

**Türkiye Garanti Bankası Anonim Şirketi**  
**And Its Financial Affiliates**  
**Consolidated Financial Statements**  
**As of and For the Three-Month Period Ended**  
**31 March 2009**  
*(Convenience Translation of Financial Statements and Related*  
*Disclosures and Footnotes Originally Issued in Turkish)*  
**With Independent Auditors' Review Report Thereon**

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik AŞ  
14 May 2009

*This report contains "Independent Auditors' Review Report" comprising 1 page and; "Consolidated Financial Statements and Related Disclosures and Footnotes" comprising 81 pages.*



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

**To the Board of Directors of Türkiye Garanti Bankası AŞ:**

We have reviewed the consolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") and its financial affiliates as of 31 March 2009 and the related consolidated income statement, statement of cash flows and statement of changes in shareholders' equity for the three-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ and its financial affiliates as of 31 March 2009 and the result of its operations and cash flows for the three-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and 38 of the (Turkish) Banking Law No. 5411 and other communiques, disclosures and directives issued by the Banking Regulatory and Supervisory Agency.

İstanbul,  
14 May 2009

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 Interim Financial Report**  
**as of and for the Three-Month Period Ended 31 March 2009**

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The consolidated interim financial report for the three-month period ended 31 March 2009 prepared in accordance with the communique of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about 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. Independent Auditors' Review Report

The consolidated subsidiaries and associates in the scope of this consolidated financial report are the followings:

**Subsidiaries**

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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**

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1. Eureka Sigorta AŞ

**Special Purpose Entities**

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1. Garanti Diversified Payment Rights Finance Company
2. T2 Capital Finance Company

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

<b>Ferit F. Şahenk</b>	<b>M. Cüneyt Sezgin</b>	<b>Des O'Shea</b>	<b>S. Ergun Özen</b>	<b>Aydın Şenel</b>	<b>Aylin Aktürk</b>
Board of Directors Chairman	Audit Committee Member	Audit Committee Member	General Manager	Executive Vice President Responsible of Financial Reporting	Coordinator

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations  
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**SECTION ONE**

## General Information

I.	History of parent bank including its incorporation date, initial legal status, amendments to legal status	1
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	1
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	2
IV.	Information on parent bank's qualified shareholders	3
V.	Summary information on parent bank's activities and services	3

**SECTION TWO**

## Consolidated Financial Statements

I.	Consolidated balance sheet	4
II.	Consolidated off-balance sheet items	6
III.	Consolidated income statement	7
IV.	Consolidated statement of income/expense items accounted under shareholders' equity	8
V.	Consolidated statement of changes in shareholders' equity	9
VI.	Consolidated statement of cash flows	10

**SECTION THREE**

## Accounting Policies

I.	Basis of presentation	11
II.	Strategy for use of financial instruments and foreign currency transactions	11
III.	Information on consolidated subsidiaries	12
IV.	Forwards, options and other derivative transactions	13
V.	Interest income and expenses	14
VI.	Fees and commissions	14
VII.	Financial assets	14
VIII.	Impairment of financial assets	15
IX.	Netting of financial instruments	15
X.	Repurchase and resale agreements and securities lending	16
XI.	Assets held for sale, assets of discontinued operations and the related liabilities	16
XII.	Goodwill and other intangible assets	16
XIII.	Tangible assets	17
XIV.	Leasing activities	17
XV.	Provisions and contingent liabilities	18
XVI.	Contingent assets	18
XVII.	Liabilities for employee benefits	18
XVIII.	Taxation	20
XIX.	Funds borrowed	23
XX.	Share issuances	23
XXI.	Confirmed bills of exchange and acceptances	23
XXII.	Government incentives	23
XXIII.	Segment reporting	23
XXIV.	Other disclosures	24

**SECTION FOUR**

## Consolidated Financial Position and Results of Operations

I.	Consolidated capital adequacy ratio	25
II.	Consolidated credit risk	29
III.	Consolidated market risk	29
IV.	Consolidated operational risk	30
V.	Consolidated currency risk	30
VI.	Consolidated interest rate risk	33
VII.	Consolidated liquidity risk	36
VIII.	Fair values of financial assets and liabilities	38
IX.	Transactions carried out on behalf of customers, items held in trust	38

**SECTION FIVE**

## Disclosures and Footnotes on Consolidated Financial Statements

I.	Consolidated assets	39
II.	Consolidated liabilities	56
III.	Consolidated off-balance sheet items	65
IV.	Consolidated income statement	67
V.	Consolidated statement of changes in shareholders' equity	72
VI.	Consolidated statement of cash flows	73
VII.	Related party risks	74
VIII.	Domestic, foreign and off-shore branches or investments and foreign representative offices	76
IX.	Significant events and matters arising subsequent to balance sheet date	77
X.	Other disclosures on activities of bank	78

**SECTION SIX**

## Independent Auditors' Review Report

I.	Disclosure on independent auditors' review report	81
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## **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 723 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 March 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 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 20 thousands employees.

The major worldwide joint ventures of the Group are; General Electric in finance and real estate, Volkswagen AG and TÜVSÜD 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, Eureko 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 travelling and spending cards, 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
Sait Ergun Özen	Member and CEO	14.05.2003	University	22 years

At the board of directors' meeting held on 2 April 2009, Xavier Pascal Durand has been assigned for the board member position.

#### CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	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 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

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

#### **1.4 Information on parent bank's qualified shareholders**

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

According to the decision made at the “General Assembly of Founder Shares Owners” and the “Extraordinary General Shareholders” meetings held on 13 June 2008, the Bank repurchased all the 370 founder share-certificates issued in order to redeem and exterminate them, subsequent to the permissions obtained from the related legal authorities, at a value of TL 3,876 thousands each in accordance with the report prepared by the court expert and approved by the Istanbul 5<sup>th</sup> 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.



## 2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

### Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates Consolidated Balance Sheet At 31 March 2009

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2009			PRIOR PERIOD 31 December 2008		
			YTL	FC	Total	YTL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>		5.1.1	1,934,172	3,234,615	5,168,787	2,575,060	2,974,970	5,550,030
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>		5.1.2	763,113	502,492	1,265,605	659,366	614,557	1,273,923
2.1 Financial assets held for trading			763,113	502,492	1,265,605	659,366	614,557	1,273,923
2.1.1 Government securities			312,299	11,933	324,232	123,957	15,599	139,556
2.1.2 Equity securities			18,859	14	18,873	13,642	14	13,656
2.1.3 Derivative financial assets held for trading			422,802	226,152	648,954	512,567	230,668	743,235
2.1.4 Other securities			9,153	264,393	273,546	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			-	-	-	-	-	-
<b>III. BANKS</b>		5.1.3	2,273,299	8,862,039	11,135,338	1,713,868	5,336,354	7,050,222
<b>IV. INTERBANK MONEY MARKETS</b>			-	-	-	40,552	-	40,552
4.1 Interbank money market placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements			-	-	-	40,552	-	40,552
4.3 Receivables from reverse repurchase agreements			-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>		5.1.4	15,635,202	3,751,056	19,386,258	15,031,030	3,296,591	18,327,621
5.1 Equity securities			16,353	55,915	72,268	17,464	44,989	62,453
5.2 Government securities			15,366,326	1,212,085	16,578,411	14,714,792	1,045,877	15,760,669
5.3 Other securities			252,523	2,483,056	2,735,579	298,774	2,205,725	2,504,499
<b>VI. LOANS</b>		5.1.5	27,844,706	26,119,169	53,963,875	28,086,979	24,662,721	52,749,700
6.1 Loans			27,485,551	26,117,479	53,603,030	27,636,833	24,662,721	52,299,554
6.1.1 Loans to bank's risk group		5.7	68,751	192,460	261,211	48,308	201,823	250,131
6.1.2 Government securities		5.7	-	-	-	-	-	-
6.1.3 Other			27,416,800	25,925,019	53,341,819	27,588,525	24,460,898	52,049,423
6.2 Loans under follow-up			1,511,177	32,689	1,543,866	1,239,739	25,085	1,264,824
6.3 Specific provisions (-)			1,152,022	30,999	1,183,021	789,593	25,085	814,678
<b>VII. FACTORING RECEIVABLES</b>		5.1.6	345,461	234,307	579,768	405,992	245,807	651,799
<b>VIII. INVESTMENTS HELD-TO-MATURITY (Net)</b>		5.1.7	5,861,267	1,835,674	7,696,941	6,086,566	1,697,815	7,784,381
8.1 Government securities			5,861,267	1,791,728	7,652,995	6,086,566	1,658,021	7,744,587
8.2 Other securities			-	43,946	43,946	-	39,794	39,794
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>		5.1.8	61,926	-	61,926	57,074	-	57,074
9.1 Associates consolidated under equity accounting			45,208	-	45,208	40,342	-	40,342
9.2 Unconsolidated associates			16,718	-	16,718	16,732	-	16,732
9.2.1 Financial investments in associates			14,741	-	14,741	14,755	-	14,755
9.2.2 Non-financial investments in associates			1,977	-	1,977	1,977	-	1,977
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>		5.1.9	21,341	700	22,041	20,780	674	21,454
10.1 Unconsolidated financial investments in subsidiaries			418	700	1,118	417	674	1,091
10.2 Unconsolidated non-financial investments in subsidiaries			20,923	-	20,923	20,363	-	20,363
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>		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			-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>		5.1.11	405,627	1,697,326	2,102,953	450,766	1,653,231	2,103,997
12.1 Financial lease receivables			504,218	1,920,068	2,424,286	560,173	1,869,013	2,429,186
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			98,591	222,742	321,333	109,407	215,782	325,189
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT</b>		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			-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		5.1.13	1,105,966	101,201	1,207,167	1,108,806	98,218	1,207,024
<b>XV. INTANGIBLE ASSETS (Net)</b>		5.1.14	35,617	4,638	40,255	32,456	5,023	37,479
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			29,229	4,638	33,867	26,068	5,023	31,091
<b>XVI. INVESTMENT PROPERTY (Net)</b>		5.1.15	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>			54,057	20,779	74,836	34,877	17,777	52,654
17.1 Current tax asset			-	1,498	1,498	70	63	133
17.2 Deferred tax asset		5.1.16	54,057	19,281	73,338	34,807	17,714	52,521
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>		5.1.17	86,405	-	86,405	81,346	-	81,346
18.1 Asset held for resale			86,405	-	86,405	81,346	-	81,346
18.2 Assets of discontinued operations			-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>		5.1.18	1,946,847	194,783	2,141,630	1,823,944	156,052	1,979,996
<b>TOTAL ASSETS</b>			58,375,006	46,558,779	104,933,785	58,209,462	40,828,951	99,038,413

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

*(Convenience Translation of Financial Statements Originally Issued in Turkish)*

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Balance Sheet**  
**At 31 March 2009**

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 March 2009			31 December 2008		
			YTL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	5.2.1		32,345,493	31,296,096	63,641,589	29,119,139	28,840,818	57,959,957
1.1 Deposits from bank's risk group	5.7		209,235	224,831	434,066	150,823	350,667	501,490
1.2 Other			32,136,258	31,071,265	63,207,523	28,968,316	28,490,151	57,458,467
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	5.2.2		224,144	340,956	565,100	302,141	298,951	601,092
<b>III. FUNDS BORROWED</b>	5.2.3		3,032,570	11,088,770	14,121,340	2,738,501	10,734,878	13,473,379
<b>IV. INTERBANK MONEY MARKETS</b>	5.2.4		9,023,339	409,304	9,432,643	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			9,023,339	409,304	9,432,643	10,452,524	700,656	11,153,180
<b>V. SECURITIES ISSUED (Net)</b>			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
<b>VI. FUNDS</b>			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>			2,934,527	137,088	3,071,615	2,795,404	121,233	2,916,637
<b>VIII. OTHER EXTERNAL FUNDINGS PAYABLE</b>			640,509	275,180	915,689	633,430	231,590	865,020
<b>IX. FACTORING PAYABLES</b>	5.2.5		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	5.2.6		-	4,585	4,585	-	4,845	4,845
10.1 Financial lease payables			-	4,585	4,585	-	4,845	4,845
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	5.2.7		-	4,958	4,958	-	4,871	4,871
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	4,958	4,958	-	4,871	4,871
11.3 Net foreign investment hedges			-	-	-	-	-	-
<b>XII. PROVISIONS</b>	5.2.8		1,059,890	25,502	1,085,392	944,756	28,510	973,266
12.1 General provisions			469,945	20,009	489,954	409,543	19,256	428,799
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserve for employee benefits			185,057	-	185,057	198,840	-	198,840
12.4 Insurance technical provisions (Net)			131,164	-	131,164	123,603	-	123,603
12.5 Other provisions			273,724	5,493	279,217	212,770	9,254	222,024
<b>XIII. TAX LIABILITY</b>	5.2.9		465,399	6,901	472,300	390,131	6,746	396,877
13.1 Current tax liability			465,139	6,386	471,525	387,893	6,746	394,639
13.2 Deferred tax liability			260	515	775	2,238	-	2,238
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
<b>XV. SUBORDINATED DEBTS</b>	5.2.11		-	1,119,211	1,119,211	-	946,709	946,709
<b>XVI. SHAREHOLDERS' EQUITY</b>	5.2.12		10,591,295	(91,932)	10,499,363	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			1,691,627	(100,998)	1,590,629	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			387,916	(97,708)	290,208	257,174	(79,268)	177,906
16.2.4 Revaluation surplus on tangible assets			597,090	-	597,090	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)			(79,322)	(3,290)	(82,612)	(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			2,072,720	9,066	2,081,786	2,061,101	8,505	2,069,606
16.3.1 Legal reserves			280,769	4,486	285,255	280,954	4,097	285,051
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			1,681,758	-	1,681,758	1,681,758	-	1,681,758
16.3.4 Other profit reserves			110,193	4,580	114,773	98,389	4,408	102,797
16.4 Profit or loss			2,588,131	-	2,588,131	1,879,378	-	1,879,378
16.4.1 Prior periods profit/loss			1,879,378	-	1,879,378	-	-	-
16.4.2 Current period net profit/loss			708,753	-	708,753	1,879,378	-	1,879,378
16.5 Minority interest			38,817	-	38,817	35,125	-	35,125
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>60,317,166</b>	<b>44,616,619</b>	<b>104,933,785</b>	<b>57,128,371</b>	<b>41,910,042</b>	<b>99,038,413</b>

