Associates, Subsidiaries and Real Estate	596,047	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	49,001	35,117
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)(*)	147,686	-
Prepaid Expenses (-)(*)	244,835	318,026
Intangible Assets (-)(*)	40,558	37,479
Deferred Tax Asset excess of 10% of Core Capital (-)(*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	12,202,610	9,506,293
SUPPLEMENTARY CAPITAL		
General Provisions	437,334	428,799
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus Shares of Associates, Subsidiaries and Joint-Ventures (Business Partnership)	1,509	1,509
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	932,551	847,545
45% of Securities Value Increase Fund (**)	612,632	36,431
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	612,632	36,431
Minority Interest	22	8
Other Reserves	38,595	100,329
Total Supplementary Capital	2,023,609	1,415,587
TIER III CAPITAL	-	-
CAPITAL	14,226,219	10,921,880

(*) According to the "Regulation on Equities of Banks" Temporary Article 1 published in Official Gazette no. 26333 dated 1 November 2006, starting from 1 January 2009 leasehold improvements, prepaid expenses, intangible assets and deferred tax assets above 10% of core capital are directly deducted from core capital.

(**) 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 its is negative then the whole amount is considered in the calculation.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

DEDUCTIONS FROM CAPITAL	100,665	461,243
Unconsolidated Investments in Banks and Financial Institutions	2,479	2,471
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	-	-
Banks and Financial Institutions' Assets and Liabilities that are not Fully Consolidated but Included Using Equity Accounting	50,579	40,342
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	47,607	62,925
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	14,125,554	10,460,637

4.2 Consolidated credit risk

Credit risk means risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is reviewed periodically in compliance with the legislation by the internal risk rating models. The credit limits are revised and further collateral is required if the risk level of debtor deteriorates. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the lending policies, the debtor's creditworthiness is analysed and the satisfactory collateral is required based on the financial position of the company and the lending terms demanded; like cash collateral, bank guarantees, mortgages, pledges, bills and personal or corporate guarantees.

There are control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed under the risk from market fluctuations. The risk arising from such instruments are followed up and the necessary actions are taken to decrease it when necessary.

The liquidated non-cash loans are subject to the same risk weighting with the overdue loans.

Foreign trade finance and other interbank credit transactions are performed through widespread correspondents network. Accordingly, limits are assigned to domestic and foreign banks and other financial institutions examining their credit worthiness, periodically.

The Bank and its financial affiliates' largest 100 cash loan customers compose 29.40% of the total cash loan portfolio.

The Bank and its financial affiliates' largest 100 non-cash loan customers compose 53.80% of the total non-cash loan portfolio.

The Bank and its financial affiliates' largest 100 cash and non-cash loan customers represent 10.30% of the total "on and off balance sheet" assets.
The general provision for consolidated credit risk amounts to TL 437,334 thousands.

The Bank developed a statistical-based internal risk rating model for its credit portfolio of corporate/commercial/medium-size companies. This internal risk rating model has been in use for customer credibility assessment since 2003. Risk rating has become a requirement for loan applications, and ratings are used both to determine branch managers' credit authorization limits and in credit assessment process.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below. The small and micro-size enterprises, consumer loans and credit card portfolios are not included in this table as they are subject to different rating scorings on a product basis.

	Current Period	Prior Period
	%	%
Above Average	39.54	49.57
Average	50.22	43.58
Below Average	10.24	6.85
Total	100.00	100.00

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

4.2.1 Customer and regional concentration of credit risks

	Loans to Individuals and Corporates		Balances with Banks and Central Bank of Turkey		Securities*		Other Credits**		Off-Balance Sheet Commitments and Contingencies**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Customer concentration										
Private Sector	34,169,681	33,621,435	-	-	917,882	1,200,361	1,695,224	1,293,380	31,298,380	32,617,011
Public Sector	1,371,789	1,268,795	380,396	-	34,663,356	23,621,533	80,322	308	24,823	2,305
Banks	491,480	1,051,787	16,650,767	11,939,516	1,991,144	1,744,702	1,001,433	1,158,159	22,346,197	23,971,246
Retail Customers	17,443,686	16,807,683	-	-	-	-	29,354	22,016	3,261,812	686,033
Equity Securities	-	-	-	-	264,198	76,094	92,410	78,528	-	-
Total	53,476,636	52,749,700	17,031,163	11,939,516	37,836,580	26,642,690	2,898,743	2,552,391	56,931,212	57,276,595
Regional concentration										
Domestic	50,449,613	49,424,620	7,989,284	6,466,880	34,935,641	24,430,500	1,483,906	1,700,844	36,406,303	31,837,359
European Union (EU) Countries	2,009,783	1,793,948	8,209,979	4,551,839	1,945,604	1,489,864	1,201,762	601,449	10,640,313	15,325,937
OECD Countries***	133,391	68,701	23,371	15,446	-	1,529	182	423	2,426,402	1,186,448
Off-Shore Banking Regions	79,805	168,768	63,772	57,151	229,387	226,765	1,049	1,407	204,280	281,684
USA, Canada	45,050	56,103	586,530	772,922	223,096	77,743	117,376	229,402	6,170,023	7,611,841
Other Countries	758,994	1,237,560	158,227	75,278	502,852	416,289	94,468	18,866	1,083,891	1,033,326
Total	53,476,636	52,749,700	17,031,163	11,939,516	37,836,580	26,642,690	2,898,743	2,552,391	56,931,212	57,276,595

* Includes financial assets held for trading, financial assets available-for-sale and investments held-to-maturity

** Includes transactions defined as credit as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

*** OECD countries other than EU countries, USA and Canada

4.2.2 Geographical concentration

	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit/(Loss)
Current Period					
Domestic	93,126,803	81,335,463	12,515,855	264,560	2,786,650
European Union (EU) Countries	9,058,984	14,309,163	1,101,122	-	99,349
OECD Countries (1)	33,530	514,743	384,922	-	-
Off-Shore Banking Regions	372,155	436,318	21,266	-	4,887
USA, Canada	745,284	7,680,608	429,465	-	-
Other Countries	175,512	188,256	218,317	-	-
Associates, Subsidiaries and Joint-Ventures (Business Partnership)	12,822,198	11,869,915	442,520	52,181	208,715
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	116,334,466	116,334,466	15,113,467	316,741	3,099,601
Prior Period					
Domestic	80,572,831	74,232,393	11,496,866	341,824	1,623,884
EU Countries	4,967,313	6,403,313	1,635,450	-	80,336
OECD Countries (1)	18,801	836,228	433,287	-	-
Off-Shore Banking Regions	377,949	206,918	30,461	-	2,556
USA, Canada	1,011,885	6,421,186	314,583	-	-
Other Countries	70,168	121,001	352,258	-	-
Associates, Subsidiaries and Joint-Ventures (Business Partnership)	12,019,466	10,817,374	304,229	46,147	184,402
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	99,038,413	99,038,413	14,567,134	387,971	1,891,178

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

(2) Assets, liabilities and equity items that can not be allocated on a consistent basis

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.2.3 Sectoral distribution of cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	260,997	0.92	227,203	0.92	276,174	1.00	116,724	0.48
Farming and Stockbreeding	243,422	0.86	221,134	0.90	265,942	0.96	105,427	0.43
Forestry	10,263	0.04	-	-	4,937	0.02	-	-
Fishery	7,312	0.03	6,069	0.02	5,295	0.02	11,297	0.05
Manufacturing	3,678,528	12.95	8,756,123	35.53	3,872,157	14.01	8,426,621	34.17
Mining	102,415	0.36	296,846	1.21	121,982	0.44	279,441	1.13
Production	3,423,729	12.05	6,181,535	25.08	3,538,075	12.80	6,648,336	26.96
Electricity, Gas, Water	152,384	0.54	2,277,742	9.24	212,100	0.77	1,498,844	6.08
Construction	1,097,197	3.86	1,247,654	5.06	953,983	3.45	1,502,414	6.09
Services	5,122,401	18.03	10,030,341	40.70	4,624,379	16.73	11,069,921	44.88
Wholesale and Retail Trade	3,210,181	11.30	3,330,026	13.51	3,178,646	11.50	2,573,442	10.43
Hotel, Food and Beverage Services	244,417	0.86	1,198,029	4.86	208,057	0.75	980,793	3.98
Transportation and Telecommunication	553,652	1.95	3,479,901	14.12	575,719	2.08	3,746,786	15.19
Financial Institutions	790,654	2.78	1,211,906	4.92	339,238	1.23	3,006,991	12.19
Real Estate and Renting Services	57,200	0.20	385,292	1.56	70,624	0.26	373,717	1.51
"Self-Employment" Type Services	-	-	-	-	-	-	-	-
Educational Services	77,908	0.27	27,948	0.11	72,763	0.26	31,401	0.13
Health and Social Services	188,389	0.66	397,239	1.61	179,332	0.65	356,791	1.45
Others	18,246,451	64.24	4,382,883	17.79	17,910,140	64.81	3,547,041	14.38
Total	28,405,574	100.00	24,644,204	100.00	27,636,833	100.00	24,662,721	100.00

4.2.4 Credit risk by business segments

Loan Groups	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Performing Loans					
Cash Loans	35,068,491	10,233,137	6,977,603	12,287,181	64,566,412
Non-Cash Loans	14,978,664	5,037,504	9,120,759	6,518,433	35,655,360
Loans under Follow-up					
Cash Loans	431,153	148,757	190,637	-	770,547
Non-Cash Loans	81,316	-	-	-	81,316
Non-Performing Loans					
Cash Loans	858,871	624,063	812,264	-	2,295,198
Non-Cash Loans	103,115	-	-	-	103,115
Non-Cash Loans					
Cash Loans	36,358,515	11,005,957	7,980,504	12,287,181	67,632,157
Non-Cash Loans	15,163,095	5,037,504	9,120,759	6,518,433	35,839,791
Provision Types	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Specific Provision					
Cash Loans	595,350	510,700	762,290	-	1,868,340
Non-Cash Loans	56,105	-	-	-	56,105
General Provision					
Cash Loans	224,188	72,196	49,126	51,253	396,763
Non-Cash Loans	18,731	4,768	12,011	5,061	40,571

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.3 Consolidated 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 set 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, available-for-sale and derivative 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. Beside the VaR limits, the limits on transaction, dealer, desk, stop loss for trading portfolio as approved by the board of directors are also applied and monitored.

4.3.1 Value at market risk on a consolidated basis

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	176,767
(II) Capital Obligation against Specific Risks - Standard Method	122,925
(III) Capital Obligation against Currency Risk - Standard Method	37,609
(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	18,504
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	355,805
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	4,447,563

4.3.2 Average values at market risk

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	4,154,963	4,918,525	3,672,500	2,949,982	3,672,500	1,197,599
Common Share Risk	134,243	194,213	99,300	135,565	200,888	50,527
Currency Risk	321,835	470,113	215,850	185,936	226,325	155,075
Stock Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	359,468	587,950	122,325	214,980	353,475	122,325
Total Value at Risk	4,970,509	6,170,801	4,109,975	3,486,463	4,453,188	1,525,526

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.4 Consolidated operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The annual gross income is composed of net interest income plus net non-interest income reduced by realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

	31 December 2006	31 December 2007	31 December 2008
(I) Net Interest Income	2,075,884	3,097,952	3,430,704
(II) Net Fees and Commissions Income	1,111,284	1,288,569	1,578,335
(III) Dividend Income	2,767	2,866	29,472
(IV) Net Trading Income/(Losses)	(51,433)	(218,454)	253,585
(V) Other Operating Expenses	461,766	1,201,924	448,380
(VI) Gain/Loss on Securities Available-for-Sale and Held-to-Maturity	51,307	50,037	54,177
(VII) Extraordinary Income	196,691	919,933	302,186
(VIII) Insurance Claim Collections	-	-	-
(IX) Gross Income (I+II+III+IV+V+VI-VII-VIII)	3,352,270	4,402,887	5,384,113
(X) Capital Obligation (IX * 15%)	502,841	660,433	807,617
(XI) Average Capital Obligation Against Operational Risk		656,964	
(XII) Value at Operational Risk (XI * 12.5)		8,212,044	

4.5 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2009, the Bank and its financial affiliates' net 'on balance sheet' foreign currency short position amounts to TL 1,314,971 thousands (31 December 2008: a long position of TL 1,477,585 thousands), net 'off-balance sheet' foreign currency long position amounts to TL 1,357,216 thousands (31 December 2008: a short position of TL 1,692,413 thousands), while net foreign currency long position amounts to TL 42,245 thousands (31 December 2008: a short position of TL 214,828 thousands).

