

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

**Türkiye Garanti Bankası Anonim Şirketi**

**Unconsolidated Financial Statements**

**As of and For the 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 pages and;"Unconsolidated  
Financial Statements and Related Disclosures and  
Footnotes" comprising 77 pages.*



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

Yapı Kredi Plaza C Blok Kat 17  
Büyükdere Caddesi  
Levent 34330 İstanbul

Telephone +90 (212) 317 74 00  
Fax +90 (212) 317 73 00  
Internet www.kpmg.com.tr

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

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

We have reviewed the unconsolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") as of 31 March 2009 and the related unconsolidated 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 unconsolidated financial statements are not presented fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ 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 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**

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

Levent Nispetiye Mah.Aytar Cad.  
No:2 Beşiktaş 34340 Istanbul  
Telephone: 212 318 18 18  
Fax: 212 216 64 22  
[www.garanti.com.tr](http://www.garanti.com.tr)  
[www.garantibank.com.tr](http://www.garantibank.com.tr)  
[investorrelations@garanti.com.tr](mailto:investorrelations@garanti.com.tr)

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

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

**Ferit F. Şahenk**  
Board of Directors  
Chairman

**S. Ergun Özen**  
General Manager

**Aydın Şenel**  
Executive Vice  
President

**Mustafa Keleş**  
Financial Accounting  
Director

**M. Cüneyt Sezgin**  
Audit Committee  
Member

**Des O'Shea**  
Audit Committee  
Member

The authorized contact person for questions on this financial report:

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

Phone no: 90 212 318 23 50

Fax no: 90 212 216 59 02

	<b>Page No:</b>
<b><u>SECTION ONE</u></b>	
General Information	
I. History of the bank including its incorporation date, initial legal status, amendments to legal status	1
II. Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on bank's risk group	1
III. Information on the bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank	2
IV. Information on the bank's qualified shareholders	3
V. Summary information on the bank's activities and services	3
<b><u>SECTION TWO</u></b>	
Unconsolidated Financial Statements	
I. Balance sheet - Assets	4
II. Balance sheet - Liabilities	5
III. Off-balance sheet items	6
IV. Income statement	7
V. Statement of income/expense items accounted under shareholders' equity	8
VI. Statement of changes in shareholders' equity	9
VII. Statement of cash flows	10
<b><u>SECTION THREE</u></b>	
Accounting Policies	
I. Basis of presentation	11
II. Strategy for use of financial instruments and foreign currency transactions	11
III. Investments in associates and subsidiaries	12
IV. Forwards, options and other derivative transactions	12
V. Interest income and expenses	13
VI. Fees and commissions	13
VII. Financial assets	13
VIII. Impairment of financial assets	14
IX. Netting of financial instruments	14
X. Repurchase and resale agreements and securities lending	14
XI. Assets held for sale and discontinued operations	15
XII. Goodwill and other intangible assets	15
XIII. Tangible assets	15
XIV. Leasing activities	16
XV. Provisions and contingent liabilities	16
XVI. Contingent assets	16
XVII. Liabilities for employee benefits	17
XVIII. Taxation	18
XIX. Funds borrowed	20
XX. Shares and share issuances	20
XXI. Confirmed bills of exchange and acceptances	20
XXII. Government incentives	20
XXIII. Segment reporting	21
XXIV. Other disclosures	22
<b><u>SECTION FOUR</u></b>	
Financial Position and Results of Operations	
I. Capital adequacy ratio	23
II. Credit risk	26
III. Market risk	26
IV. Operational risk	27
V. Currency risk	28
VI. Interest rate risk	30
VII. Liquidity risk	33
VIII. Fair values of financial assets and liabilities	35
IX. Transactions carried out on behalf of customers, items held in trust	35
<b><u>SECTION FIVE</u></b>	
Disclosures and Footnotes on Unconsolidated Financial Statements	
I. Assets	36
II. Liabilities	52
III. Off-balance sheet items	61
IV. Income statement	63
V. Statement of changes in shareholders' equity	68
VI. Statement of cash flows	69
VII. Related party risks	70
VIII. Domestic, foreign and off-shore branches or investments and foreign representative offices	73
IX. Significant events and matters arising subsequent to balance sheet date	74
X. Other disclosures on activities of the bank	75
<b><u>SECTION SEVEN</u></b>	
Independent Auditors' Review Report	
I. Disclosures on independent auditors' review report	77

## **1 General Information**

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 723 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

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

As of 31 March 2009, the group of companies under Doğuş Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğuş Group (the Group). On 22 December 2005, Doğuş Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9.765.000.000 shares of 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, Eureka Sigorta AŞ, Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

#### **General Electric Group**

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

GE operates in more than 100 countries through its four major business lines providing services through their own business units with more than 300 thousand employees. These four business lines are;

GE Technology Infrastructure  
GE Energy Infrastructure  
GE Capital Finance  
NBC Universal

GE Global Banking that operates under GE Capital Finance, one of GE's major business lines extends loans to consumers, retailers and car vendors in 26 countries. GE Global Banking provides variety of financial products to customers such as store credit cards, consumer loans, bank cards, automobile loans and leasing, mortgage, corporate travelling and spending cards, debt consolidation.

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

#### Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	19 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	27 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	21 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	35 years
Denis Arthur Hall	Member	08.10.2008	College	25 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	32 years
Dmitri Lysander Stockton	Member	22.12.2005	University	18 years
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 and Accounting	20.07.2007	Master	24 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	17 years
Ali Temel	EVP-Loans	21.10.1999	University	19 years
Gökhan 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 Ersözöglü	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 the 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 the bank's activities and services**

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

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits 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 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

### Türkiye Garanti Bankası Anonim Şirketi

#### Balance Sheet

At 31 March 2009

ASSETS		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
			CURRENT PERIOD 31 March 2009			PRIOR PERIOD 31 December 2008		
			YTL	FC	Total	YTL	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH CENTRAL BANK</b>	(5.1.1)	<b>1,934,158</b>	<b>3,214,663</b>	<b>5,148,821</b>	<b>2,575,050</b>	<b>2,956,524</b>	<b>5,531,574</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(5.1.2)	<b>557,470</b>	<b>133,877</b>	<b>691,347</b>	<b>509,347</b>	<b>156,750</b>	<b>666,097</b>
2.1	Financial assets held for trading		557,470	133,877	691,347	509,347	156,750	666,097
2.1.1	Government securities		147,156	11,933	159,089	4,663	15,599	20,262
2.1.2	Equity securities		5,200	-	5,200	600	-	600
2.1.3	Derivative financial assets held for trading		395,961	121,944	517,905	494,884	141,151	636,035
2.1.4	Other securities		9,153	-	9,153	9,200	-	9,200
2.2	Financial assets valued at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other securities		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	(5.1.3)	<b>1,919,523</b>	<b>7,569,022</b>	<b>9,488,545</b>	<b>1,425,450</b>	<b>3,375,585</b>	<b>4,801,035</b>
<b>IV.</b>	<b>INTERBANK MONEY MARKETS</b>		-	-	-	<b>40,552</b>	-	<b>40,552</b>
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.</b>	<b>FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>	(5.1.4)	<b>15,464,950</b>	<b>2,651,427</b>	<b>18,116,377</b>	<b>14,887,550</b>	<b>2,458,231</b>	<b>17,345,781</b>
5.1	Equity securities		26,562	55,915	82,477	25,679	44,989	70,668
5.2	Government securities		15,185,865	813,735	15,999,600	14,550,954	755,085	15,306,039
5.3	Other securities		252,523	1,781,777	2,034,300	310,917	1,658,157	1,969,074
<b>VI.</b>	<b>LOANS</b>	(5.1.5)	<b>27,709,387</b>	<b>23,044,954</b>	<b>50,754,341</b>	<b>28,030,439</b>	<b>21,876,968</b>	<b>49,907,407</b>
6.1	Performing loans		27,350,232	23,044,954	50,395,186	27,580,293	21,876,968	49,457,261
6.1.1	Loans to bank's risk group	(5.7)	72,011	545,858	617,869	128,749	538,322	667,071
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		27,278,221	22,499,096	49,777,317	27,451,544	21,338,646	48,790,190
6.2	Loans under follow-up		1,511,177	-	1,511,177	1,239,739	-	1,239,739
6.3	Specific provisions (-)		1,152,022	-	1,152,022	789,593	-	789,593
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII.</b>	<b>INVESTMENTS HELD-TO-MATURITY (Net)</b>	(5.1.6)	<b>5,830,324</b>	<b>1,692,115</b>	<b>7,522,439</b>	<b>6,054,289</b>	<b>1,563,008</b>	<b>7,617,297</b>
8.1	Government securities		5,830,324	1,692,115	7,522,439	6,054,289	1,563,008	7,617,297
8.2	Other securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	(5.1.7)	<b>27,705</b>	-	<b>27,705</b>	<b>27,705</b>	-	<b>27,705</b>
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		27,705	-	27,705	27,705	-	27,705
9.2.1	Financial investments in associates		25,991	-	25,991	25,991	-	25,991
9.2.2	Non-financial investments in associates		1,714	-	1,714	1,714	-	1,714
<b>X.</b>	<b>INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.8)	<b>234,108</b>	<b>610,195</b>	<b>844,303</b>	<b>229,368</b>	<b>582,760</b>	<b>812,128</b>
10.1	Unconsolidated financial investments in subsidiaries		223,185	610,195	833,380	219,005	582,760	801,765
10.2	Unconsolidated non-financial investments in subsidiaries		10,923	-	10,923	10,363	-	10,363
<b>XI.</b>	<b>INVESTMENTS IN JOINT-VENTURES (Net)</b>	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT</b>	(5.1.11)	-	-	-	-	<b>69,161</b>	<b>69,161</b>
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	69,161	69,161
13.3	Net foreign investment hedges		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>1,080,516</b>	<b>1,141</b>	<b>1,081,657</b>	<b>1,083,517</b>	<b>1,179</b>	<b>1,084,696</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>17,668</b>	-	<b>17,668</b>	<b>15,764</b>	-	<b>15,764</b>
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		17,668	-	17,668	15,764	-	15,764
<b>XVI.</b>	<b>INVESTMENT PROPERTY (Net)</b>	(5.1.14)	-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSET</b>		<b>54,164</b>	-	<b>54,164</b>	<b>34,255</b>	-	<b>34,255</b>
17.1	Current tax asset		-	-	-	70	-	70
17.2	Deferred tax asset	(5.1.15)	54,164	-	54,164	34,185	-	34,185
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>86,363</b>	-	<b>86,363</b>	<b>81,304</b>	-	<b>81,304</b>
18.1	Assets held for sale		86,363	-	86,363	81,304	-	81,304
18.2	Assets of discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(5.1.17)	<b>862,772</b>	<b>75,905</b>	<b>938,677</b>	<b>844,459</b>	<b>61,645</b>	<b>906,104</b>
<b>TOTAL ASSETS</b>			<b>55,779,108</b>	<b>38,993,299</b>	<b>94,772,407</b>	<b>55,839,049</b>	<b>33,101,811</b>	<b>88,940,860</b>