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**

**Consolidated Off-Balance Sheet Items**

**At 31 March 2009**

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2009			31 December 2008		
		YTL	FC	Total	YTL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>36,901,139</b>	<b>54,676,164</b>	<b>91,577,303</b>	<b>32,184,579</b>	<b>48,697,088</b>	<b>80,881,667</b>
<b>I. GUARANTEES AND SURETIES</b>	5.3.1	<b>4,421,896</b>	<b>10,956,172</b>	<b>15,378,068</b>	<b>4,228,584</b>	<b>10,338,550</b>	<b>14,567,134</b>
1.1. Letters of guarantee		4,336,925	7,330,768	11,667,693	4,118,306	6,894,220	11,012,526
1.1.1. Guarantees subject to State Tender Law		-	805,793	805,793	238,990	541,707	780,697
1.1.2. Guarantees given for foreign trade operations		325,826	440,643	766,469	312,563	422,149	734,712
1.1.3. Other letters of guarantee		4,011,099	6,084,332	10,095,431	3,566,753	5,930,364	9,497,117
1.2. Bank acceptances		127	194,104	194,231	-	123,807	123,807
1.2.1. Import letter of acceptance		127	107,217	107,344	-	108,097	108,097
1.2.2. Other bank acceptances		-	86,887	86,887	-	15,710	15,710
1.3. Letters of credit		119	3,431,300	3,431,415	278	3,320,523	3,320,801
1.3.1. Documentary letters of credit		-	91	91	-	82	82
1.3.2. Other letters of credit		119	3,431,209	3,431,328	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		84,725	-	84,725	110,000	-	110,000
1.9. Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>14,854,874</b>	<b>5,739,675</b>	<b>20,594,549</b>	<b>14,376,973</b>	<b>4,743,412</b>	<b>19,120,385</b>
2.1. Irrevocable commitments		14,854,874	5,738,963	20,593,837	14,376,973	4,742,758	19,119,731
2.1.1. Asset purchase commitments		237,519	1,613,928	1,851,447	153,483	1,418,639	1,572,122
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		250	-	250	812	-	812
2.1.4. Loan granting commitments		2,797,977	2,533,396	5,331,373	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		1,474,465	-	1,474,465	1,356,288	-	1,356,288
2.1.8. Tax and fund obligations on export commitments		28,186	-	28,186	25,834	-	25,834
2.1.9. Commitments for credit card limits		9,052,267	39,045	9,091,312	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	1,552,594	2,816,804	1,264,210	1,439,518	2,703,728
2.2. Revocable commitments		-	712	712	-	654	654
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	712	712	-	654	654
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	5.3.2	<b>17,624,369</b>	<b>37,980,317</b>	<b>55,604,686</b>	<b>13,579,022</b>	<b>33,615,126</b>	<b>47,194,148</b>
3.1. Derivative financial instruments held for risk management		-	3,233	3,233	-	110,523	110,523
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	3,233	3,233	-	110,523	110,523
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivative		17,624,369	37,977,084	55,601,453	13,579,022	33,504,603	47,083,625
3.2.1. Forward foreign currency purchases/sales		2,283,230	3,481,584	5,764,814	1,937,437	2,904,909	4,842,346
3.2.1.1. Forward foreign currency purchases		1,191,051	1,679,228	2,870,275	934,191	1,490,485	2,424,676
3.2.1.2. Forward foreign currency sales		1,092,179	1,802,356	2,894,535	1,003,246	1,414,424	2,417,670
3.2.2. Currency and interest rate swaps		10,206,884	21,056,493	31,263,377	9,923,766	20,708,428	30,632,194
3.2.2.1. Currency swaps-purchases		7,281,296	8,428,036	15,709,332	5,472,200	9,895,595	15,367,795
3.2.2.2. Currency swaps-sales		2,925,588	12,545,333	15,470,921	4,451,566	10,772,760	15,224,326
3.2.2.3. Interest rate swaps-purchases		-	41,164	41,164	-	18,612	18,612
3.2.2.4. Interest rate swaps-sales		-	41,960	41,960	-	21,461	21,461
3.2.3. Currency, interest rate and security options		5,091,638	12,231,953	17,323,591	1,683,016	9,017,177	10,700,193
3.2.3.1. Currency call options		2,142,615	4,523,137	6,665,752	658,260	2,816,859	3,475,119
3.2.3.2. Currency put options		2,904,473	4,072,702	6,977,175	990,950	2,696,475	3,687,425
3.2.3.3. Interest rate call options		-	1,874,330	1,874,330	-	1,799,040	1,799,040
3.2.3.4. Interest rate put options		-	1,758,480	1,758,480	-	1,692,640	1,692,640
3.2.3.5. Security call options		40,330	3,304	43,634	33,806	10,642	44,448
3.2.3.6. Security put options		4,220	-	4,220	-	1,521	1,521
3.2.4. Currency futures		34,834	130,949	165,783	27,209	33,537	60,746
3.2.4.1. Currency futures-purchases		2,081	44,976	47,057	24,833	24,967	49,800
3.2.4.2. Currency futures-sales		32,753	85,973	118,726	2,376	8,570	10,946
3.2.5. Interest rate futures		-	13,240	13,240	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	13,240	13,240	-	-	-
3.2.6. Others		7,783	1,062,865	1,070,648	7,594	840,552	848,146
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>162,684,682</b>	<b>120,078,421</b>	<b>282,763,103</b>	<b>149,828,729</b>	<b>108,801,912</b>	<b>258,630,641</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>45,223,955</b>	<b>16,509,267</b>	<b>61,733,222</b>	<b>38,828,829</b>	<b>15,720,224</b>	<b>54,549,053</b>
4.1. Customers' securities held		24,238,390	4,248,535	28,486,925	18,299,861	3,913,486	22,213,347
4.2. Investment securities held in custody		14,580,048	731,691	15,311,735	13,804,387	932,508	14,736,895
4.3. Checks received for collection		4,543,665	868,324	5,411,985	4,869,700	895,721	5,765,421
4.4. Commercial notes received for collection		1,829,155	1,877,450	3,706,605	1,822,785	1,776,262	3,599,047
4.5. Other assets received for collection		10,095	8,089,956	8,100,051	9,649	7,665,813	7,675,462
4.6. Assets received through public offering		-	37,239	37,239	-	25,454	25,454
4.7. Other items under custody		22,602	656,072	678,674	22,447	510,980	533,427
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>117,460,727</b>	<b>103,569,154</b>	<b>221,029,881</b>	<b>110,999,900</b>	<b>93,081,688</b>	<b>204,081,588</b>
5.1. Securities		559,281	14,242	573,523	77,210	24,354	101,564
5.2. Guarantee notes		17,419,492	7,496,847	24,916,335	16,424,680	6,927,507	23,352,187
5.3. Commodities		-	-	-	157	-	157
5.4. Warranties		-	341,680	341,680	-	335,011	335,011
5.5. Real estates		21,364,865	22,431,098	43,795,963	19,469,018	20,275,144	39,744,162
5.6. Other pledged items		78,116,919	73,284,800	151,401,715	75,028,665	65,519,224	140,547,885
5.7. Pledged items-depository		170	487	657	170	448	618
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>199,585,821</b>	<b>174,754,585</b>	<b>374,340,406</b>	<b>182,013,308</b>	<b>157,499,000</b>	<b>339,512,308</b>

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 Three-Month Period Ended 31 March 2009**

INCOME AND EXPENSE ITEMS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
			CURRENT PERIOD 1 January 2009- 31 March 2009	PRIOR PERIOD 1 January 2008- 31 March 2008
<b>I. INTEREST INCOME</b>	5.4.1		<b>2,928,991</b>	<b>2,228,737</b>
1.1 Interest income on loans			1,718,159	1,315,176
1.2 Interest income on reserve deposits			49,284	48,699
1.3 Interest income on banks			76,361	116,208
1.4 Interest income on money market transactions			727	971
1.5 Interest income on securities portfolio			987,620	642,956
1.5.1 Trading financial assets			8,722	10,622
1.5.2 Financial assets valued at fair value through profit or loss			-	-
1.5.3 Financial assets available-for-sale			699,996	500,482
1.5.4 Investments held-to-maturity			278,902	131,852
1.6 Financial lease income			55,453	59,326
1.7 Other interest income			41,387	45,401
<b>II. INTEREST EXPENSE</b>	5.4.2		<b>1,771,432</b>	<b>1,382,824</b>
2.1 Interest on deposits			1,302,967	942,188
2.2 Interest on funds borrowed			206,581	220,691
2.3 Interest on money market transactions			259,990	218,379
2.4 Interest on securities issued			627	783
2.5 Other interest expenses			1,267	783
<b>III. NET INTEREST INCOME (I - II)</b>			<b>1,157,559</b>	<b>845,913</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>			<b>447,059</b>	<b>405,953</b>
4.1 Fees and commissions received			561,102	494,008
4.1.1 Non-cash loans			43,120	28,448
4.1.2 Others			517,982	465,560
4.2 Fees and commissions paid			114,043	88,055
4.2.1 Non-cash loans			218	53
4.2.2 Others			113,825	88,002
<b>V. DIVIDEND INCOME</b>	5.4.3		<b>55</b>	<b>93</b>
<b>VI. NET TRADING INCOME/LOSSES (Net)</b>	5.4.4		<b>400,492</b>	<b>69,121</b>
6.1 Trading account income/losses (Net)			83,301	28,455
6.2 Income/losses from derivative financial instruments (Net)			377,348	47,545
6.3 Foreign exchange gains/losses (Net)			(60,157)	(6,879)
<b>VII. OTHER OPERATING INCOME</b>	5.4.5		<b>124,816</b>	<b>217,179</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>			<b>2,129,981</b>	<b>1,538,259</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	5.4.6			
	5.4.7		<b>586,073</b>	<b>260,172</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>			<b>637,852</b>	<b>645,396</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>			<b>906,056</b>	<b>632,691</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>			-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>			<b>4,442</b>	<b>2,062</b>
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>			-	-
<b>XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>	5.4.8		<b>910,498</b>	<b>634,753</b>
<b>XVI. PROVISION FOR TAXES (±)</b>	5.4.9		<b>198,060</b>	<b>140,606</b>
16.1 Current tax charge			222,248	134,388
16.2 Deferred tax charge/(credit)			(24,188)	6,218
<b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)</b>	5.4.10		<b>712,438</b>	<b>494,147</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>			-	-
18.1 Income from assets held for sale			-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures			-	-
18.3 Others			-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>			-	-
19.1 Expenses on assets held for sale			-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures			-	-
19.3 Others			-	-
<b>XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)</b>	5.4.8		-	-
<b>XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	5.4.9		-	-
21.1 Current tax charge			-	-
21.2 Deferred tax charge/(credit)			-	-
<b>XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)</b>	5.4.10		-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	5.4.11		<b>712,438</b>	<b>494,147</b>
23.1 Equity holders of the bank			708,753	491,419
23.2 Minority interest			3,685	2,728
<b>EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)</b>			<b>169</b>	<b>234</b>

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

*(Convenience Translation of Financial Statements Originally Issued in Turkish)*

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Statement of Income/Expense Items Accounted under Shareholders' Equity**  
**For the Three-Month Period Ended 31 March 2009**