The consolidated 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 TL are as follows:

	USD	EURO	YEN (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.4900	2.1382	1.6029	2.4074
Foreign currency rates for the days before balance sheet date;				
Day 1	1.4900	2.1301	1.6072	2.3844
Day 2	1.4900	2.1476	1.6226	2.3795
Day 3	1.4900	2.1447	1.6258	2.3849
Day 4	1.5000	2.1596	1.6448	2.3946
Day 5	1.5000	2.1596	1.6448	2.3946
Last 30-days arithmetical average rate	1.4887	2.1660	1.6504	2.4115

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

The Bank's consolidated 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	975,847	1,919,097	703	142,254	3,037,901
Banks	3,357,805	3,406,632	6,809	133,384	6,904,630
Financial Assets at Fair Value through Profit/Loss	129,446	138,609	41	3,728	271,824
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	784,818	3,215,292	-	347,046	4,347,156
Loans (*)	9,352,341	16,270,156	54,267	915,234	26,591,998
Investments in Associates, Subsidiaries and Joint-Ventures	681	-	-	-	681
Investments Held-to-Maturity	43,696	1,432,473	-	-	1,476,169
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	78,769	248	-	44,251	123,268
Intangible Assets	4,584	-	-	790	5,374
Other Assets	971,741	647,724	5,386	764	1,625,615
Total Assets	15,699,728	27,030,231	67,206	1,587,451	44,384,616
Liabilities					
Bank Deposits	766,091	841,190	15,451	260,215	1,882,947
Foreign Currency Deposits	13,379,471	16,143,343	29,217	738,396	30,290,427
Interbank Money Market Takings	-	157,455	-	230,023	387,478
Other Fundings	4,694,882	7,627,132	8,331	-	12,330,345
Securities Issued	-	-	-	-	-
Miscellaneous Payables	43,905	48,345	232	3,323	95,805
Derivative Financial Liabilities Held for Risk Management	-	3,464	-	-	3,464
Other Liabilities (**)	172,234	176,923	389	359,575	709,121
Total Liabilities	19,056,583	24,997,852	53,620	1,591,532	45,699,587
Net 'On Balance Sheet' Position	(3,356,855)	2,032,379	13,586	(4,081)	(1,314,971)
Net 'Off-Balance Sheet' Position	3,637,522	(2,422,652)	(13,163)	155,509	1,357,216
Derivative Assets	5,466,081	7,471,485	14,348	1,452,704	14,404,618
Derivative Liabilities	(1,828,559)	(9,894,137)	(27,511)	(1,297,195)	(13,047,402)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	13,266,009	28,835,289	80,073	952,604	43,133,975
Total Liabilities	17,372,469	23,295,370	62,438	926,113	41,656,390
Net 'On Balance Sheet' Position	(4,106,460)	5,539,919	17,635	26,491	1,477,585
Net 'Off-Balance Sheet' Position	4,080,591	(5,762,984)	(18,450)	8,430	(1,692,413)
Derivative Assets	6,394,180	7,466,360	10,038	629,825	14,500,403
Derivative Liabilities	(2,313,589)	(13,229,344)	(28,488)	(621,395)	(16,192,816)
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,945,578 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency code.

(**) Other liabilities also include gold deposits of TL 337,564 thousands.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

4.6 Consolidated interest rate risk

The interest rate risk resulted from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on and off-balance sheet. 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), duration-gap and sensitivity analysis.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. The duration-gap and sensitivity analysis are run every two weeks period.

During the daily VaR calculations, the interest rate risks of the Bank's TL 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.

In the duration-gap analysis used for the quantification of market risk arising from maturity mismatches of assets and liabilities, 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. Furthermore, the interest rate risk is monitored within the limits approved by the board of directors.

As a part of the duration-gap analysis, the bank-only sensitivity analysis for a +/-1 point change in the present values of interest sensitive balance sheet items excluding trading and available-for-sale portfolios as of 31 December 2009 is provided in the table below:

Sensitivity analysis for TL interest rates:

Stress applied	Change in portfolio value
(+) %1	(74,663)
(-) %1	75,211

Sensitivity analysis for FC interest rates:

Stress applied	Change in portfolio value
(+) %1	(143,505)
(-) %1	161,347

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

4.6.1 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	3,381,166	-	-	-	-	3,505,739	6,886,905
Banks	3,570,120	3,409,327	1,727,889	5,132	-	1,345,903	10,058,371
Financial Assets at Fair Value through Profit/Loss	34,084	56,454	398,212	88,691	4,393	659,399	1,241,233
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,158,546	5,847,802	8,465,902	3,747,609	571,530	2,978,245	29,769,634
Loans	16,260,566	8,932,799	12,320,690	10,105,978	4,637,973	1,218,630	53,476,636
Investments Held-to-Maturity	1,394,174	1,274,169	142,373	3,085,813	1,297,588	273,708	7,467,825
Other Assets	241,052	440,554	763,086	755,377	54,130	4,179,483	6,433,682
Total Assets	34,039,708	19,961,105	23,818,152	17,788,600	6,565,614	14,161,287	116,334,466
Liabilities							
Bank Deposits	1,247,366	50,105	46,547	15,041	-	1,379,274	2,738,333
Other Deposits	45,037,305	6,447,007	3,421,971	689,015	403	10,447,679	66,043,380
Interbank Money Market Takings	10,155,173	368	400,000	150,000	-	59,188	10,764,729
Miscellaneous Payables	-	-	-	-	-	3,737,841	3,737,841
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,699,797	4,625,891	3,358,309	496,539	12,410	264,862	16,457,808
Other Liabilities	-	-	-	-	-	16,592,375	16,592,375
Total Liabilities	64,139,641	11,123,371	7,226,827	1,350,595	12,813	32,481,219	116,334,466
On Balance Sheet Long Position	-	8,837,734	16,591,325	16,438,005	6,552,801	-	48,419,865
On Balance Sheet Short Position	(30,099,933)	-	-	-	-	(18,319,932)	(48,419,865)
Off-Balance Sheet Long Position	3,693	6,772	12,384	6,066	-	-	28,915
Off-Balance Sheet Short Position	(2,815)	(6,383)	(9,428)	-	-	-	(18,626)
Total Position	(30,099,055)	8,838,123	16,594,281	16,444,071	6,552,801	(18,319,932)	10,289

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Average interest rates on monetary financial instruments (%):

Current Period	EURO	USD	YEN	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	0.25-7.09	0.08-8.21	-	6.50-11.00
Financial Assets at Fair Value through Profit/Loss	0.91-6.28	3.78	-	7.57-16.00
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	0.91-9.50	0.50-12.38	-	7.11-20.80
Loans	0.52-17.00	0.33-17.00	5.06	6.90-27.15
Investments Held-to-Maturity	9.25-9.50	6.13-11.75	-	11.56-14.74
Liabilities				
Bank Deposits	0.25-7.09	0.23-8.21	-	6.50-7.05
Other Deposits	0.40-8.30	0.7-8.23	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-6.00	2.26-6.00	3.16	7.35-12.37

(*) The interest rates for USD and TL placements at banks are 0.76% and 6.57%, respectively, when the placements with range accrual agreements are excluded.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

4.6.2 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	1,788,512	-	-	-	-	3,761,518	5,550,030
Banks	3,863,217	829,511	1,279,190	17,137	-	1,061,167	7,050,222
Financial Assets at Fair Value through Profit/Loss	57,281	8,626	164,468	267,560	9,169	766,819	1,273,923
Interbank Money Market Placements	40,000	-	-	-	-	552	40,552
Financial Assets Available-for-Sale	978,092	5,575,301	5,219,482	4,649,683	414,690	1,490,373	18,327,621
Loans	15,763,183	9,263,744	13,670,626	9,161,077	3,303,206	1,587,864	52,749,700
Investments Held-to-Maturity	483,310	2,218,437	191,121	3,254,554	1,336,345	300,614	7,784,381
Other Assets	192,315	466,035	889,850	1,057,657	75,856	3,580,271	6,261,984
Total Assets	23,165,910	18,361,654	21,414,737	18,407,668	5,139,266	12,549,178	99,038,413
Liabilities							
Bank Deposits	1,043,341	37,982	53,825	226,536	-	757,592	2,119,276
Other Deposits	39,614,404	4,366,690	2,833,958	785,966	2,560	8,237,103	55,840,681
Interbank Money Market Takings	10,135,486	189,213	217,010	549,999	-	61,472	11,153,180
Miscellaneous Payables	-	-	-	-	-	2,916,637	2,916,637
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,608,866	3,248,241	1,938,078	528,977	785,562	310,364	14,420,088
Other Liabilities	-	-	-	-	-	12,588,551	12,588,551
Total Liabilities	58,402,097	7,842,126	5,042,871	2,091,478	788,122	24,871,719	99,038,413
On Balance Sheet Long Position	-	10,519,528	16,371,866	16,316,190	4,351,144	-	47,558,728
On Balance Sheet Short Position	(35,236,187)	-	-	-	-	(12,322,541)	(47,558,728)
Off-Balance Sheet Long Position	3,116	2,155	6,644	-	-	-	11,915
Off-Balance Sheet Short Position	(50)	(16,701)	(44,773)	-	-	-	(61,524)
Total Position	(35,233,121)	10,504,982	16,333,737	16,316,190	4,351,144	(12,322,541)	(49,609)

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Average interest rates on monetary financial instruments (%):

Prior Period	EURO	USD	YEN	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks (*)	1.00-7.60	0.03-6.70	-	2.07-22.85
Financial Assets at Fair Value through Profit/Loss	4.43-6.98	1.78-6.76	-	11.58-20.13
Interbank Money Market Placements	-	-	-	18.88
Financial Assets Available-for-Sale	3.53-9.50	3.03-12.38	-	14.00-21.16
Loans	4.73-17.50	6.83-18.00	5.51	22.58-24.53
Investments Held-to-Maturity	9.25-9.50	6.13-12.38	-	18.48-21.16
Liabilities				
Bank Deposits	1.95-6.94	1.50-6.85	-	15.00-18.11
Other Deposits	2.00-7.50	1.00-6.50	0.35	17.55
Interbank Money Market Takings	3.70-6.75	3.03-4.90	-	15.26
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	5.05-6.85	4.85-7.97	2.33	14.50-21.42

(*) The interest rates for USD and TL placements at banks are 2.01% and 19.17%, respectively, when the placements with range accrual agreements are excluded.

