



Türkiye Garanti Bankası Anonim Şirketi

And Its Financial Affiliates

Consolidated Financial Statements

As of and For the Year Ended

31 December 2009

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

With Independent Auditors' Report Thereon

**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ**

11 February 2010

*This report contains "Independent Auditors' Review
Report" comprising 2 pages and; "Consolidated
Financial Statements and Related Disclosures and
Footnotes" comprising 98 pages.*



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

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

To the Board of Directors of Türkiye Garanti Bankası AŞ

We have audited the consolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") and its financial affiliates as of 31 December 2009 and the related consolidated income statement, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and a summary of significant accounting policies and notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for adopting sound accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published on the Official Gazette no.26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and the statements, communiqués and guidances published by the Banking Regulation and Supervision Agency (BRSA) on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit is performed in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.

Basis of Qualified Opinion

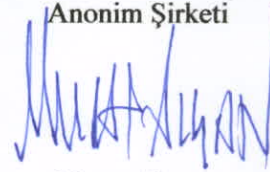
As of the balance sheet date, the accompanying consolidated financial statements include a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and TL 330,000 thousands of such provision has been recognized as expense in the current period.

Independent Auditors' Opinion

In our opinion, except for the effect on the consolidated financial statements of the matter described in the fourth paragraph the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ and its financial affiliates as of 31 December 2009 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 and Article 38 of (Turkish) Banking Law No 5411 and the statements, communiqués and guidances published by the BRSA on accounting and financial reporting principles.

Istanbul,
11 February 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi



Murat Alsan
Partner, Certified Public Accountant

Additional paragraph for convenience translation to English:

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Financial Report
as of and for the Year Ended 31 December 2009

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The consolidated financial report for the year ended 31 December 2009 prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about Parent Bank
2. Consolidated Interim Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Other Disclosures and Footnotes
7. Independent Auditors' Report

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

Subsidiaries

1. Garanti Bank International NV
2. Garanti Finansal Kiralama AŞ
3. Garanti Bank Moscow
4. Garanti Faktoring Hizmetleri AŞ
5. Garanti Emeklilik ve Hayat AŞ
6. Garanti Yatırım Menkul Kıymetler AŞ
7. Garanti Portföy Yönetimi AŞ
8. Garanti Financial Services Plc
9. Garanti Fund Management Co Ltd

Associates

1. Eureka Sigorta AŞ

Special Purpose Entities

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

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

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

The authorized contact person for questions on this financial report:

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

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 783 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Parent bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during period and information on its risk group

As of 31 December 2009, group of companies under Doğu Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğu Group (the Group). On 22 December 2005, Doğu Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9,765,000,000 shares of the Bank at a nominal value of TL 97,650 thousands each to Doğu Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğu Group

The Doğu Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with more than 70 companies and 28 thousands employees.

The major worldwide joint ventures of the Group are; GE in finance and real estate, Volkswagen AG and 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, Doğu GE Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğu Tüketici Finansmanı AŞ.

General Electric Group

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

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

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

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

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	19 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	27 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	21 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	35 years
Denis Arthur Hall	Member	08.10.2008	College	25 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	32 years
Dmitri Lysander Stockton	Member	22.12.2005	University	18 years
Xavier Pascal Durand	Member	02.04.2009	Master	9 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	22 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	22 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	31 years
Afzal Mohammed Modak	EVP-Finance & Accounting	20.07.2007	Master	24 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	17 years
Ali Temel	EVP-Loans	21.10.1999	University	19 years
Gökhan Erun	EVP-Human Resources & Investment Banking	18.08.2005	Master	15 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	27 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	24 years
Uruz Ersözöğlu	EVP-Treasury	03.04.2006	University	18 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	17 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	24 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	28 years
Zekeriya Öztürk	EVP- International Business Development	02.03.2006	Master	14 years
Avni Aydın Düren	EVP-Legal Services	15.01.2009	Master	15 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	15 years

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

1.4 Information on parent bank's qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	1,121,504	26.7025%	1,121,504	-
GE Araştırma ve Müşavirlik Limited Şti	875,712	20.8503%	875,712	-

At 23 December 2009, Doğuş Holding AŞ has acquired TL 1,703,451 shares of the Bank at a total face value of TL 1,703 thousands from Doğuş Nakliyat ve Ticaret AŞ.

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

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

1.5 Summary information on parent bank's activities and services

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

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

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

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

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

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	3,849,004	3,037,901	6,886,905	2,575,060	2,974,970	5,550,030
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	892,050	349,183	1,241,233	659,366	614,557	1,273,923
2.1 Financial assets held for trading			892,050	349,183	1,241,233	659,366	614,557	1,273,923
2.1.1 Government securities			411,165	14,312	425,477	123,957	15,599	139,556
2.1.2 Equity securities			9,489	14	9,503	13,642	14	13,656
2.1.3 Derivative financial assets held for trading			462,424	179,688	642,112	512,567	230,668	743,235
2.1.4 Other securities			8,972	155,169	164,141	9,200	368,276	377,476
2.2 Financial assets valued at fair value through profit or loss			-	-	-	-	-	-
2.2.1 Government securities			-	-	-	-	-	-
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Loans			-	-	-	-	-	-
2.2.4 Other securities			-	-	-	-	-	-
III. BANKS		5.1.3	3,153,741	6,904,630	10,058,371	1,713,868	5,336,354	7,050,222
IV. INTERBANK MONEY MARKETS			1,000,180	-	1,000,180	40,552	-	40,552
4.1 Interbank money market placements			1,000,180	-	1,000,180	-	-	-
4.2 Istanbul Stock Exchange money market placements			-	-	-	40,552	-	40,552
4.3 Receivables from reverse repurchase agreements			-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	25,422,478	4,347,156	29,769,634	15,031,030	3,296,591	18,327,621
5.1 Equity securities			21,732	78,066	99,798	17,464	44,989	62,453
5.2 Government securities			25,126,111	1,284,849	26,410,960	14,714,792	1,045,877	15,760,669
5.3 Other securities			274,635	2,984,241	3,258,876	298,774	2,205,725	2,504,499
VI. LOANS		5.1.5	28,830,216	24,646,420	53,476,636	28,086,979	24,662,721	52,749,700
6.1 Loans			28,405,574	24,644,204	53,049,778	27,636,833	24,662,721	52,299,554
6.1.1 Loans to bank's risk group		5.7	119,441	146,867	266,308	48,308	201,823	250,131
6.1.2 Government securities		5.7	-	-	-	-	-	-
6.1.3 Other			28,286,133	24,497,337	52,783,470	27,588,525	24,460,898	52,049,423
6.2 Loans under follow-up			2,237,105	58,093	2,295,198	1,239,739	25,085	1,264,824
6.3 Specific provisions (-)			1,812,463	55,877	1,868,340	789,593	25,085	814,678
VII. FACTORING RECEIVABLES		5.1.6	628,065	227,595	855,660	405,992	245,807	651,799
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	5,991,656	1,476,169	7,467,825	6,086,566	1,697,815	7,784,381
8.1 Government securities			5,991,656	1,438,946	7,430,602	6,086,566	1,658,021	7,744,587
8.2 Other securities			-	37,223	37,223	-	39,794	39,794
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	69,297	-	69,297	57,074	-	57,074
9.1 Associates consolidated under equity accounting			50,579	-	50,579	40,342	-	40,342
9.2 Unconsolidated associates			18,718	-	18,718	16,732	-	16,732
9.2.1 Financial investments in associates			16,741	-	16,741	14,755	-	14,755
9.2.2 Non-financial investments in associates			1,977	-	1,977	1,977	-	1,977
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	22,432	681	23,113	20,780	674	21,454
10.1 Unconsolidated financial investments in subsidiaries			417	681	1,098	417	674	1,091
10.2 Unconsolidated non-financial investments in subsidiaries			22,015	-	22,015	20,363	-	20,363
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	321,461	1,220,048	1,541,509	450,766	1,653,231	2,103,997
12.1 Financial lease receivables			396,311	1,389,287	1,785,598	560,173	1,869,013	2,429,186
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			74,850	169,239	244,089	109,407	215,782	325,189
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	-	-	-	-	69,161	69,161
13.1 Fair value hedges			-	-	-	-	-	-
13.2 Cash flow hedges			-	-	-	-	69,161	69,161
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	1,166,985	123,268	1,290,253	1,108,806	98,218	1,207,024
XV. INTANGIBLE ASSETS (Net)		5.1.14	41,572	5,374	46,946	32,456	5,023	37,479
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			35,184	5,374	40,558	26,068	5,023	31,091
XVI. INVESTMENT PROPERTY (Net)		5.1.15	-	-	-	-	-	-
XVII. TAX ASSET			115,201	1,455	116,656	34,877	17,777	52,654
17.1 Current tax asset			36,484	1,455	37,939	70	63	133
17.2 Deferred tax asset		5.1.16	78,717	-	78,717	34,807	17,714	52,521
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		5.1.17	81,192	-	81,192	81,346	-	81,346
18.1 Asset held for resale			81,192	-	81,192	81,346	-	81,346
18.2 Assets of discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS		5.1.18	2,216,285	192,771	2,409,056	1,823,944	156,052	1,979,996
TOTAL ASSETS			73,801,815	42,532,651	116,334,466	58,209,462	40,828,951	99,038,413