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		31 March 2009	31 March 2008
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"		142,804	(334,266)
II. REVALUATION SURPLUS ON TANGIBLE ASSETS		-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS		-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES		13,484	86,780
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)		(64,299)	(32,143)
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)		(19,820)	(65,699)
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		(27,824)	63,339
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)		44,345	(281,989)
XI. CURRENT PERIOD PROFIT/LOSSES		712,438	494,147
1.1 Net changes in fair value of securities (transferred to income statement)		17,931	3,148
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		694,507	490,999
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)		756,783	212,158

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 Three-Month Period Ended 31 March 2009

		THOUSANDS OF TURKISH LIRA (TL)																	
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 31 March 2008																			
I. Balances at beginning of the period		2,100,000	772,554	-	-	168,367	-	1,388,561	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 TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)		2,100,000	772,554	-	-	168,367	-	1,388,561	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		-	-	-	-	-	-	-	-	-	-	(284,067)	-	-	-	-	(284,067)	-	(284,067)
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(84,702)	-	(84,702)	-	(84,702)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(32,143)	-	(32,143)	-	(32,143)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(52,559)	-	(52,559)	-	(52,559)
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences		-	-	-	-	326	-	-	87,163	-	-	(709)	-	-	-	-	86,780	-	86,780
XI. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current period net profit/loss		-	-	-	-	-	-	-	-	491,419	-	-	-	-	-	-	491,419	2,728	494,147
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		2,100,000	772,554	-	-	168,693	-	1,388,561	93,098	491,419	2,413,778	(95,239)	29,864	1,509	(52,464)	-	7,311,773	26,062	7,337,835
CURRENT PERIOD - 31 March 2009																			
I. Balances at beginning of the period	5.5	4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
Changes during the period																			
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	114,963	-	-	-	-	114,963	7	114,970
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(80,144)	-	(80,144)	-	(80,144)
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(64,288)	-	(64,288)	-	(64,288)
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(15,856)	-	(15,856)	-	(15,856)
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	204	-	-	11,976	-	-	(2,661)	-	-	-	-	9,519	-	9,519
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		-	-	-	-	-	-	-	-	708,753	-	-	-	-	-	-	708,753	3,685	712,438
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	285,255	-	1,681,758	114,773	708,753	1,879,378	290,208	597,090	1,509	(82,612)	-	10,460,546	38,817	10,499,363

*(Convenience Translation of Financial Statements Originally Issued in Turkish)*

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Statement of Cash Flows**  
**For the Three-Month Period Ended 31 March 2009**

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 31 March 2009	PRIOR PERIOD 31 March 2008
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	5.6	<b>1,070,262</b>	<b>682,726</b>
1.1.1 Interests received		2,992,778	2,013,858
1.1.2 Interests paid		(1,984,687)	(1,399,661)
1.1.3 Dividend received		55	93
1.1.4 Fees and commissions received		447,059	405,953
1.1.5 Other income		212,560	279,900
1.1.6 Collections from previously written-off loans and other receivables		7,208	5,341
1.1.7 Payments to personnel and service suppliers		(535,355)	(496,059)
1.1.8 Taxes paid		(69,356)	(126,699)
1.1.9 Others		-	-
<b>1.2 Changes in operating assets and liabilities</b>	5.6	<b>1,355,859</b>	<b>940,930</b>
1.2.1 Net (increase) decrease in financial assets held for trading		(90,796)	43,467
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		(2,358,110)	2,318,966
1.2.4 Net (increase) decrease in loans		(1,343,033)	(6,627,843)
1.2.5 Net (increase) decrease in other assets		(5,946)	(525,344)
1.2.6 Net increase (decrease) in bank deposits		(391,314)	778,756
1.2.7 Net increase (decrease) in other deposits		6,131,637	3,763,099
1.2.8 Net increase (decrease) in funds borrowed		(696,797)	1,223,339
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		110,218	(33,510)
<b>I. Net cash flow from banking operations</b>	5.6	<b>2,426,121</b>	<b>1,623,656</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash flow from investing activities</b>	5.6	<b>(982,563)</b>	<b>(180,552)</b>
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(66,924)	(73,608)
2.4 Sales of tangible assets		19,442	73,977
2.5 Cash paid for purchase of financial assets available-for-sale, net		(3,616,484)	(1,076,355)
2.6 Cash obtained from sale of financial assets available-for-sale, net		2,681,403	546,703
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity (redemption)		-	348,731
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>(32)</b>	<b>(16)</b>
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		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(32)	(16)
3.6 Others		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>(60,157)</b>	<b>(6,879)</b>
<b>V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>	5.6	<b>1,383,369</b>	<b>1,436,209</b>
<b>VI. Cash and cash equivalents at beginning of period</b>	5.6	<b>7,145,989</b>	<b>4,293,819</b>
<b>VII. Cash and cash equivalents at end of period (V+VI)</b>	5.6	<b>8,529,358</b>	<b>5,730,028</b>

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 guidances.

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 and assets held for sale which are presented on a fair value basis.

The accounting policies and the valuation principles applied in the preparation of the accompanying 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 instantly, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

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

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

### **3.2.2 Foreign currency transactions**

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the income statement.

Foreign currency differences arising from the conversion of the net investments in subsidiaries in foreign countries into TL are classified as "other profit reserves" under the shareholders' equity. The financial liabilities in foreign currencies are designated as hedge of net investment in foreign operations and the Bank recognizes the effective portion of changes in the fair value of the hedging instruments under the shareholders' equity in "hedging reserves".

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 March 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 Eureka Sigorta AŞ at 1 October 2007 and 84.91% of Garanti Emeklilik. Eureka 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.

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. İhracat 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 Garanti Financial Services Plc own 75.02% 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 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**

#### 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.

### **3.12 Goodwill and other intangible assets**

The intangible assets consist of goodwill, softwares, intangible rights and pre-operating expenses.

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. Assets purchased before 2005 are amortised over their estimated useful lives on a straight-line basis. From the beginning of 2005, newly purchased assets are amortised based on the declining balance which is one of the accelerated amortisation methods.

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 5-15 years, and amortisation rates are 6.67-20%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less 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:

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

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

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

### **3.14 Leasing activities**

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 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:

	<b>31 March 2009</b>	<b>31 December 2008</b>
Discount rate	6.26%	6.26%
Interest rate	12.00%	12.00%
Expected rate of salary/limit increase	5.40%	5.40%
Estimated employee turnover rate	6.55%	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:

	<b>31 March 2009</b>	
	<b>Employer</b>	<b>Employee</b>
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 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 SSF 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 decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

In accordance with the 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 25<sup>th</sup> 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. 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 12 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 25.5% 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. 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 assesment 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 24%. 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 are reported as net in the 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 seperately, 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.

### **3.19 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.

### **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 March 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 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 on a consolidated basis is as follows as of 31 March 2009:

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Total Operating Profit	407,483	613,326	886,072	223,045	2,129,926
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>407,483</b>	<b>613,326</b>	<b>886,072</b>	<b>223,045</b>	<b>2,129,926</b>
Net Operating Profit	337,059	401,928	548,447	(376,991)	910,443
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	55	55
<b>Net Operating Profit</b>	<b>337,059</b>	<b>401,928</b>	<b>548,447</b>	<b>(376,936)</b>	<b>910,498</b>
Provision for Taxes	-	-	-	198,060	198,060
<b>Net Profit</b>	<b>337,059</b>	<b>401,928</b>	<b>548,447</b>	<b>(574,996)</b>	<b>712,438</b>
Segment Assets	16,276,325	37,115,588	40,457,663	11,000,242	104,849,818
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	83,967	83,967
Undistributed Items	-	-	-	-	-
<b>Total Assets</b>	<b>16,276,325</b>	<b>37,115,588</b>	<b>40,457,663</b>	<b>11,084,209</b>	<b>104,933,785</b>
Segment Liabilities	33,451,237	25,713,670	23,472,963	11,796,552	94,434,422
Shareholders' Equity	-	-	-	10,499,363	10,499,363
Undistributed Items	-	-	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>33,451,237</b>	<b>25,713,670</b>	<b>23,472,963</b>	<b>22,295,915</b>	<b>104,933,785</b>
<b>Other Segment Items</b>					
Capital Expenditure	-	-	-	58,356	58,356
Depreciation Expenses	-	-	-	45,819	45,819
Impairment Losses	-	-	133	585,940	586,073
Other Non-Cash Income/Expenses	106,346	133,239	(212,085)	(48,304)	(20,804)
Restructuring Costs	-	-	-	-	-

### 3.24 Other disclosures

None.

## **4 Consolidated Financial Position and Results of Operations**

### **4.1 Consolidated capital adequacy ratio**

The Bank's consolidated capital adequacy ratio is 14.87% (unconsolidated capital adequacy ratio: 16.29%) as of 31 March 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".

#### 4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>17,590,615</b>	-	<b>5,926,700</b>	<b>13,348,722</b>	<b>38,203,574</b>	<b>391,536</b>	<b>6,641</b>
Cash on Hand	521,294	-	1,841	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	2,676,982	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	1,201,210	-	5,530,173	-	2,697,757	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,903,013	-	-	-	-	-	-
Loans	3,317,421	-	193,202	13,004,843	32,193,269	391,536	6,641
Loans under Follow-Up (Net)	-	-	-	-	359,155	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,392,831	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	34,706	-	-
Miscellaneous Receivables	79,425	-	-	-	74,157	-	-
Accrued Interest and Income	204,384	-	35,838	343,879	953,711	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	858,898	-	-
Tangible Assets (Net)	-	-	-	-	980,814	-	-
Other Assets	294,055	-	165,646	-	51,107	-	-
<b>Off-Balance Sheet Items</b>	<b>1,980,072</b>	-	<b>1,320,051</b>	<b>763,478</b>	<b>9,407,580</b>	-	-
Non-Cash Loans and Commitments	1,980,072	-	860,829	763,478	9,322,226	-	-
Derivative Financial Instruments	-	-	459,222	-	85,354	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Risk-Weighted Assets</b>	<b>19,570,687</b>	-	<b>7,246,751</b>	<b>14,112,200</b>	<b>47,611,154</b>	<b>391,536</b>	<b>6,641</b>

	Risk Weightings						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>18,904,173</b>	-	<b>7,589,224</b>	<b>13,773,870</b>	<b>43,013,142</b>	<b>391,536</b>	<b>6,641</b>
Cash on Hand	541,260	-	1,841	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	2,676,982	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	1,873,846	-	6,477,969	-	2,732,069	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,903,013	-	-	-	-	-	-
Loans	3,759,881	-	848,320	13,138,935	34,721,827	391,536	6,641
Loans under Follow-Up (Net)	-	-	-	-	360,845	-	-
Lease Receivables	23,792	-	45,722	287,831	1,724,907	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,539,360	-	-	-	43,286	-	-
Receivables from Term Sale of Assets	-	-	-	-	34,706	-	-
Miscellaneous Receivables	79,425	-	-	-	1,094,167	-	-
Accrued Interest and Income	191,890	-	49,726	347,104	973,912	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	36,261	-	-
Tangible Assets (Net)	-	-	-	-	1,087,485	-	-
Other Assets	314,724	-	165,646	-	203,677	-	-
<b>Off-Balance Sheet Items</b>	<b>2,023,217</b>	-	<b>1,642,126</b>	<b>767,384</b>	<b>9,844,759</b>	-	-
Non-Cash Loans and Commitments	2,023,095	-	1,088,041	767,384	9,702,263	-	-
Derivative Financial Instruments	122	-	554,085	-	142,496	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Risk-Weighted Assets</b>	<b>20,927,390</b>	-	<b>9,231,350</b>	<b>14,541,254</b>	<b>52,857,901</b>	<b>391,536</b>	<b>6,641</b>

#### 4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	56,717,190	53,973,934
Value at Market Risk (VaMR)	2,908,813	2,523,750
Value at Operational Risk (VaOR)	7,212,178	5,766,996
Shareholders' Equity	10,888,409	10,047,717
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	16.29%	16.14%

	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	62,575,384	59,687,917
Value at Market Risk (VaMR)	4,796,825	4,120,450
Value at Operational Risk (VaOR)	8,212,044	6,621,287
Shareholders' Equity	11,238,465	10,460,637
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	14.87%	14.85%



#### 4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
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	285,255	285,051
I. Legal Reserve (Turkish Commercial Code 466/1)	261,628	261,424
II. Legal Reserve (Turkish Commercial Code 466/2)	23,627	23,627
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,681,758	1,681,758
Reserve Allocated as per the Decision held by the General Assembly	1,681,758	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	2,588,131	1,879,378
Current Period Profit	708,753	1,879,378
Prior Periods Profit	1,879,378	-
Provision for Possible Losses (upto 25% of Core Capital)	45,000	52,000
Income on Sale of Investments in Associates, Subsidiaries and Real Estate	594,943	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	38,802	35,117
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)(*)	143,266	-
Prepaid Expenses (-)(*)	309,288	318,026
Intangible Assets (-)(*)	40,255	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
<b>Total Core Capital</b>	<b>9,719,126</b>	<b>9,506,293</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	489,954	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	1,021,690	847,545
45% of Securities Value Increase Fund (**)	83,571	36,431
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	83,571	36,431
Minority Interest	15	8
Other Reserves	32,161	100,329
<b>Total Supplementary Capital</b>	<b>1,629,866</b>	<b>1,415,587</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>11,348,992</b>	<b>10,921,880</b>

(\*) 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.