4.7 Consolidated liquidity risk

In order to avoid the liquidity risk, the Bank diversifies 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 Bank's liquidity ratios for the years 2009 and 2008 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	140.51	175.51	99.52	117.84
Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	168.14	149.56	110.42	108.99

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	5,140,616	1,746,289	-	-	-	-	-	6,886,905
Banks	869,347	1,880,524	1,251,679	581,704	2,132,324	2,451,367	891,426	10,058,371
Financial Assets at Fair Value through Profit/Loss								
Interbank Money Market Placements	-	1,000,180	-	-	-	-	-	1,000,180
Financial Assets Available-for-Sale	99,798	206,924	1,167,126	7,217,561	17,997,827	3,080,398	-	29,769,634
Loans	84,017	11,197,166	5,325,137	8,627,683	15,959,169	11,856,606	426,858	53,476,636
Investments Held-to-Maturity	-	-	539,934	875,573	4,728,116	1,324,202	-	7,467,825
Other Assets	458,934	399,245	1,820,448	766,823	744,712	54,413	2,189,107	6,433,682
Total Assets	6,662,215	16,733,707	10,434,215	18,527,526	41,697,592	18,771,820	3,507,391	116,334,466
Liabilities								
Bank Deposits	1,589,345	1,034,641	51,058	49,569	13,720	-	-	2,738,333
Other Deposits	12,576,988	43,568,170	6,434,105	2,396,545	959,138	108,434	-	66,043,380
Other Fundings	-	1,194,645	570,040	4,233,286	5,867,504	4,592,333	-	16,457,808
Interbank Money Market Takings	-	10,192,120	368	416,428	155,813	-	-	10,764,729
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	133,131	2,254,425	-	1,350,285	-	-	-	3,737,841
Other Liabilities (**)	581,773	283,462	113,863	107,601	45,263	52,458	15,407,955	16,592,375
Total Liabilities	14,881,237	58,527,463	7,169,434	8,553,714	7,041,438	4,753,225	15,407,955	116,334,466
Liquidity Gap	(8,219,022)	(41,793,756)	3,264,781	9,973,812	34,656,154	14,018,595	(11,900,564)	-
Prior Period								
Total Assets	5,563,100	16,056,020	8,729,566	13,328,381	36,944,311	15,947,545	2,469,490	99,038,413
Total Liabilities	11,249,485	52,649,997	6,098,654	8,906,724	6,666,873	2,327,610	11,139,070	99,038,413
Liquidity Gap	(5,686,385)	(36,593,977)	2,630,912	4,421,657	30,277,438	13,619,935	(8,669,580)	-

(*) 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.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Contractual maturity analysis of liabilities according to remaining maturities:

The remaining maturities table of the contractual liabilities includes the undiscounted future cash outflows for the principal amounts of the Bank and its financial affiliates' financial liabilities as per their earliest likely contractual maturities.

	Carrying Value	Nominal Principal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Current Period								
Bank Deposits	2,738,333	2,735,186	1,589,345	1,032,377	50,109	48,314	15,041	-
Other Deposits	66,043,380	65,797,397	12,576,988	43,405,334	6,399,964	2,361,006	946,065	108,040
Other Fundings	16,457,808	16,195,118	-	1,169,281	420,365	4,145,635	5,867,504	4,592,333
Interbank Money Market Takings	10,764,729	10,705,562	-	10,155,194	368	400,000	150,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	96,004,250	95,433,263	14,166,333	55,762,186	6,870,806	6,954,955	6,978,610	4,700,373
Prior Period								
Bank Deposits	2,119,276	2,110,029	942,190	715,308	79,921	348,687	23,923	-
Other Deposits	55,840,681	55,464,595	9,644,208	38,338,472	4,246,319	2,032,675	1,085,704	117,217
Other Fundings	14,420,088	14,109,746	-	766,577	620,269	4,479,461	4,310,073	3,933,366
Interbank Money Market Takings	11,153,180	11,091,708	-	10,135,485	189,213	217,010	550,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	83,533,225	82,776,078	10,586,398	49,955,842	5,135,722	7,077,833	5,969,700	4,050,583

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	107,745,258	90,801,218	108,619,596	90,810,777
Interbank Money Market Placements	1,000,180	40,552	1,000,180	40,552
Banks (*)	16,030,983	11,898,964	16,030,983	11,898,964
Financial Assets Available-for-Sale	29,769,634	18,327,621	29,769,634	18,327,621
Investments Held-to-Maturity	7,467,825	7,784,381	8,057,776	7,789,674
Loans	53,476,636	52,749,700	53,761,023	52,753,966
Financial Liabilities	98,750,634	85,503,153	98,750,634	85,503,153
Bank Deposits	2,738,333	2,119,276	2,738,333	2,119,276
Other Deposits	66,043,380	55,840,681	66,043,380	55,840,681
Interbank Money Market Takings and Funds Borrowed	26,231,080	24,626,559	26,231,080	24,626,559
Securities Issued	-	-	-	-
Miscellaneous Payables	3,737,841	2,916,637	3,737,841	2,916,637

(*) including the balances at the Central Bank of Turkey

Fair values of financial assets available-for-sale and investments held-to-maturity are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

Fair values of other financial assets and liabilities are represented by the total of acquisition costs and accrued interest income.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

The table below analyses financial instruments carried at fair value, by valuation method:

31 December 2009	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	27,779,077	383,061	1,607,496	29,769,634
Financial Assets Held for Trading	430,635	9,955	158,531	599,121
Derivative Financial Assets Held for Trading	150,192	491,920	-	642,112
Investments in Associates and Subsidiaries	15	-	71,773	71,788
Financial Assets at Fair Value	28,359,919	884,936	1,837,800	31,082,655
Derivative Financial Liabilities Held for Trading	132,962	207,804	650	341,416
Derivative Financial Liabilities Held for Risk Management	3,464	-	-	3,464
Financial Liabilities at Fair Value	136,426	207,804	650	344,880

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	468,037	329,562	312,476	359,882
Central Bank of Turkey	3,375,837	2,596,775	2,258,831	2,589,911
Others	5,130	111,564	3,753	25,177
Total	3,849,004	3,037,901	2,575,060	2,974,970

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3,375,837	850,486	2,258,831	853,027
Unrestricted Time Deposits	-	29,809	-	15,200
Restricted Time Deposits	-	1,716,480	-	1,721,684
Total	3,375,837	2,596,775	2,258,831	2,589,911

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 9%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. The interest rate applied by the Central Bank of Turkey for TL reserves is 5.20%. The FC reserves do not earn any interests.

5.1.2 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

	Current Period		Prior Period	
	TL	FC	TL	FC
Common Shares	-	-	-	-
Bills, Bonds and Similar Securities	89	-	89	-
Others	-	-	-	-
Total	89	-	89	-

5.1.2.2 Positive differences on derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	17,087	12,059	59,507	5,604
Swap Transactions	424,230	129,523	441,829	178,418
Futures	-	281	-	14
Options	21,107	37,825	11,231	46,447
Others	-	-	-	185
Total	462,424	179,688	512,567	230,668

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	638,687	377,805	371,140	1,206,441
Foreign banks	2,515,054	6,526,825	1,342,728	4,129,913
Foreign headoffices and branches	-	-	-	-
Total	3,153,741	6,904,630	1,713,868	5,336,354

Due from foreign banks:

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	3,822,354	2,988,551	4,387,625	1,563,287
USA and Canada	275,128	464,554	311,402	308,368
OECD Countries (1)	23,371	15,446	-	-
Off-shore Banking Regions	47,948	41,198	15,824	15,953
Others	158,227	75,284	-	-
Total	4,327,028	3,585,033	4,714,851	1,887,608

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

The placements at foreign banks include blocked accounts amounting TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 4,327,359 thousands as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 44,394 thousands as required for insurance activities.

5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Carrying values of such securities with total face value of TL 1,851,913 thousands (31 December 2008: TL 2,421,747 thousands) is TL 1,769,837 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 234,344 thousands (31 December 2008: TL 125,357 thousands) and TL 29 thousands (31 December 2008: TL 1,743 thousands), respectively. Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds and other foreign currency government securities. Carrying values of such securities with total face value of USD 68,675,000, EUR 197,547,000 and RUB 105,000,000 (31 December 2008: USD 272,345,000 and EUR 3,884,000), are USD 71,205,705, EUR 209,640,915 and RUB 105,178,500 (31 December 2008: USD 273,641,122 and EUR 4,070,650). The related accrued interest income amount to USD 5,594,374, EUR 4,747,076 and RUB 3,728,550 respectively (31 December 2008: USD 9,915,654 and EUR 30,507), and the impairment losses to USD 500,712 and EUR 42,535 respectively (31 December 2008: USD 1,375,890 and EUR 242,566).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,004,152	577,791	2,488,593	437,003
Assets subject to Repurchase Agreements	7,957,698	290,863	6,491,961	540,370
Total	9,961,850	868,654	8,980,554	977,373

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	26,793,650	16,881,667
Quoted at Stock Exchange	25,004,436	15,062,032
Unquoted at Stock Exchange	1,789,214	1,819,635
Common Shares	26,083	25,682
Quoted at Stock Exchange	13,054	13,213
Unquoted at Stock Exchange	13,029	12,469
Value Increase/Impairment Losses (-)	2,949,901	1,420,272
Total	29,769,634	18,327,621

As of 31 December 2009, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 882,777,778 and EUR 500,000 (31 December 2008: USD 895,500,000 and EUR 1,175,000) and a total carrying value of TL 1,335,731 thousands (31 December 2008: TL 1,389,392 thousands).

In 2008, a consolidated financial affiliate of the Bank, reclassified certain security investments, previously classified in its financial assets held for trading amounting EUR 65,782,732 with a total face value of USD 93,155,000 to its financial assets available-for-sale as per the legislation of the Turkish Accounting Standards Board published on the Official Gazette no.27040 dated 31 October 2008 for "the Amendments to the Legislation for the Turkish Accounting Standard 39 (TAS 39), Financial Instruments: Recognition and Measurement".

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

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	2	920	25	1,661
Corporates	2	920	25	1,661
Individuals	-	-	-	-
Indirect Lendings to Shareholders	266,063	374,508	243,152	184,251
Loans to Employees	72,708	-	48,381	-
Total	338,773	375,428	291,558	185,912

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 under Follow-Up and Other Receivables (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	52,259,905	19,326	590,128	180,419
Discounted Bills	128,104	-	158	-
Export Loans	3,548,273	-	11,955	4,358
Import Loans	-	-	-	-
Loans to Financial Sector	1,710,344	-	1,209	-
Foreign Loans	2,333,315	19,326	8,375	-
Consumer Loans	10,233,137	-	117,835	30,922
Credit Cards	6,977,603	-	82,344	108,293
Precious Metal Loans	263,084	-	3,484	-
Others	27,066,045	-	364,768	36,846
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	52,259,905	19,326	590,128	180,419

Collaterals received for loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,013	314	-	2,327
Loans Collateralized by Mortgages	142,127	35,093	-	177,220
Loans Collateralized by Pledged Assets	33,295	4,977	-	38,272
Loans Collateralized by Cheques and Notes	13,269	4,613	-	17,882
Loans Collateralized by Other Collaterals	34,031	1,876	-	35,907
Unsecured Loans	206,418	101,884	190,637	498,939
Total	431,153	148,757	190,637	770,547

Delinquency periods of loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	32,736	76,801	64,543	174,080
61-90 days	26,536	22,136	28,540	77,212
Other	371,881	49,820	97,554	519,255
Total	431,153	148,757	190,637	770,547

5.1.5.3 Maturity analysis of cash loans

Short-Term Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (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	19,336,768	1,923	180,658	149,043
Specialization Loans	19,336,768	1,923	180,658	149,043
Other Receivables	-	-	-	-
Medium and Long-Term Loans	32,923,137	17,403	409,470	31,376
Loans	32,923,137	17,403	409,470	31,376
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	52,259,905	19,326	590,128	180,419