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 December 2009			31 December 2008		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1		36,270,775	32,510,938	68,781,713	29,119,139	28,840,818	57,959,957
1.1 Deposits from bank's risk group	5.7		248,102	475,122	723,224	150,823	350,667	501,490
1.2 Other			36,022,673	32,035,816	68,058,489	28,968,316	28,490,151	57,458,467
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2		117,872	223,544	341,416	302,141	298,951	601,092
III. FUNDS BORROWED	5.2.3		4,127,463	11,338,888	15,466,351	2,738,501	10,734,878	13,473,379
IV. INTERBANK MONEY MARKETS	5.2.4		10,377,251	387,478	10,764,729	10,452,524	700,656	11,153,180
4.1 Interbank money market takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings			-	-	-	-	-	-
4.3 Obligations under repurchase agreements			10,377,251	387,478	10,764,729	10,452,524	700,656	11,153,180
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			3,642,036	95,805	3,737,841	2,795,404	121,233	2,916,637
VIII. OTHER EXTERNAL FUNDINGS PAYABLE			708,793	234,246	943,039	633,430	231,590	865,020
IX. FACTORING PAYABLES	5.2.5		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6		-	5,034	5,034	-	4,845	4,845
10.1 Financial lease payables			-	5,034	5,034	-	4,845	4,845
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7		-	3,464	3,464	-	4,871	4,871
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	3,464	3,464	-	4,871	4,871
11.3 Net foreign investment hedges			-	-	-	-	-	-
XII. PROVISIONS	5.2.8		1,182,529	33,939	1,216,468	944,756	28,510	973,266
12.1 General provisions			407,179	30,155	437,334	409,543	19,256	428,799
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserve for employee benefits			167,758	-	167,758	198,840	-	198,840
12.4 Insurance technical provisions (Net)			128,614	-	128,614	123,603	-	123,603
12.5 Other provisions			478,978	3,784	482,762	212,770	9,254	222,024
XIII. TAX LIABILITY	5.2.9		381,104	16,066	397,170	390,131	6,746	396,877
13.1 Current tax liability			380,809	5,511	386,320	387,893	6,746	394,639
13.2 Deferred tax liability			295	10,555	10,850	2,238	-	2,238
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11		-	991,457	991,457	-	946,709	946,709
XVI. SHAREHOLDERS' EQUITY	5.2.12		13,556,361	129,423	13,685,784	9,752,345	(9,765)	9,742,580
16.1 Paid-in capital			4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital reserves			2,571,092	116,512	2,687,604	1,576,741	(18,270)	1,558,471
16.2.1 Share premium			11,880	-	11,880	11,880	-	11,880
16.2.2 Share cancellation profits			-	-	-	-	-	-
16.2.3 Securities value increase fund			1,242,755	118,679	1,361,434	257,174	(79,268)	177,906
16.2.4 Revaluation surplus on tangible assets			598,194	-	598,194	597,090	-	597,090
16.2.5 Revaluation surplus on intangible assets			-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property			-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures			1,509	-	1,509	1,509	-	1,509
16.2.8 Hedging reserves (effective portion)			(55,800)	(2,167)	(57,967)	(63,466)	60,998	(2,468)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations			-	-	-	-	-	-
16.2.10 Other capital reserves			772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves			3,650,529	12,911	3,663,440	2,061,101	8,505	2,069,606
16.3.1 Legal reserves			374,641	4,634	379,275	280,954	4,097	285,051
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			3,187,603	-	3,187,603	1,681,758	-	1,681,758
16.3.4 Other profit reserves			88,285	8,277	96,562	98,389	4,408	102,797
16.4 Profit or loss			3,085,717	-	3,085,717	1,879,378	-	1,879,378
16.4.1 Prior periods profit/loss			-	-	-	-	-	-
16.4.2 Current period net profit/loss			3,085,717	-	3,085,717	1,879,378	-	1,879,378
16.5 Minority interest			49,023	-	49,023	35,125	-	35,125
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			70,364,184	45,970,282	116,334,466	57,128,371	41,910,042	99,038,413