<b>DEDUCTIONS FROM CAPITAL</b>	<b>110,527</b>	<b>461,243</b>
Unconsolidated Investments in Banks and Financial Institutions	2,498	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	45,208	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	62,821	62,925
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>11,238,465</b>	<b>10,460,637</b>

## 4.2 Consolidated credit risk

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

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

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

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

#### **4.3.1 Value at market risk on a consolidated basis**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	196,260
(II) Capital Obligation against Specific Risks - Standard Method	110,831
(III) Capital Obligation against Currency Risk - Standard Method	31,373
(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	45,282
<b>(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models</b>	<b>-</b>
<b>(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)</b>	<b>383,746</b>
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>4,796,825</b>

#### **4.3.2 Average values at market risk**

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

#### **4.4 Consolidated operational risk**

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

#### **4.5 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 March 2009, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency long position amounts to TL 4,511,267 thousands (31 December 2008: TL 1,477,585 thousands), net ‘off-balance sheet’ foreign currency short position amounts to TL 4,632,897 thousands (31 December 2008: TL 1,692,413 thousands), while net foreign currency short position amounts to TL 121,630 thousands (31 December 2008: 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:

	<b>USD</b>	<b>EUR</b>	<b>Yen (100)</b>	<b>GBP</b>
The Bank's foreign currency purchase rate at balance sheet date	1.6550	2.1981	1.6811	2.3691
<u>Foreign currency rates for the days before balance sheet date:</u>				
Day 1	1.6800	2.2098	1.7333	2.3835
Day 2	1.6450	2.1890	1.6781	2.3559
Day 3	1.6450	2.1883	1.6769	2.3534
Day 4	1.6400	2.2220	1.6635	2.3767
Day 5	1.6400	2.2207	1.6793	2.3925
Last 30-days arithmetical average rate	1.6885	2.2043	1.7272	2.3943

***The Bank's consolidated currency risk:***

	<b>Euro</b>	<b>USD</b>	<b>Yen</b>	<b>Other FCs</b>	<b>Total</b>
<b>Current Period</b>					
<b>Assets</b>					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,000,277	1,149,797	239	84,302	3,234,615
Banks	2,797,262	5,920,982	4,233	139,562	8,862,039
Financial Assets at Fair Value through Profit/Loss	113,507	247,894	226	6,745	368,372
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	535,080	3,176,642	-	39,334	3,751,056
Loans (*)	9,197,315	18,677,908	72,127	737,974	28,685,324
Investments in Associates, Subsidiaries and Joint-Ventures	700	-	-	-	700
Investments Held-to-Maturity	42,858	1,792,816	-	-	1,835,674
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	87,305	398	-	13,498	101,201
Intangible Assets	4,318	-	-	320	4,638
Other Assets	1,165,428	928,951	7,187	2,179	2,103,745
<b>Total Assets</b>	<b>15,944,050</b>	<b>31,895,388</b>	<b>84,012</b>	<b>1,023,914</b>	<b>48,947,364</b>
<b>Liabilities</b>					
Bank Deposits	416,174	515,448	15,717	127,411	1,074,750
Foreign Currency Deposits	12,963,016	16,401,128	53,518	574,567	29,992,229
Interbank Money Market Takings	88,362	320,942	-	-	409,304
Other Fundings	4,756,845	7,446,401	1,060	3,675	12,207,981
Securities Issued	-	-	-	-	-
Miscellaneous Payables	52,860	69,245	5,248	9,735	137,088
Derivative Financial Liabilities Held for Risk Management	-	4,958	-	-	4,958
Other Liabilities (**)	138,948	196,219	2,252	272,368	609,787
<b>Total Liabilities</b>	<b>18,416,205</b>	<b>24,954,341</b>	<b>77,795</b>	<b>987,756</b>	<b>44,436,097</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(2,472,155)</b>	<b>6,941,047</b>	<b>6,217</b>	<b>36,158</b>	<b>4,511,267</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>2,711,695</b>	<b>(7,369,400)</b>	<b>(4,367)</b>	<b>29,175</b>	<b>(4,632,897)</b>
Derivative Assets	5,342,347	9,251,706	14,608	607,353	15,216,014
Derivative Liabilities	(2,630,652)	(16,621,106)	(18,975)	(578,178)	(19,848,911)
Non-Cash Loans	-	-	-	-	-
<b>Prior Period</b>					
<b>Total Assets</b>	<b>13,266,009</b>	<b>28,835,289</b>	<b>80,073</b>	<b>952,604</b>	<b>43,133,975</b>
<b>Total Liabilities</b>	<b>17,372,469</b>	<b>23,295,370</b>	<b>62,438</b>	<b>926,113</b>	<b>41,656,390</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(4,106,460)</b>	<b>5,539,919</b>	<b>17,635</b>	<b>26,491</b>	<b>1,477,585</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>4,080,591</b>	<b>(5,762,984)</b>	<b>(18,450)</b>	<b>8,430</b>	<b>(1,692,413)</b>
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 2,566,155 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 229,117 thousands.

#### 4.6 Consolidated interest rate risk

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

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

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

During the daily VaR calculations, the interest rate risks of the Bank's 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.

##### 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
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,032,385	-	-	-	-	3,136,402	5,168,787
Banks	6,484,036	1,067,474	2,584,114	9,891	-	989,823	11,135,338
Financial Assets at Fair Value through Profit/Loss	7,323	85,035	242,708	252,408	5,223	672,908	1,265,605
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	3,198,688	1,583,505	7,815,804	4,953,129	406,720	1,428,412	19,386,258
Loans	16,355,583	12,862,917	11,100,509	9,106,265	2,870,937	1,667,664	53,963,875
Investments Held-to-Maturity	-	210,755	2,678,528	3,242,249	1,451,121	114,288	7,696,941
Other Assets	208,875	389,404	854,547	1,046,039	76,259	3,741,857	6,316,981
<b>Total Assets</b>	<b>28,286,890</b>	<b>16,199,090</b>	<b>25,276,210</b>	<b>18,609,981</b>	<b>4,810,260</b>	<b>11,751,354</b>	<b>104,933,785</b>
<b>Liabilities</b>							
Bank Deposits	686,577	113,490	195,258	32,424	-	684,530	1,712,279
Other Deposits	44,250,316	4,050,810	3,907,482	836,311	527	8,883,864	61,929,310
Interbank Money Market Takings	8,434,300	133,096	268,499	548,635	-	48,113	9,432,643
Miscellaneous Payables	-	-	-	-	-	3,071,615	3,071,615
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,236,049	3,333,079	3,102,152	577,629	852,835	138,807	15,240,551
Other Liabilities	-	-	-	-	-	13,547,387	13,547,387
<b>Total Liabilities</b>	<b>60,607,242</b>	<b>7,630,475</b>	<b>7,473,391</b>	<b>1,994,999</b>	<b>853,362</b>	<b>26,374,316</b>	<b>104,933,785</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>8,568,615</b>	<b>17,802,819</b>	<b>16,614,982</b>	<b>3,956,898</b>	<b>-</b>	<b>43,943,314</b>
<b>On Balance Sheet Short Position</b>	<b>(32,320,352)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,622,962)</b>	<b>(43,943,314)</b>
<b>Off-Balance Sheet Long Position</b>	<b>4,008</b>	<b>867</b>	<b>16,410</b>	<b>1,135</b>	<b>-</b>	<b>-</b>	<b>22,420</b>
<b>Off-Balance Sheet Short Position</b>	<b>-</b>	<b>(2,507)</b>	<b>(19,218)</b>	<b>(1,041)</b>	<b>-</b>	<b>-</b>	<b>(22,766)</b>
<b>Total Position</b>	<b>(32,316,344)</b>	<b>8,566,975</b>	<b>17,800,011</b>	<b>16,615,076</b>	<b>3,956,898</b>	<b>(14,622,962)</b>	<b>(346)</b>

***Average interest rates on monetary financial instruments (%):***

<b>Current Period</b>	<b>Euro</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	8.40
Banks (*)	0.50-6.89	0.03-7.25	-	10.50-17.08
Financial Assets at Fair Value through Profit/Loss	1.71-6.98	0.83-5.59	-	11.58-19.76
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	1.81-9.50	1.76-12.38	-	12.51-21.70
Loans	7.20-18.50	4.79-19.00	5.72	10.95-32.00
Investments Held-to-Maturity	9.25-9.50	6.13-12.38	-	16.52-16.82
<b>Liabilities</b>				
Bank Deposits	0.70-6.94	0.65-5.85	-	9.50-11.62
Other Deposits	1.75-10.75	1.50-11.70	0.30	11.45
Interbank Money Market Takings	3.70-6.75	3.67-4.90	-	10.88
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.89-6.07	2.88-8.03	3.19	11.55-13.93

(\*) The interest rates for USD and TL placements at banks are 0.80% and 11.42%, respectively, when the placements with range accrual agreements are excluded.

**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
<b>Assets</b>							
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	40,552	-	-	-	-	-	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
<b>Total Assets</b>	<b>23,166,462</b>	<b>18,361,654</b>	<b>21,414,737</b>	<b>18,407,668</b>	<b>5,139,266</b>	<b>12,548,626</b>	<b>99,038,413</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>58,402,097</b>	<b>7,842,126</b>	<b>5,042,871</b>	<b>2,091,478</b>	<b>788,122</b>	<b>24,871,719</b>	<b>99,038,413</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>10,519,528</b>	<b>16,371,866</b>	<b>16,316,190</b>	<b>4,351,144</b>	<b>-</b>	<b>47,558,728</b>
<b>On Balance Sheet Short Position</b>	<b>(35,235,635)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,323,093)</b>	<b>(47,558,728)</b>
<b>Off-Balance Sheet Long Position</b>	<b>3,116</b>	<b>2,155</b>	<b>6,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,915</b>
<b>Off-Balance Sheet Short Position</b>	<b>(50)</b>	<b>(16,701)</b>	<b>(44,773)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,524)</b>
<b>Total Position</b>	<b>(35,232,569)</b>	<b>10,504,982</b>	<b>16,333,737</b>	<b>16,316,190</b>	<b>4,351,144</b>	<b>(12,323,093)</b>	<b>(49,609)</b>



**Average interest rates on monetary financial instruments (%):**

Prior Period	Euro	USD	Yen	TL
<b>Assets</b>				
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
<b>Liabilities</b>				
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 first three-months of 2009 and the year of 2008 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	168.40	157.50	101.40	110.18
Maximum (%)	184.75	167.05	110.29	113.47
Minimum (%)	137.78	145.34	89.43	107.40

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
Maximum (%)	215.04	179.94	126.94	119.49
Minimum (%)	137.44	126.82	95.14	100.70