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



(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**

**Balance Sheet**

At 31 March 2009

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
			CURRENT PERIOD 31 March 2009			PRIOR PERIOD 31 December 2008		
			YTL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	(5.2.1)	<b>32,180,491</b>	<b>26,126,534</b>	<b>58,307,025</b>	<b>29,006,986</b>	<b>23,708,295</b>	<b>52,715,281</b>	
1.1 Deposits from bank's risk group	(5.7)	363,851	260,318	624,169	311,435	413,825	725,260	
1.2 Others		31,816,640	25,866,216	57,682,856	28,695,551	23,294,470	51,990,021	
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.2.2)	<b>221,877</b>	<b>120,587</b>	<b>342,464</b>	<b>296,508</b>	<b>118,588</b>	<b>415,096</b>	
<b>III. FUNDS BORROWED</b>	(5.2.3)	<b>2,477,274</b>	<b>9,019,630</b>	<b>11,496,904</b>	<b>2,076,975</b>	<b>8,766,471</b>	<b>10,843,446</b>	
<b>IV. INTERBANK MONEY MARKETS</b>		<b>9,023,339</b>	<b>169,502</b>	<b>9,192,841</b>	<b>10,452,524</b>	<b>250,419</b>	<b>10,702,943</b>	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements		9,023,339	169,502	9,192,841	10,452,524	250,419	10,702,943	
<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 Others		-	-	-	-	-	-	
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>1,978,000</b>	<b>30,436</b>	<b>2,008,436</b>	<b>1,932,052</b>	<b>17,679</b>	<b>1,949,731</b>	
<b>VIII. OTHER EXTERNAL FUNDINGS PAYABLE</b>	(5.2.4)	<b>629,599</b>	<b>265,793</b>	<b>895,392</b>	<b>627,284</b>	<b>225,365</b>	<b>852,649</b>	
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-	
<b>X. LEASE PAYABLES (Net)</b>	(5.2.5)	<b>755</b>	<b>21,654</b>	<b>22,409</b>	<b>597</b>	<b>22,760</b>	<b>23,357</b>	
10.1 Financial lease payables		829	22,903	23,732	631	24,176	24,807	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		74	1,249	1,323	34	1,416	1,450	
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	(5.2.6)	-	<b>4,958</b>	<b>4,958</b>	-	<b>4,871</b>	<b>4,871</b>	
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>	(5.2.7)	<b>889,383</b>	<b>21,880</b>	<b>911,263</b>	<b>781,480</b>	<b>22,951</b>	<b>804,431</b>	
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		183,188	-	183,188	197,372	-	197,372	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		236,250	1,871	238,121	174,565	3,695	178,260	
<b>XIII. TAX LIABILITY</b>	(5.2.8)	<b>455,333</b>	<b>123</b>	<b>455,456</b>	<b>378,236</b>	<b>107</b>	<b>378,343</b>	
13.1 Current tax liability		455,333	123	455,456	378,236	107	378,343	
13.2 Deferred tax liability		-	-	-	-	-	-	
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
<b>XV. SUBORDINATED DEBTS</b>	(5.2.10)	-	<b>945,927</b>	<b>945,927</b>	-	<b>781,638</b>	<b>781,638</b>	
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.2.11)	<b>10,064,430</b>	<b>124,902</b>	<b>10,189,332</b>	<b>9,291,133</b>	<b>177,941</b>	<b>9,469,074</b>	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		1,723,668	115,836	1,839,504	1,600,696	169,436	1,770,132	
16.2.1 Share premium		11,880	-	11,880	11,880	-	11,880	
16.2.2 Share cancellation profits		-	-	-	-	-	-	
16.2.3 Securities value increase fund		426,861	119,126	545,987	288,033	104,484	392,517	
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		2,453	-	2,453	2,453	-	2,453	
16.2.8 Hedging reserves (effective portion)		(87,170)	(3,290)	(90,460)	(71,314)	64,952	(6,362)	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		772,554	-	772,554	772,554	-	772,554	
16.3 Profit reserves		1,739,511	9,066	1,748,577	1,739,949	8,505	1,748,454	
16.3.1 Legal reserves		268,609	4,486	273,095	268,796	4,097	272,893	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		1,470,724	-	1,470,724	1,470,724	-	1,470,724	
16.3.4 Other profit reserves		178	4,580	4,758	429	4,408	4,837	
16.4 Profit or loss		2,401,251	-	2,401,251	1,750,488	-	1,750,488	
16.4.1 Prior periods profit/loss		1,750,488	-	1,750,488	-	-	-	
16.4.2 Current period net profit/loss		650,763	-	650,763	1,750,488	-	1,750,488	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>57,920,481</b>	<b>36,851,926</b>	<b>94,772,407</b>	<b>54,843,775</b>	<b>34,097,085</b>	<b>88,940,860</b>	

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**

**Off-Balance Sheet Items**

At 31 March 2009

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
		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>35,974,237</b>	<b>44,141,634</b>	<b>80,115,871</b>	<b>31,399,717</b>	<b>38,058,985</b>	<b>69,458,702</b>
<b>I. GUARANTEES AND SURETIES</b>	(5.3.1)	<b>4,421,934</b>	<b>10,614,731</b>	<b>15,036,665</b>	<b>4,231,196</b>	<b>10,034,868</b>	<b>14,266,064</b>
1.1. Letters of guarantee		4,336,963	7,247,592	11,584,555	4,120,918	6,790,151	10,911,069
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	361,151	686,977	312,563	330,871	643,434
1.1.3. Other letters of guarantee		4,011,137	6,080,648	10,091,785	3,569,365	5,917,573	9,486,938
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	3,173,035	3,173,154	278	3,120,910	3,121,188
1.3.1. Documentary letters of credit		-	91	91	-	82	82
1.3.2. Other letters of credit		119	3,172,944	3,173,063	278	3,120,828	3,121,106
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		84,725	-	84,725	110,000	-	110,000
1.9. Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.3.1)	<b>14,788,314</b>	<b>4,457,544</b>	<b>19,245,858</b>	<b>14,325,782</b>	<b>3,577,545</b>	<b>17,903,327</b>
2.1. Irrevocable commitments		14,788,314	4,456,832	19,245,146	14,325,782	3,576,891	17,902,673
2.1.1. Asset purchase commitments		163,406	692,314	855,720	101,953	635,532	737,485
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		2,805,204	2,233,643	5,038,847	2,787,561	1,535,359	4,322,920
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,474,531	-	1,474,531	1,356,364	-	1,356,364
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		9,052,527	-	9,052,527	8,789,048	-	8,789,048
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1,264,210	1,530,875	2,795,085	1,264,210	1,406,000	2,670,210
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>16,763,989</b>	<b>29,069,359</b>	<b>45,833,348</b>	<b>12,842,739</b>	<b>24,446,572</b>	<b>37,289,311</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 derivatives		16,763,989	29,066,126	45,830,115	12,842,739	24,336,049	37,178,788
3.2.1. Forward foreign currency purchases/sales		2,303,346	3,387,130	5,690,476	1,842,879	2,509,939	4,352,818
3.2.1.1. Forward foreign currency purchases		1,176,167	1,656,971	2,833,138	835,846	1,346,064	2,181,910
3.2.1.2. Forward foreign currency sales		1,127,179	1,730,159	2,857,338	1,007,033	1,163,875	2,170,908
3.2.2. Currency and interest rate swaps		9,326,388	15,106,290	24,432,678	9,282,041	14,428,281	23,710,322
3.2.2.1. Currency swaps-purchases		7,066,805	5,267,532	12,334,337	5,342,075	6,590,355	11,932,430
3.2.2.2. Currency swaps-sales		2,259,583	9,769,980	12,029,563	3,939,966	7,799,523	11,739,489
3.2.2.3. Interest rate swaps-purchases		-	36,538	36,538	-	17,990	17,990
3.2.2.4. Interest rate swaps-sales		-	32,240	32,240	-	20,413	20,413
3.2.3. Currency, interest rate and security options		5,091,638	9,365,652	14,457,290	1,683,016	6,523,740	8,206,756
3.2.3.1. Currency call options		2,142,615	3,093,291	5,235,906	658,260	1,580,783	2,239,043
3.2.3.2. Currency put options		2,904,473	2,639,551	5,544,024	990,950	1,451,277	2,442,227
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	-	40,330	33,806	-	33,806
3.2.3.6. Security put options		4,220	-	4,220	-	-	-
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>119,410,371</b>	<b>282,095,053</b>	<b>149,828,729</b>	<b>108,222,111</b>	<b>258,050,840</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>45,223,955</b>	<b>16,290,315</b>	<b>61,514,270</b>	<b>38,828,829</b>	<b>15,588,198</b>	<b>54,417,027</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	15,311,739	13,804,387	932,508	14,736,895
4.3. Checks received for collection		4,543,665	868,324	5,411,989	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	437,120	459,722	22,447	378,954	401,401
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>117,460,727</b>	<b>103,120,056</b>	<b>220,580,783</b>	<b>110,999,900</b>	<b>92,633,913</b>	<b>203,633,813</b>
5.1. Securities		559,281	264	559,545	77,210	-	77,210
5.2. Guarantee notes		17,419,492	7,496,847	24,916,339	16,424,680	6,927,507	23,352,187
5.3. Commodities		-	-	-	157	-	157
5.4. Warranties		-	-	-	-	-	-
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		78,116,915	73,191,360	151,308,275	75,028,665	65,430,814	140,459,475
5.7. Pledged items-depository		170	487	657	170	448	618
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>198,658,919</b>	<b>163,552,005</b>	<b>362,210,924</b>	<b>181,228,446</b>	<b>146,281,096</b>	<b>327,509,542</b>

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Income Statement**  
**For the Three-Month Period Ended 31 March 2009**