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Off-Balance Sheet Items

At 31 December 2009

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		33,018,295	45,209,801	78,228,096	32,184,579	48,697,088	80,881,667
I. GUARANTEES AND SURETIES	5.3.1	4,507,230	10,606,237	15,113,467	4,228,584	10,338,550	14,567,134
1.1. Letters of guarantee		4,506,694	7,653,913	12,160,607	4,118,306	6,894,220	11,012,526
1.1.1. Guarantees subject to State Tender Law		-	-	-	238,990	541,707	780,697
1.1.2. Guarantees given for foreign trade operations		331,518	535,270	866,788	312,563	422,149	734,712
1.1.3. Other letters of guarantee		4,175,176	7,118,643	11,293,815	3,566,753	5,930,364	9,497,117
1.2. Bank acceptances		514	125,327	125,841	-	123,807	123,807
1.2.1. Import letter of acceptance		514	124,968	125,482	-	108,097	108,097
1.2.2. Other bank acceptances		-	359	359	-	15,710	15,710
1.3. Letters of credit		22	2,826,997	2,827,015	278	3,320,523	3,320,801
1.3.1. Documentary letters of credit		-	4	4	-	82	82
1.3.2. Other letters of credit		22	2,826,993	2,827,015	278	3,320,441	3,320,719
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	110,000	-	110,000
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS		15,558,625	5,168,345	20,726,970	14,376,973	4,743,412	19,120,385
2.1. Irrevocable commitments		15,558,625	5,167,699	20,726,324	14,376,973	4,742,758	19,119,731
2.1.1. Asset purchase and sale commitments		387,216	1,876,854	2,264,070	153,483	1,418,639	1,572,122
2.1.2. Deposit purchase and sale commitments		46,000	1,736	47,736	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		2,250	10,136	12,386	812	-	812
2.1.4. Loan granting commitments		3,262,629	1,802,239	5,064,868	2,787,561	1,853,327	4,640,888
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,513,244	-	1,513,244	1,356,288	-	1,356,288
2.1.8. Tax and fund obligations on export commitments		25,746	-	25,746	25,834	-	25,834
2.1.9. Commitments for credit card limits		9,057,330	63,429	9,120,755	8,788,785	31,274	8,820,059
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1,264,210	1,413,305	2,677,515	1,264,210	1,439,518	2,703,728
2.2. Revocable commitments		-	646	646	-	654	654
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	646	646	-	654	654
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	12,952,440	29,435,219	42,387,659	13,579,022	33,615,126	47,194,148
3.1. Derivative financial instruments held for risk management		-	1,295	1,295	-	110,523	110,523
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	1,295	1,295	-	110,523	110,523
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivative		12,952,440	29,433,924	42,386,364	13,579,022	33,504,603	47,083,625
3.2.1. Forward foreign currency purchases/sales		1,818,821	3,115,457	4,934,278	1,937,437	2,904,909	4,842,346
3.2.1.1. Forward foreign currency purchases		632,918	1,852,653	2,485,571	934,191	1,490,485	2,424,676
3.2.1.2. Forward foreign currency sales		1,185,903	1,262,804	2,448,707	1,003,246	1,414,424	2,417,670
3.2.2. Currency and interest rate swaps		6,495,010	15,082,269	21,577,275	9,923,766	20,708,428	30,632,194
3.2.2.1. Currency swaps-purchases		2,751,465	8,058,713	10,810,178	5,472,200	9,895,595	15,367,795
3.2.2.2. Currency swaps-sales		3,743,545	6,933,665	10,677,210	4,451,566	10,772,760	15,224,326
3.2.2.3. Interest rate swaps-purchases		-	43,880	43,880	-	18,612	18,612
3.2.2.4. Interest rate swaps-sales		-	46,011	46,011	-	21,461	21,461
3.2.3. Currency, interest rate and security options		4,610,920	10,563,208	15,174,128	1,683,016	9,017,177	10,700,193
3.2.3.1. Currency call options		1,783,868	3,895,081	5,678,945	658,260	2,816,859	3,475,119
3.2.3.2. Currency put options		2,803,461	3,146,723	5,950,184	990,950	2,696,475	3,687,425
3.2.3.3. Interest rate call options		-	1,810,844	1,810,844	-	1,799,040	1,799,040
3.2.3.4. Interest rate put options		-	1,710,560	1,710,560	-	1,692,640	1,692,640
3.2.3.5. Security call options		18,368	-	18,368	33,806	10,642	44,448
3.2.3.6. Security put options		5,223	-	5,223	-	1,521	1,521
3.2.4. Currency futures		24,689	24,715	49,404	27,209	33,537	60,746
3.2.4.1. Currency futures-purchases		-	4,704	4,704	24,833	24,967	49,800
3.2.4.2. Currency futures-sales		24,689	20,011	44,700	2,376	8,570	10,946
3.2.5. Interest rate futures		-	32,184	32,184	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	32,184	32,184	-	-	-
3.2.6. Others		3,000	616,091	619,091	7,594	840,552	848,146
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		185,391,052	132,127,676	317,518,728	149,828,729	108,801,912	258,630,641
IV. ITEMS HELD IN CUSTODY		45,443,121	15,546,141	60,989,262	38,828,829	15,720,224	54,549,053
4.1. Customers' securities held		23,873,575	1,133	23,874,708	18,299,861	3,913,486	22,213,347
4.2. Investment securities held in custody		14,546,865	4,662,027	19,208,892	13,804,387	932,508	14,736,895
4.3. Checks received for collection		4,990,781	854,872	5,845,653	4,869,700	895,721	5,765,421
4.4. Commercial notes received for collection		1,963,409	1,826,388	3,789,797	1,822,785	1,776,262	3,599,047
4.5. Other assets received for collection		21,265	7,683,438	7,704,703	9,649	7,665,813	7,675,462
4.6. Assets received through public offering		-	34,412	34,412	-	25,454	25,454
4.7. Other items under custody		47,222	483,871	531,093	22,447	510,980	533,427
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		139,947,931	116,581,535	256,529,466	110,999,900	93,081,688	204,081,588
5.1. Securities		548,240	23,062	571,302	77,210	24,354	101,564
5.2. Guarantee notes		20,386,072	7,192,615	27,578,687	16,424,680	6,927,507	23,352,187
5.3. Commodities		-	-	-	157	-	157
5.4. Warranties		-	341,862	341,862	-	335,011	335,011
5.5. Real estates		26,911,048	34,618,660	61,529,708	19,469,018	20,275,144	39,744,162
5.6. Other pledged items		92,102,401	74,404,896	166,507,297	75,028,665	65,519,224	140,547,885
5.7. Pledged items-depository		170	440	610	170	448	618
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		218,409,347	177,337,477	395,746,824	182,013,308	157,499,000	339,512,308

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
For the Year Ended 31 December 2009

INCOME AND EXPENSE ITEMS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
			CURRENT PERIOD	PRIOR PERIOD
			1 January 2009- 31 December 2009	1 January 2008- 31 December 2008
I. INTEREST INCOME	5.4.1		11,138,986	10,143,420
1.1 Interest income on loans			6,290,495	6,034,724
1.2 Interest income on reserve deposits			148,186	218,100
1.3 Interest income on banks			283,862	393,989
1.4 Interest income on money market transactions			3,182	7,120
1.5 Interest income on securities portfolio			4,068,812	3,075,798
1.5.1 Trading financial assets			28,434	49,756
1.5.2 Financial assets valued at fair value through profit or loss			-	-
1.5.3 Financial assets available-for-sale			3,026,039	2,171,769
1.5.4 Investments held-to-maturity			1,014,339	854,273
1.6 Financial lease income			196,488	235,025
1.7 Other interest income			147,961	178,664
II. INTEREST EXPENSE	5.4.2		5,733,146	6,635,372
2.1 Interest on deposits			4,148,311	4,542,020
2.2 Interest on funds borrowed			818,679	908,834
2.3 Interest on money market transactions			761,626	1,180,050
2.4 Interest on securities issued			2,272	2,872
2.5 Other interest expenses			2,258	1,596
III. NET INTEREST INCOME (I - II)			5,405,840	3,508,048
IV. NET FEES AND COMMISSIONS INCOME			1,725,073	1,500,991
4.1 Fees and commissions received			2,163,836	1,965,426
4.1.1 Non-cash loans			176,302	133,118
4.1.2 Others			1,987,534	1,832,308
4.2 Fees and commissions paid			438,763	464,435
4.2.1 Non-cash loans			972	453
4.2.2 Others			437,791	463,982
V. DIVIDEND INCOME	5.4.3		2,760	29,472
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4		897,979	253,585
6.1 Trading account income/losses (Net)			416,966	61,176
6.2 Income/losses from derivative financial instruments (Net)			309,261	425,676
6.3 Foreign exchange gains/losses (Net)			171,752	(233,267)
VII. OTHER OPERATING INCOME	5.4.5		436,933	417,923
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)			8,468,585	5,710,019
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	5.4.6			
	5.4.7		1,715,819	617,955
X. OTHER OPERATING EXPENSES (-)			2,822,633	2,755,946
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)			3,930,133	2,336,118
XII. INCOME RESULTED FROM MERGERS			-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING			9,221	10,657
XIV. GAIN/LOSS ON NET MONETARY POSITION			-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	5.4.8		3,939,354	2,346,775
XVI. PROVISION FOR TAXES (±)	5.4.9		839,753	455,597
16.1 Current tax charge			883,195	441,528
16.2 Deferred tax charge/(credit)			(43,442)	14,069
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	5.4.10		3,099,601	1,891,178
XVIII. INCOME FROM DISCONTINUED OPERATIONS			-	-
18.1 Income from assets held for sale			-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures			-	-
18.3 Others			-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)			-	-
19.1 Expenses on assets held for sale			-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures			-	-
19.3 Others			-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	5.4.8		-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	5.4.9		-	-
21.1 Current tax charge			-	-
21.2 Deferred tax charge/(credit)			-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	5.4.10		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	5.4.11		3,099,601	1,891,178
23.1 Equity holders of the bank			3,085,717	1,879,378
23.2 Minority interest			13,884	11,800
EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)			735	632

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted under Shareholders' Equity
For the Year Ended 31 December 2009

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		31 December 2009	31 December 2008
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"		1,454,692	5,102
II. REVALUATION SURPLUS ON TANGIBLE ASSETS		-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS		-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES		(9,440)	110,485
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)		(62,895)	28,649
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)		9,583	(80,301)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS		-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS		-	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES		(273,337)	(15,857)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)		1,118,603	48,078
XI. CURRENT PERIOD PROFIT/LOSSES		3,099,601	1,891,178
1.1 Net changes in fair value of securities (transferred to income statement)		109,738	61,271
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement		-	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement		-	-
1.4 Others		2,989,863	1,829,907
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)		4,218,204	1,939,256