***Maturity analysis of assets and liabilities according to remaining maturities:***

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Undistributed (*)</b>	<b>Total</b>
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,136,402	2,032,385	-	-	-	-	-	<b>5,168,787</b>
Banks	927,222	5,615,172	152,814	20,056	2,111,775	1,664,880	643,419	<b>11,135,338</b>
Financial Assets at Fair Value through Profit/Loss	19,160	52,125	156,901	654,390	376,738	6,291	-	<b>1,265,605</b>
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	72,268	321,515	297,188	3,557,433	13,828,036	1,309,818	-	<b>19,386,258</b>
Loans	135,684	10,823,182	6,515,511	8,265,054	15,707,506	12,156,091	360,847	<b>53,963,875</b>
Investments Held-to-Maturity	-	-	201,988	1,464,241	4,572,820	1,457,892	-	<b>7,696,941</b>
Other Assets	393,271	423,148	1,422,164	786,963	1,122,468	75,004	2,093,963	<b>6,316,981</b>
<b>Total Assets</b>	<b>4,684,007</b>	<b>19,267,527</b>	<b>8,746,566</b>	<b>14,748,137</b>	<b>37,719,343</b>	<b>16,669,976</b>	<b>3,098,229</b>	<b>104,933,785</b>
<b>Liabilities</b>								
Bank Deposits	734,876	612,609	96,025	243,450	25,319	-	-	<b>1,712,279</b>
Other Deposits	10,533,583	42,772,419	4,553,505	2,675,630	1,275,503	118,670	-	<b>61,929,310</b>
Other Fundings	-	1,008,600	1,964,047	3,755,580	5,441,516	3,070,808	-	<b>15,240,551</b>
Interbank Money Market Takings	-	8,444,418	136,907	272,599	578,719	-	-	<b>9,432,643</b>
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	184,535	1,877,501	-	1,009,579	-	-	-	<b>3,071,615</b>
Other Liabilities (**)	497,074	345,916	162,882	233,360	72,929	1,934	12,233,292	<b>13,547,387</b>
<b>Total Liabilities</b>	<b>11,950,068</b>	<b>55,061,463</b>	<b>6,913,366</b>	<b>8,190,198</b>	<b>7,393,986</b>	<b>3,191,412</b>	<b>12,233,292</b>	<b>104,933,785</b>
<b>Liquidity Gap</b>	<b>(7,266,061)</b>	<b>(35,793,936)</b>	<b>1,833,200</b>	<b>6,557,939</b>	<b>30,325,357</b>	<b>13,478,564</b>	<b>(9,135,063)</b>	<b>-</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>5,563,100</b>	<b>16,056,020</b>	<b>8,729,566</b>	<b>13,328,381</b>	<b>36,944,311</b>	<b>15,947,545</b>	<b>2,469,490</b>	<b>99,038,413</b>
<b>Total Liabilities</b>	<b>11,249,485</b>	<b>52,649,997</b>	<b>6,098,654</b>	<b>8,906,724</b>	<b>6,666,873</b>	<b>2,327,610</b>	<b>11,139,070</b>	<b>99,038,413</b>
<b>Liquidity Gap</b>	<b>(5,686,385)</b>	<b>(36,593,977)</b>	<b>2,630,912</b>	<b>4,421,657</b>	<b>30,277,438</b>	<b>13,619,935</b>	<b>(8,669,580)</b>	<b>-</b>

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

(\*\*) Shareholders' Equity is included in "Other liabilities" line under "Undistributed" column.

#### **4.8 Fair values of financial assets and liabilities**

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

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

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	269,117	205,794	312,476	359,882
Central Bank of Turkey	1,662,116	2,963,570	2,258,831	2,589,911
Others	2,939	65,251	3,753	25,177
<b>Total</b>	<b>1,934,172</b>	<b>3,234,615</b>	<b>2,575,060</b>	<b>2,974,970</b>

#### *Balances with the Central Bank of Turkey:*

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,662,116	976,806	2,258,831	853,027
Unrestricted Time Deposits	-	83,751	-	15,200
Restricted Time Deposits	-	1,903,013	-	1,721,684
<b>Total</b>	<b>1,662,116</b>	<b>2,963,570</b>	<b>2,258,831</b>	<b>2,589,911</b>

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 6% 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 8.40%. 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	94	-	89	-
Others	-	-	-	-
<b>Total</b>	<b>94</b>	<b>-</b>	<b>89</b>	<b>-</b>

##### 5.1.2.2 *Positive differences on trading derivative instruments*

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	46,528	6,106	59,507	5,604
Swap Transactions	324,909	166,342	441,829	178,418
Futures	-	770	-	14
Options	51,365	51,255	11,231	46,447
Others	-	1,679	-	185
<b>Total</b>	<b>422,802</b>	<b>226,152</b>	<b>512,567</b>	<b>230,668</b>

### 5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	439,458	714,896	371,140	1,206,441
Foreign banks	1,833,841	8,147,143	1,342,728	4,129,913
Foreign headoffices and branches	-	-	-	-
<b>Total</b>	<b>2,273,299</b>	<b>8,862,039</b>	<b>1,713,868</b>	<b>5,336,354</b>

The placements at foreign banks include blocked accounts amounting TL 3,412,549 thousands of which TL 246,894 thousands, TL 189,837 thousands and TL 13,191 thousands are kept at the central banks of Luxembourg, Malta and NCTR, respectively as reserve deposits and TL 2,962,627 thousands as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 22,998 thousands as required by insurance activities.

#### *Due from foreign banks:*

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

### 5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Carrying values of such securities with total face value of TL 2,229,045 thousands (31 December 2008: TL 2,421,747 thousands) is TL 2,132,251 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 150,456 thousands (31 December 2008: TL 125,357 thousands) and TL 86 thousands (31 December 2008: TL 1,743 thousands). 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 240,495,000 and EUR 3,884,000 (31 December 2008: USD 272,345,000 and EUR 3,884,000), are USD 241,237,452 and EUR 4,012,601 (31 December 2008: USD 273,641,122 and EUR 4,070,650). The related accrued interest income amount to USD 3,783,696 and EUR 25,723 respectively (31 December 2008: USD 9,915,654 and EUR 30,507), and the impairment losses to USD 927,926 and EUR 258,490 respectively (31 December 2008: USD 1,375,890 and EUR 242,566).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,282,621	413,225	2,488,593	437,003
Assets subject to Repurchase Agreements	5,779,739	322,105	6,491,961	540,370
<b>Total</b>	<b>8,062,360</b>	<b>735,330</b>	<b>8,980,554</b>	<b>977,373</b>

#### 5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
<b>Debt Securities</b>	<b>18,013,967</b>	<b>16,881,667</b>
Quoted at Stock Exchange	15,818,906	15,062,032
Unquoted at Stock Exchange	2,195,061	1,819,635
<b>Common Shares</b>	<b>26,395</b>	<b>25,682</b>
Quoted at Stock Exchange	13,926	13,213
Unquoted at Stock Exchange	12,469	12,469
<b>Value Increase/Impairment Losses (-)</b>	<b>1,345,896</b>	<b>1,420,272</b>
<b>Total</b>	<b>19,386,258</b>	<b>18,327,621</b>

As of 31 March 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 890,888,889 and EUR 1,175,000 (31 December 2008: USD 895,500,000 and EUR 1,175,000) and a total carrying value of TL 1,487,073 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".

#### 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
<b>Direct Lendings to Shareholders</b>	<b>22</b>	<b>1,666</b>	<b>25</b>	<b>1,661</b>
Corporates	22	1,666	25	1,661
Individuals	-	-	-	-
<b>Indirect Lendings to Shareholders</b>	<b>253,651</b>	<b>202,504</b>	<b>243,152</b>	<b>184,251</b>
<b>Loans to Employees</b>	<b>56,516</b>	<b>-</b>	<b>48,381</b>	<b>-</b>
<b>Total</b>	<b>310,189</b>	<b>204,170</b>	<b>291,558</b>	<b>185,912</b>

**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
<b>Loans</b>	<b>52,456,882</b>	<b>-</b>	<b>1,091,789</b>	<b>54,359</b>
Discounted Bills	113,664	-	321	-
Export Loans	3,807,744	-	54,474	4,583
Import Loans	3,414	-	-	-
Loans to Financial Sector	1,842,249	-	1,220	-
Foreign Loans	2,051,662	-	867	-
Consumer Loans	9,553,951	-	259,303	-
Credit Cards	6,595,627	-	282,805	-
Precious Metal Loans	249,259	-	8,050	-
Others	28,239,312	-	484,749	49,776
<b>Specialization Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>52,456,882</b>	<b>-</b>	<b>1,091,789</b>	<b>54,359</b>

**Collaterals received for loans under follow-up**

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	12,958	1,014	-	13,972
Loans Collateralized by Mortgages	321,898	108,055	-	429,953
Loans Collateralized by Pledged Assets	120,132	38,463	-	158,595
Loans Collateralized by Cheques and Notes	53,802	57,049	-	110,851
Loans Collateralized by Other Collaterals	68,950	10,269	-	79,219
Unsecured Loans	26,300	44,453	282,805	353,558
<b>Total</b>	<b>604,040</b>	<b>259,303</b>	<b>282,805</b>	<b>1,146,148</b>

**Delinquency periods of loans under follow-up**

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	111,002	190,351	200,916	502,269
60-90 days	74,550	68,952	81,889	225,391
Other	364,129	-	-	364,129
<b>Total</b>	<b>549,681</b>	<b>259,303</b>	<b>282,805</b>	<b>1,091,789</b>

**5.1.5.3 Maturity analysis of cash loans**

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

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

	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans – TL</b>	<b>346,451</b>	<b>7,566,494</b>	<b>7,912,945</b>
Housing Loans	20,601	4,454,865	4,475,466
Automobile Loans	16,914	679,977	696,891
General Purpose Loans	308,936	2,431,652	2,740,588
Others	-	-	-
<b>Consumer Loans – FC-indexed</b>	<b>14,241</b>	<b>1,048,214</b>	<b>1,062,455</b>
Housing Loans	2,776	921,347	924,123
Automobile Loans	1,317	43,474	44,791
General Purpose Loans	10,148	83,393	93,541
Others	-	-	-
<b>Consumer Loans – FC</b>	<b>20,647</b>	<b>289,557</b>	<b>310,204</b>
Housing Loans	1,860	11,143	13,003
Automobile Loans	-	16,829	16,829
General Purpose Loans	3,048	1,616	4,664
Others	15,739	259,969	275,708
<b>Retail Credit Cards – TL</b>	<b>6,602,761</b>	<b>41,620</b>	<b>6,644,381</b>
With Installment	2,462,907	41,613	2,504,520
Without Installment	4,139,854	7	4,139,861
<b>Retail Credit Cards – FC</b>	<b>11,756</b>	<b>29,847</b>	<b>41,603</b>
With Installment	612	1	613
Without Installment	11,144	29,846	40,990
<b>Personnel Loans – TL</b>	<b>17,964</b>	<b>9,569</b>	<b>27,533</b>
Housing Loan	-	1,705	1,705
Automobile Loans	17	230	247
General Purpose Loans	17,947	7,634	25,581
Others	-	-	-
<b>Personnel Loans - FC-indexed</b>	<b>-</b>	<b>473</b>	<b>473</b>
Housing Loans	-	275	275
Automobile Loans	-	198	198
General Purpose Loans	-	-	-
Others	-	-	-
<b>Personnel Loans – FC</b>	<b>976</b>	<b>29</b>	<b>1,005</b>
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	24	29	53
Others	952	-	952
<b>Personnel Credit Cards – TL</b>	<b>21,119</b>	<b>179</b>	<b>21,298</b>
With Installment	15,012	179	15,191
Without Installment	6,107	-	6,107
<b>Personnel Credit Cards – FC</b>	<b>198</b>	<b>-</b>	<b>198</b>
With Installment	15	-	15
Without Installment	183	-	183
<b>Deposit Accounts– TL (real persons)</b>	<b>498,639</b>	<b>-</b>	<b>498,639</b>
<b>Deposit Accounts– FC (real persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,534,752</b>	<b>8,985,982</b>	<b>16,520,734</b>



#### **5.1.5.5 Installment based commercial loans and corporate credit cards**

	Short-Term	Medium and Long-Term	Total
<b>Installment-based Commercial Loans – TL</b>	<b>668,051</b>	<b>2,726,422</b>	<b>3,394,473</b>
Real Estate Loans	1,550	353,027	354,577
Automobile Loans	46,356	901,185	947,541
General Purpose Loans	620,145	1,472,210	2,092,355
Others	-	-	-
<b>Installment-based Commercial Loans - FC-indexed</b>	<b>102,699</b>	<b>557,098</b>	<b>659,797</b>
Real Estate Loans	385	65,371	65,756
Automobile Loans	4,497	209,767	214,264
General Purpose Loans	97,817	281,960	379,777
Others	-	-	-
<b>Installment-based Commercial Loans – FC</b>	<b>27</b>	<b>13,280</b>	<b>13,307</b>
Real Estate Loans	-	442	442
Automobile Loans	-	4,355	4,355
General Purpose Loans	27	8,483	8,510
Others	-	-	-
<b>Corporate Credit Cards – TL</b>	<b>167,311</b>	<b>178</b>	<b>167,489</b>
With Installment	55,791	178	55,969
Without Installment	111,520	-	111,520
<b>Corporate Credit Cards – FC</b>	<b>3,463</b>	<b>-</b>	<b>3,463</b>
With Installment	-	-	-
Without Installment	3,463	-	3,463
<b>Deposit Accounts– TL (corporate)</b>	<b>552,413</b>	<b>-</b>	<b>552,413</b>
<b>Deposit Accounts– FC (corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,493,964</b>	<b>3,296,978</b>	<b>4,790,942</b>

#### **5.1.5.6 Allocation of loans by customers**

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

#### **5.1.5.7 Allocation of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	51,550,501	50,134,508
Foreign Loans	2,052,529	2,165,046
<b>Total</b>	<b>53,603,030</b>	<b>52,299,554</b>

#### **5.1.5.8 Loans to associates and subsidiaries**

	Current Period	Prior Period
Direct Lending	7,530	6,954
Indirect Lending	-	-
<b>Total</b>	<b>7,530</b>	<b>6,954</b>