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)	
		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>2,766,710</b>	<b>2,050,565</b>
1.1 Interest income on loans		1,667,557	1,272,858
1.2 Interest income on reserve deposits		49,284	48,699
1.3 Interest income on banks		48,383	73,100
1.4 Interest income on money market transactions		727	971
1.5 Interest income on securities portfolio		959,374	609,536
1.5.1 Trading financial assets		6,286	3,737
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		677,886	488,200
1.5.4 Investments held-to-maturity		275,202	117,599
1.6 Financial lease income		-	-
1.7 Other interest income		41,385	45,401
<b>II. INTEREST EXPENSE</b>	(5.4.2)	<b>1,660,457</b>	<b>1,280,494</b>
2.1 Interest on deposits		1,236,950	888,501
2.2 Interest on funds borrowed		165,803	174,793
2.3 Interest on money market transactions		255,738	214,746
2.4 Interest on securities issued		-	-
2.5 Other interest expenses		1,966	2,454
<b>III. NET INTEREST INCOME (I - II)</b>		<b>1,106,253</b>	<b>770,071</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>417,919</b>	<b>379,508</b>
4.1 Fees and commissions received		534,322	470,733
4.1.1 Non-cash loans		42,301	25,345
4.1.2 Others		492,021	445,388
4.2 Fees and commissions paid		116,403	91,225
4.2.1 Non-cash loans		218	53
4.2.2 Others		116,185	91,172
<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>384,665</b>	<b>89,790</b>
6.1 Trading account income/losses		77,765	27,259
6.2 Income/losses from derivative financial instruments		387,778	70,424
6.3 Foreign exchange gains/losses		(80,878)	(7,893)
<b>VII. OTHER OPERATING INCOME</b>	(5.4.5)	<b>82,926</b>	<b>184,540</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>1,991,818</b>	<b>1,424,002</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	(5.4.6)	<b>577,163</b>	<b>254,396</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.4.7)	<b>579,349</b>	<b>584,842</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>835,306</b>	<b>584,764</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>	(5.4.8)	<b>835,306</b>	<b>584,764</b>
<b>XVI. PROVISION FOR TAXES (±)</b>	(5.4.9)	<b>184,543</b>	<b>131,500</b>
16.1 Current tax charge		212,042	124,672
16.2 Deferred tax charge/(credit)		(27,499)	6,828
<b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)</b>	(5.4.10)	<b>650,763</b>	<b>453,264</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>650,763</b>	<b>453,264</b>
<b>EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)</b>		<b>155</b>	<b>216</b>

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

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

## **Türkiye Garanti Bankası Anonim Şirketi**

### **Statement of Income/Expense Items Accounted under Shareholders' Equity**

**For the Three-Month Period Ended 31 March 2009**

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF NEW TURKISH LIRA (YTL)	
	CURRENT PERIOD 31 March 2009	PRIOR PERIOD 31 March 2008
<b>I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"</b>	<b>158,773</b>	<b>(339,279)</b>
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>	<b>-</b>	<b>-</b>
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>	<b>-</b>	<b>-</b>
<b>IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES</b>	<b>20,132</b>	<b>68,917</b>
<b>V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)</b>	<b>(68,252)</b>	<b>(32,397)</b>
<b>VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)</b>	<b>(20,009)</b>	<b>(65,699)</b>
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS</b>	<b>-</b>	<b>-</b>
<b>VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	<b>11,642</b>	<b>(8,800)</b>
<b>IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES</b>	<b>(32,791)</b>	<b>53,706</b>
<b>X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)</b>	<b>69,495</b>	<b>(323,552)</b>
<b>XI. CURRENT PERIOD PROFIT/LOSSES</b>	<b>650,763</b>	<b>453,264</b>
1.1 Net changes in fair value of securities (transferred to income statement)	17,980	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	632,783	450,116
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)</b>	<b>720,258</b>	<b>129,712</b>

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Statement of Changes in Shareholders' Equity**  
**For the Three-Month Period Ended 31 March 2009**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
<b>PRIOR PERIOD (31/3/2008)</b>																	
I. Balances at beginning of the period		2,100,000	772,554	-	-	156,211	-	1,275,689	(1,715)	-	2,315,616	208,057	29,864	2,453	24,390	-	6,883,119
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	-	-	156,211	-	1,275,689	(1,715)	-	2,315,616	208,057	29,864	2,453	24,390	-	6,883,119
<b>Changes during the period</b>																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(294,627)	-	-	-	-	(294,627)
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(84,702)	-	(84,702)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(32,143)	-	(32,143)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(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	-	-	2,892	-	-	52,559	-	-	-	-	55,777
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		-	-	-	-	-	-	-	-	453,264	-	-	-	-	-	-	453,264
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)</b>		<b>2,100,000</b>	<b>772,554</b>	<b>-</b>	<b>-</b>	<b>156,537</b>	<b>-</b>	<b>1,275,689</b>	<b>1,177</b>	<b>453,264</b>	<b>2,315,616</b>	<b>(34,011)</b>	<b>29,864</b>	<b>2,453</b>	<b>(60,312)</b>	<b>-</b>	<b>7,012,831</b>
<b>CURRENT PERIOD (31/3/2009)</b>																	
I. Balances at beginning of the period	(5.5)	4,200,000	772,554	11,880	-	272,893	-	1,470,724	4,837	-	1,750,488	392,517	597,090	2,453	(6,362)	-	9,469,074
<b>Changes during the period</b>																	
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	137,614	-	-	-	-	137,614
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(84,098)	-	(84,098)
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(68,242)	-	(68,242)
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(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		-	-	-	-	202	-	-	(79)	-	-	15,856	-	-	-	-	15,979
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		-	-	-	-	-	-	-	-	650,763	-	-	-	-	-	-	650,763
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)</b>		<b>4,200,000</b>	<b>772,554</b>	<b>11,880</b>	<b>-</b>	<b>273,095</b>	<b>-</b>	<b>1,470,724</b>	<b>4,758</b>	<b>650,763</b>	<b>1,750,488</b>	<b>545,987</b>	<b>597,090</b>	<b>2,453</b>	<b>(90,460)</b>	<b>-</b>	<b>10,189,332</b>

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)	
		CURRENT PERIOD	PRIOR PERIOD
		31 March 2009	31 March 2008
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>454,862</b>	<b>302,786</b>
1.1.1 Interests received		2,766,984	1,951,491
1.1.2 Interests paid		(1,890,635)	(1,292,011)
1.1.3 Dividend received		55	93
1.1.4 Fees and commissions received		575,277	499,311
1.1.5 Other income		84,167	38,096
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		(442,629)	(402,174)
1.1.8 Taxes paid		(17,668)	(15,136)
1.1.9 Others	(5.6)	(627,897)	(482,225)
<b>1.2 Changes in operating assets and liabilities</b>		<b>2,783,259</b>	<b>280,701</b>
1.2.1 Net (increase) decrease in financial assets held for trading		(144,569)	440
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		(1,430,378)	(417,083)
1.2.4 Net (increase) decrease in loans		(609,823)	(5,478,424)
1.2.5 Net (increase) decrease in other assets		(187,781)	2,033,788
1.2.6 Net increase (decrease) in bank deposits		(300,056)	463,930
1.2.7 Net increase (decrease) in other deposits		5,948,464	2,742,298
1.2.8 Net increase (decrease) in funds borrowed		989,562	2,073,244
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(1,482,160)	(1,137,492)
<b>I. Net cash flow from banking operations</b>		<b>3,238,121</b>	<b>583,487</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash flow from investing activities</b>		<b>(734,830)</b>	<b>(129,426)</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		(60,403)	(59,007)
2.4 Sales of tangible assets		17,868	65,293
2.5 Cash paid for purchase of financial assets available-for-sale		(3,313,110)	(899,862)
2.6 Cash obtained from sale of financial assets available-for-sale		2,620,815	524,181
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		-	239,969
2.9 Others	(5.6)	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>(12,814)</b>	<b>(26,931)</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		(12,814)	(26,931)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(5.6)	<b>216,464</b>	<b>1,071</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>		<b>2,706,942</b>	<b>428,201</b>
<b>VI. Cash and cash equivalents at beginning of period</b>		<b>5,031,725</b>	<b>3,417,495</b>
<b>VII. Cash and cash equivalents at end of period</b>		<b>7,738,667</b>	<b>3,845,696</b>

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

### **3 Accounting policies**

#### **3.1 Basis of presentation**

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

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

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

##### **3.1.1 Additional paragraph for convenience translation to English**

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

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

##### **3.2.1 Strategy for the use of financial instruments**

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

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

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

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

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

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

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

### **3.2.2 Foreign currency transactions**

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

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

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

### **3.3 Investments in associates and subsidiaries**

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

### **3.4 Forwards, options and other derivative transactions**

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts. There are no embedded derivatives.

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



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

### **3.5 Interest income and expenses**

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

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

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

### **3.6 Fees and commissions**

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

### **3.7 Financial assets**

#### **3.7.1 Financial assets at fair value through profit or loss**

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

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

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

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

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

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

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

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognised gain/losses derived from the difference between their fair value and the discounted values are recorded in “securities value increase fund” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

Government bonds indexed to consumer price index and issued on 21 February 2007 and 20 August 2008 are for five-year maturity and with fixed real coupon rates of 5% and 6% semiannually. As per the statement made by the Turkish Treasury on the date of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

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

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

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

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

### **3.8 Impairment of financial assets**

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

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

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

### **3.9 Netting of financial instruments**

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

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

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

### **3.10 Repurchase and resale agreements and securities lending**

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

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

### **3.11 Assets held for sale and discontinued operations**

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

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

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

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

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

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

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

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

### **3.13 Tangible assets**

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

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

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

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

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

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

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

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

<b>Tangible assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation Rates (%) from 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. Since 1 January 2005, newly purchased tangible assets are depreciated based on the declining balance which is one of the accelerated depreciation methods.

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

### **3.14 Leasing activities**

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

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

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

### **3.15 Provisions and contingent liabilities**

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

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

### **3.16 Contingent assets**

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

### **3.17 Liabilities for employee benefits**

#### *Severance Indemnities and Short-Term Employee Benefits*

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

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

	<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 SDIF, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds’ income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers will take place within three-year period starting from 1 January 2008.

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

*b) Other benefits not transferable to SSF*

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

### **3.18 Taxation**

#### **3.18.1 Corporate tax**

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

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

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

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

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 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.

The tax applications for foreign branches;

#### *NORTHERN CYPRUS*

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax. 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.

### **3.18.2 Deferred taxes**

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

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

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

### **3.18.3 Transfer pricing**

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the “7.1 Annual Documentation” section of this communiqué, the taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

### **3.19 Funds borrowed**

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

There are no convertible bonds or any other securities issued.