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2009

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)																	
			Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 31 December 2008																				
I.	Balances at beginning of the period		2,100,000	772,554	-	-	168,367	-	1,388,561	5,935	-	2,413,778	189,537	29,864	1,509	32,238	-	7,102,343	23,334	7,125,677
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at beginning of the period (I+II)		2,100,000	772,554	-	-	168,367	-	1,388,561	5,935	-	2,413,778	189,537	29,864	1,509	32,238	-	7,102,343	23,334	7,125,677
Changes during the period																				
IV.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(11,631)	-	-	-	-	(11,631)	(9)	(11,640)
VI.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(34,706)	-	(34,706)	-	(34,706)
6.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	29,534	-	29,534	-	29,534
6.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(64,240)	-	(64,240)	-	(64,240)
VII.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences		-	-	-	-	903	-	-	93,521	-	-	-	-	-	-	-	94,424	-	94,424
XI.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		2,100,000	-	11,880	-	-	-	-	-	-	-	-	-	-	-	-	2,111,880	-	2,111,880
14.1.	Cash		2,100,000	-	11,880	-	-	-	-	-	-	-	-	-	-	-	-	2,111,880	-	2,111,880
14.2.	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others		-	-	-	-	-	(1,434,233)	-	-	-	-	-	-	-	-	(1,434,233)	-	(1,434,233)	-
XIX.	Current period net profit/loss		-	-	-	-	-	-	-	1,879,378	-	-	-	-	-	-	1,879,378	11,800	1,891,178	-
XX.	Profit distribution		-	-	-	-	115,781	-	1,727,430	3,341	-	(2,413,778)	-	567,226	-	-	-	-	-	-
20.1.	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2.	Transfers to reserves		-	-	-	-	115,781	-	1,727,430	-	-	(1,843,211)	-	-	-	-	-	-	-	-
20.3.	Others		-	-	-	-	-	-	-	3,341	-	(570,567)	-	567,226	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)			4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	1,879,378	-	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
CURRENT PERIOD - 31 December 2009																				
I.	Balances at beginning of the period	5.5	4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
Changes during the period																				
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	1,183,528	-	-	-	-	1,183,528	14	1,183,542
IV.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(55,499)	-	(55,499)	-	(55,499)
4.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(63,165)	-	(63,165)	-	(63,165)
4.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	7,666	-	7,666	-	7,666
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	115	-	-	(9,555)	-	-	-	-	-	-	-	(9,440)	-	(9,440)
IX.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1.	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2.	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current period net profit/loss		-	-	-	-	-	-	-	3,085,717	-	-	-	-	-	-	-	3,085,717	13,884	3,099,601
XVIII.	Profit distribution		-	-	-	-	94,109	-	1,505,845	3,320	-	(1,879,378)	-	1,104	-	-	-	(275,000)	-	(275,000)
18.1.	Dividends		-	-	-	-	6,500	-	(281,500)	-	-	-	-	-	-	-	-	(275,000)	-	(275,000)
18.2.	Transfers to reserves		-	-	-	-	87,609	-	1,787,345	-	-	(1,874,954)	-	-	-	-	-	-	-	-
18.3.	Others		-	-	-	-	-	-	-	3,320	-	(4,424)	-	1,104	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)			4,200,000	772,554	11,880	-	379,275	-	3,187,603	96,562	3,085,717	-	1,361,434	598,194	1,509	(57,967)	-	13,636,761	49,023	13,685,784

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2009

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 31 December 2009	PRIOR PERIOD 31 December 2008
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	4,343,405	2,619,095
1.1.1 Interests received		11,550,923	9,326,315
1.1.2 Interests paid		(6,038,824)	(6,366,874)
1.1.3 Dividend received		2,760	29,472
1.1.4 Fees and commissions received		1,725,073	1,578,335
1.1.5 Other income		620,804	909,909
1.1.6 Collections from previously written-off loans and other receivables		39,016	25,323
1.1.7 Payments to personnel and service suppliers		(2,436,743)	(2,427,788)
1.1.8 Taxes paid		(1,119,604)	(455,597)
1.1.9 Others		-	-
1.2 Changes in operating assets and liabilities	5.6	6,656,589	7,140,829
1.2.1 Net (increase) decrease in financial assets held for trading		(65,083)	405,513
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(4,230,122)	1,815,904
1.2.4 Net (increase) decrease in loans		(2,740,559)	(13,744,573)
1.2.5 Net (increase) decrease in other assets		(109,570)	(698,201)
1.2.6 Net increase (decrease) in bank deposits		642,227	(310,214)
1.2.7 Net increase (decrease) in other deposits		10,334,104	14,432,747
1.2.8 Net increase (decrease) in funds borrowed		1,786,547	5,240,354
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		1,039,045	(701)
I. Net cash flow from banking operations	5.6	10,999,994	9,759,924
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(8,748,255)	(7,352,046)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(2,655)	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(349,925)	(394,925)
2.4 Sales of tangible assets		26,205	166,529
2.5 Cash paid for purchase of financial assets available-for-sale, net		(18,841,407)	(12,369,975)
2.6 Cash obtained from sale of financial assets available-for-sale, net		10,191,749	4,653,806
2.7 Cash paid for purchase of investments held-to-maturity		(927,839)	-
2.8 Cash obtained from sale of investments held-to-maturity (redemption)		1,155,617	592,519
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(275,147)	677,559
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	2,111,880
3.4 Dividends paid		(275,000)	-
3.5 Payments for financial leases		(147)	(88)
3.6 Others		-	(1,434,233)
IV. Effect of change in foreign exchange rate on cash and cash equivalents		171,752	(233,267)
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	2,148,344	2,852,170
VI. Cash and cash equivalents at beginning of period	5.6	7,145,989	4,293,819
VII. Cash and cash equivalents at end of period (V+VI)	5.6	9,294,333	7,145,989

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

3 Accounting Policies

3.1 Basis of presentation

As per the Articles 37 and 38 of “Accounting and Recording Rules” of the Turkish Banking Law No 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulation and Supervision Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

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

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

3.1.1 Additional paragraph for convenience translation to English

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

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

The Bank, as the parent bank, had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank prospectively discontinued this application as of 1 January 2009 within the framework of TFRIC 16-Comment on Hedges of a Net Investment in a Foreign Operation, published in the Official Gazette dated 8 January 2009, no. 27104. The Bank started to apply fair value hedge accounting as at 1 January 2009 by designating the exchange rate risk of these foreign investments that are recognized under fair value accounting as hedged item, in compliance with "TAS 39 *Financial Instruments: Recognition and Measurement*". Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

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

3.3 Information on consolidated subsidiaries

As of 31 December 2009, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring), Garanti Fund Management Co Ltd (GFM) ve Garanti Financial Services Plc (GFS).

Garanti Sigorta AŞ was established in 1989 to perform insurance activities. In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank owns 20% of Garanti Sigorta AŞ that its name has been changed as Eureka Sigorta AŞ at 1 October 2007 and 84.91% of Garanti Emeklilik. Eureka Sigorta AŞ is accounted under equity accounting method in the accompanying consolidated financial statements. The head offices of these companies are in Istanbul.

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities. The company's head office is in Istanbul. The Bank owns 98.94% of the company's shares through direct and indirect shareholdings.

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank and T. İhracat Bankası AŞ own 55.40% and 9.78% of the company's shares, respectively. The remaining 34.82% shares are held by public.

GBI was established in 1990 by the Bank to perform banking activities in abroad. The head office of this bank is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Moscow was established in 1996 to perform banking activities in abroad. This bank's head office is in Moscow. The Bank and GFS own 75.09% and 24.86% of the company shares, respectively.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Diversified Payment Rights Finance Company and T2 Capital Finance Company are the special purpose entities established for the Bank's securitization and subordinated debt transactions. The Bank or any of its affiliates does not have any shareholding interests in these companies.

Liquidation of the associates and subsidiaries:

The liquidation processes of GFM ve GFS continue.