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	389,796	8,277,636	8,667,432
Housing Loans	58,456	5,078,778	5,137,234
Automobile Loans	12,972	556,731	569,703
General Purpose Loans	317,804	2,609,915	2,927,719
Others	564	32,212	32,776
Consumer Loans – FC-indexed	3,584	756,533	760,117
Housing Loans	200	675,893	676,093
Automobile Loans	385	22,675	23,060
General Purpose Loans	2,999	57,965	60,964
Others	-	-	-
Consumer Loans – FC	36,335	433,493	469,828
Housing Loans	1,187	60,161	61,348
Automobile Loans	16	14,971	14,987
General Purpose Loans	35,132	358,361	393,493
Others	-	-	-
Retail Credit Cards – TL	6,752,384	68,219	6,820,603
With Installment	2,779,239	68,219	2,847,458
Without Installment	3,973,145	-	3,973,145
Retail Credit Cards – FC	23,980	64,153	88,133
With Installment	9,427	-	9,427
Without Installment	14,553	64,153	78,706
Personnel Loans – TL	21,715	15,111	36,826
Housing Loan	-	1,434	1,434
Automobile Loans	2	286	288
General Purpose Loans	21,713	13,391	35,104
Others	-	-	-
Personnel Loans - FC-indexed	-	261	261
Housing Loans	-	175	175
Automobile Loans	-	86	86
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	1,030	41	1,071
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	39	41	80
Others	991	-	991
Personnel Credit Cards – TL	27,246	253	27,499
With Installment	19,759	253	20,012
Without Installment	7,487	-	7,487
Personnel Credit Cards – FC	505	-	505
With Installment	177	-	177
Without Installment	328	-	328
Deposit Accounts– TL (real persons)	446,359	-	446,359
Deposit Accounts– FC (real persons)	-	-	-
Total	7,702,934	9,615,700	17,318,634

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	466,128	3,180,756	3,646,884
Real Estate Loans	1,182	354,373	355,555
Automobile Loans	50,237	750,637	800,874
General Purpose Loans	414,709	2,075,746	2,490,455
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	76,607	453,330	529,937
Real Estate Loans	-	53,545	53,545
Automobile Loans	4,994	156,604	161,598
General Purpose Loans	71,613	243,181	314,794
Others	-	-	-
Installment-based Commercial Loans – FC	304	50,535	50,839
Real Estate Loans	-	444	444
Automobile Loans	49	4,632	4,681
General Purpose Loans	255	2,349	2,604
Others	-	43,110	43,110
Corporate Credit Cards – TL	228,002	803	228,805
With Installment	77,884	803	78,687
Without Installment	150,118	-	150,118
Corporate Credit Cards – FC	2,695	-	2,695
With Installment	5	-	5
Without Installment	2,690	-	2,690
Deposit Accounts– TL (corporate)	408,136	-	408,136
Deposit Accounts– FC (corporate)	-	-	-
Total	1,181,872	3,685,424	4,867,296

5.1.5.6 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	1,371,789	3,085,831
Private Sector	51,677,989	49,213,723
Total	53,049,778	52,299,554

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	50,025,017	50,134,508
Foreign Loans	3,024,761	2,165,046
Total	53,049,778	52,299,554

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	243	6,954
Indirect Lending	-	-
Total	243	6,954

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	185,391	62,160
Doubtful Loans and Receivables	560,941	179,505
Uncollectible Loans and Receivables	1,122,008	573,013
Total	1,868,340	814,678

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-
Total	55,667	227,343	229,139
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	54,285
Rescheduled Loans and Receivables	-	-	-
Total	-	-	54,285

Movements in non-performing loan groups:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	238,188	294,614	732,022
Additions (+)	1,763,145	61,846	101,832
Transfer from Other NPL Categories (+)	-	1,403,785	776,041
Transfer to Other NPL Categories (-)	1,403,785	776,041	-
Collections during the Period (-)	279,883	260,139	218,652
Write-offs (-)	-	11	137,764
Corporate and Commercial Loans	-	11	18,567
Retail Loans	-	-	3,117
Credit Cards	-	-	116,080
Other	-	-	-
Balances at End of Period	317,665	724,054	1,253,479
Specific Provisions (-)	(185,391)	(560,941)	(1,122,008)
Net Balance on Balance Sheet	132,274	163,113	131,471

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

Movements in specific loan provisions

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	257,567	166,194	390,917	814,678
Additions during the Period (+)	439,369	520,030	824,645	1,784,044
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	83,019	172,407	337,192	592,618
Write-Offs (-)	18,567	3,117	116,080	137,764
Balances at End of Period	595,350	510,700	762,290	1,868,340

Non-performing loans 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	73,754	39,090	246,415
Specific Provisions (-)	51,023	19,622	227,514
Net Balance at Balance Sheet	22,731	19,468	18,901
Prior Period			
Balance at End of Period	7,071	3,594	151,143
Specific Provisions (-)	467	526	120,486
Net Balance at Balance Sheet	6,604	3,068	30,657

Gross and net non-performing loans and receivables 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)	132,274	163,113	131,471
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,245,458
Specific Provision (-)	185,391	560,941	1,113,987
Loans to Individuals and Corporates (Net)	132,274	163,113	131,471
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	176,028	115,109	159,009
Loans to Individuals and Corporates (Gross)	238,188	294,614	724,039
Specific Provision (-)	62,160	179,505	565,030
Loans to Individuals and Corporates (Net)	176,028	115,109	159,009
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Collaterals received for non-performing loans

	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,430	1,553	-	2,983
Loans Collateralized by Mortgages	429,506	150,326	-	579,832
Loans Collateralized by Pledged Assets	132,827	116,068	-	248,895
Loans Collateralized by Cheques and Notes	132,573	208,652	-	341,225
Loans Collateralized by Other Collaterals	120,720	23,771	-	144,491
Unsecured Loans	41,815	123,693	812,264	977,772
Total	858,871	624,063	812,264	2,295,198

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Uncollectible loans and receivables are collected with legal follow-up and liquidation of the collaterals.

5.1.5.12 Write-off policy

Bank's write-off policy is to write-off the receivables when it is documented that the collection is not possible with legal follow-up.

5.1.6 Factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	628,065	227,595	405,992	245,807
Medium and Long-Term	-	-	-	-
Total	628,065	227,595	405,992	245,807

5.1.7 Investments held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,860,387	280,390	1,508,226	65,263
Investments subject to Repurchase Agreements	2,637,832	152,905	4,354,254	254,746
Total	4,498,219	433,295	5,862,480	320,009

5.1.7.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,991,656	6,086,566
Treasury Bills	-	-
Other Government Securities	1,438,946	1,658,021
Total	7,430,602	7,744,587

5.1.7.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	7,221,757	7,516,860
Quoted at Stock Exchange	7,184,957	7,476,079
Unquoted at Stock Exchange	36,800	40,781
Valuation Increase / Decrease (-)	246,068	267,521
Total	7,467,825	7,784,381

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,784,381	4,300,360
Foreign Currency Differences on Monetary Assets	(27,979)	90,970
Purchases during the Period	927,839	3,974,502
Disposals through Sales/Redemptions	(1,155,617)	(729,947)
Valuation Effect	(60,799)	148,496
Balances at End of Period	7,467,825	7,784,381

In 2008 the Bank reclassified certain security investments, previously classified in its securities available-for-sale portfolio in its financial statements, with total face values of TL 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 TL 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 TL 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 TL 70,661 thousands and USD 6,831,700.

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Emeklilik Gözetim Merkezi AŞ	Istanbul/Turkey	-	9.00
2 Bankalararası Kart Merkezi AŞ (1)	Istanbul/Turkey	10.15	10.15
3 Yatırım Finansman Menkul Değerler AŞ (1)	Istanbul/Turkey	0.77	0.77
4 İMKB Takas ve Saklama Bankası AŞ (1)	Istanbul/Turkey	5.83	5.83
5 Vadeli İşlem ve Opsiyon Borsası AŞ (1)	Istanbul/Turkey	6.00	6.00
6 KKB Kredi Kayıt Bürosu AŞ (1)	Istanbul/Turkey	9.09	9.09
7 Gelişen İşletmeler Piyasaları AŞ (1)	Istanbul/Turkey	5.00	5.00
8 Türkiye Cumhuriyet Merkez Bankası AŞ	Ankara/Turkey	2.48	2.48
9 Kredi Garanti Fonu AŞ	Ankara/Turkey	1.67	1.67

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	6,098	4,279	378	560	77	40	585	-
2	15,522	12,964	5,738	725	-	(369)	4,467	-
3	205,816	48,198	1,570	3,960	1,914	4,496	3,002	-
4	1,453,145	274,930	11,351	31,496	10,434	32,567	65,227	-
5	39,579	36,457	2,539	2,811	31	9,679	14,777	-
6	26,777	20,210	1,984	2,046	9	6,640	-	-
7	8,060	7,912	2	756	1	587	2,233	-
8	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-

(1) Financial information is as of 30 September 2009.

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

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

At the Board of Directors meeting held on 3 June 2009, it was decided to participate in the capital increase of Kredi Garanti Fonu AŞ by TL 4,000 thousands and to subscribe for future capital increases upto TL 4,000 thousands in restructuring of the company to build a three-shareholders structure including the Turkish Union of Chambers and Commodity Exchanges (TOBB), the Small and Medium Size Enterprises Development Organization (KOSGEB) and the banks. As per this decision, the Bank has paid TL 2,000 thousands of its capital commitment of TL 4,000 thousands at 15 October 2009 for the capital increase of Kredi Garanti Fonu AŞ decided on 11 September 2009.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.8.2 Consolidated investments in associates

Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1 Eureka Sigorta AŞ	Istanbul/Turkey	20.00	20.00

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Fair Value (if available)
1 563,506	252,898	13,691	16,724	24,364	46,609	97,668	-

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

5.1.8.3 Movement of consolidated investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	40,342	28,997
Movements during the Period	10,237	11,345
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	10,237	11,345
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	50,579	40,342
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Valuation methods of consolidated investments in associates

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	50,579	40,342

Sectoral distribution of consolidated investments and associates

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	50,579	40,342
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	-	-

Quoted consolidated investments in associates

None.

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share	Bank Risk Group's Share (%)
			- If Different, Voting Rights (%)	
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	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian	Amsterdam/Holland	-	100.00
8	Trifoi Investments	Amsterdam/Holland	-	100.00
9	Golden Clover Stichting Custody	Amsterdam/Holland	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period	Fair Value (if available)
							Profit/Loss and Extraordinary Reserves	
1	20,584	13,278	761	-	1,324	3,392	(97,418)	-
2	22,244	10,718	785	26	1,692	2,339	7,801	-
3	1,049	928	-	-	47	554	-	-
4	385	204	39	-	2	(14)	(126)	-
5	1,125	975	-	-	12	166	56	-
6	58	31	53	-	-	-	(36)	-
7	267	267	-	-	-	-	-	-
8	1	1	-	-	-	(1)	-	-
9	267	267	-	-	-	-	-	-
10	136,662	7,712	110,663	3	-	3,220	(5,508)	-

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

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

As of 31 December 2009, the investments in Trifoi Real Estate Company, United Custodian, Trifoi Investments and Golden Clover Stichting Custody classified as financial subsidiaries are not consolidated as their total assets are less than 1% of the Bank's total assets, instead they are valued at cost.

The non-financial investments in are accounted under cost method of accounting.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	810,562	577,928
Movements during the Period	187,192	232,634
Acquisitions and Capital Increases(*)	93	-
Bonus Shares Received(**)	(125,648)	71,668
Dividends from Current Year Profit	-	910
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	310,519	(23,275)
Currency Differences on Foreign Subsidiaries	2,228	86,926
Reversal of Impairment Losses / Impairment Losses (-)	-	96,405
Balance at End of Period	997,754	810,562
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) The Bank has acquired one ordinary share that EFG Finansal Kiralama AŞ had in Garanti Bank Moscow, one of the Bank's subsidiaries, representing a 0.0578% ownership in the registered share capital of this bank at a nominal value of Rouble 255,000 on 15 October 2009 for a purchase price of USD 65,000.