### **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 does not have any government incentives or aids.



### **3.23 Segment reporting**

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

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

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

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

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

*Information on the business segments is as follows as of 31 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	593,995	886,072	104,213	1,991,763
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>407,483</b>	<b>593,995</b>	<b>886,072</b>	<b>104,213</b>	<b>1,991,763</b>
Net Operating Profit	337,059	382,597	548,447	(432,852)	835,251
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	55	55
<b>Net Operating Profit</b>	<b>337,059</b>	<b>382,597</b>	<b>548,447</b>	<b>(432,797)</b>	<b>835,306</b>
Provision for Taxes	-	-	-	184,543	184,543
<b>Net Profit</b>	<b>337,059</b>	<b>382,597</b>	<b>548,447</b>	<b>(617,340)</b>	<b>650,763</b>
					-
Segment Assets	16,276,325	34,478,016	40,457,663	2,688,395	93,900,399
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	872,008	872,008
Undistributed Items	-	-	-	-	-
<b>Total Assets</b>	<b>16,276,325</b>	<b>34,478,016</b>	<b>40,457,663</b>	<b>3,560,403</b>	<b>94,772,407</b>
Segment Liabilities	33,451,237	25,777,509	23,472,956	1,881,373	84,583,075
Shareholders' Equity	-	-	-	10,189,332	10,189,332
Undistributed Items	-	-	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>33,451,237</b>	<b>25,777,509</b>	<b>23,472,956</b>	<b>12,070,705</b>	<b>94,772,407</b>
					-
<b>Other Segment Items</b>					-
Capital Expenditure	-	-	-	52,602	52,602
Depreciation Expenses	-	-	-	43,284	43,284
Impairment Losses	-	-	133	577,030	577,163
Other Non-Cash Income/Expenses	106,346	138,440	(212,085)	(16,950)	15,751
Restructuring Costs	-	-	-	-	-

**3.24 Other disclosures**

None.

## **4 Financial position and results of operations**

### **4.1 Capital adequacy ratio**

The Bank's unconsolidated capital adequacy ratio is 16.29%.

#### **4.1.1 Risk measurement methods in calculation of capital adequacy ratio**

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

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

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

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

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

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

#### 4.1.2 Capital adequacy ratio

	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
<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 (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>

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

	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%

#### 4.1.4 Components of shareholders' equity items

	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	273,095	272,893
I. Legal Reserve (Turkish Commercial Code 466/1)	254,305	254,103
II. Legal Reserve (Turkish Commercial Code 466/2)	18,790	18,790
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,470,724	1,470,724
Reserve allocated as per the Decision held by the General Assembly	1,470,724	1,470,724
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,401,251	1,750,488
Current Period Profit	650,763	1,750,488
Prior Periods Profit	1,750,488	-
Provision for Possible Losses (upto 25% of Core Capital)	15,000	22,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	594,943	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) (*)	124,427	-
Prepaid Expenses (-) (*)	278,912	295,671
Intangible Assets (-) (*)	17,668	15,764
Deferred Tax Asset excess of 10% of Core Capital (-) (*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
<b>Total Core Capital</b>	<b>9,318,440</b>	<b>9,095,482</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	2,453	2,453
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	937,405	760,000
45% of Securities Value Increase Fund (**)	210,322	142,608
Associates and Subsidiaries	53,295	46,593
Investment Securities Available for Sale	157,027	96,015
Other Reserves	4,758	4,837
<b>Total Supplementary Capital</b>	<b>1,645,858</b>	<b>1,339,663</b>

<b>TIER III CAPITAL</b>	-	-
<b>CAPITAL</b>	<b>10,964,298</b>	<b>10,435,145</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>75,889</b>	<b>378,428</b>
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	13,110	13,110
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	62,779	62,883
Others	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10,888,409</b>	<b>10,047,717</b>

(\*) According to the "Regulation on Equities of Banks" Temporary Acticle 1 published in Official Gazette no. 26333 dated 1 November 2006, starting from 1 January 2009 leasehold improvements, prepaid expenses, intangible assets and deferred tax assets above 10% of core capital are directly deducted from core capital.

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

## 4.2 Credit risk

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

## 4.3 Market risk

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

In order to comply with the regulations, the Bank 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**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	164,089
(II) Capital Obligation against Specific Risks - Standard Method	34,585
(III) Capital Obligation against Currency Risk - Standard Method	419
(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	33,612
<b>(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement</b>	<b>-</b>
<b>(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)</b>	<b>232,705</b>
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>2,908,813</b>

#### **4.3.2 Monthly average values at market risk**

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

#### **4.4 Operational risk**

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

## 4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2009, the Bank's net 'on balance sheet' foreign currency long position amounts to TL 4,848,484 thousands (31 December 2008: TL 1,684,034 thousands), net 'off-balance sheet' foreign currency short position amounts to TL 5,009,465 thousands (31 December 2008: TL 1,928,664 thousands), while net foreign currency short position amounts to TL 160,981 thousands (31 December 2008: TL 244,630 thousands).

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

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

	US\$	EUR	Yen (100)	GBP
<b>Foreign currency purchase rates at balance sheet date</b>				
<b><u>Rates for the days before balance sheet date;</u></b>	1.6550	2.1981	1.6811	2.3691
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
<b>Last 30-days arithmetical average rates</b>	1.6885	2.2043	1.7272	2.3943



**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	1,998,732	1,147,650	239	68,042	3,214,663
Banks	1,842,516	5,306,914	2,845	416,747	7,569,022
Financial Assets at Fair Value through Profit/Loss	48,602	37,134	24	782	86,542
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	230,430	2,420,997	-	-	2,651,427
Loans (*)	7,968,392	17,043,806	49,341	549,570	25,611,109
Investments in Associates, Subsidiaries and Joint-Ventures	506,227	103,968	-	-	610,195
Investments Held-to-Maturity	5,508	1,686,607	-	-	1,692,115
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	743	398	-	-	1,141
Intangible Assets	-	-	-	-	-
Other Assets	11,409	45,358	3	1,160	57,930
<b>Total Assets</b>	<b>12,612,559</b>	<b>27,792,832</b>	<b>52,452</b>	<b>1,036,301</b>	<b>41,494,144</b>
<b>Liabilities</b>					
Bank Deposits	357,890	399,310	20	13,420	770,640
Foreign Currency Deposits	9,200,162	15,506,799	53,311	366,505	25,126,777
Interbank Money Market Takings	-	169,502	-	-	169,502
Other Fundings	3,151,491	6,813,006	1,060	-	9,965,557
Securities Issued	-	-	-	-	-
Miscellaneous Payables	7,201	15,496	-	7,739	30,436
Derivative Financial Liabilities Held for Risk Management	-	4,958	-	-	4,958
Other Liabilities (**)	154,173	188,602	2,244	232,771	577,790
<b>Total Liabilities</b>	<b>12,870,917</b>	<b>23,097,673</b>	<b>56,635</b>	<b>620,435</b>	<b>36,645,660</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(258,358)</b>	<b>4,695,159</b>	<b>(4,183)</b>	<b>415,866</b>	<b>4,848,484</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>322,326</b>	<b>(4,922,985)</b>	<b>4,633</b>	<b>(413,439)</b>	<b>(5,009,465)</b>
Derivative Assets	2,678,531	7,006,122	15,564	411,216	10,111,433
Derivative Liabilities	2,356,205	11,929,107	10,931	824,655	15,120,898
Non-Cash Loans	-	-	-	-	-
<b>Prior Period</b>					
<b>Total Assets</b>	<b>9,727,440</b>	<b>24,919,804</b>	<b>49,861</b>	<b>805,769</b>	<b>35,502,874</b>
<b>Total Liabilities</b>	<b>11,927,327</b>	<b>21,290,615</b>	<b>42,357</b>	<b>558,541</b>	<b>33,818,840</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(2,199,887)</b>	<b>3,629,189</b>	<b>7,504</b>	<b>247,228</b>	<b>1,684,034</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>2,029,201</b>	<b>(3,707,044)</b>	<b>(8,155)</b>	<b>(242,666)</b>	<b>(1,928,664)</b>
Derivative Assets	3,750,886	5,234,213	2,914	418,432	9,406,445
Derivative Liabilities	1,721,685	8,941,257	11,069	661,098	11,335,109
Non-Cash Loans	-	-	-	-	-

(\*) The foreign currency-indexed loans amounting TL 2,566,155 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(\*\*) Other liabilities also include gold deposits of TL 229,117 thousands.

## 4.6 Interest rate risk

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

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

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

During the daily VaR calculations, the interest rate risks of the Bank's 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 mismatch for the Bank "Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates"

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,032,385	-	-	-	-	3,116,436	5,148,821
Banks	4,737,630	948,349	2,906,049	-	-	896,517	9,488,545
Financial Assets at Fair Value through Profit/Loss	20,435	56,507	428,194	174,720	6,291	5,200	691,347
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	3,507,337	1,611,696	7,992,503	4,728,614	193,750	82,477	18,116,377
Loans	16,001,794	12,655,211	10,601,771	8,205,918	2,930,492	359,155	50,754,341
Investments Held-to-Maturity	-	164,359	2,670,259	3,271,404	1,416,417	-	7,522,439
Other Assets	15,089	6,099	464	7,862	20,025	3,000,998	3,050,537
<b>Total Assets</b>	<b>26,314,670</b>	<b>15,442,221</b>	<b>24,599,240</b>	<b>16,388,518</b>	<b>4,566,975</b>	<b>7,460,783</b>	<b>94,772,407</b>
<b>Liabilities</b>							
Bank Deposits	625,270	32,062	76,883	-	-	631,066	1,365,281
Other Deposits	42,460,565	3,949,936	1,903,961	65,050	-	8,562,232	56,941,744
Interbank Money Market Takings	8,444,418	202	169,502	578,719	-	-	9,192,841
Miscellaneous Payables	-	-	-	-	-	2,008,436	2,008,436
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,163,136	2,896,954	2,540,488	6,231	836,022	-	12,442,831
Other Liabilities	169,155	45,952	113,169	39,726	1,827	12,451,445	12,821,274
<b>Total Liabilities</b>	<b>57,862,544</b>	<b>6,925,106</b>	<b>4,804,003</b>	<b>689,726</b>	<b>837,849</b>	<b>23,653,179</b>	<b>94,772,407</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>8,517,115</b>	<b>19,795,237</b>	<b>15,698,792</b>	<b>3,729,126</b>	<b>-</b>	<b>47,740,270</b>
<b>On Balance Sheet Short Position</b>	<b>(31,547,874)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,192,396)</b>	<b>(47,740,270)</b>
<b>Off-Balance Sheet Long Position</b>	<b>4,008</b>	<b>867</b>	<b>11,784</b>	<b>1,135</b>	<b>-</b>	<b>-</b>	<b>17,794</b>
<b>Off-Balance Sheet Short Position</b>	<b>-</b>	<b>(2,507)</b>	<b>(9,498)</b>	<b>(1,041)</b>	<b>-</b>	<b>-</b>	<b>(13,046)</b>
<b>Total Position</b>	<b>(31,543,866)</b>	<b>8,515,475</b>	<b>19,797,523</b>	<b>15,698,886</b>	<b>3,729,126</b>	<b>(16,192,396)</b>	<b>4,748</b>