3.4 Forwards, options and other derivative transactions

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

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

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

3.5 Interest income and expenses

General

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

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

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

Financial lease operations

Total of minimum rental payments including interests and principals are recorded under “financial lease receivables” as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under “unearned income”. When the rent payment incurs, the rent amount is deducted from “financial lease receivables”; and the interest portion is recorded as interest income in the income statement.

3.6 Fees and commissions

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

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

Loans and receivables are financial assets raised through providing money, commodity and services to debtors.

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

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

3.8 Impairment of financial assets

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

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

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

3.9 Netting of financial instruments

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

Specific allowances for non-performing loan and other receivables are provided in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are deducted from loans under follow-up on the asset side.

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations and related borrowings

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

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

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, softwares, intangible rights and other intangible assets.

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

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, are 3-15 years, and amortisation rates are 6.67-33.3%.

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

3.13 Tangible assets

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

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

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

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

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

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

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

Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2009	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	2	4	2
Vaults	20-50	2-20	4-40	2-20
Motor Vehicles	5-7	15-20	30-40	15-20
Other Tangible Assets	4-20	5-25	10-50	5-25

In prior periods, the tangible assets are depreciated over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. The tangible assets purchased since 1 January 2005 are depreciated based on the declining balance method which is one of the accelerated depreciation methods. The straight-line depreciation method is in use for the tangible assets purchased since 1 January 2009.

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

	31 December 2009	31 December 2008
Discount rate	5.92%	6.26%
Interest rate	11.00%	12.00%
Expected rate of salary/limit increase	4.80%	5.40%
Estimated employee turnover rate	6.70%	6.55%

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

Retirement Benefit Obligations

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

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

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

	31 December 2009	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

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

a) Benefits transferable to SSF

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

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

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

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

b) Other benefits not transferable to SSF

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

The consolidated affiliates do not have retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Taxation

3.18.1 Corporate tax

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

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decisions no. 2009/14593 and 2009/14594 of the Council of Ministers published in the Official Gazette no. 27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

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

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

Tax applications for foreign branches

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

MALTA

The corporate earnings are subjected to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The prepaid taxes are paid in April, August and December in the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. The excess part of the corporate tax that is not covered by such prepayments is paid to the tax office in September.

LUXEMBOURG

The corporate earnings are subjected to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 4% of the calculated corporate tax is paid as a contribution for unemployment insurance fund. The municipality commerce tax, which is set as 3% of the taxable income, can be increased up to 225% by the authorization of the municipalities. This rate is 6.75% in the municipality where the Bank's Luxembourg branch operates. The tax returns are examined by the authorized bodies and in case of detected mistakes, the amount of the taxes to be paid, is revised. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

Tax applications for foreign financial affiliates

HOLLAND

In Holland, corporate income tax is levied at the rate of 20% for tax profits up to EUR 200,000 and 25.5% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. In general, there is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments. Under the Dutch taxation system, tax losses can be carried forward to offset against future taxable income for nine years. Tax losses can be carried back to the prior year.

Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. The corporate income tax has been calculated using the nominal tax rate of 25.5% over the Dutch taxable income, 30% over the local taxable income of Germany branch and 16% over the local taxable income of Romania branches.

RUSSIA

The applicable tax rate for current and deferred tax for the Bank's consolidated affiliate in Russia is 20% (2% federal and 18% regional - in some locations 4.5% regional). The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open for a longer period.

3.18.2 Deferred taxes

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

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

The deferred tax assets and liabilities of the consolidated subsidiaries are reported as net in their individual financial statements.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated affiliates are presented on the asset and liability sides of financial statements separately, without any offsetting.

3.18.3 Transfer pricing

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

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

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

3.18.4 Investment allowance

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

3.19 Funds borrowed

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

There are no convertible bonds or any other securities issued.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 31 December 2009, the Bank or its financial affiliates do not have any government incentives or aids.

3.23 Segment reporting

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

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

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

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

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

Information on the business segments on a consolidated basis is as follows as of 31 December 2009:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,547,498	2,492,168	2,461,229	964,930	8,465,825
Other	-	-	-	-	-
Total Operating Profit	2,547,498	2,492,168	2,461,229	964,930	8,465,825
Net Operating Profit	1,225,066	1,700,612	2,379,317	(1,368,401)	3,936,594
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	2,760	2,760
Net Operating Profit	1,225,066	1,700,612	2,379,317	(1,365,641)	3,939,354
Provision for Taxes	-	-	-	839,753	839,753
Net Profit	1,225,066	1,700,612	2,379,317	(2,205,394)	3,099,601
Segment Assets	17,444,234	35,949,921	51,676,386	11,171,515	116,242,056
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	92,410	92,410
Undistributed Items	-	-	-	-	-
Total Assets	17,444,234	35,949,921	51,676,386	11,263,925	116,334,466
Segment Liabilities	38,259,084	26,479,457	27,062,023	10,848,118	102,648,682
Shareholders' Equity	-	-	-	13,685,784	13,685,784
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	38,259,084	26,479,457	27,062,023	24,533,902	116,334,466
Other Segment Items					
Capital Expenditure	-	-	-	316,741	316,741
Depreciation Expenses	-	-	-	182,942	182,942
Impairment Losses	-	-	703	1,724,905	1,725,608
Other Non-Cash Income/Expenses	(36,348)	(187,393)	1,425,632	151,883	1,353,774
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

3.24.1 Reclassification

As of 31 December 2008, interest income from factoring receivables amounting TL 77,344 thousands is classified to "Interest Income on Loans" from "Fees and Commissions Received".

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 19.16% (unconsolidated capital adequacy ratio: 21.20%) as of 31 December 2009.

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

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

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

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

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

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

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

4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	22,575,086	-	3,230,234	12,907,888	36,895,700	399,473	18,037
Cash on Hand	891,864	-	1,497	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	4,231,652	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	3,932,729	-	2,815,343	-	1,532,677	-	-
Interbank Money Market Placements	1,000,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,716,480	-	-	-	-	-	-
Loans	3,088,978	-	177,253	12,694,223	32,186,372	399,473	18,037
Loans under Follow-Up (Net)	-	-	-	-	424,642	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,065,721	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,237	-	-
Miscellaneous Receivables	39,026	-	-	-	80,153	-	-
Accrued Interest and Income	330,366	-	26,011	213,665	548,133	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	1,019,855	-	-
Tangible Assets (Net)	-	-	-	-	1,042,526	-	-
Other Assets	278,270	-	210,130	-	41,105	-	-
Off-Balance Sheet Items	1,705,076	-	1,096,091	806,350	9,510,243	-	-
Non-Cash Loans and Commitments	1,705,076	-	815,249	806,350	9,418,278	-	-
Derivative Financial Instruments	-	-	280,842	-	91,965	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	24,280,162	-	4,326,325	13,714,238	46,405,943	399,473	18,037

	Risk Weightings						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	23,550,505	-	5,258,070	13,338,322	42,219,060	399,473	18,037
Cash on Hand	912,796	-	1,497	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	4,231,652	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,609,961	-	3,627,505	-	1,761,615	-	-
Interbank Money Market Placements	1,000,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,716,480	-	-	-	-	-	-
Loans	3,169,856	-	1,329,104	12,876,604	35,320,548	399,473	18,037
Loans under Follow-Up (Net)	-	-	-	-	426,858	-	-
Lease Receivables	16,031	-	28,284	245,512	1,239,077	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	7,155,596	-	-	-	38,520	-	-
Receivables from Term Sale of Assets	-	-	-	-	20,237	-	-
Miscellaneous Receivables	39,026	-	-	-	1,450,312	-	-
Accrued Interest and Income	326,620	-	61,550	216,206	573,474	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	39,352	-	-
Tangible Assets (Net)	-	-	-	-	1,176,152	-	-
Other Assets	372,487	-	210,130	-	172,915	-	-
Off-Balance Sheet Items	1,731,042	-	1,391,795	817,090	9,800,192	-	-
Non-Cash Loans and Commitments	1,731,042	-	1,032,123	817,090	9,682,431	-	-
Derivative Financial Instruments	-	-	359,672	-	117,761	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	25,281,547	-	6,649,865	14,155,412	52,019,252	399,473	18,037