(**) As per the decision made at the general assembly meeting of Garanti Bank International NV at 15 April 2009, the bank's share capital had been increased from EUR 196,567,000 to EUR 231,499,000 through appropriation from the retained earnings amounting EUR 34,932,000. Subsequently, the bank's share capital has been decreased from EUR 231,499,000 to EUR 136,836,000 as per the decision made at the general assembly meeting held at 16 October 2009. The capital reduction amounting EUR 94,663,000 has been added back to the retained earnings of the bank.

Garanti Faktoring Hizmetleri AŞ had increased its share capital from TL 17,960 thousands to TL 19,280 thousands through appropriation from its 2008 retained earnings at 15 July 2009.

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	787,167	599,975
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	Prior Period
Banks	689,498	555,439
Insurance Companies	56,545	56,545
Factoring Companies	68,365	17,215
Leasing Companies	85,381	85,381
Finance Companies	97,965	95,982
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	68,365	17,215
Quoted at International Stock Exchanges	-	-

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	5.86	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	55.40	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	0.01	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	75.09	24.86	Full Consolidation
8	Garanti Financial Services Plc	Dublin/Ireland	99.99	-	Full Consolidation
9	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	-	Full Consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Fair Value (if available)
1	1,868,321	339,553	18,347	198,475	-	53,913	202,392	-
2	1,138,515	51,482	2,295	81,220	536	10,055	19,056	123,392
3	32,692	25,293	3,547	729	1,292	354	10,250	-
4	20,847	16,376	873	1,587	51	2,182	1,355	-
5	1,744,751	233,130	15,266	23,995	9,327	76,175	89,643	-
6	7,868,914	611,909	97,628	292,893	128,611	56,709	207,276	612,710
7	484,353	100,886	29,688	25,801	11,059	10,192	43,059	102,262
8	9,586	8,376	-	-	-	(820)	5,463	29,307
9	91	-	-	-	-	-	(267)	-

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

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

Please refer to Note 5.1.9.2.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	791,344	664,371	1,098,119	927,694
Between 1-5 Years	943,917	830,101	1,270,738	1,121,576
Longer than 5 Years	50,337	47,037	60,329	54,727
Total	1,785,598	1,541,509	2,429,186	2,103,997

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	1,785,598	2,429,186
Unearned Income on Financial Lease Receivables (-)	(244,089)	(325,189)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	1,541,509	2,103,997

5.1.11.3 Financial lease agreements

The criteria applied for the financial lease agreements are as follows:

The customer applied for a financial lease is evaluated based on the lending policies and criteria taking into account the legal legislation. A "customer analysis report" according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as "customer risk rating" and "equipment rating/scoring" are applied.

In compliance with the legal legislation and the authorization limits of the general manager, credit committee and board of directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criterias mentioned above, if yes, which conditions will be applied. At this stage, collateral such as bank guarantees, mortgages, asset pledges, promissory notes or the personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

The followings are monitored for the financial lease agreements signed:

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures, timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the credit monitoring unit even for the performing customers.

The reports prepared by the credit monitoring unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.12 Derivative financial assets held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets held for Risk Management

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	-	-	69,161
Net Foreign Investment Hedges	-	-	-	-
Total	-	-	-	69,161

The eleven interest rate swap transactions classified under derivative financial assets held for cash flow risk management in the financial statements of the prior period are exercised in January 2009 before their due dates. The Bank recognized EUR 36,321,000 and USD 16,000,000 (total equivalent of TL 100,808 thousands) collected on the same transaction dates as per the related agreements, under "Income/losses from derivative financial instruments".

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.13 Tangible assets

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at End of Prior Period					
Cost	979,770	389,089	42,140	809,010	2,220,009
Accumulated Depreciation	(228,384)	(252,236)	(28,933)	(503,432)	(1,012,985)
Net Book Value	751,386	136,853	13,207	305,578	1,207,024
Balance at End of Current Period					
Net Book Value at Beginning of Current Period	751,386	136,853	13,207	305,578	1,207,024
Additions	123,849	14,288	4,232	156,340	298,709
Disposals (Cost)	(19,679)	(1,373)	(6,690)	(47,382)	(75,124)
Disposals (Accumulated Depreciation)	4,707	166	4,233	22,653	31,759
Reversal of/Impairment Losses (-)	8,412	-	-	-	8,412
Depreciation Expense for Current Period	(23,454)	(58,930)	(5,028)	(94,429)	(181,841)
Currency Translation Differences on Foreign Operations,net	1,368	-	(617)	563	1,314
Cost at End of Current Period	1,093,372	402,004	39,070	919,053	2,453,499
Accumulated Depreciation at End of Current Period	(246,783)	(311,000)	(29,733)	(575,730)	(1,163,246)
Net Book Value at End of Current Period	846,589	91,004	9,337	343,323	1,290,253

5.1.13.1 Disclosure for impairment losses or releases individually material for financial statements

Conditions for allocating/releasing any impairment

None.

Amount of impairment losses provided or released in financial statements during current period

None.

5.1.13.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually but material for the financial statements aggregately

A provision of TL 1,041 thousands made for the impairment in values of certain real estates and a provision of TL 9,453 thousands is reversed in 2009 in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets".

5.1.14 Intangible assets

5.1.14.1 Useful lives and amortisation rates

The consolidation goodwill classified under intangible assets is not amortized. The estimated useful lives of softwares and other intangible assets vary between 3 and 15 years.

5.1.14.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation. The consolidation goodwill is not amortized, however is subject to impairment testing regularly and if there is any impairment, a provision is made.

5.1.14.3 Balances at beginning and end of current period

	Current Period		Prior Period	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Intangible Assets	117,613	70,667	99,470	61,991

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.14.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Net Book Value at Beginning Period	37,479	28,053
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	18,032	16,968
Disposals (-)	(418)	(40)
Impairment Losses/Reversals to/from Revaluation Surplus	9	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(10,738)	(8,239)
Currency Translation Differences on Foreign Operations	534	737
Other Movements	2,048	-
Net Book Value at End of Current Period	46,946	37,479

5.1.14.5 Details for any individually material intangible assets

None.

5.1.14.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.14.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.14.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.14.9 Commitments to acquire intangible assets

None.

5.1.14.10 Disclosure on revalued intangible assets

None.

5.1.14.11 Research and development costs expensed during current period

None.

5.1.14.12 Goodwill

	Shares %	Carrying Value
Goodwill		
Garanti Yatırım	100.00	2,778
Garanti Finansal Kiralama	98.94	2,119
Garanti Faktoring	55.40	1,491
Total		6,388

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.1.14.13 Movements in goodwill during current period

	Current Period
Net Book Value at Beginning Period	6,388
Movements in Current Period	-
Additions	-
Adjustments due to the Changes in Value of Assets and Liabilities	-
Disposals in Current Period due to a Discontinued Operation Or Partial or Complete Disposal of an Asset (-)	-
Amortisation Expense for Current Period (-)	-
Impairment Losses (-)	-
Reversal of Impairment Losses (-)	-
Other changes in Book Values	-
Net Book Value at End of Current Period	6,388

5.1.15 Investment property

None.

5.1.16 Deferred tax asset

As of 31 December 2009, on a consolidated basis the Bank has a deferred tax asset of TL 78,717 thousands (31 December 2008: TL 52,521 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 December 2009. However, there is a deferred tax asset of TL 248,506 thousands (31 December 2008: TL 133,715 thousands) and deferred tax liability of TL 169,789 thousands (31 December 2008: TL 81,194 thousands) presented as net in the accompanying consolidated 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.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 32,383 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2009 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future.

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.

5.1.17 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	83,178	115,635
Accumulated Depreciation (-)	(1,832)	(2,749)
Net Book Value	81,346	112,886
End of Current Period		
Additions	33,184	6,923
Disposals (Cost)	(25,278)	(39,867)
Disposals (Accumulated Depreciation)	1,358	1,780
Reversal of Impairment / Impairment Losses (-)	(8,748)	487
Depreciation Expense for Current Period (-)	(670)	(863)
Currency Translation Differences on Foreign Operations	-	-
Cost	82,336	83,178
Accumulated Depreciation (-)	(1,144)	(1,832)
Net Book Value	81,192	81,346

As of balance sheet date, the rights of repurchase on various assets held for sale amount to TL 3,263 thousands (31 December 2008: TL 13,714 thousands).

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	17,353	29,530
Sale of Real Estates	-	455
Sale of Other Assets	2,884	2,863
Total	20,237	32,848

5.1.18.2 Prepaid expenses

	Current Period	Prior Period
Prepaid Expenses	244,835	318,026

5.2 Consolidated 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	1,833,772	-	7,089,376	11,569,248	175,313	134,826	83,831	51	20,886,417
Foreign Currency Deposits	7,582,027	-	9,104,499	9,296,644	444,965	1,360,734	2,412,379	89,179	30,290,427
Residents in Turkey	4,698,349	-	8,356,255	8,751,946	359,979	254,215	817,161	87,831	23,325,736
Residents in Abroad	2,883,678	-	748,244	544,698	84,986	1,106,519	1,595,218	1,348	6,964,691
Public Sector Deposits	461,652	-	5,722	8,017	15	302	67	-	475,775
Commercial Deposits	2,280,440	-	3,993,514	7,251,222	40,005	68,916	150,864	-	13,784,961
Others	85,261	-	42,193	139,686	686	137	273	-	268,236
Precious Metal Deposits	333,836	-	34	2,610	-	1,084	-	-	337,564
Bank Deposits	1,589,345	-	923,360	118,219	28,715	47,728	30,966	-	2,738,333
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	100,175	-	213,048	38,075	-	13,194	4,730	-	369,222
Foreign Banks	1,179,801	-	710,312	80,144	28,715	34,534	26,236	-	2,059,742
Special Purpose									
Financial Institutions	309,369	-	-	-	-	-	-	-	309,369
Others	-	-	-	-	-	-	-	-	-
Total	14,166,333	-	21,158,698	28,385,646	689,699	1,613,727	2,678,380	89,230	68,781,713

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating	Total
								Deposit Accounts	
Saving Deposits	1,288,447	-	6,734,053	10,090,399	115,387	87,261	77,063	-	18,392,610
Foreign Currency Deposits	5,956,954	-	9,665,986	7,104,105	519,367	2,000,870	1,812,773	90,877	27,150,932
Residents in Turkey	3,957,213	-	9,039,186	6,699,350	407,667	530,296	569,274	89,588	21,292,574
Residents in Abroad	1,999,741	-	626,800	404,755	111,700	1,470,574	1,243,499	1,289	5,858,358
Public Sector Deposits	426,693	-	283,600	516,009	25	272	63	-	1,226,662
Commercial Deposits	1,718,894	-	3,085,788	3,647,112	74,494	31,679	97,490	-	8,655,457
Others	159,815	-	54,414	77,756	705	569	207	-	293,466
Precious Metal Deposits	93,443	-	1	2,002	-	24,020	2,088	-	121,554
Bank Deposits	942,592	-	359,785	232,964	170,693	212,939	200,303	-	2,119,276
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	115,582	-	54,077	29,344	77,386	117,008	79,385	-	472,782
Foreign Banks	381,703	-	305,708	203,620	93,307	95,931	120,918	-	1,201,187
Special Purpose									
Financial Institutions	445,307	-	-	-	-	-	-	-	445,307
Others	-	-	-	-	-	-	-	-	-
Total	10,586,838	-	20,183,627	21,670,347	880,671	2,357,610	2,189,987	90,877	57,959,957

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

5.2.1.1.1 Deposits exceeding insurance limit

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	9,297,711	8,456,294	11,380,762	9,677,592
Foreign Currency Saving Deposits	7,242,292	6,040,437	10,277,032	8,138,054
Other Saving Deposits	120,181	20,544	175,083	83,909
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

None.