***Average interest rates on monetary financial instruments:***

<b>Current Period</b>	<b>Euro</b>	<b>US\$</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	8.40
Banks	1.45	1.31	-	16.10
Financial Assets at Fair Value through Profit/Loss	3.52	5.59	-	13.67
Interbank Money Market Placements				
Financial Assets Available-for-Sale	3.18	5.46	-	16.51
Loans	7.20	6.77	5.72	24.15
Investments Held-to-Maturity	9.25	7.98	-	16.52
<b>Liabilities</b>				
Bank Deposits	0.86	2.12	-	11.62
Other Deposits	3.02	2.89	0.30	11.45
Interbank Money Market Takings	-	4.24	-	10.88
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.89	2.88	3.19	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 mismatch for the Bank “Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates”**

<b>Prior Period</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>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,788,512	-	-	-	-	3,743,062	5,531,574
Banks	1,726,588	838,406	1,291,601	-	-	944,440	4,801,035
Financial Assets at Fair Value through Profit/Loss	33,270	75,827	425,675	118,116	12,609	600	666,097
Interbank Money Market Placements	40,552	-	-	-	-	-	40,552
Financial Assets Available-for-Sale	1,047,424	6,043,297	5,341,045	4,599,420	243,928	70,667	17,345,781
Loans	15,952,275	8,974,291	12,995,113	8,716,209	2,819,373	450,146	49,907,407
Investments Held-to-Maturity	514,932	2,307,180	148,422	3,332,449	1,314,314	-	7,617,297
Other Assets	82,616	301	5,052	6,338	21,056	2,915,754	3,031,117
<b>Total Assets</b>	<b>21,186,169</b>	<b>18,239,302</b>	<b>20,206,908</b>	<b>16,772,532</b>	<b>4,411,280</b>	<b>8,124,669</b>	<b>88,940,860</b>
<b>Liabilities</b>							
Bank Deposits	775,069	88,219	25,784	-	-	777,477	1,666,549
Other Deposits	37,713,758	4,003,826	1,485,572	28,946	-	7,816,630	51,048,732
Interbank Money Market Takings	10,130,907	325	-	571,711	-	-	10,702,943
Miscellaneous Payables	-	-	-	-	-	1,949,731	1,949,731
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,613,701	3,066,670	1,150,546	12,529	781,638	-	11,625,084
Other Liabilities	40,441	82,510	185,000	111,581	23,791	11,504,498	11,947,821
<b>Total Liabilities</b>	<b>55,273,876</b>	<b>7,241,550</b>	<b>2,846,902</b>	<b>724,767</b>	<b>805,429</b>	<b>22,048,336</b>	<b>88,940,860</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>10,997,752</b>	<b>17,360,006</b>	<b>16,047,765</b>	<b>3,605,851</b>	<b>-</b>	<b>48,011,374</b>
<b>On Balance Sheet Short Position</b>	<b>(34,087,707)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,923,667)</b>	<b>(48,011,374)</b>
<b>Off-Balance Sheet Long Position</b>	<b>3,116</b>	<b>2,155</b>	<b>6,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,293</b>
<b>Off-Balance Sheet Short Position</b>	<b>(50)</b>	<b>(16,701)</b>	<b>(43,725)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60,476)</b>
<b>Total Position</b>	<b>(34,084,641)</b>	<b>10,983,206</b>	<b>17,322,303</b>	<b>16,047,765</b>	<b>3,605,851</b>	<b>(13,923,667)</b>	<b>(49,183)</b>

**Average interest rates on monetary financial instruments:**

<b>Prior Period</b>	<b>Euro</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks (*)	2.98	1.75	-	2.07
Financial Assets at Fair Value through Profit/Loss	6.06	6.76	-	16.37
Interbank Money Market Placements	-	-	-	18.88
Financial Assets Available-for-Sale	5.25	6.52	-	19.16
Loans	7.86	6.86	5.51	24.53
Investments Held-to-Maturity	9.25	7.98	-	18.48
<b>Liabilities</b>				
Bank Deposits	4.39	4.27	-	18.11
Other Deposits	4.35	3.96	0.35	17.55
Interbank Money Market Takings	-	3.65	-	15.26
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	5.05	4.85	2.33	14.50

(\*) The interest rates for USD and TL placements at banks are 2.01% and 19.17%, respectively, when the placements with range accrual agreements are excluded.

#### 4.7 Liquidity risk

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

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

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios in the first quarter of 2009 and the year 2008 are as follows:

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

<b>Prior Period</b>	<b>First Maturity Bracket (Weekly)</b>		<b>Second Maturity Bracket (Monthly)</b>	
	<b>FC</b>	<b>FC + TL</b>	<b>FC</b>	<b>FC + TL</b>
<b>Average (%)</b>	168.14	149.56	110.42	108.99
<b>Maximum (%)</b>	215.04	179.94	126.94	119.49
<b>Minimum (%)</b>	137.44	126.82	95.14	100.70

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,116,436	2,032,385	-	-	-	-	-	5,148,821
Banks	896,517	4,525,541	66,985	223,088	2,111,534	1,664,880	-	9,488,545
Financial Assets at Fair Value through Profit/Loss	5,201	19,961	56,220	424,661	179,013	6,291	-	691,347
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	82,477	305,479	238,313	3,328,547	13,068,203	1,093,358	-	18,116,377
Loans	135,689	10,240,698	6,060,292	7,417,207	14,458,739	12,082,561	359,155	50,754,341
Investments Held-to-Maturity	-	-	164,359	1,452,874	4,488,789	1,416,417	-	7,522,439
Other Assets	403,485	219,777	6,099	464	7,862	20,025	2,392,825	3,050,537
<b>Total Assets</b>	<b>4,639,805</b>	<b>17,343,841</b>	<b>6,592,268</b>	<b>12,846,841</b>	<b>34,314,140</b>	<b>16,283,532</b>	<b>2,751,980</b>	<b>94,772,407</b>
<b>Liabilities</b>								
Bank Deposits	631,066	625,270	11,808	26,301	64,519	6,317	-	1,365,281
Other Deposits	8,562,232	42,444,937	3,921,002	1,778,898	124,391	110,284	-	56,941,744
Other Fundings	-	398,455	1,553,710	2,633,610	4,803,274	3,053,782	-	12,442,831
Interbank Money Market Takings	-	8,444,418	202	169,502	578,719	-	-	9,192,841
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	163,060	1,845,376	-	-	-	-	-	2,008,436
Other Liabilities (**)	482,028	329,127	99,542	113,169	39,726	1,827	11,755,855	12,821,274
<b>Total Liabilities</b>	<b>9,838,386</b>	<b>54,087,583</b>	<b>5,586,264</b>	<b>4,721,480</b>	<b>5,610,629</b>	<b>3,172,210</b>	<b>11,755,855</b>	<b>94,772,407</b>
<b>Liquidity Gap</b>	<b>(5,198,581)</b>	<b>(36,743,742)</b>	<b>1,006,004</b>	<b>8,125,361</b>	<b>28,703,511</b>	<b>13,111,322</b>	<b>(9,003,875)</b>	<b>-</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>5,315,959</b>	<b>13,568,405</b>	<b>6,780,137</b>	<b>10,911,437</b>	<b>34,491,603</b>	<b>15,068,568</b>	<b>2,804,751</b>	<b>88,940,860</b>
<b>Total Liabilities</b>	<b>9,221,740</b>	<b>50,954,064</b>	<b>5,350,143</b>	<b>5,341,227</b>	<b>5,044,983</b>	<b>2,318,989</b>	<b>10,709,714</b>	<b>88,940,860</b>
<b>Liquidity Gap</b>	<b>(3,905,781)</b>	<b>(37,385,659)</b>	<b>1,429,994</b>	<b>5,570,210</b>	<b>29,446,620</b>	<b>12,749,579</b>	<b>(7,904,963)</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 Unconsolidated Financial Statements

### 5.1 Assets

#### 5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	269,103	185,842	312,466	341,436
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>1,934,158</b>	<b>3,214,663</b>	<b>2,575,050</b>	<b>2,956,524</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 Information on financial assets at fair value through profit/loss

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

None.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	45,913	5,866	58,900	3,640
Swap Transactions	298,683	88,068	424,753	115,354
Futures	-	770	-	14
Options	51,365	27,240	11,231	22,143
Other	-	-	-	-
<b>Total</b>	<b>395,961</b>	<b>121,944</b>	<b>494,884</b>	<b>141,151</b>



### 5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	241,047	231,000	82,934	737,306
Foreign banks	1,678,476	7,338,022	1,342,516	2,638,279
Foreign headoffices and branches	-	-	-	-
<b>Total</b>	<b>1,919,523</b>	<b>7,569,022</b>	<b>1,425,450</b>	<b>3,375,585</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.

#### *Due from foreign banks:*

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

### 5.1.4 Financial assets available-for-sale

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

The collateralized financial assets available-for-sale in TL consist of government bonds. The carrying values of such securities with total face value of TL 2,206,520 thousands (31 December 2008: TL 2,421,747 thousands) is TL 2,110,589 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 150,106 thousands (31 December 2008: TL 125,357 thousands) and TL 86 thousands (31 December 2008: TL 1,743 thousands). The collateralized financial assets available-for-sale in foreign currencies consist of government securities. The carrying values of such securities with total face value of USD 220,700,000 (31 December 2008: USD 252,550,000) is USD 219,120,571 (31 December 2008: USD 251,524,241). The related accrued interests and impairment losses amount to USD 2,933,537 (31 December 2008: USD 8,680,426) and USD 3,317 (31 December 2008: USD 368,200).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,260,610	367,494	2,488,593	394,951
Assets subject to Repurchase Agreements	5,779,739	86,668	6,491,961	104,557
<b>Total</b>	<b>8,040,349</b>	<b>454,162</b>	<b>8,980,554</b>	<b>499,508</b>

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>16,752,824</b>	<b>15,917,927</b>
Quoted at Stock Exchange	15,069,323	14,363,860
Unquoted at Stock Exchange	1,683,501	1,554,067
<b>Common Shares</b>	<b>34,244</b>	<b>33,531</b>
Quoted at Stock Exchange	21,775	21,062
Unquoted at Stock Exchange	12,469	12,469
<b>Value Increases/Impairment Losses (-)</b>	<b>1,329,309</b>	<b>1,394,323</b>
<b>Total</b>	<b>18,116,377</b>	<b>17,345,781</b>

As of 31 March 2009, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 875,000,000 (31 December 2008: USD 875,000,000) and a total carrying value of TL 1,459,311 thousands (31 December 2008: TL 1,355,529 thousands).