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	54,763,611	53,973,934
Value at Market Risk (VaMR)	2,525,413	2,523,750
Value at Operational Risk (VaOR)	7,212,178	5,766,996
Shareholders' Equity	13,672,917	10,047,717
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	21.20%	16.14%

	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	61,062,215	59,687,917
Value at Market Risk (VaMR)	4,447,563	4,120,450
Value at Operational Risk (VaOR)	8,212,044	6,621,287
Shareholders' Equity	14,125,554	10,460,637
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	19.16%	14.85%

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	379,275	285,051
I. Legal Reserve (Turkish Commercial Code 466/1)	349,148	261,424
II. Legal Reserve (Turkish Commercial Code 466/2)	30,127	23,627
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	3,187,603	1,681,758
Reserve Allocated as per the Decision held by the General Assembly	3,187,603	1,681,758
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Other Capital Reserves and Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	3,085,717	1,879,378
Current Period Profit	3,085,717	1,879,378
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	360,000	52,000
Income on Sale of Investments in Associates, Subsidiaries and Real Estate	596,047	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	49,001	35,117
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)(*)	147,686	-
Prepaid Expenses (-)(*)	244,835	318,026
Intangible Assets (-)(*)	40,558	37,479
Deferred Tax Asset excess of 10% of Core Capital (-)(*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	12,202,610	9,506,293
SUPPLEMENTARY CAPITAL		
General Provisions	437,334	428,799
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus Shares of Associates, Subsidiaries and Joint-Ventures (Business Partnership)	1,509	1,509
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	932,551	847,545
45% of Securities Value Increase Fund (**)	612,632	36,431
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	612,632	36,431
Minority Interest	22	8
Other Reserves	38,595	100,329
Total Supplementary Capital	2,023,609	1,415,587
TIER III CAPITAL	-	-
CAPITAL	14,226,219	10,921,880

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

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

DEDUCTIONS FROM CAPITAL	100,665	461,243
Unconsolidated Investments in Banks and Financial Institutions	2,479	2,471
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Banks and Financial Institutions' Assets and Liabilities that are not Fully Consolidated but Included Using Equity Accounting	50,579	40,342
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	47,607	62,925
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	14,125,554	10,460,637

4.2 Consolidated credit risk

Credit risk means risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is reviewed periodically in compliance with the legislation by the internal risk rating models. The credit limits are revised and further collateral is required if the risk level of debtor deteriorates. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the lending policies, the debtor's creditworthiness is analysed and the satisfactory collateral is required based on the financial position of the company and the lending terms demanded; like cash collateral, bank guarantees, mortgages, pledges, bills and personal or corporate guarantees.

There are control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed under the risk from market fluctuations. The risk arising from such instruments are followed up and the necessary actions are taken to decrease it when necessary.

The liquidated non-cash loans are subject to the same risk weighting with the overdue loans.

Foreign trade finance and other interbank credit transactions are performed through widespread correspondents network. Accordingly, limits are assigned to domestic and foreign banks and other financial institutions examining their credit worthiness, periodically.

The Bank and its financial affiliates' largest 100 cash loan customers compose 29.40% of the total cash loan portfolio.

The Bank and its financial affiliates' largest 100 non-cash loan customers compose 53.80% of the total non-cash loan portfolio.

The Bank and its financial affiliates' largest 100 cash and non-cash loan customers represent 10.30% of the total "on and off balance sheet" assets.

The general provision for consolidated credit risk amounts to TL 437,334 thousands.

The Bank developed a statistical-based internal risk rating model for its credit portfolio of corporate/commercial/medium-size companies. This internal risk rating model has been in use for customer credibility assessment since 2003. Risk rating has become a requirement for loan applications, and ratings are used both to determine branch managers' credit authorization limits and in credit assessment process.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below. The small and micro-size enterprises, consumer loans and credit card portfolios are not included in this table as they are subject to different rating scorings on a product basis.

	Current Period	Prior Period
	%	%
Above Average	39.54	49.57
Average	50.22	43.58
Below Average	10.24	6.85
Total	100.00	100.00

4.2.1 Customer and regional concentration of credit risks

	Loans to Individuals and Corporates		Balances with Banks and Central Bank of Turkey		Securities*		Other Credits**		Off-Balance Sheet Commitments and Contingencies	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Customer concentration										
Private Sector	34,169,681	33,621,435	-	-	917,882	1,200,361	1,695,224	1,293,380	31,298,380	32,617,011
Public Sector	1,371,789	1,268,795	380,396	-	34,663,356	23,621,533	80,322	308	24,823	2,305
Banks	491,480	1,051,787	16,650,767	11,939,516	1,991,144	1,744,702	1,001,433	1,158,159	22,346,197	23,971,246
Retail Customers	17,443,686	16,807,683	-	-	-	-	29,354	22,016	3,261,812	686,033
Equity Securities	-	-	-	-	264,198	76,094	92,410	78,528	-	-
Total	53,476,636	52,749,700	17,031,163	11,939,516	37,836,580	26,642,690	2,898,743	2,552,391	56,931,212	57,276,595
Regional concentration										
Domestic	50,449,613	49,424,620	7,989,284	6,466,880	34,935,641	24,430,500	1,483,906	1,700,844	36,406,303	31,837,359
European Union (EU) Countries	2,009,783	1,793,948	8,209,979	4,551,839	1,945,604	1,489,864	1,201,762	601,449	10,640,313	15,325,937
OECD Countries***	133,391	68,701	23,371	15,446	-	1,529	182	423	2,426,402	1,186,448
Off-Shore Banking Regions	79,805	168,768	63,772	57,151	229,387	226,765	1,049	1,407	204,280	281,684
USA, Canada	45,050	56,103	586,530	772,922	223,096	77,743	117,376	229,402	6,170,023	7,611,841
Other Countries	758,994	1,237,560	158,227	75,278	502,852	416,289	94,468	18,866	1,083,891	1,033,326
Total	53,476,636	52,749,700	17,031,163	11,939,516	37,836,580	26,642,690	2,898,743	2,552,391	56,931,212	57,276,595

* Includes financial assets held for trading, financial assets available-for-sale and investments held-to-maturity

** Includes transactions defined as credit as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above

*** OECD countries other than EU countries, USA and Canada

4.2.2 Geographical concentration

	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit/(Loss)
Current Period					
Domestic	93,126,803	81,335,463	12,515,855	264,560	2,786,650
European Union (EU) Countries	9,058,984	14,309,163	1,101,122	-	99,349
OECD Countries ⁽¹⁾	33,530	514,743	384,922	-	-
Off-Shore Banking Regions	372,155	436,318	21,266	-	4,887
USA, Canada	745,284	7,680,608	429,465	-	-
Other Countries	175,512	188,256	218,317	-	-
Associates, Subsidiaries and Joint- Ventures (Business Partnership)	12,822,198	11,869,915	442,520	52,181	208,715
Unallocated Assets/Liabilities ⁽²⁾	-	-	-	-	-
Total	116,334,466	116,334,466	15,113,467	316,741	3,099,601
Prior Period					
Domestic	80,572,831	74,232,393	11,496,866	341,824	1,623,884
EU Countries	4,967,313	6,403,313	1,635,450	-	80,336
OECD Countries ⁽¹⁾	18,801	836,228	433,287	-	-
Off-Shore Banking Regions	377,949	206,918	30,461	-	2,556
USA, Canada	1,011,885	6,421,186	314,583	-	-
Other Countries	70,168	121,001	352,258	-	-
Associates, Subsidiaries and Joint- Ventures (Business Partnership)	12,019,466	10,817,374	304,229	46,147	184,402
Unallocated Assets/Liabilities ⁽²⁾	-	-	-	-	-
Total	99,038,413	99,038,413	14,567,134	387,971	1,891,178

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

⁽²⁾ Assets, liabilities and equity items that can not be allocated on a consistent basis