**5.1.5.9 Specific provisions for loans**

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	208,775	62,160
Doubtful Loans and Receivables	270,295	179,505
Uncollectible Loans and Receivables	703,951	573,013
<b>Total</b>	<b>1,183,021</b>	<b>814,678</b>

**5.1.5.10 Non-performing loans(NPLs) (net)**

**Non-performing loans and other receivables restructured or rescheduled:**

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Current Period</b>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	54,130
Rescheduled Loans and Receivables	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,130</b>
<b>Prior Period</b>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	54,285
Rescheduled Loans and Receivables	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,285</b>

**Movements in non-performing loan groups:**

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Balances at Beginning of Period</b>	<b>238,188</b>	<b>294,614</b>	<b>732,022</b>
Additions (+)	436,746	14,282	20,566
Transfer from Other NPL Categories (+)	-	223,993	120,837
Transfer to Other NPL Categories (-)	223,993	120,837	-
Collections during the Period (-)	56,746	41,944	48,136
Write-offs (-)	-	11	45,715
Corporate and Commercial Loans	-	11	14,240
Retail Loans	-	-	794
Credit Cards	-	-	30,681
Other	-	-	-
<b>Balances at End of Period</b>	<b>394,195</b>	<b>370,097</b>	<b>779,574</b>
Specific Provisions (-)	208,775	270,295	703,951
<b>Net Balance on Balance Sheet</b>	<b>185,420</b>	<b>99,802</b>	<b>75,623</b>

***Movements in specific loan provisions***

	<b>Corporate / Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>Balances at End of Prior Period</b>	<b>257,567</b>	<b>166,194</b>	<b>390,917</b>	<b>814,678</b>
Additions during the Period (+)	188,815	79,458	254,576	522,849
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	16,408	16,330	76,042	108,780
Write-Offs (-)	14,251	794	30,681	45,726
<b>Balances at End of Period</b>	<b>415,723</b>	<b>228,528</b>	<b>538,770</b>	<b>1,183,021</b>

***Non-performing loans in foreign currencies***

	<b>Group III Substandard Loans and Receivables</b>	<b>Group IV Doubtful Loans and Receivables</b>	<b>Group V Uncollectible Loans and Receivables</b>
<b>Current Period</b>			
<b>Balance at End of Period</b>	<b>18,803</b>	<b>10,031</b>	<b>158,978</b>
Specific Provisions (-)	7,096	7,653	155,753
<b>Net Balance at Balance Sheet</b>	<b>11,707</b>	<b>2,378</b>	<b>3,225</b>
<b>Prior Period</b>			
<b>Balance at End of Period</b>	<b>7,071</b>	<b>3,594</b>	<b>151,143</b>
Specific Provisions (-)	467	526	120,486
<b>Net Balance at Balance Sheet</b>	<b>6,604</b>	<b>3,068</b>	<b>30,657</b>

***Gross and net non-performing loans and receivables as per customer categories***

	<b>Group III Substandard Loans and Receivables</b>	<b>Group IV Doubtful Loans and Receivables</b>	<b>Group V Uncollectible Loans and Receivables</b>
<b>Current Period (Net)</b>	<b>185,420</b>	<b>99,802</b>	<b>75,623</b>
Loans to Individuals and Corporates (Gross)	394,195	370,097	771,575
Specific Provision (-)	208,775	270,295	695,952
Loans to Individuals and Corporates (Net)	185,420	99,802	75,623
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,688
Specific Provision (-)	-	-	7,688
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>176,028</b>	<b>115,109</b>	<b>159,009</b>
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)	-	-	-

***Collaterals received for non-performing loans***

	<b>Corporate/Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	1,468	336	-	1,804
Loans Collateralized by Mortgages	259,197	85,807	-	345,004
Loans Collateralized by Pledged Assets	105,618	93,199	-	198,817
Loans Collateralized by Cheques and Notes	75,605	170,245	-	245,850
Loans Collateralized by Other Collaterals	20,707	13,769	-	34,476
Unsecured Loans	55,753	70,530	591,632	717,915
<b>Total</b>	<b>518,348</b>	<b>433,886</b>	<b>591,632</b>	<b>1,543,866</b>

**5.1.5.11 *Liquidation policy for uncollectible loans and receivables***

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

**5.1.5.12 *Write-off policy***

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

**5.1.6 *Factoring receivables***

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

**5.1.7 *Investments held-to-maturity***

**5.1.7.1 *Investment subject to repurchase agreements and provided as collateral/blocked***

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Collateralised/Blocked Investments	1,453,158	15,916	1,508,226	65,263
Investments subject to Repurchase Agreements	3,469,360	173,464	4,354,254	254,746
<b>Total</b>	<b>4,922,518</b>	<b>189,380</b>	<b>5,862,480</b>	<b>320,009</b>

**5.1.7.2 *Government securities held-to-maturity***

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	5,861,260	6,086,566
Treasury Bills	-	-
Other Government Securities	1,791,735	1,658,021
<b>Total</b>	<b>7,652,995</b>	<b>7,744,587</b>

**5.1.7.3 *Investments held-to-maturity***

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>7,653,371</b>	<b>7,516,860</b>
Quoted at Stock Exchange	7,605,533	7,476,079
Unquoted at Stock Exchange	47,838	40,781
<b>Impairment Losses (-)</b>	<b>43,570</b>	<b>267,521</b>
<b>Total</b>	<b>7,696,941</b>	<b>7,784,381</b>

#### 5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>7,784,381</b>	<b>4,300,360</b>
Foreign Currency Differences on Monetary Assets	150,064	90,970
Purchases during the Period	-	3,974,502
Disposals through Sales/Redemptions	-	(729,947)
Value Increase/Impairment Losses (-)	(37,996)	11,068
Change in Redeemed Costs	(199,508)	137,428
<b>Balances at End of Period</b>	<b>7,696,941</b>	<b>7,784,381</b>

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 87,734 thousands and USD 6,766,198.

#### 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	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ	Istanbul/Turkey	0.77	0.77
4	İMKB Takas ve Saklama Bankası AŞ <sup>(1)</sup>	Istanbul/Turkey	5.83	5.83
5	Vadeli İşlem ve Opsiyon Borsası AŞ <sup>(1)</sup>	Istanbul/Turkey	6.00	6.00
6	KKB Kredi Kayıt Bürosu AŞ	Istanbul/Turkey	9.09	9.09
7	Gelişen İşletmeler Piyasaları AŞ	Istanbul/Turkey	5.00	5.00

	Total Assets	Shareholders’ Equity	Total Fixed Assets <sup>(*)</sup>	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company’s Fair Value (if available)
1	7,566	4,486	366	131	76	644	722	-
2	14,077	12,455	5,104	284	-	(833)	4,421	-
3	111,904	54,200	1,350	2,094	581	944	4,119	-
4	1,408,378	272,795	11,115	47,842	17,514	45,208	53,253	-
5	31,706	29,816	2,333	3,615	64	15,988	2,854	-
6	26,820	15,756	1,874	1,085	4	2,186	-	-
7	7,599	7,543	2	285	-	217	1,030	-

<sup>(1)</sup> Financial information is as of 31 December 2008.

<sup>(\*)</sup> 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**

None.

**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	Eureko 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	Company's Fair Value (if available)
1	519,466	226,041	10,775	4,015	7,919	21,032	97,683	-

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

**5.1.8.3 Movement of consolidated investments in associates**

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>40,342</b>	<b>28,997</b>
<b>Movements during the Period</b>	<b>4,866</b>	<b>11,345</b>
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	4,866	11,345
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at End of Period</b>	<b>45,208</b>	<b>40,342</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the End of Period (%)</b>	-	-

**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	45,208	40,342

**Sectoral distribution of consolidated investments and associates**

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	45,208	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.

**5.1.9 Investments in subsidiaries**

**5.1.9.1 Unconsolidated investments in subsidiaries**

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's 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 <sup>(1)</sup>	Istanbul/Turkey	100.00	100.00
6	Trifoy Real Estate Company	Bucharest/Romani	-	100.00
7	Participation GBI Custody	Amsterdam/Holland	-	100.00
8	Participation United Custodian	Amsterdam/Holland	-	100.00
9	Trifoy Investments	Amsterdam/Holland	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets <sup>(*)</sup>	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	16,157	9,898	506	-	445	13	(97,416)	-
2	15,470	8,991	881	-	552	612	7,801	-
3	690	620	12	-	22	130	121	-
4	426	204	44	-	1	(14)	(126)	-
5	511	398	-	-	5	(430)	69	-
6	120	91	135	-	-	-	(37)	-
7	277	275	-	-	-	-	-	-
8	277	275	-	-	-	-	-	-
9	2	2	-	-	-	-	-	-
10	106,724	3,134	84,362	-	-	(1,358)	(5,508)	-

<sup>(1)</sup> 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 99.9995%, has been paid.

<sup>(\*)</sup> 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 March 2009, the investments in Trifoy Real Estate Company, Participation GBI Custody, Participation United Custodian and Trifoy Investments 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 Garanti Bilişim Teknolojisi ve Tic. AŞ, Garanti Ödeme Sistemleri AŞ, Garanti Hizmet Yönetimi AŞ, Garanti Kültür AŞ, Garanti Filo Yönetim Hizmetleri AŞ and Garanti Konut Finansmanı Danışmanlık Hizmetleri AŞ are accounted under equity method of accounting.

**5.1.9.2 Movement of consolidated investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>810,562</b>	<b>577,928</b>
<b>Movements during the Period</b>	<b>31,614</b>	<b>232,634</b>
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	71,668
Dividends from Current Year Profit	-	910
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	4,179	(23,275)
Currency Differences on Foreign Subsidiaries	27,435	86,926
Impairment Losses (-)	-	96,405
<b>Balance at End of Period</b>	<b>842,176</b>	<b>810,562</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of Period (%)</b>	<b>-</b>	<b>-</b>

***Valuation methods of consolidated investments in subsidiaries***

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	631,589	599,975
Valued by Equity Method of Accounting	-	-

***Sectoral distribution of consolidated investments in subsidiaries***

	Current Period	Prior Period
Banks	580,447	555,439
Insurance Companies	56,545	56,545
Factoring Companies	21,394	17,215
Leasing Companies	85,381	85,381
Finance Companies	98,409	95,982
Other Subsidiaries	-	-

***Quoted consolidated investments in subsidiaries***

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	21,394	17,215
Quoted at International Stock Exchanges	-	-



***Other information on consolidated investments in subsidiaries***

	<b>Subsidiaries</b>	<b>Address (City/ Country)</b>	<b>Parent Bank's Share – If Different, Voting Rights (%)</b>	<b>Shares of Other Consolidated Subsidiaries (%)</b>	<b>Method of Consolidation</b>
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	-	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	75.02	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

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets (*)</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss and Extraordinary Reserves</b>	<b>Company's Fair Value (if available)</b>
1	2,218,642	297,010	18,068	56,232	-	11,370	202,392	-
2	719,002	43,914	2,427	27,590	257	2,486	20,723	38,614
3	27,203	24,574	3,398	218	357	(366)	10,250	-
4	16,147	14,201	1,206	485	5	8	1,406	-
5	1,341,619	177,735	11,945	6,620	1,888	20,824	89,643	-
6	7,654,858	505,800	103,824	84,705	26,593	16,758	79,559	506,227
7	420,745	88,444	873	8,166	2,099	3,660	43,056	98,934
8	11,561	11,165	-	-	-	-	5,463	29,750
9	101	-	-	-	-	-	(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***

None.

**5.1.10 Investments in joint-ventures**

None.

**5.1.11 Lease receivables**

**5.1.11.1 Financial lease receivables according to remaining maturities**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 Year	1,063,157	898,401	1,098,119	927,694
Between 1-5 Years	1,299,340	1,148,317	1,270,738	1,121,576
Longer than 5 Years	61,789	56,235	60,329	54,727
<b>Total</b>	<b>2,424,286</b>	<b>2,102,953</b>	<b>2,429,186</b>	<b>2,103,997</b>

#### **5.1.11.2 Net financial lease receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Gross Financial Lease Receivables	2,424,286	2,429,186
Unearned Income on Financial Lease Receivables (-)	(321,333)	(325,189)
Terminated Lease Contracts (-)	-	-
<b>Net Financial Lease Receivables</b>	<b>2,102,953</b>	<b>2,103,997</b>

#### **5.1.11.3 Financial lease agreements**

The criterias applied for the financial lease agreements are as follows:

The customer applied for a financial lease is evaluated based on the lending policies and criterias 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**

<b>Derivative Financial Assets held for Risk Management</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	-	-	69,161
Net Foreign Investment Hedges	-	-	-	-
<b>Total</b>	-	-	-	<b>69,161</b>

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”.