5.2.1.3 Saving deposits not covered by insurance limits

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	401,603	543,248
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	172,124	244,985
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	-	-

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.2 Negative differences on derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Deals	12,214	16,829	57,798	14,580
Swaps	86,116	170,251	181,869	237,941
Futures	-	106	-	996
Options	19,542	36,358	62,474	45,208
Others	-	-	-	226
Total	117,872	223,544	302,141	298,951

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	1,005,262	775,418	870,554	793,014
Foreign Banks, Institutions and Funds	3,122,201	10,563,470	1,867,947	9,941,864
Total	4,127,463	11,338,888	2,738,501	10,734,878

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,091,320	3,895,952	1,221,919	4,352,644
Medium and Long-Term	3,036,143	7,442,936	1,516,582	6,382,234
Total	4,127,463	11,338,888	2,738,501	10,734,878

5.2.3.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad and TL funds obtained through repurchase transactions.

5.2.4 Interbank money markets

Funds obtained through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	9,804,711	-	9,878,528	-
Financial Institutions and Organizations	9,749,113	-	9,810,615	-
Other Institutions and Organizations	18,423	-	19,774	-
Individuals	37,175	-	48,139	-
Foreign Transactions	572,540	387,478	573,996	700,656
Financial Institutions and Organizations	572,241	387,478	571,711	700,656
Other Institutions and Organizations	176	-	1,749	-
Individuals	123	-	536	-
Total	10,377,251	387,478	10,452,524	700,656

5.2.5 Factoring payables

None.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.2.6 Lease payables

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	5,034	5,034	4,845	4,845
Between 1-5 Years	-	-	-	-
Longer than 5 Years	-	-	-	-
Total	5,034	5,304	4,845	4,845

5.2.6.2 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.

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	3,464	-	4,871
Net Foreign Investment Hedges	-	-	-	-
Total	-	3,464	-	4,871

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	437,334	428,799
Loans and Receivables in Group I	383,421	378,581
Loans and Receivables in Group II	13,342	12,934
Non-Cash Loans	40,571	37,284
Others	-	-

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

	Current Period	Prior Period
Short-Term Loans	10,494	9,441
Medium and Long Term Loans	9,244	1,855
Total	19,738	11,296

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

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

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	7,473	244
Doubtful Loans and Receivables	14,085	55
Uncollectible Loans and Receivables	34,547	2,160
Total	56,105	2,459

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	360,000	52,000

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	167,758	198,840
Recognized Liability for Defined Benefit Obligations	-	102,601
Insurance Technical Provisions, Net	128,614	123,603
Provision for Promotion Expenses of Credit Cards (*)	36,208	36,206
Other Provisions	30,449	28,758
Total	363,029	490,008

(*) 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 15 January 2010 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 above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 722,746 thousands (31 December 2008: TL 445,178 thousands) at 31 December 2009 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2009 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 15 January 2010 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 324,807 thousands (31 December 2008: TL 32,799 thousands) remains as details are given in the table below.

The Bank's management, acting prudently, did not consider the health premium surplus amounting TL 191,521 thousands (31 December 2008: TL 135,400 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF. However, despite this treatment there are no excess obligation that needs to be provided against. Accordingly, it was decided to reverse the provision amounting TL 102,601 thousands that was charged fully as expense as of 31 December 2008, in the accompanying financial statements as of 31 December 2009.

	Current Period	Prior Period
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(287,981)	(296,328)
Net present value of medical benefits and health premiums transferable to SSF	191,521	135,400
General administrative expenses	(16,957)	(15,488)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(113,417)	(176,416)
Fair Value of Plan Assets (2)	836,163	621,594
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	722,746	445,178
Non-Transferable Benefits:		
Other pension benefits	(188,494)	(162,356)
Other medical benefits	(209,445)	(250,023)
Total Non-Transferable Benefits (4)	(397,939)	(412,379)
Asset Surplus over Total Benefits ((3)-(4)=(5))	324,807	32,799
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(191,521)	(135,400)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	133,286	(102,601)

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

	Current Period	Prior Period
	%	%
Discount Rate	10.86-8.42	17.41-10.51
Inflation Rate	6.90-4.80	9.50-5.73
Future Real Salary Increase Rate	1.5	1.5
Medical Cost Trend Rate	20.50-6.80	17.80-11.77
Future Pension Increase Rates	6.90-4.80	9.50-5.73

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.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 31 December 2009, the tax liability amounts to TL 224,153 thousands (31 December 2008: TL 126,911 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.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	224,153	126,911
Taxation on Securities Income	88,060	191,148
Taxation on Real Estates Income	1,300	1,137
Banking Insurance Transaction Tax	29,843	37,291
Foreign Exchange Transaction Tax	27	12
Value Added Tax Payable	2,694	2,485
Others	38,205	33,892
Total	384,282	392,876

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	336	273
Social Security Premiums-Employer	255	211
Bank Pension Fund Premium-Employees	30	5
Bank Pension Fund Premium-Employer	15	27
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	492	441
Unemployment Insurance-Employer	910	806
Others	-	-
Total	2,038	1,763

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 10,850 thousands as of 31 December 2009 (31 December 2008: TL 2,238 thousands).

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

None.

5.2.11 Subordinated debts

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	991,457	-	946,709
Total	-	991,457	-	946,709

On 5 February 2007, the Bank obtained a subordinated debt of US\$ 500 millions from foreign markets with an interest of 6.95% and maturity of 10 years with a repayment option for the Bank at the end of the fifth year.

On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

As at 31 December 2009, the subordinated debts include a floating rate note of EUR 30 millions obtained in September 2006 and subordinated deposits of approximately EUR 24 millions held by the Bank's consolidated subsidiary operating in Netherland.

These debts are qualified as the secondary subordinated debts to be included in the supplementary capital by the BRSA in the calculation of the Bank's capital adequacy ratio in compliance with the conditions set in the "Regulation on Equities of Banks" issued by the BRSA and published in the Official Gazette no.26333 dated 1 November 2006.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.2.12 Shareholders' equity

5.2.12.1 Paid-in capital

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

5.2.12.2 Registered share capital system

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

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	1,242,755	118,679	257,174	(79,268)
Valuation Difference	1,242,755	118,679	257,174	(79,268)
Exchange Rate Difference	-	-	-	-
Total	1,242,755	118,679	257,174	(79,268)

5.2.12.9 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	596,047	-	594,943	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	598,194	-	597,090	-

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.2.12.10 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 TL 23 thousands, Eureko Sigorta AŞ by TL 559 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	349,148	261,424
II. Legal Reserve	30,127	23,627
Special Reserves	-	-
Total	379,275	285,051

As per the decisions made at the annual general assemblies of the Bank and its consolidated financial affiliates, 5% of prior periods' profits are allocated to legal reserves.

As per the decisions made at the extraordinary general assembly of the Bank at 3 September 2009, TL 6,500 thousands of extraordinary reserves is allocated to II.legal reserves.

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	3,187,603	1,681,758
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	3,187,603	1,681,758

As per the decisions made at the annual general assemblies of the Bank and its consolidated financial affiliates, the remaining prior periods' profits after the appropriation to legal reserves and undistributable funds, are allocated to extraordinary reserves.

At the extraordinary general assembly of the Bank held on 3 September 2009, it was decided to distribute a dividend of TL 275,000 thousands to shareholders and to allocate TL 6,500 thousands to II.legal reserves from extraordinary reserves.

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	35,125	23,334
Profit Share of Subsidiaries Net Profits	13,884	11,800
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	14	(9)
Balance at End of Period	49,023	35,125

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 2,264,070 thousands (31 December 2008: TL 1,572,122 thousands), commitments for cheque payments of TL 1,513,244 thousands (31 December 2008: TL 1,356,288 thousands) and commitments for credit card limits of TL 9,120,759 thousands (31 December 2008: TL 8,820,059 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,653,913	6,894,220
Letters of Guarantee in TL	4,506,694	4,118,306
Letters of Credit	2,272,805	2,511,344
Bills of Exchange and Acceptances	125,841	123,807
Prefinancings	-	-
Total	14,559,253	13,647,677

A specific provision of TL 56,105 thousands (31 December 2008: TL 2,459 thousands) is made for unliquidated non-cash loans of TL 103,115 thousands (31 December 2008: TL 15,901 thousands) recorded under the off-balance sheet items as of 31 December 2009.

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

As of 31 December 2009, in the Bank and its consolidated financial affiliates' "other irrevocable commitments", there are commitments for "credit linked notes" with a total face value of USD 932,777,778 and EUR 500,000 (31 December 2008: USD 945,500,000 and EUR 1,175,000).

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	902,088	225,228
With Original Maturity of 1 Year or Less	18,484	15,067
With Original Maturity of More Than 1 Year	883,604	210,161
Other Non-Cash Loans	14,211,379	14,341,906
Total	15,113,467	14,567,134

5.3.1.4 Other information on non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,794	0.66	46,326	0.44	20,699	0.49	25,549	0.25
Farming and Stockbreeding	27,820	0.62	46,326	0.44	19,224	0.45	25,549	0.25
Forestry	661	0.01	-	-	461	0.01	-	-
Fishery	1,313	0.03	-	-	1,014	0.03	-	-
Manufacturing	1,696,354	37.63	3,641,187	34.33	1,444,368	34.15	3,076,326	29.76
Mining	303,385	6.73	37,965	0.36	329,968	7.80	37,368	0.36
Production	1,046,987	23.23	2,455,087	23.15	896,224	21.19	2,466,059	23.86
Electricity, Gas, Water	345,982	7.68	1,148,135	10.83	218,176	5.16	572,899	5.54
Construction	565,125	12.54	2,236,691	21.09	616,200	14.57	2,169,453	20.98
Services	1,925,184	42.72	3,906,033	36.82	1,817,234	42.98	4,696,044	45.42
Wholesale and Retail Trade	1,308,395	29.03	1,188,844	11.21	1,137,920	26.92	1,586,755	15.35
Hotel, Food and Beverage Services	76,349	1.69	68,732	0.65	60,126	1.42	152,716	1.46
Transportation and Telecommunication	171,887	3.81	869,312	8.20	127,545	3.02	890,972	8.62
Financial Institutions	294,547	6.54	1,759,799	16.58	449,517	10.63	2,032,222	19.66
Real Estate and Renting Services	33,882	0.75	6,129	0.06	8,179	0.19	6,126	0.06
"Self-Employment" Type Services	-	-	-	-	-	-	-	-
Educational Services	7,111	0.16	6,235	0.05	8,677	0.20	3,766	0.04
Health and Social Services	33,013	0.73	6,982	0.07	25,270	0.60	23,487	0.23
Others	290,773	6.45	776,000	7.32	330,083	7.81	371,178	3.59
Total	4,507,230	100.00	10,606,237	100.00	4,228,584	100.00	10,338,550	100.00

5.3.1.5 Non-cash loans classified under Group I and II:

Current Period	Group I		Group II	
	YTL	FC	YTL	FC
Non-Cash Loans	4,478,703	10,553,448	28,527	52,789
Letters of Guarantee	4,478,167	7,603,906	28,527	50,007
Bills of Exchange and Bank Acceptances	514	123,133	-	2,194
Letters of Credit	22	2,826,409	-	588
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	-	-	-

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

<i>Prior Period</i>	Group I		Group II	
	YTL	FC	YTL	FC
Non-Cash Loans	4,216,824	10,320,596	4,120	9,693
Letters of Guarantee	4,106,546	6,888,327	4,120	334
Bills of Exchange and Bank Acceptances	-	113,162	-	9,359
Letters of Credit	278	3,319,107	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Sureties	110,000	-	-	-