4.2.3 Sectoral distribution of cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	260,997	0.92	227,203	0.92	276,174	1.00	116,724	0.48
Farming and Stockbreeding	243,422	0.86	221,134	0.90	265,942	0.96	105,427	0.43
Forestry	10,263	0.04	-	-	4,937	0.02	-	-
Fishery	7,312	0.03	6,069	0.02	5,295	0.02	11,297	0.05
Manufacturing	3,678,528	12.95	8,756,123	35.53	3,872,157	14.01	8,426,621	34.17
Mining	102,415	0.36	296,846	1.21	121,982	0.44	279,441	1.13
Production	3,423,729	12.05	6,181,535	25.08	3,538,075	12.80	6,648,336	26.96
Electricity, Gas, Water	152,384	0.54	2,277,742	9.24	212,100	0.77	1,498,844	6.08
Construction	1,097,197	3.86	1,247,654	5.06	953,983	3.45	1,502,414	6.09
Services	5,122,401	18.03	10,030,341	40.70	4,624,379	16.73	11,069,921	44.88
Wholesale and Retail Trade	3,210,181	11.30	3,330,026	13.51	3,178,646	11.50	2,573,442	10.43
Hotel, Food and Beverage Services	244,417	0.86	1,198,029	4.86	208,057	0.75	980,793	3.98
Transportation and Telecommunication	553,652	1.95	3,479,901	14.12	575,719	2.08	3,746,786	15.19
Financial Institutions	790,654	2.78	1,211,906	4.92	339,238	1.23	3,006,991	12.19
Real Estate and Renting Services	57,200	0.20	385,292	1.56	70,624	0.26	373,717	1.51
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	77,908	0.27	27,948	0.11	72,763	0.26	31,401	0.13
Health and Social Services	188,389	0.66	397,239	1.61	179,332	0.65	356,791	1.45
Others	18,246,451	64.24	4,382,883	17.79	17,910,140	64.81	3,547,041	14.38
Total	28,405,574	100.00	24,644,204	100.00	27,636,833	100.00	24,662,721	100.00

4.2.4 Credit risk by business segments

Loan Groups	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Performing Loans					
Cash Loans	35,068,491	10,233,137	6,977,603	12,287,181	64,566,412
Non-Cash Loans	14,978,664	5,037,504	9,120,759	6,518,433	35,655,360
Loans under Follow-up					
Cash Loans	431,153	148,757	190,637	-	770,547
Non-Cash Loans	81,316	-	-	-	81,316
Non-Performing Loans					
Cash Loans	858,871	624,063	812,264	-	2,295,198
Non-Cash Loans	103,115	-	-	-	103,115
Non-Cash Loans					
Cash Loans	36,358,515	11,005,957	7,980,504	12,287,181	67,632,157
Non-Cash Loans	15,163,095	5,037,504	9,120,759	6,518,433	35,839,791
Provision Types	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Specific Provision					
Cash Loans	595,350	510,700	762,290	-	1,868,340
Non-Cash Loans	56,105	-	-	-	56,105
General Provision					
Cash Loans	224,188	72,196	49,126	51,253	396,763
Non-Cash Loans	18,731	4,768	12,011	5,061	40,571

4.3 Consolidated market risk

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

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

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

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

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

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

4.3.1 Value at market risk on a consolidated basis

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	176,767
(II) Capital Obligation against Specific Risks - Standard Method	122,925
(III) Capital Obligation against Currency Risk - Standard Method	37,609
(IV) Capital Obligation against Stocks Risks - Standard Method	-
(V) Capital Obligation against Exchange Risks – Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	18,504
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	355,805
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	4,447,563

4.3.2 Average values at market risk

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	4,154,963	4,918,525	3,672,500	2,949,982	3,672,500	1,197,599
Common Share Risk	134,243	194,213	99,300	135,565	200,888	50,527
Currency Risk	321,835	470,113	215,850	185,936	226,325	155,075
Stock Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	359,468	587,950	122,325	214,980	353,475	122,325
Total Value at Risk	4,970,509	6,170,801	4,109,975	3,486,463	4,453,188	1,525,526

4.4 Consolidated operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of “Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks”.

The annual gross income is composed of net interest income plus net non-interest income reduced by realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

	31 December 2006	31 December 2007	31 December 2008
(I) Net Interest Income	2,075,884	3,097,952	3,430,704
(II) Net Fees and Commissions Income	1,111,284	1,288,569	1,578,335
(III) Dividend Income	2,767	2,866	29,472
(IV) Net Trading Income/(Losses)	(51,433)	(218,454)	253,585
(V) Other Operating Expenses	461,766	1,201,924	448,380
(VI) Gain/Loss on Securities Available-for-Sale and Held-to-Maturity	51,307	50,037	54,177
(VII) Extraordinary Income	196,691	919,933	302,186
(VIII) Insurance Claim Collections	-	-	-
(IX) Gross Income (I+II+III+IV+V-VI-VII-VIII)	3,352,270	4,402,887	5,384,113
(X) Capital Obligation (IX * 15%)	502,841	660,433	807,617
(XI) Average Capital Obligation Against Operational Risk	656,964		
(XII) Value at Operational Risk (XI * 12.5)	8,212,044		

4.5 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2009, the Bank and its financial affiliates' net 'on balance sheet' foreign currency short position amounts to TL 1,314,971 thousands (31 December 2008: a long position of TL 1,477,585 thousands), net 'off-balance sheet' foreign currency long position amounts to TL 1,357,216 thousands (31 December 2008: a short position of TL 1,692,413 thousands), while net foreign currency long position amounts to TL 42,245 thousands (31 December 2008: a short position of TL 214,828 thousands).

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

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

	USD	EUR	Yen (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.4900	2.1382	1.6029	2.4074
<u>Foreign currency rates for the days before balance sheet date;</u>				
Day 1	1.4900	2.1301	1.6072	2.3844
Day 2	1.4900	2.1476	1.6226	2.3795
Day 3	1.4900	2.1447	1.6258	2.3849
Day 4	1.5000	2.1596	1.6448	2.3946
Day 5	1.5000	2.1596	1.6448	2.3946
Last 30-days arithmetical average rate	1.4887	2.1660	1.6504	2.4115

The Bank's consolidated currency risk:

	Euro	USD	Yen	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	975,847	1,919,097	703	142,254	3,037,901
Banks	3,357,805	3,406,632	6,809	133,384	6,904,630
Financial Assets at Fair Value through Profit/Loss	129,446	138,609	41	3,728	271,824
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	784,818	3,215,292	-	347,046	4,347,156
Loans (*)	9,352,341	16,270,156	54,267	915,234	26,591,998
Investments in Associates, Subsidiaries and Joint-Ventures	681	-	-	-	681
Investments Held-to-Maturity	43,696	1,432,473	-	-	1,476,169
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	78,769	248	-	44,251	123,268
Intangible Assets	4,584	-	-	790	5,374
Other Assets	971,741	647,724	5,386	764	1,625,615
Total Assets	15,699,728	27,030,231	67,206	1,587,451	44,384,616
Liabilities					
Bank Deposits	766,091	841,190	15,451	260,215	1,882,947
Foreign Currency Deposits	13,379,471	16,143,343	29,217	738,396	30,290,427
Interbank Money Market Takings	-	157,455	-	230,023	387,478
Other Fundings	4,694,882	7,627,132	8,331	-	12,330,345
Securities Issued	-	-	-	-	-
Miscellaneous Payables	43,905	48,345	232	3,323	95,805
Derivative Financial Liabilities Held for Risk Management	-	3,464	-	-	3,464
Other Liabilities (**)	172,234	176,923	389	359,575	709,121
Total Liabilities	19,056,583	24,997,852	53,620	1,591,532	45,699,587
Net 'On Balance Sheet' Position	(3,356,855)	2,032,379	13,586	(4,081)	(1,314,971)
Net 'Off-Balance Sheet' Position	3,637,522	(2,422,652)	(13,163)	155,509	1,357,216
Derivative Assets	5,466,081	7,471,485	14,348	1,452,704	14,404,618
Derivative Liabilities	(1,828,559)	(9,894,137)	(27,511)	(1,297,195)	(13,047,402)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	13,266,009	28,835,289	80,073	952,604	43,133,975
Total Liabilities	17,372,469	23,295,370	62,438	926,113	41,656,390
Net 'On Balance Sheet' Position	(4,106,460)	5,539,919	17,635	26,491	1,477,585
Net 'Off-Balance Sheet' Position	4,080,591	(5,762,984)	(18,450)	8,430	(1,692,413)
Derivative Assets	6,394,180	7,466,360	10,038	629,825	14,500,403
Derivative Liabilities	(2,313,589)	(13,229,344)	(28,488)	(621,395)	(16,192,816)
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,945,578 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency code.