#### 5.1.5 Loans

##### 5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
<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>205,974</b>	<b>202,172</b>	<b>216,995</b>	<b>183,922</b>
<b>Loans to Employees</b>	<b>55,523</b>	<b>-</b>	<b>47,155</b>	<b>-</b>
<b>Total</b>	<b>261,519</b>	<b>203,838</b>	<b>264,175</b>	<b>185,583</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>49,249,905</b>	<b>-</b>	<b>1,090,922</b>	<b>54,359</b>
Discounted Bills	113,664	-	321	-
Export Loans	3,074,782	-	54,474	4,583
Import Loans	3,414	-	-	-
Loans to Financial Sector	990,405	-	1,220	-
Foreign Loans	768,423	-	-	-
Consumer Loans	9,272,410	-	259,303	-
Credit Cards	6,565,781	-	282,805	-
Precious Metal Loans	249,259	-	8,050	-
Other	28,211,767	-	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>49,249,905</b>	<b>-</b>	<b>1,090,922</b>	<b>54,359</b>

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

	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
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	68,083	10,269	-	78,352
Unsecured Loans	26,300	44,453	282,805	353,558
<b>Total</b>	<b>603,173</b>	<b>259,303</b>	<b>282,805</b>	<b>1,145,281</b>

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

	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
31-60 days	110,731	190,351	200,916	501,998
61-90 days	74,041	68,952	81,889	224,882
Others	364,042	-	-	364,042
<b>Total</b>	<b>548,814</b>	<b>259,303</b>	<b>282,805</b>	<b>1,090,922</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
Other	-	-	-
<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
Other	-	-	-
<b>Consumer Loans – FC</b>	<b>27</b>	<b>29,588</b>	<b>29,615</b>
Housing Loans	-	11,143	11,143
Automobile Loans	-	16,829	16,829
General Purpose Loans	27	1,616	1,643
Other	-	-	-
<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>1</b>	<b>11,757</b>
With Installment	612	1	613
Without Installment	11,144	-	11,144
<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
Other	-	-	-
<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	-	-	-
Other	-	-	-
<b>Personnel Loans – FC</b>	<b>24</b>	<b>29</b>	<b>53</b>
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	24	29	53
Other	-	-	-
<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>7,513,180</b>	<b>8,696,167</b>	<b>16,209,347</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
Other	-	-	-
<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
Other	-	-	-
<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
Other	-	-	-
<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	49,626,763	48,683,233
Foreign Loans	768,423	774,028
<b>Total</b>	<b>50,395,186</b>	<b>49,457,261</b>

**5.1.5.8 Loans to associates and subsidiaries**

	Current Period	Prior Period
Direct Lending	412,674	450,799
Indirect Lending	-	-
<b>Total</b>	<b>412,674</b>	<b>450,799</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	672,952	547,928
<b>Total</b>	<b>1,152,022</b>	<b>789,593</b>

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

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

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

**Movements in non-performing loans and other receivables:**

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Balances at Beginning of Period</b>	<b>238,188</b>	<b>294,614</b>	<b>706,937</b>
Additions during the Period (+)	436,746	14,282	12,962
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
Others	-	-	-
<b>Balances at End of Period</b>	<b>394,195</b>	<b>370,097</b>	<b>746,885</b>
Specific Provisions (-)	208,775	270,295	672,952
<b>Net Balance on Balance Sheet</b>	<b>185,420</b>	<b>99,802</b>	<b>73,933</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>232,482</b>	<b>166,194</b>	<b>390,917</b>	<b>789,593</b>
Additions during the Period(+)	182,901	79,458	254,576	516,935
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	16,413	16,330	76,042	108,785
Write-offs (-)	14,246	794	30,681	45,721
<b>Balances at End of Period</b>	<b>384,724</b>	<b>228,528</b>	<b>538,770</b>	<b>1,152,022</b>

***Non-performing loans and other receivables 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>126,289</b>
Specific Provisions (-)	7,096	7,653	124,754
<b>Net Balance at Balance Sheet</b>	<b>11,707</b>	<b>2,378</b>	<b>1,535</b>
<b>Prior Period</b>			
<b>Balance at End of Period</b>	<b>7,071</b>	<b>3,594</b>	<b>126,058</b>
Specific Provisions (-)	467	526	95,401
<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 receivable 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>73,933</b>
Loans to Individuals and Corporates (Gross)	394,195	370,097	738,886
Specific Provision (-)	208,775	270,295	664,953
Loans to Individuals and Corporates (Net)	185,420	99,802	73,933
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	698,954
Specific Provision (-)	62,160	179,505	539,945
Loans to Individuals and Corporates (Net)	176,028	115,109	159,009
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-

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

	<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	97,366	93,199	-	190,565
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	31,316	70,530	591,632	693,478
<b>Total</b>	<b>485,659</b>	<b>433,886</b>	<b>591,632</b>	<b>1,511,177</b>

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

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

**5.1.5.12 “Write-off” policies**

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

**5.1.6 Investments held-to-maturity**

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

	<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	127,571	4,354,254	174,759
<b>Total</b>	<b>4,922,518</b>	<b>143,487</b>	<b>5,862,480</b>	<b>240,022</b>

**5.1.6.2 Government securities held-to-maturity**

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	5,830,317	6,054,289
Treasury Bills	-	-
Other Government Securities	1,692,122	1,563,008
<b>Total</b>	<b>7,522,439</b>	<b>7,617,297</b>

**5.1.6.3 Investments held-to-maturity**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>7,463,500</b>	<b>7,337,175</b>
Quoted at Stock Exchange	7,463,500	7,337,175
Unquoted at Stock Exchange	-	-
<b>Impairment Reversals/Impairment Losses (-)</b>	<b>58,939</b>	<b>280,122</b>
<b>Total</b>	<b>7,522,439</b>	<b>7,617,297</b>



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

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>7,617,297</b>	<b>3,943,765</b>
Foreign Currency Differences On Monetary Assets	138,901	66,130
Purchases during the Period	-	3,935,987
Disposals through Sales/Redemptions	-	(484,383)
Value Increases/Impairment Losses (-)	(38,599)	15,203
Change in Redeemed Costs	(195,160)	140,595
<b>Balances at End of Period</b>	<b>7,522,439</b>	<b>7,617,297</b>

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.

#### 5.1.7 Investments in associates

##### 5.1.7.1 Investments in associates

Associate	Address (City/ Country)	Bank’s Share – If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1 Eureka Sigorta AŞ	Istanbul/Turkey	20.00	20.00
2 Bankalarası Kart Merkezi AŞ	Istanbul/Turkey	10.15	10.15
3 Yatırım Finansman Menkul Değerler AŞ	Istanbul/Turkey	0.77	0.77
4 IMKB Takas ve Saklama Bankası AŞ (1)	Istanbul/Turkey	5.83	5.83
5 Vadeli İşlem ve Opsiyon Borsası AŞ (1)	Istanbul/Turkey	6.00	6.00
6 KKB Kredi Kayıt Burosı 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 (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company’s Fair Value (if available)
1	519,466	226,041	10,775	4,015	7,919	21,032	97,683	-
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	-

(1) Financial information is as of 31 December 2008.

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

**5.1.7.2 Movement of investments in associates**

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>27,705</b>	<b>27,596</b>
<b>Movements during the Period</b>	<b>-</b>	<b>109</b>
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	109
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Impairment Losses (-)	-	-
<b>Balance at End of Period</b>	<b>27,705</b>	<b>27,705</b>
<b>Capital Commitments</b>	<b>250</b>	<b>-</b>
<b>Share Percentage at the End of Period (%)</b>	<b>-</b>	<b>-</b>

**5.1.7.3 Sectoral distribution of investments and associates**

Investments in Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	11,312	11,312
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	14,679	14,679
Other Associates	1,714	1,714

**5.1.7.4 Quoted associates**

None.

**5.1.7.5 Valuation methods of investments in associates**

Investments in Associates	Current Period	Prior Period
Valued at Cost	27,705	27,705
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	-	-

**5.1.7.6 Investments in associates sold during the current period**

None.

**5.1.7.7 Investments in associates acquired during the current period**

None.

## 5.1.8 Investments in subsidiaries

### 5.1.8.1 Investments in subsidiaries

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
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	2,218,642	297,010	18,068	56,232	-	11,370	202,392	-
7	719,002	43,914	2,427	27,590	257	2,486	20,723	38,614
8	27,203	24,574	3,398	218	357	(366)	10,250	-
9	16,147	14,201	1,206	485	5	8	1,406	-
10	1,341,619	177,735	11,945	6,620	1,888	20,824	89,643	-
11	7,654,858	505,800	103,824	84,705	26,593	16,758	79,559	506,227
12	420,745	88,444	873	8,166	2,099	3,660	43,056	98,934
13	11,561	11,165	-	-	-	-	5,463	29,750
14	101	-	-	-	-	-	(267)	-

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

**5.1.8.2 Movement of investments in subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at Beginning of Period</b>	<b>812,128</b>	<b>577,408</b>
<b>Movements during the Period</b>	<b>32,175</b>	<b>234,720</b>
Acquisitions and Capital Increases (*)	562	-
Bonus Shares Received (**)	-	72,284
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/(Decrease) in Market Values	11,642	80,122
Currency Differences on Foreign Subsidiaries	19,973	80,227
Impairment Reversals/(Losses)	(2)	2,087
<b>Balance at End of Period</b>	<b>844,303</b>	<b>812,128</b>
<b>Capital Commitments</b>	<b>-</b>	<b>562</b>
<b>Share Percentage at the End of Period (%)</b>		-

(\*) 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.

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

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

**5.1.8.3 Sectoral distribution of investments in subsidiaries**

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Banks	580,448	555,439
Insurance Companies	56,545	56,545
Factoring Companies	21,394	17,215
Leasing Companies	76,169	76,169
Finance Companies	98,824	96,397
Other Subsidiaries	10,923	10,363

**5.1.8.4 Quoted subsidiaries**

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Quoted at Domestic Stock Exchanges	21,394	17,215
Quoted at International Stock Exchanges	-	-

**5.1.8.5 Valuation methods of investments in subsidiaries**

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Valued at Cost	202,612	202,049
Valued at Fair Value	631,589	599,975
Valued by Equity Method of Accounting	10,102	10,104

**5.1.8.6 Investments in subsidiaries disposed during the current period**

None.

**5.1.8.7 Investments in subsidiaries acquired during the current period**

None.

**5.1.9 Investments in Joint-Ventures**

None.

**5.1.10 Lease receivables**

None.