**5.1.13 Tangible assets**

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

**5.1.14 Intangible assets**

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

**5.1.15 Investment property**

None.

**5.1.16 Deferred tax asset**

As of 31 March 2009, on a consolidated basis the Bank has a deferred tax asset of TL 73,338 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 March 2009. However, there is a deferred tax asset of TL 168,854 thousands (31 December 2008: TL 133,715 thousands) and deferred tax liability of TL 95,516 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.

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

	<i>Current Period</i>	<i>Prior Period</i>
<b>End of Prior Period</b>		
<b>Cost</b>	<b>83,178</b>	<b>115,635</b>
<b>Accumulated Depreciation (-)</b>	<b>(1,832)</b>	<b>(2,749)</b>
<b>Net Book Value</b>	<b>81,346</b>	<b>112,886</b>
<b>End of Current Period</b>		
Additions	7,800	6,923
Disposals (Cost)	(2,553)	(39,867)
Disposals (Accumulated Depreciation)	11	1,780
Reversal of Impairment / Impairment Losses (-)	-	487
Depreciation Expense for Current Period (-)	(199)	(863)
Currency Translation Differences on Foreign		-
<b>Cost</b>	<b>88,425</b>	<b>83,178</b>
<b>Accumulated Depreciation (-)</b>	<b>(2,020)</b>	<b>(1,832)</b>
<b>Net Book Value</b>	<b>86,405</b>	<b>81,346</b>

As of balance sheet date, the rights of repurchase on various assets held for sale amount to TL 13,641 thousands (31 December 2008: TL 13,714 thousands).

#### 5.1.18 Other Assets

##### 5.1.18.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	31,667	29,530
Sale of Real Estates	176	455
Sale of Other Assets	2,863	2,863
<b>Total</b>	<b>34,706</b>	<b>32,848</b>

##### 5.1.18.2 Prepaid expenses

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	309,288	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	Total
<b>Saving Deposits</b>	1,491,152	-	6,318,843	10,720,670	171,972	141,509	153,077	-	18,997,223
<b>Foreign Currency Deposits</b>	6,396,580	-	8,672,352	10,333,858	648,463	2,062,322	1,782,331	96,323	29,992,229
Residents in Turkey	4,315,928	-	8,103,106	9,761,187	430,930	564,628	629,543	94,906	23,900,228
Residents in Abroad	2,080,652	-	569,246	572,671	217,533	1,497,694	1,152,788	1,417	6,092,001
<b>Public Sector Deposits</b>	576,740	-	6,569	277,119	25	279	65	-	860,797
<b>Commercial Deposits</b>	1,775,623	-	4,303,451	4,757,205	33,926	34,469	121,207	-	11,025,881
<b>Others</b>	97,208	-	138,894	586,589	618	515	239	-	824,063
<b>Precious Metal Deposits</b>	196,280	-	1	2,345	-	28,063	2,428	-	229,117
<b>Bank Deposits</b>	734,876	-	454,359	182,530	74,134	83,762	182,618	-	1,712,279
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	11,832	-	64,614	130,646	340	4,362	61,259	-	273,053
Foreign Banks	642,456	-	389,745	51,884	73,794	79,400	121,359	-	1,358,638
Special Purpose Financial Institutions	80,588	-	-	-	-	-	-	-	80,588
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,268,459</b>	<b>-</b>	<b>19,894,469</b>	<b>26,860,316</b>	<b>929,138</b>	<b>2,350,919</b>	<b>2,241,965</b>	<b>96,323</b>	<b>63,641,589</b>

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
<b>Saving Deposits</b>	1,288,447	-	6,734,053	10,090,399	115,387	87,261	77,063	-	18,392,610
<b>Foreign Currency Deposits</b>	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
<b>Public Sector Deposits</b>	426,693	-	283,600	516,009	25	272	63	-	1,226,662
<b>Commercial Deposits</b>	1,718,894	-	3,085,788	3,647,112	74,494	31,679	97,490	-	8,655,457
<b>Others</b>	159,815	-	54,414	77,756	705	569	207	-	293,466
<b>Precious Metal Deposits</b>	93,443	-	1	2,002	-	24,020	2,088	-	121,554
<b>Bank Deposits</b>	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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10,586,838</b>	<b>-</b>	<b>20,183,627</b>	<b>21,670,347</b>	<b>880,671</b>	<b>2,357,610</b>	<b>2,189,987</b>	<b>90,877</b>	<b>57,959,957</b>

### **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	8,820,849	8,456,294	9,853,423	9,677,592
Foreign Currency Saving Deposits	7,333,596	6,040,437	9,927,845	8,138,054
Other Saving Deposits	68,270	20,544	135,322	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**

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

#### **5.2.1.3 Saving deposits not covered by insurance limits**

##### **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	500,976	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	287,477	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**

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Deals	49,631	14,169	57,798	14,580
Swaps	119,354	270,432	181,869	237,941
Futures	-	269	-	996
Options	55,159	54,541	62,474	45,208
Others	-	1,545	-	226
<b>Total</b>	<b>224,144</b>	<b>340,956</b>	<b>302,141</b>	<b>298,951</b>

### 5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	802,370	319,502	870,554	793,014
Foreign Banks, Institutions and Funds	2,230,200	10,769,268	1,867,947	9,941,864
<b>Total</b>	<b>3,032,570</b>	<b>11,088,770</b>	<b>2,738,501</b>	<b>10,734,878</b>

#### 5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,028,844	4,475,808	1,221,919	4,352,644
Medium and Long-Term	2,003,726	6,612,962	1,516,582	6,382,234
<b>Total</b>	<b>3,032,570</b>	<b>11,088,770</b>	<b>2,738,501</b>	<b>10,734,878</b>

#### 5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

### 5.2.4 Interbank money markets

#### Funds obtained through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>8,444,236</b>	-	<b>9,878,528</b>	-
Financial Institutions and Organizations	8,390,060	-	9,810,615	-
Other Institutions and Organizations	14,722	-	19,774	-
Individuals	39,454	-	48,139	-
<b>Foreign Transactions</b>	<b>579,103</b>	<b>409,304</b>	<b>573,996</b>	<b>700,656</b>
Financial Institutions and Organizations	578,719	409,304	571,711	700,656
Other Institutions and Organizations	190	-	1,749	-
Individuals	194	-	536	-
<b>Total</b>	<b>9,023,339</b>	<b>409,304</b>	<b>10,452,524</b>	<b>700,656</b>

### 5.2.5 Factoring payables

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

### 5.2.6 Lease payables

#### 5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	4,585	4,585	4,845	4,845
Between 1-5 Years	-	-	-	-
Longer than 5 Years	-	-	-	-
<b>Total</b>	<b>4,585</b>	<b>4,585</b>	<b>4,845</b>	<b>4,845</b>

#### **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	-	4,958	-	4,871
Net Foreign Investment Hedges	-	-	-	-
<b>Total</b>	-	<b>4,958</b>	-	<b>4,871</b>

#### **5.2.8 Provisions**

##### **5.2.8.1 General provisions**

	Current Period	Prior Period
<b>General Provision for</b>	<b>489,954</b>	<b>428,799</b>
Loans and Receivables in Group I	428,264	378,581
Loans and Receivables in Group II	20,515	12,934
Non-Cash Loans	41,175	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	6,732	9,441
Medium and Long Term Loans	987	1,855
<b>Total</b>	<b>7,719</b>	<b>11,296</b>

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**

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

##### **5.2.8.4 Other provisions**

###### **5.2.8.4.1 General reserves for possible losses**

	Current Period	Prior Period
General Reserves for Possible Losses	45,000	52,000



**5.2.8.4.2 Other provisions for possible losses**

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Benefits	185,057	198,840
Recognized Liability for Defined Benefit Obligations	102,601	102,601
Insurance Technical Provisions, Net	131,164	123,603
Provision for Promotion Expenses of Credit Cards <sup>(*)</sup>	30,516	36,206
Other Provisions	58,965	28,758
<b>Total</b>	<b>508,303</b>	<b>490,008</b>

(\*) 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 5 February 2009 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are sufficient to meet the amount that will be required to be paid to transfer the obligation at 31 December 2008.

The asset surplus of the Fund after deducting the net present value of the transferable liabilities as of 31 December 2008 is as follows:

	<b>31 December 2008</b>
Net present value of pension benefits transferable to SSF	(296,328)
Net present value of medical benefits and health premiums transferable to SSF	135,400
General administrative expenses	(15,488)
<b>Present value of pension and medical benefits transferable to SSF</b>	<b>(176,416)</b>
<b>Fair value of plan assets</b>	<b>621,594</b>
<b>Asset surplus</b>	<b>445,178</b>

Furthermore, an actuarial report was prepared as of 31 December 2008 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 5 February 2009 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 32,799 thousands remains.

	<b>31 December 2008</b>
Pension benefits	(162,356)
Medical benefits	(250,023)
	<b>(412,379)</b>
<b>Fair value of plan assets after deducting transferable benefits</b>	<b>445,178</b>
<b>Asset surplus over present value of defined benefit obligation</b>	<b>32,799</b>

As of 31 December 2008, the Bank's management, acting prudently, did not consider the health premium surplus amounting TL 135,400 thousands as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF and accordingly, recognized a provision amounting TL 102,601 thousands for its liability and charged fully as expense. This pension liability calculated as of 31 December 2008 is preserved in the accompanying interim financial statements.

	<b>Current Period</b>
<b>Asset surplus over present value of defined benefit obligation</b>	<b>32,799</b>
Net present value of medical benefits and health premiums transferable to SSF	(135,400)
<b>Present value of defined benefit obligation</b>	<b>(102,601)</b>

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

	<b>31 December 2008</b>
	<b>%</b>
Discount Rate	17.41-10.51
Inflation Rate	9.50-5.73
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	17.80-11.77
Future Pension Increase Rates	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.

## **5.2.9 Tax liability**

### **5.2.9.1 Current tax liability**

#### **5.2.9.1.1 Tax liability**

As of 31 March 2009, the tax liability amounts to TL 306,201 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**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Taxes Payable	306,201	126,911
Taxation on Securities Income	95,750	191,148
Taxation on Real Estates Income	1,407	1,137
Banking Insurance Transaction Tax	35,600	37,291
Foreign Exchange Transaction Tax	15	12
Value Added Tax Payable	894	2,485
Others	29,827	33,892
<b>Total</b>	<b>469,694</b>	<b>392,876</b>

#### **5.2.9.1.3 Premiums payable**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employees	314	273
Social Security Premiums-Employer	235	211
Bank Pension Fund Premium-Employees	27	5
Bank Pension Fund Premium-Employer	58	27
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	424	441
Unemployment Insurance-Employer	773	806
Others	-	-
<b>Total</b>	<b>1,831</b>	<b>1,763</b>

#### **5.2.9.2 Deferred tax liability**

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 775 thousands as of 31 March 2009 (31 December 2008: TL 2,238 thousands).

#### **5.2.10 Liabilities for assets held for sale and assets of discontinued operations**

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

#### **5.2.11 Subordinated debts**

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

#### **5.2.12 Shareholders’ equity**

##### **5.2.12.1 Paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

##### **5.2.12.2 Registered share capital system**

<b>Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling per Registered Share Capital</b>
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
<b>Investments in Associates, Subsidiaries and Joint-Ventures</b>	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>387,916</b>	<b>(97,708)</b>	<b>257,174</b>	<b>(79,268)</b>
Valuation Difference	387,916	(97,708)	257,174	(79,268)
Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>387,916</b>	<b>(97,708)</b>	<b>257,174</b>	<b>(79,268)</b>

**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	594,943	-	594,943	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
<b>Total</b>	<b>597,090</b>	<b>-</b>	<b>597,090</b>	<b>-</b>

**5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures**

It includes the bonus shares received from the following investee companies; Doğu GE Gayrimenkul Yatırım Ortaklığı AŞ by TL 23 thousands, Eureka 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	261,628	261,424
II. Legal Reserve	23,627	23,627
Special Reserves	-	-
<b>Total</b>	<b>282,255</b>	<b>285,051</b>

**5.2.12.12 Extraordinary reserves**

	<b>Current Period</b>	<b>Prior Period</b>
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	1,681,758	1,681,758
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
<b>Total</b>	<b>1,681,758</b>	<b>1,681,758</b>

**5.2.12.13 Minority interest**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at Beginning of Period</b>	<b>35,125</b>	<b>23,334</b>
Profit Share of Subsidiaries Net Profits	3,685	11,800
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	7	(9)
<b>Balance at End of Period</b>	<b>38,817</b>	<b>35,125</b>

### 5.3 Consolidated off-balance sheet items

#### 5.3.1 Off-balance sheet contingencies

##### 5.3.1.1 Irrevocable credit commitments

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,330,768	6,894,220
Letters of Guarantee in TL	4,336,925	4,118,306
Letters of Credit	2,732,842	2,511,344
Bills of Exchange and Acceptances	194,231	123,807
Prefinancings	-	-
<b>Total</b>	<b>14,594,766</b>	<b>13,647,677</b>

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

A specific provision of TL 42,135 thousands (31 December 2008: TL 2,459 thousands) is made for unliquidated non-cash loans of TL 70,768 thousands (31 December 2008: TL 15,901 thousands) recorded under the off-balance sheet items as of 31 March 2009.