5.3.2 Financial derivative instruments

<i>Current Period</i>	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
Derivative Financial Instrument Held for Risk Management						
A. Total Derivative Financial Instrument Held for Risk Management	1,295	-	-	-	-	1,295
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	1,295	-	-	-	-	1,295
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency Related Derivative Transaction (I)	21,377,352	7,015,319	8,225,214	621,318	861,000	38,100,203
Currency Forwards – Purchases	1,532,113	332,257	493,667	127,534	-	2,485,571
Currency Forwards – Sales	1,496,757	324,393	502,969	124,588	-	2,448,707
Currency Swaps – Purchases	6,429,051	2,069,646	1,827,889	185,592	298,000	10,810,178
Currency Swaps – Sales	6,270,363	1,808,613	1,851,630	183,604	563,000	10,677,210
Currency Options – Purchases	2,799,781	1,193,595	1,685,573	-	-	5,678,949
Currency Options – Sales	2,849,287	1,238,477	1,862,420	-	-	5,950,184
Currency Futures – Purchases	-	4,182	522	-	-	4,704
Currency Futures – Sales	-	44,156	544	-	-	44,700
Interest Rate Related Derivative Transaction (II)	5,068	61,430	178,088	3,422,484	-	3,667,070
Interest Rate Swaps – Purchases	208	14,544	28,446	682	-	43,880
Interest Rate Swaps – Sales	3,133	14,702	27,494	682	-	46,011
Interest Rate Options – Purchases	-	-	100,284	1,710,560	-	1,810,844
Interest Rate Options – Sales	-	-	-	1,710,560	-	1,710,560
Securities Options – Purchases	-	-	18,368	-	-	18,368
Securities Options – Sales	1,727	-	3,496	-	-	5,223
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	-	32,184	-	-	-	32,184
Other Trading Derivatives (III)	308,083	102,647	208,361	-	-	619,091
B. Total Trading Derivatives (I+II+III)	21,690,503	7,179,396	8,611,663	4,043,802	861,000	42,386,364
Total Derivative Transactions (A+B)	21,691,798	7,179,396	8,611,663	4,043,802	861,000	42,387,659

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
Derivative Financial Instrument Held for Risk Management						
A. Total Derivative Financial Instrument Held for Risk Management	5,406	27,520	77,597	-	-	110,523
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	5,406	27,520	77,597	-	-	110,523
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives	-	-	-	-	-	-
Foreign Currency Related Derivative Transaction (I)	18,335,693	7,537,955	14,967,608	949,501	867,000	42,657,757
Currency Forwards – Purchases	1,090,855	459,765	686,302	187,754	-	2,424,676
Currency Forwards – Sales	1,091,096	471,628	669,026	185,920	-	2,417,670
Currency Swaps – Purchases	6,821,987	2,532,476	5,444,552	264,780	304,000	15,367,795
Currency Swaps – Sales	6,652,317	2,462,451	5,287,059	259,499	563,000	15,224,326
Currency Options – Purchases	1,308,142	754,459	1,388,565	23,953	-	3,475,119
Currency Options – Sales	1,371,296	805,525	1,483,009	27,595	-	3,687,425
Currency Futures – Purchases	-	40,705	9,095	-	-	49,800
Currency Futures – Sales	-	10,946	-	-	-	10,946
Interest Rate Related Derivative Transaction (II)	242	9,680	180,850	3,386,950	-	3,577,722
Interest Rate Swaps – Purchases	122	4,881	12,987	622	-	18,612
Interest Rate Swaps – Sales	120	4,799	15,494	1,048	-	21,461
Interest Rate Options – Purchases	-	-	106,400	1,692,640	-	1,799,040
Interest Rate Options – Sales	-	-	-	1,692,640	-	1,692,640
Securities Options – Purchases	-	-	44,448	-	-	44,448
Securities Options – Sales	-	-	1,521	-	-	1,521
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	128,010	20,683	669,053	30,400	-	848,146
B. Total Trading Derivatives (I+II+III)	18,463,945	7,568,318	15,817,511	4,366,851	867,000	47,083,625
Total Derivative Transactions (A+B)	18,469,351	7,595,838	15,895,108	4,366,851	867,000	47,194,148

5.3.3 Contingent liabilities and assets

None.

5.3.4 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	2,653,455	363,037	2,603,084	334,378
Medium and long-term loans	2,012,688	1,222,301	1,951,009	1,120,929
Loans under follow-up	39,014	-	25,324	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	4,705,157	1,585,338	4,579,417	1,455,307

(*) Includes also fees and commissions income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	10,097	480	10,624	775
Domestic Banks	13,495	11,732	30,417	8,485
Foreign Banks	169,350	78,708	216,057	127,631
Foreign Head Offices and Branches	-	-	-	-
Total	192,942	90,920	257,098	136,891

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	26,216	2,218	33,061	16,695
Financial Assets Valued at Fair Value				
Through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	2,769,772	256,267	1,933,458	238,311
Investments Held-to-Maturity	899,105	115,234	794,055	60,218
Total	3,695,093	373,719	2,760,574	315,224

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	778	2,987

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	93,702	60,107	90,640	60,296
Foreign Banks	315,909	291,485	269,537	462,794
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	57,476	-	25,567
Total	409,611	409,068	360,177	548,657

(*) Includes also fees and commissions 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	3	1

5.4.2.3 Interest expenses on securities issued

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expenses on Securities Issued	-	2,272	-	2,872

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Time Deposits						1 Year and Over	Accumulating Deposit Accounts	Total
	Demand Deposits	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months				
Turkish Lira									
Bank Deposits	2,570	45,952	314	490	395	311	-	50,032	
Saving Deposits	1,230	696,859	1,272,896	20,440	19,027	15,483	-	2,025,935	
Public Sector Deposits	2	20,940	24,878	3	37	9	-	45,869	
Commercial Deposits	6,778	479,211	609,713	14,989	5,194	21,657	-	1,137,542	
Others	5,932	15,141	44,213	189	42	29	-	65,546	
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-	
Total TL	16,512	1,258,103	1,952,014	36,111	24,695	37,489	-	3,324,924	
Foreign Currency									
Foreign Currency Deposits	11,204	287,648	309,986	52,808	69,573	51,607	2,222	785,048	
Bank Deposits	2,066	19,608	2,675	4,712	3,769	5,044	-	37,874	
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	-	2	-	463	-	-	465	
Total FC	13,270	307,256	312,663	57,520	73,805	56,651	2,222	823,387	
Grand Total	29,782	1,565,359	2,264,677	93,631	98,500	94,140	2,222	4,148,311	

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.2.5 Interest expense on repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Paid on Repurchase Agreements	745,330	16,296	1,139,018	41,004

5.4.2.6 Financial lease expenses

	Current Period	Prior Period
Financial Lease Expenses	147	88

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets Valued at Fair Value through Profit or Loss	-	-
Financial Assets Available-for-Sale	682	27,203
Others	2,078	2,269
Total	2,760	29,472

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	64,510,515	35,243,545
Trading Account Income	847,608	250,918
Derivative Financial Instruments	2,972,528	2,775,256
Foreign Exchange Gain	60,690,379	32,217,371
Losses (-)	63,612,536	34,989,960
Trading Account Losses	430,642	189,742
Derivative Financial Instruments	2,663,267	2,349,580
Foreign Exchange Losses	60,518,627	32,450,638
Total	897,979	253,585

TL 41,216 thousands (31 December 2008: TL 193,539 thousands) of foreign exchange gains and TL 259,723 thousands (31 December 2008: TL 506,324 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	1,258,074	436,902
Loans and receivables in Group III	141,317	241,587
Loans and receivables in Group IV	421,079	44,938
Loans and receivables in Group V	695,678	150,377
General Provisions	11,255	143,578
Provision for Possible Losses	330,000	30,000
Impairment Losses on Securities	3,627	770
Financial assets at fair value through profit or loss	688	683
Financial assets available-for-sale	2,939	87
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	15	3,157
Associates	-	-
Subsidiaries	15	-
Joint Ventures (Business Partnership)	-	-
Investments held-to-maturity	-	3,157
Others	112,848	3,548
Total	1,715,819	617,955

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	1,130,348	1,068,887
Reserve for Employee Termination Benefits	1,692	742
Defined Benefit Obligation	-	102,601
Impairment Losses on Tangible Assets	1,041	1
Depreciation Expenses of Tangible Assets	171,534	173,088
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	10,738	8,239
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	8,748	-
Depreciation Expenses of Assets to be Disposed	670	863
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	1,094,549	1,012,555
<i>Operational lease related expenses</i>	<i>134,981</i>	<i>111,244</i>
<i>Repair and maintenance expenses</i>	<i>33,392</i>	<i>30,653</i>
<i>Advertisement expenses</i>	<i>108,597</i>	<i>110,862</i>
<i>Other expenses</i>	<i>817,579</i>	<i>759,796</i>
Loss on Sale of Assets	1,886	8,279
Others (*)	401,427	380,691
Total	2,822,633	2,755,946

(*) In the current period, this item includes a provision amounting TL 72,100 thousands (31 December 2008: TL 98,577 thousands) for short-term employee benefits.

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

TL 5,340,047 thousands of the profit before taxes is derived from net interest income and TL 1,790,866 thousands from net fees and commissions income. The total operating expenses amounted to TL 2,822,633 thousands. The profit before taxes realized at TL 3,939,354 thousands increasing by 68% comparing to the prior year.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.4.9 Provision for taxes including taxes for discontinued operations

As of 31 December 2009, on a consolidated basis, the Bank recorded a current tax expense of TL 883,195 thousands (31 December 2008: TL 441,528 thousands) and a deferred tax income of TL 43,442 thousands (31 December 2008: a deferred tax expense of TL 14,069 thousands).

Deferred tax income/expense on timing differences:

Deferred tax income/(expense) on timing differences	Current Period
Increase in Tax Deductable Timing Differences (+)	125,520
Decrease in Tax Deductable Timing Differences (-)	30,655
Increase in Taxable Timing Differences (-)	65,666
Decrease in Taxable Timing Differences (+)	14,243
Total	43,442

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 Deductable Timing Differences (net)	94,865
(Increase)/Decrease in Taxable Timing Differences (net)	(51,423)
Increase/(Decrease) in Tax Losses (net)	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-
Total	43,442

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

None.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of 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.

5.4.11.3 Minority interest's profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	13,884	11,800

5.4.12 Components of other items in income statement

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

5.5 Consolidated statement of changes in shareholders' equity

5.5.1 Any increases arising from application of accounting for financial instruments in current period

5.5.1.1 Increases from valuation of financial assets available-for-sale

As of 31 December 2009, the revaluation of financial assets available-for-sale at fair value netted with the related deferred tax liability effect has resulted in an increase by TL 1,183,528 thousands that is presented as the current period movement in "securities value increase fund" in the statement of changes in shareholders' equity. The gains transferred to "income statement" from "securities value increase fund" amounted to TL 61,271 thousands in the prior period and to TL 109,738 thousands in 2009.

5.5.1.2 Increases due to cash flow hedges

None.

5.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period

The parent Bank had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank started to apply fair value hedge accounting as at 1 January 2009. Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

The foreign exchange loss of TL 9,583 thousands netted with the related tax effect of TL 1,917 thousands that had been recorded under the shareholders' equity, has been transferred from the shareholders' equity to the income statement as TL 7,666 thousands as per Garanti Bank International NV's capital decrease decision dated 16 October 2009.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.5.2 Any decreases arising from application of accounting for financial instruments

5.5.2.1 Decreases from valuation of financial assets available-for-sale

None.

5.5.2.2 Decreases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. In the prior period the effective portion of the cash flow hedge amounting to TL 29,534 thousands were added to shareholders' equity, in the current period a gain of TL 80,646 thousands after netting with the related deferred tax effect was transferred to income from derivative financial instruments account in the income statement as explained in Note 5.1.12.1, and the shareholder's equity is reduced by TL 63,165 thousands.