**5.1.11 Derivative financial assets held for risk management**

**5.1.11.1 Positive differences on derivative financial instruments held for risk management**

Derivative Financial Assets held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	69,161
Net foreign investment hedges	-	-	-	-
<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 prior period are exercised before their due dates in January 2009. The Bank recognized EUR 36,321,000 and USD 16,000,000 (equivalent of TL 100,808 thousands in total) that was collected on the date of these transactions as per the related agreements, under "Income/losses from derivative financial instruments".

**5.1.12 Tangible assets**

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

**5.1.13 Intangible assets**

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

**5.1.14 Investment property**

None.

**5.1.15 Deferred tax asset**

As of 31 March 2009, the Bank has a deferred tax asset of TL 54,164 thousands (31 December 2008: TL 34,185 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 March 2009. However, there is a deferred tax asset of TL 139,173 thousands (31 December 2008: TL 107,145 thousands) and deferred tax liability of TL 85,009 thousands (31 December 2008: TL 72,960 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

#### 5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
<b>End of Prior Period</b>		
<b>Cost</b>	<b>83,136</b>	<b>115,599</b>
<b>Accumulated Depreciation</b>	<b>(1,832)</b>	<b>(2,749)</b>
<b>Net Book Value</b>	<b>81,304</b>	<b>112,850</b>
<b>End of Current Period</b>		
Additions	7,800	6,917
Disposals (Cost)	(2,553)	(39,867)
Disposals (Accumulated Depreciation)	11	1,780
Impairment Losses (-)	-	487
Depreciation Expense for Current Period	(199)	(863)
Currency Translation Differences on Foreign Operations		-
<b>Cost</b>	<b>88,383</b>	<b>83,136</b>
<b>Accumulated Depreciation</b>	<b>(2,020)</b>	<b>(1,832)</b>
<b>Net Book Value</b>	<b>86,363</b>	<b>81,304</b>

As of 31 March 2009, the rights of repurchase on various assets held for sale amount to TL 13,641 thousands (31 December 2008: TL 13,714 thousands).

#### 5.1.17 Other assets

##### 5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint Ventures	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>

##### 5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	278,912	295,671
Prepaid Taxes	-	70

### 5.1.18 Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	45,622	69	51,629	8,645
Financial Assets at Fair Value through Profit or Loss	1,997	775	721	3,180
Banks	35,144	24,261	35,237	32,122
Interbank Money Markets	-	-	552	-
Financial Assets Available-for-Sale	1,307,191	26,029	1,360,541	47,847
Loans	862,471	425,803	755,777	343,165
Investments Held-to-Maturity	113,332	16,277	287,324	24,870
Other Accruals	14,833	-	13,351	2
<b>Total</b>	<b>2,380,590</b>	<b>493,214</b>	<b>2,505,132</b>	<b>459,831</b>

## 5.2 Liabilities

### 5.2.1 Maturity profile of deposits

#### *Current Period*

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
<b>Saving Deposits</b>	1,472,162	-	6,306,093	10,703,677	140,791	129,219	77,258	-	18,829,200
<b>Foreign Currency Deposits</b>	4,453,525	-	8,435,540	9,829,440	616,044	906,919	788,986	96,323	25,126,777
Residents in Turkey	4,125,355	-	8,025,836	9,493,107	416,074	558,721	569,111	94,906	23,283,110
Residents in Abroad	328,170	-	409,704	336,333	199,970	348,198	219,875	1,417	1,843,667
<b>Public Sector Deposits</b>	576,740	-	6,569	277,119	25	279	65	-	860,797
<b>Commercial Deposits</b>	1,766,317	-	4,386,783	4,750,289	33,784	15,782	118,835	-	11,071,790
<b>Other</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>	631,066	-	470,099	160,758	8,583	20,632	74,143	-	1,365,281
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	11,747	-	115,138	89,270	-	4,077	-	-	220,232
Foreign Banks	538,731	-	354,961	71,488	8,583	16,555	74,143	-	1,064,461
Special Purpose Financial Institutions	80,588	-	-	-	-	-	-	-	80,588
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,193,298</b>	<b>-</b>	<b>19,743,979</b>	<b>26,310,217</b>	<b>799,845</b>	<b>1,101,409</b>	<b>1,061,954</b>	<b>96,323</b>	<b>58,307,025</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 Accounts	Total
<b>Saving Deposits</b>	1,263,502	-	6,626,686	10,082,104	111,230	82,761	72,599	-	18,238,882
<b>Foreign Currency Deposits</b>	4,161,413	-	9,087,581	6,854,269	418,274	1,086,744	766,434	90,877	22,465,592
Residents in Turkey	3,858,891	-	8,739,310	6,595,492	396,877	519,663	556,614	89,588	20,756,435
Residents in Abroad	302,522	-	348,271	258,777	21,397	567,081	209,820	1,289	1,709,157
<b>Public Sector Deposits</b>	426,693	-	283,600	516,009	25	272	63	-	1,226,662
<b>Commercial Deposits</b>	1,711,753	-	3,220,581	3,612,242	48,451	13,975	95,574	-	8,702,576
<b>Other</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>	777,477	-	367,317	299,213	142,162	6,757	73,623	-	1,666,549
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	8,019	-	66,930	68,751	125,692	462	-	-	269,854
Foreign Banks	324,151	-	300,387	230,462	16,470	6,295	73,623	-	951,388
Special Purpose Financial Institutions	445,307	-	-	-	-	-	-	-	445,307
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,594,096</b>	<b>-</b>	<b>19,640,180</b>	<b>21,443,595</b>	<b>720,847</b>	<b>1,215,098</b>	<b>1,010,588</b>	<b>90,877</b>	<b>52,715,281</b>



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

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	8,793,230	8,435,686	9,785,283	9,545,348
Foreign Currency Saving Deposits	3,060,017	2,977,501	9,403,629	7,851,492
Other Saving Deposits	68,270	20,544	135,322	83,909
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

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

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

### 5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward deals	49,613	12,618	54,361	10,273
Swaps	117,105	78,025	179,673	87,163
Futures	-	269	-	996
Options	55,159	29,675	62,474	20,156
Other	-	-	-	-
<b>Total</b>	<b>221,877</b>	<b>120,587</b>	<b>296,508</b>	<b>118,588</b>

### 5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	267,079	181,906	251,138	126,591
Foreign Banks, Institutions and Funds	2,210,195	8,837,724	1,825,837	8,639,880
<b>Total</b>	<b>2,477,274</b>	<b>9,019,630</b>	<b>2,076,975</b>	<b>8,766,471</b>

**5.2.3.1 Maturities of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	473,548	2,972,268	560,393	2,894,570
Medium and Long-Term	2,003,726	6,047,362	1,516,582	5,871,901
<b>Total</b>	<b>2,477,274</b>	<b>9,019,630</b>	<b>2,076,975</b>	<b>8,766,471</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 Other external funds**

*Funds provided 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>169,502</b>	<b>573,996</b>	<b>250,419</b>
Financial Institutions and Organizations	578,719	169,502	571,711	250,419
Other Institutions and Organizations	190	-	1,749	-
Individuals	194	-	536	-
<b>Total</b>	<b>9,023,339</b>	<b>169,502</b>	<b>10,452,524</b>	<b>250,419</b>

**5.2.5 Lease payables (Net)**

**5.2.5.1 Financial lease payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	21,165	20,055	21,359	20,194
1-4 Years	2,567	2,354	3,448	3,163
More than 4 Years	-	-	-	-
<b>Total</b>	<b>23,732</b>	<b>22,409</b>	<b>24,807</b>	<b>23,357</b>

**5.2.5.2 Operational lease agreements**

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

## 5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	4,958	-	4,871
Net foreign investment hedges	-	-	-	-
<b>Total</b>	-	<b>4,958</b>	-	<b>4,871</b>

## 5.2.7 Provisions

### 5.2.7.1 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
Other	-	-

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

	Current Period	Prior Period
Short-Term Loans	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.

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

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

### 5.2.7.4 Other provisions

#### 5.2.7.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	15,000	22,000

#### 5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	183,188	197,372
Recognized Liability for Defined Benefit Obligations	102,601	102,601
Provision for Promotion Expenses of Credit Cards (*)	30,516	36,206
Other Provisions	47,869	14,994
<b>Total</b>	<b>364,174</b>	<b>351,173</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>31 December 2008</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.

## **5.2.8 Tax liability**

### **5.2.8.1 Current tax liability**

#### **5.2.8.1.1 Tax liability**

As of 31 March 2009, the Bank had a current tax liability of TL 295,485 thousands (31 December 2008: TL 119,191 thousands). In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

#### **5.2.8.1.2 Taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Taxes Payable	295,485	119,191
Taxation on Securities Income	95,750	191,148
Taxation on Real Estates Income	1,407	1,137
Banking Insurance Transaction Tax	35,373	37,189
Foreign Exchange Transaction Tax	15	12
Value Added Tax Payable	879	2,449
Others	25,313	25,981
<b>Total</b>	<b>454,222</b>	<b>377,107</b>

#### **5.2.8.1.3 Premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
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	408	427
Unemployment Insurance-Employer	741	777
Others	-	-
<b>Total</b>	<b>1,234</b>	<b>1,236</b>

**5.2.8.2 Deferred tax liability**

None.

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

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

**5.2.10 Subordinated debts**

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

**5.2.11 Shareholders’ equity**

**5.2.11.1 Paid-in capital**

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

**5.2.11.2 Registered share capital system**

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

**5.2.11.3 Capital increases in current period**

None.

**5.2.11.4 Capital increases from capital reserves in current period**

None.

**5.2.11.5 Capital commitments for current and future financial periods**

None.

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

None.

**5.2.11.7 Information on privileges given to stocks representing the capital**

None.

**5.2.11.8 Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Investments in Associates, Subsidiaries and Joint-Ventures</b>	<b>50,299</b>	<b>131,552</b>	<b>31,099</b>	<b>124,089</b>
Valuation difference	(5,904)	131,552	(9,247)	124,089
Exchange rate difference	56,203	-	40,346	-
<b>Securities Available-for-Sale</b>	<b>376,562</b>	<b>(12,426)</b>	<b>256,934</b>	<b>(19,605)</b>
Valuation difference	376,562	(12,426)	256,934	(19,605)
Exchange rate difference	-	-	-	-
<b>Total</b>	<b>426,861</b>	<b>119,126</b>	<b>288,033</b>	<b>104,484</b>

**5.2.11.9 Revaluation surplus**

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

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

	Current Period	Prior Period
Garanti Yatırım Menkul Değerler AŞ	942	942
Eureko Sigorta AŞ	561	561
Kredi Kartları Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Tat Konserve AŞ	36	36
Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ	23	23
Yatırım Finansman Menkul Değerler AŞ	9	9
<b>Total</b>	<b>2,453</b>	<b>2,453</b>

**5.2.11.11 Legal reserves**

	Current Period	Prior Period
I. Legal Reserve	254,305	254,103
II. Legal Reserve	18,790	18,790
Special Reserves	-	-

**5.2.11.12 Extraordinary reserves**

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

### 5.2.12 Accrued interest and expenses

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

	Current Period		Prior Period	
	FC	TL	FC	TL
Deposits	199,924	74,443	250,628	80,405
Funds Borrowed	67,845	42,950	183,331	99,278
Interbank Money Markets	38,839	1,364	45,021	6,787
Other Accruals	48,421	6,887	23,902	9,978
<b>Total</b>	<b>355,029</b>	<b>125,644</b>	<b>502,882</b>	<b>196,448</b>



### 5.3 Off-Balance Sheet Items

#### 5.3.1 Off-balance sheet contingencies

##### 5.3.1.1 Irrevocable credit commitments

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,247,592	6,790,151
Letters of Guarantee in TL	4,336,963	4,120,918
Letters of Credit	2,474,577	2,311,731
Bills of Exchange and Acceptances	194,231	123,807
Others	-	-
<b>Total</b>	<b>14,253,363</b>	<b>13,346,607</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 in the accompanying financial statements.