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

As of 31 March 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 950,888,889 and EUR 1,500,000 (31 December 2008: USD 945,500,000 and EUR 1,175,000).

##### 5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	264,323	225,228
<i>With Original Maturity of 1 Year or Less</i>	20,369	15,067
<i>With Original Maturity of More Than 1 Year</i>	243,954	210,161
Other Non-Cash Loans	15,113,745	14,341,906
<b>Total</b>	<b>15,378,068</b>	<b>14,567,134</b>

**5.3.1.4 Other information on non-cash loans**

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

**5.3.1.5 Non-cash loans classified under Group I and II:**

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

**5.3.2 Financial derivative instruments**

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

**5.3.3 Contingent liabilities and assets**

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

**5.3.4 Services rendered on behalf of third parties**

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

## 5.4 Consolidated income statement

### 5.4.1 Interest income

#### 5.4.1.1 Interest income (\*) from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest Income from Loans</b>				
Short-term loans	753,432	102,839	537,356	69,076
Medium and long-term loans	503,844	350,836	459,242	244,163
Loans under follow-up	7,208	-	5,339	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,264,484</b>	<b>453,675</b>	<b>1,001,937</b>	<b>313,239</b>

(\*) 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	1,170	295	2,013	-
Domestic Banks	3,183	7,203	506	16,413
Foreign Banks	33,535	30,975	60,485	36,791
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>37,888</b>	<b>38,473</b>	<b>63,004</b>	<b>53,204</b>

#### 5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	8,240	482	5,885	4,737
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	636,156	63,840	434,032	66,450
Investments Held-to-Maturity	246,879	32,023	122,060	9,792
<b>Total</b>	<b>891,275</b>	<b>96,345</b>	<b>561,977</b>	<b>80,979</b>

#### 5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	525	376

### 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	29,678	1,981	17,455	16,436
Foreign Banks	67,699	91,638	56,088	119,913
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	15,585	-	10,799
<b>Total</b>	<b>97,377</b>	<b>109,204</b>	<b>73,543</b>	<b>147,148</b>

(\*) 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	1	1

#### 5.4.2.3 Interest expenses on securities issued

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

#### 5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
<b>Turkish Lira</b>								
Bank Deposits	813	20,010	86	134	108	85	-	21,236
Saving Deposits	350	230,749	389,262	4,995	4,260	4,012	-	633,628
Public Sector Deposits	-	14,628	16,829	1	11	2	-	31,471
Commercial Deposits	2,020	156,941	169,435	2,423	937	5,957	-	337,713
Others	2,812	5,027	16,358	27	21	8	-	24,253
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
<b>Total TL</b>	<b>5,995</b>	<b>427,355</b>	<b>591,970</b>	<b>7,580</b>	<b>5,337</b>	<b>10,064</b>	<b>-</b>	<b>1,048,301</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	2,915	83,270	96,728	14,582	24,091	14,816	725	237,127
Bank Deposits	564	9,202	1,223	2,121	1,795	2,414	-	17,319
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	218	-	-	220
<b>Total FC</b>	<b>3,479</b>	<b>92,472</b>	<b>97,953</b>	<b>16,703</b>	<b>26,104</b>	<b>17,230</b>	<b>725</b>	<b>254,666</b>
<b>Grand Total</b>	<b>9,474</b>	<b>519,827</b>	<b>689,923</b>	<b>24,283</b>	<b>31,441</b>	<b>27,294</b>	<b>725</b>	<b>1,302,967</b>

#### 5.4.2.5 Interest expense on repurchase agreements

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

#### 5.4.2.6 Financial lease expenses

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

#### 5.4.2.7 Interest expenses on factoring payables

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

#### 5.4.3 Dividend income

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

#### 5.4.4 Trading income/losses (net)

	Current Period	Prior Period
<b>Income</b>	<b>20,212,763</b>	<b>1,878,585</b>
Trading Account Income	207,887	63,986
Derivative financial instruments	1,176,379	504,587
Foreign Exchange Gain	18,828,497	1,310,012
<b>Losses (-)</b>	<b>19,812,271</b>	<b>1,809,464</b>
Trading Account Losses	124,586	35,531
Derivative financial instruments	799,031	457,042
Foreign Exchange Losses	18,888,654	1,316,891
<b>Total</b>	<b>400,492</b>	<b>69,121</b>

#### 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.

#### 5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
<b>Specific Provisions for Loans and Other Receivables</b>	<b>429,370</b>	<b>56,827</b>
<i>Loans and receivables in Group III</i>	238,962	30,814
<i>Loans and receivables in Group IV</i>	64,842	7,762
<i>Loans and receivables in Group V</i>	125,566	18,251
<b>General Provisions</b>	<b>60,406</b>	<b>66,567</b>
<b>Provision for Possible Losses</b>	<b>15,000</b>	<b>131,000</b>
<b>Impairment Losses on Securities</b>	<b>118</b>	<b>699</b>
<i>Financial assets at fair value through profit or loss</i>	115	699
<i>Financial assets available-for-sale</i>	3	-
<b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b>	<b>15</b>	<b>2,902</b>
<i>Associates</i>	-	-
<i>Subsidiaries</i>	15	6
<i>Joint Ventures (Business Partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	2,896
<b>Others</b>	<b>81,164</b>	<b>2,177</b>
<b>Total</b>	<b>586,073</b>	<b>260,172</b>

#### 5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	256,998	228,512
Reserve for Employee Termination Benefits	-	115
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	1
Depreciation Expenses of Tangible Assets	43,192	39,182
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	2,428	2,717
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	199	282
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	218,734	206,608
<i>Operational lease related expenses</i>	31,377	23,395
<i>Repair and maintenance expenses</i>	5,505	4,131
<i>Advertisement expenses</i>	20,480	18,450
<i>Other expenses</i>	161,372	160,632
Loss on Sale of Assets	376	2,794
Others	115,925	165,185
<b>Total</b>	<b>637,852</b>	<b>645,396</b>

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

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

#### 5.4.9 Provision for taxes including taxes for discontinued operations

As of 31 March 2009, on a consolidated basis, the Bank recorded a current tax expense of TL 222,248 thousands (31 March 2008: TL 134,388 thousands) and a deferred tax income of TL 24,188 thousands (31 Mart 2008: TL 6,218 thousands deferred tax expense).

##### *Deferred tax income/expense on timing differences :*

Deferred tax income/(expense) on timing differences	Current Period
Increase in Tax Deductable Timing Differences (+)	31,295
Decrease in Tax Deductable Timing Differences (-)	7,815
Increase in Taxable Timing Differences (-)	9,593
Decrease in Taxable Timing Differences (+)	10,301
<b>Total</b>	<b>24,188</b>

**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)	23,480
(Increase)/Decrease in Taxable Timing Differences (net)	708
Increase/(Decrease) in Tax Losses (net)	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-
<b>Total</b>	<b>24,188</b>

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

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

**5.4.11 Net profit/loss**

**5.4.11.1 Any further explanation on operating results needed for better understanding of 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	3,685	2,728

**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**

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

## **5.6 Consolidated statement of cash flows**

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

## 5.7 Related Party Risks

### 5.7.1 Transactions with 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	184,251
Balance at end of period	26,147	3,230	22	1,666	289,753	202,504
Interest and Commission Income	525	-	432	1	6,845	336

##### 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	376	-	208	1	1,797	161

#### 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	993	1,752	182,727	313,475	250,346	186,263
Interest Expenses	1	1	3,951	4,715	3,372	4,561

#### 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	-	13,500	4,138	-	828	-
Total Profit/(Loss)	-	-	41	-	4	-
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 261,211 thousands (31 December 2008 TL 250,131 thousands) compose 0.48% (31 December 2008: 0.48%) of the Bank's total cash loans and 0.25% (31 December 2008: 0.25%) of the Bank's total assets. The total loans and similar receivables amounting TL 315,922 thousands (31 December 2008: TL 298,037 thousands) compose 0.30% (31 December 2008: 0.30%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 207,400 thousands (31 December 2008: TL 189,069 thousands) compose 1.35% (31 December 2008: 1.30%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 434,066 thousands (31 December 2008: TL 501,490 thousands) compose 0.68% (31 December 2008: 0.87%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 7,383 thousands (31 December 2008: TL 5,223 thousands) to related parties.

Operating expenses of TL 1,508 thousands (31 March 2008: TL 4,209 thousands) for IT services rendered by related parties and rent income of TL 74 thousands (31 March 2008: TL 78 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 45,501 thousands (31 March 2008: TL 46,375 thousands) for the year 2008 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, 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 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 millions 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.



**5.8 Domestic, foreign and off-shore branches or investments and foreign representative offices**

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

## **5.9 Significant events and matters arising subsequent to the balance sheet date**

With the agreement signed on 12 May 2009, the Bank has renewed the syndication loan facility amounting EUR 600 millions, which was obtained on 8 May 2008. The syndication loan facility, which consists of two tranches amounting USD 109,974,375 and EUR 517,312,500, equivalent of EUR 600 millions in total, has been completed with the participation of 31 banks from 15 different countries for a one-year maturity. The total costs of this loan facility with two tranches that will be used for financing of export contracts, are Libor+2.5% and Euribor+2.5%, respectively.

## 5.10 Other Disclosures on Activities of the Bank

### 5.10.1 Parent bank's latest international risk ratings

#### MOODY'S (January 2009)\*

Long Term FC Deposit	B1
Long Term TL Deposit	A3
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	Aaa.tr
Short Term National	TR-1

#### STANDARD AND POORS (January 2009)\*

Long Term FC Obligations	BB-
Long Term TL Deposit	BB-
Outlook	Negative

#### FITCH RATINGS (April 2008)\*

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

#### CAPITAL INTELLIGENCE (December 2008)\*

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

#### JCR EURASIA RATINGS (May 2009)\*

Long Term International FC	BB+ (Stable)
Long Term International TL	BBB (Stable)
Long Term International	AAA (Trk) (Stable)
Short Term International FC	B (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

**5.10.2 Latest international risk ratings of Garanti Bank International NV, a consolidated subsidiary**

**MOODY'S (March 2009)\***

Long Term FC Deposit	Baa1
Short Term FC Deposit	Prime 2
Subordinate-Dom Curr	Baa1
FSR	C-
Outlook	Negative

(\*) Latest date in risk ratings or outlooks.

**5.10.3 Latest international risk ratings of Garanti Faktoring, a consolidated subsidiary**

**FITCH RATINGS (April 2009)\***

<b>Foreign Currency</b>	
Long Term	BB
Short Term	B
Outlook	Stable
Support	3
<b>Turkish Lira</b>	
Long Term	BBB-
Short Term	F3
Outlook	Stable
<b>National</b>	AAA
Outlook	Stable

(\*) Latest date in risk ratings or outlooks.

**5.10.4 Latest international risk ratings of Garanti Finansal Kiralama, a consolidated subsidiary**

**FITCH RATINGS (April 2009)\***

<b>Foreign Currency</b>	
Long Term	BB
Short Term	B
Outlook	Stable
Support	3
<b>Turkish Lira</b>	
Long Term	BBB-
Short Term	F3
Outlook	Stable
<b>National</b>	AAA
Outlook	Stable

**STANDARD AND POORS (August 2008)\***

FC Obligations	BB-
TL Obligations	BB-
Outlook	Negative

(\*) Latest dates in risk ratings or outlooks.

#### **5.10.5 Dividends**

At the annual general assembly of the Bank dated 2 April 2009, it was decided to distribute the profit of 2008 as follows:

<b>2008 PROFIT DISTRIBUTION TABLE</b>	
2008 Net Profit	1,750,488
A– I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(87,524)
Undistributable funds	(4,407)
B – The first dividend at 5% of the paid capital	-
C – Extraordinary reserves at 5% after above deductions	-
D - Founder shares	-
E – Extraordinary reserves	(1,658,557)
F – II. Legal reserve (Turkish Commercial Code 466/2)	-

#### **5.10.6 Other disclosures**

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. This debt is qualified as the secondary subordinated debt 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.

## **6 Independent Auditors' Review Report**

### **6.1 Disclosure on independent auditors' review report**

The consolidated financial statements of the Bank and its financial affiliates as of 31 March 2009, are reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 14 May 2009 that nothing material has come to their attention that caused them to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the financial position and results of its operational of the Bank and its financial affiliates as of 31 March 2009.

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