5.5.3 Transfers to legal and extraordinary reserves

	Current Period	Prior Period
Transfers to Legal Reserves from Prior Year Profits	94,109	115,781
Transfers to Extraordinary Reserves from Prior Year Profits	1,787,345	1,727,430

5.5.4 Issuance of share certificates

Please refer to Note 5.2.12.3.

5.5.5 Effects of prior years' corrections to beginning balances of current period

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Consolidated statement of cash flows

5.6.1 Disclosures for "other" items and "effect of change in foreign currency rates cash and cash equivalents" in statement of cash flows

In 2009, the net cash inflows arising from banking operations amount to TL 10,999,994 thousands. TL 6,656,589 thousands of this amount is generated from the change in operating assets and liabilities and TL 4,343,405 thousands from operating profit. The "net increase in other liabilities" under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 1,039,045 thousands for the year 2009. The net cash outflow from financing activities for the year 2009 is TL 275,147 thousands.

The effect of change in foreign exchange rate on cash and cash equivalents item includes net foreign exchange losses of TL 171,752 thousands for the year 2009.

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Notes 5.1.8.1 and 5.1.9.2.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	Current Period	Prior Period
Cash on Hand	672,358	454,194
Cash in TL	312,476	244,778
Cash in Foreign Currency	359,882	209,416
Cash Equivalents	6,473,631	3,839,625
Others	6,473,631	3,839,625
Total	7,145,989	4,293,819

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.6.5 Cash and cash equivalents at end of period

	Current Period	Prior Period
Cash on Hand	797,599	672,358
Cash in TL	468,037	312,476
Cash in Foreign Currency	329,562	359,882
Cash Equivalents	8,496,734	6,473,631
Others	8,496,734	6,473,631
Total	9,294,333	7,145,989

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts with a total principal balance of TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and NCTR, respectively as reserve deposits, and TL 4,327,359 thousands as collateral against funds borrowed. The consolidated domestic banks include blocked accounts of TL 44,394 thousands held for insurance activities.

The blocked account at the Central Bank of Turkey with a principal balance of TL 1,716,480 thousands is for the reserve deposits against foreign currency liabilities.

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in banking activity related capacity

None.

5.7 Related Party Risks

5.7.1 Transactions with parent 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	23,597	3,157	25	1,661	274,415	184,521
Balance at end of period	18,332	3,194	2	920	306,087	374,508
Interest and Commission Income	1,057	-	562	2	24,389	2,411

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	9,033	244	1	1,090	158,515	168,482
Balance at end of period	23,597	3,157	25	1,661	274,415	184,251
Interest and Commission Income	2,987	1	632	15	10,873	1,114

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	1,752	8,448	313,475	91,590	186,263	240,401
Balance at end of period	3,826	1,752	360,361	313,475	359,037	186,263
Interest Expenses	3	1	16,547	25,785	11,084	21,081

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

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	13,500	-	-	-	-	-
End of Period	4,412	13,500	-	-	3,326	-
Total Profit/(Loss)	18	203	-	-	595	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 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 TL 266,308 thousands (31 December 2008 TL 250,131 thousands) compose 0.50% (31 December 2008: 0.48%) of the Bank's total cash loans and 0.23% (31 December 2008: 0.25%) of the Bank's total assets. The total loans and similar receivables amounting TL 324,421 thousands (31 December 2008: TL 298,037 thousands) compose 0.28% (31 December 2008: 0.30%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 378,622 thousands (31 December 2008: TL 189,069 thousands) compose 2.51% (31 December 2008: 1.30%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 723,224 thousands (31 December 2008: TL 501,490 thousands) compose 1.05% (31 December 2008: 0.87%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arm's-length basis.

There is a credit card (POS) payable amounting TL 8,415 thousands (31 December 2008: TL 5,223 thousands) to related parties.

Operating expenses of TL 10,658 thousands (31 December 2008: TL 16,885 thousands) for IT services rendered by related parties and rent income of TL 251 thousands (31 December 2008: TL 318 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 85,730 thousands as of 31 December 2009 (31 December 2008: 87,157) to its top management considered as the key management.

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted under equity method

Please refer to Notes 5.1.8 and 5.1.9.

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 certain consolidated subsidiaries namely Garanti Yatırım Menkul Kıymetler AŞ, Eureka 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 internal use are partly arranged through financial leasing.

At 11 March 2008, a real estate with a net book value of TL 40,581 thousands was sold to Doğu Holding AŞ at a sale price of USD 35,000,000 (equivalent of TL 42,693 thousands). The sale price, of which USD 15,000,000 was collected immediately at the date of sale, was fully collected. A gain of TL 2,112 thousands was recognized as income on this transaction in prior period.

At 6 March 2009, a real estate was purchased from Eureka Sigorta AŞ at a price of TL 12,434 thousands and fully paid.

The Bank purchased a real estate at a total price of USD 11,000,000 plus VAT (equivalent of TL 18,121 thousands) at 3 June 2009 through payments of USD 6,000,000 at 6 April 2009 and USD 5,880,000 at 3 June 2009 as per the trading commitment agreement with Doğu-Ge Gayrimenkul Yatırım Ortaklığı AŞ.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

5.8 Domestic, foreign and off-shore branches or investments and foreign representative offices

5.8.1 Domestic and foreign branches and representative offices

Türkiye Garanti Bankası AŞ					
	Number of Branches	Number Of Employees	Country		
Domestic Branches	783	16,747			
Foreign Representative Offices	1	1	1- Germany		
	1	1	2- Russia		
	1	-	3- England		
	1	1	4- China		
				Total Assets	Legal Capital
Foreign Branches	1	19	1- Luxembourg	12,531,265	855,280
	1	13	2- Malta	16,651,896	-
	3	45	3- NCTR	220,370	3,520

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure

During the year 2009, 67 new domestic branches were opened and 5 branches were closed.

5.8.3 Information on consolidated financial subsidiaries

Garanti Bank International NV					
	Number of Branches	Number Of Employees	Country		
Foreign Representative Offices	1	15	1- Turkey		
	1	-	2- Switzerland		
	1	2	3- Ukrain		
	1	-	4- Kazakhstan		
				Total Assets	Legal Capital
Head office-Holland	1	160	1- Holland	3,907,706	EUR 136,826,000
Foreign Branches	49	619	1- Romania	1,576,157	ROL 154,731,657
	1	20	2- Germany	2,386,336	-

Garanti Bank Moscow					
	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Head Office-Moscow	1	81	Russia	484,353	US\$ 32,757,364

Other consolidated foreign financial subsidiaries:

	Number Of Employees	Country	Total Assets	Legal Capital
Garanti Financial Services Plc	1	Ireland	9,586	US\$ 2,638,100
Garanti Fund Management Co Ltd	-	Malta	91	US\$ 200,000

Consolidated domestic financial subsidiaries:

	Number Of Employees	Total Assets	Legal Capital
Garanti Finansal Kiralama AŞ	162	1,868,321	73,000
Garanti Faktoring Hizmetleri AŞ	126	1,138,515	19,280
Garanti Emeklilik ve Hayat AŞ	627	1,744,751	50,000
Garanti Yatırım Menkul Kıymetler AŞ	92	32,692	8,328
Garanti Portföy Yönetimi AŞ	71	20,847	10,000

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

5.9 Significant events and matters arising subsequent to the balance sheet date

"The Law for the Amendments to the Law on the Procedure for the Collection of Public Receivables and Certain Laws" was accepted by the Planning and Budget Commission Of the Turkish Parliament at the meeting held on 20 January 2010 and became effective by being published on the Official Gazette dated 5 February 2010. According to aforementioned Law; banks founded in Turkey and the foreign banks having head offices in Turkey are required to pay TL 200,000 for each year to obtain operating license. The banks founded to operate in the free trade zones and branches of the foreign banks are required to pay TL 200,000 for each branch and for each year to obtain operating license. All the branches of the banks including the branches operating in free trade zones (excluding branches of the foreign banks established in free trade zones) are required to pay license fee according to the population of the operating area at the beginning of the prior calendar year; branches operating in the municipalities which have population up to 5,000 are required to pay TL 12,000; branches operating in the municipalities which have population between 5,000 and 25,000 are required to pay TL 36,000; and branches operating in the municipalities which have population more than 25,000 and branches operating in the free trade zones are required to pay 48,000 for each year and for each branch.

6 Other Disclosures on Activities of the Bank

6.1 Other disclosures

None.

6.2 Parent bank's latest international risk ratings

MOODY'S (January 2010)*

Long Term FC Deposit	Ba3
Long Term TL Deposit	Baa1
Short Term TL 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	Aa1-tr
Short Term National	TR-1

FITCH RATINGS (December 2009)*

Foreign Currency

Long Term	BBB-
Short Term	F3
Outlook	Stable
Individual	C
Support	3
Turkish Lira	
Long Term	BBB-
Short Term	F3
Outlook	Stable
National	AAA (tur)
Outlook	Stable

(*) Latest dates in risk ratings or outlooks

STANDARD AND POORS (January 2010)*

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

CAPITAL INTELLIGENCE (November 2009)*

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

JCR EURASIA RATINGS (February 2010)*

Long Term International FC	BBB- (Stable)
Long Term International TL	BBB (Stable)
Long Term International	AAA (Trk) (Stable)
Short Term International FC	A-3 (Stable)
Short Term International TL	A-3 (Stable)
Short Term National	A-1+ (Trk) (Stable)
Support	1
Independency from Shareholders	A

(*) Latest dates in risk ratings or outlooks

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009

(Thousands of Turkish Lira (TL))

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

6.2.1 Latest international risk ratings of Garanti Bank International NV, a consolidated subsidiary

MOODY'S (August 2009)*

Long Term FC Deposit	Baa1
Short Term FC Deposit	Prime 2
Subordinate-Dom Curr	Baa2
FSR	C-
Outlook	Negative

(*) Latest date in risk ratings or outlooks.

6.2.2 Latest international risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS (November 2009)*

Foreign Currency

Long Term	BB (Positive)
Short Term	B
Outlook	Stable
Support	3

Turkish Lira

Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable

National AAA

Outlook	Stable
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(*) Latest date in risk ratings or outlooks.

6.2.3 Latest international risk ratings of Garanti Finansal Kiralama, a consolidated subsidiary

FITCH RATINGS (November 2009)*

Foreign Currency

Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable
Support	3

Turkish Lira

Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable

National AAA

Outlook	Stable
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STANDARD AND POORS (September 2009)*

FC Obligations	BB-
TL Obligations	BB-
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

Türkiye Garanti Bankası AŞ and Its Financial Affiliates
Consolidated Financial Report as of and for the Year Ended 31 December 2009
(Thousands of Turkish Lira (TL))

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

6.3 Dividends

At the Bank's annual general assembly dated 2 April 2009 and extraordinary general assembly dated 3 September 2009, it was decided to distribute the profit of 2008 as follows:

2008 PROFIT DISTRIBUTION TABLE

2008 Net Profit	1,750,488
A- I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(87,524)
Undistributable funds	(4,424)
B - The first dividend at 5% of the paid capital	(210,000)
C - Extraordinary reserves at 5% after above deductions	(72,427)
D - Founder shares	(65,000)
E - Extraordinary reserves	(1,304,613)
F - II. Legal reserve (Turkish Commercial Code 466/2)	(6,500)

7 Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The consolidated financial statements of the Bank and its financial affiliates as of 31 December 2009, have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity). It was noted in their review report dated 11 February 2010 that except for the effect of the matter described in the fourth paragraph on the financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Bank and its financial affiliates as of 31 December 2009 and the result of its operations.

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