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

As of 31 March 2009, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 925,000,000 (31 December 2008: USD 925,000,000).

##### 5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	259,358	225,228
With Original Maturity of 1 Year or Less	15,404	15,067
With Original Maturity of More Than 1 Year	243,954	210,161
Other Non-Cash Loans	14,777,307	14,040,836
<b>Total</b>	<b>15,036,665</b>	<b>14,266,064</b>

##### 5.3.1.4 Sectoral risk concentration of non-cash loans

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

##### 5.3.1.5 Non-cash loans classified under Group I and II

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

#### 5.3.2 Financial derivative instruments

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

### **5.3.3 Contingent liabilities and assets**

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

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

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

## 5.4 Income Statement

### 5.4.1 Interest Income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	747,003	72,941	523,391	49,156
Medium and long-term loans	503,509	336,896	456,778	238,194
Loans under follow-up	7,208	-	5,339	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,257,720</b>	<b>409,837</b>	<b>985,508</b>	<b>287,350</b>

(\*) Includes also the fee 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	4,191	180	952	1,378
Foreign Banks	18,033	24,514	45,613	23,144
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>23,394</b>	<b>24,989</b>	<b>48,578</b>	<b>24,522</b>

#### 5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	5,804	482	2,879	859
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	632,989	44,897	430,809	57,391
Investments Held-to-Maturity	245,447	29,755	113,497	4,101
<b>Total</b>	<b>884,240</b>	<b>75,134</b>	<b>547,185</b>	<b>62,351</b>

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

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	16,723	7,826

## 5.4.2 Interest Expenses

### 5.4.2.1 Interest expenses (\*) on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>74,815</b>	<b>75,403</b>	<b>57,853</b>	<b>106,141</b>
Central Bank of Turkey	-	-	-	-
Domestic Banks	10,280	1,747	7,559	993
Foreign Banks	64,535	73,656	50,294	105,148
Foreign Head Offices and Branches	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>15,585</b>	<b>-</b>	<b>10,799</b>
<b>Total</b>	<b>74,815</b>	<b>90,988</b>	<b>57,853</b>	<b>116,940</b>

(\*) Includes also the fee and commission expenses on borrowings

### 5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest paid to Investments in Associates and Subsidiaries	4,767	5,603

### 5.4.2.3 Interest expenses on securities issued

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

### 5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
<b>Turkish Lira</b>								
Bank Deposits	733	19,608	-	-	-	-	-	<b>20,341</b>
Saving Deposits	353	230,440	388,815	4,516	3,705	2,740	-	<b>630,569</b>
Public Sector Deposits	-	14,628	16,829	1	11	2	-	<b>31,471</b>
Commercial Deposits	1,317	156,972	171,506	2,327	284	5,477	-	<b>337,883</b>
Other	2,812	5,027	16,358	27	21	8	-	<b>24,253</b>
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
<b>Total TL</b>	<b>5,215</b>	<b>426,675</b>	<b>593,508</b>	<b>6,871</b>	<b>4,021</b>	<b>8,227</b>	<b>-</b>	<b>1,044,517</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	855	72,970	84,188	5,144	13,909	10,474	725	<b>188,265</b>
Bank Deposits	-	3,948	-	-	-	-	-	<b>3,948</b>
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	218	-	-	<b>220</b>
<b>Total FC</b>	<b>855</b>	<b>76,918</b>	<b>84,190</b>	<b>5,144</b>	<b>14,127</b>	<b>10,474</b>	<b>725</b>	<b>192,433</b>
<b>Grand Total</b>	<b>6,070</b>	<b>503,593</b>	<b>677,698</b>	<b>12,015</b>	<b>18,148</b>	<b>18,701</b>	<b>725</b>	<b>1,236,950</b>

#### **5.4.2.5 Interest expense on repurchase agreements**

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”.

#### **5.4.2.6 Financial lease expenses**

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”.

#### **5.4.2.7 Interest expenses on 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”.

#### **5.4.3 Dividend income**

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”.

#### **5.4.4 Trading income/losses (Net)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>17,356,241</b>	<b>1,525,742</b>
Trading Account Income	83,229	38,610
Derivative financial instruments	1,114,057	469,247
Foreign Exchange Losses	16,158,955	1,017,885
<b>Losses (-)</b>	<b>16,971,576</b>	<b>1,435,952</b>
Trading Account Losses	5,464	11,351
Derivative financial instruments	726,279	398,823
Foreign Exchange Losses	16,239,833	1,025,778
<b>Total</b>	<b>384,665</b>	<b>89,790</b>

#### **5.4.5 Other operating income**

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

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

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

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	425,962	53,947
<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>	122,158	15,371
General Provisions	60,406	66,567
Provision for Possible Losses	15,000	131,000
Impairment Losses on Securities	118	699
<i>Financial assets at fair value through profit or loss</i>	115	699
<i>Financial assets available-for-sale</i>	3	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	15	6
<i>Associates</i>	-	-
<i>Subsidiaries</i>	15	6
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	75,662	2,177
<b>Total</b>	<b>577,163</b>	<b>254,396</b>

#### 5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	226,463	197,438
Reserve for Employee Termination Benefits	-	-
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	-	1
Depreciation Expenses of Tangible Assets	42,014	37,630
Impairment Losses on Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	1,071	1,058
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	199	282
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	216,166	204,736
<i>Operational Lease related Expenses</i>	30,653	23,070
<i>Repair and Maintenance Expenses</i>	4,712	3,803
<i>Advertisement Expenses</i>	19,429	17,231
<i>Other Expenses</i>	161,372	160,632
Loss on Sale of Assets	376	2,794
Others	93,060	140,903
<b>Total</b>	<b>579,349</b>	<b>584,842</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 from discontinued operations

As of 31 March 2009, the Bank recorded a tax expense of TL 212,042 thousands (31 March 2008: TL 124,672 thousands) and a deferred tax income of TL 27,499 thousands (31 March 2008: TL 6,828 thousands, a deferred tax expense).

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

<b>Deferred tax income/(expense) on timing differences</b>	<b>Current Period</b>
Increase in tax deductible timing differences (+)	31,273
Decrease in tax deductible timing differences (-)	4,482
Increase in taxable timing differences (-)	9,593
Decrease in taxable timing differences (+)	10,301
<b>Total</b>	<b>27,499</b>

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

<b>Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions</b>	<b>Current Period</b>
Increase/(decrease) in tax deductible timing differences (net)	26,791
(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>27,499</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 the Bank's performance*

None.

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

None.

#### 5.4.12 Components of other items in income statement

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

## **5.5 Statement of Changes in Shareholders' Equity**

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



## **5.6 Statement of Cash Flows**

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

## 5.7 Related Party Risks

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

#### 5.7.1.1 Loans and other receivables

##### Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,706,134	22,463	22	1,666	209,335	202,172
Interest and Commission Income	17,848	30	10	1	5,771	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	953,386	61,690	1	1,090	65,794	168,482
Balance at end of period	1,729,413	122,864	25	1,661	220,662	183,932
Interest and Commission Income	9,371	27	4	1	1,541	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	240,915	154,208	300,582	86,051	183,763	235,532
Balance at end of period	207,366	240,915	169,082	300,582	247,721	183,763
Interest Expense	4,767	5,603	3,951	3,774	3,054	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 for Trading:						
Beginning of Period	331,010	-	-	-	-	-
End of Period	380,404	331,010	-	-	-	-
Total Profit/Loss	26,704	88	-	-	-	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

## **5.7.2 The Bank's risk group**

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

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

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

The cash loans of the risk group amounting TL 617,869 thousands (31 December 2008: TL 667,071 thousands) compose 1.22% (31 December 2008: 1.34%) of the Bank's total cash loans and 0.65% (31 December 2008: 0.75%) of the Bank's total assets. The total loans and similar receivables amounting TL 1,915,491 thousands (31 December 2008: TL 1,950,100 thousands) compose 2.02% (31 December 2008: TL 2.19%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 226,304 thousands (31 December 2008: TL 308,457 thousands) compose 1.51% (31 December 2008: 2.17%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 624,169 thousands (31 December 2008: TL 725,260 thousands) compose 1.07% (31 December 2008: 1.38%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

The Bank has a total lease payable of TL 22,409 thousands (31 December 2008: TL 23,357 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 747 thousands (31 March 2008: TL 1,687 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 31,069 thousands (31 December 2008: TL 25,987 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 443 thousands (31 March 2008: TL 330 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 39,338 thousands to its top management considered as key management as of 31 March 2009 (31 March 2008: TL 37,836 thousands).

### **5.7.2.3 *Other matters not required to be disclosed***

None.

### **5.7.2.4 *Transactions accounted under equity method***

Please refer to Note 5.1.8.

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

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

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

At 11 March 2008, a real estate with a net book value of TL 40,581 thousands was sold to Dođuş Holding AŞ at a sale price of USD 35,000,000 (equivalent of TL 42,693 thousands). The sale price, of which USD 15,000,000 was collected immediately at the date of sale, was fully collected. A gain of TL 2,112 thousands was recognized as income on this transaction in prior period.

At 6 March 2009, a real estate was purchased from 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 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 The 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 2009\*)**

<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>	
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 National	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 Dividends**

At the annual general assembly 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 – First dividend at 5% of the Paid Capital	-
C – Extraordinary reserves at 5% after above deductions	-
D – Dividend to the owners of the Founder Shares	
E – Extraordinary reserves	(1,658,557)
F – II. Legal reserve (Turkish Commercial Code 466/2)	-

**5.10.3 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 Bank's unconsolidated interim financial statements 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 unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as of 31 March 2009.

.....