(**) Other liabilities also include gold deposits of TL 337,564 thousands.

4.6 Consolidated interest rate risk

The interest rate risk resulted from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on and off-balance sheet. Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank's interest rate risk is measured by the standard method, value at risk (VaR), duration-gap and sensitivity analysis.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. The duration-gap and sensitivity analysis are run every two weeks period.

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

In the duration-gap analysis used for the quantification of market risk arising from maturity mismatches of assets and liabilities, the present values of interest sensitive asset and liability items are calculated based on their cash flows and yield curves developed from market interest rates. The results are supported by the sensitivity and scenario analysis performed periodically due to the prospective fluctuations in markets. Furthermore, the interest rate risk is monitored within the limits approved by the board of directors.

As a part of the duration-gap analysis, the bank-only sensitivity analysis for a +/-1 point change in the present values of interest sensitive balance sheet items excluding trading and available-for-sale portfolios as of 31 December 2009 is provided in the table below:

Sensitivity analysis for TL interest rates:

Stress applied	Change in portfolio value
(+) %1	(74.663)
(-) %1	75.211

Sensitivity analysis for FC interest rates:

Stress applied	Change in portfolio value
(+) %1	(143.505)
(-) %1	161.347

4.6.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,381,166	-	-	-	-	3,505,739	6,886,905
Banks	3,570,120	3,409,327	1,727,889	5,132	-	1,345,903	10,058,371
Financial Assets at Fair Value through Profit/Loss	34,084	56,454	398,212	88,691	4,393	659,399	1,241,233
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,158,546	5,847,802	8,465,902	3,747,609	571,530	2,978,245	29,769,634
Loans	16,260,566	8,932,799	12,320,690	10,105,978	4,637,973	1,218,630	53,476,636
Investments Held-to-Maturity	1,394,174	1,274,169	142,373	3,085,813	1,297,588	273,708	7,467,825
Other Assets	241,052	440,554	763,086	755,377	54,130	4,179,483	6,433,682
Total Assets	34,039,708	19,961,105	23,818,152	17,788,600	6,565,614	14,161,287	116,334,466
Liabilities							
Bank Deposits	1,247,366	50,105	46,547	15,041	-	1,379,274	2,738,333
Other Deposits	45,037,305	6,447,007	3,421,971	689,015	403	10,447,679	66,043,380
Interbank Money Market Takings	10,155,173	368	400,000	150,000	-	59,188	10,764,729
Miscellaneous Payables	-	-	-	-	-	3,737,841	3,737,841
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,699,797	4,625,891	3,358,309	496,539	12,410	264,862	16,457,808
Other Liabilities	-	-	-	-	-	16,592,375	16,592,375
Total Liabilities	64,139,641	11,123,371	7,226,827	1,350,595	12,813	32,481,219	116,334,466
On Balance Sheet Long Position	-	8,837,734	16,591,325	16,438,005	6,552,801	-	48,419,865
On Balance Sheet Short Position	(30,099,933)	-	-	-	-	(18,319,932)	(48,419,865)
Off-Balance Sheet Long Position	3,693	6,772	12,384	6,066	-	-	28,915
Off-Balance Sheet Short Position	(2,815)	(6,383)	(9,428)	-	-	-	(18,626)
Total Position	(30,099,055)	8,838,123	16,594,281	16,444,071	6,552,801	(18,319,932)	10,289

Average interest rates on monetary financial instruments (%):

Current Period	Euro	USD	Yen	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	0.25-7.09	0.08-8.21	-	6.50-11.00
Financial Assets at Fair Value through Profit/Loss	0.91-6.28	3.78	-	7.57-16.00
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	0.91-9.50	0.50-12.38	-	7.11-20.80
Loans	0.52-17.00	0.33-17.00	5.06	6.90-27.15
Investments Held-to-Maturity	9.25-9.50	6.13-11.75	-	11.56-14.74
Liabilities				
Bank Deposits	0.25-7.09	0.23-8.21	-	6.50-7.05
Other Deposits	0.40-8.30	0.7-8.23	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-6.00	2.26-6.00	3.16	7.35-12.37

(*) The interest rates for USD and TL placements at banks are 0.76% and 6.57%, respectively, when the placements with range accrual agreements are excluded.

4.6.2 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,788,512	-	-	-	-	3,761,518	5,550,030
Banks	3,863,217	829,511	1,279,190	17,137	-	1,061,167	7,050,222
Financial Assets at Fair Value through Profit/Loss	57,281	8,626	164,468	267,560	9,169	766,819	1,273,923
Interbank Money Market Placements	40,000	-	-	-	-	552	40,552
Financial Assets Available-for-Sale	978,092	5,575,301	5,219,482	4,649,683	414,690	1,490,373	18,327,621
Loans	15,763,183	9,263,744	13,670,626	9,161,077	3,303,206	1,587,864	52,749,700
Investments Held-to-Maturity	483,310	2,218,437	191,121	3,254,554	1,336,345	300,614	7,784,381
Other Assets	192,315	466,035	889,850	1,057,657	75,856	3,580,271	6,261,984
Total Assets	23,165,910	18,361,654	21,414,737	18,407,668	5,139,266	12,549,178	99,038,413
Liabilities							
Bank Deposits	1,043,341	37,982	53,825	226,536	-	757,592	2,119,276
Other Deposits	39,614,404	4,366,690	2,833,958	785,966	2,560	8,237,103	55,840,681
Interbank Money Market Takings	10,135,486	189,213	217,010	549,999	-	61,472	11,153,180
Miscellaneous Payables	-	-	-	-	-	2,916,637	2,916,637
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,608,866	3,248,241	1,938,078	528,977	785,562	310,364	14,420,088
Other Liabilities	-	-	-	-	-	12,588,551	12,588,551
Total Liabilities	58,402,097	7,842,126	5,042,871	2,091,478	788,122	24,871,719	99,038,413
On Balance Sheet Long Position	-	10,519,528	16,371,866	16,316,190	4,351,144	-	47,558,728
On Balance Sheet Short Position	(35,236,187)	-	-	-	-	(12,322,541)	(47,558,728)
Off-Balance Sheet Long Position	3,116	2,155	6,644	-	-	-	11,915
Off-Balance Sheet Short Position	(50)	(16,701)	(44,773)	-	-	-	(61,524)
Total Position	(35,233,121)	10,504,982	16,333,737	16,316,190	4,351,144	(12,322,541)	(49,609)

Average interest rates on monetary financial instruments (%):

Prior Period	Euro	USD	Yen	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks (*)	1.00-7.60	0.03-6.70	-	2.07-22.85
Financial Assets at Fair Value through Profit/Loss	4.43-6.98	1.78-6.76	-	11.58-20.13
Interbank Money Market Placements	-	-	-	18.88
Financial Assets Available-for-Sale	3.53-9.50	3.03-12.38	-	14.00-21.16
Loans	4.73-17.50	6.83-18.00	5.51	22.58-24.53
Investments Held-to-Maturity	9.25-9.50	6.13-12.38	-	18.48-21.16
Liabilities				
Bank Deposits	1.95-6.94	1.50-6.85	-	15.00-18.11
Other Deposits	2.00-7.50	1.00-6.50	0.35	17.55
Interbank Money Market Takings	3.70-6.75	3.03-4.90	-	15.26
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	5.05-6.85	4.85-7.97	2.33	14.50-21.42

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

4.7 Consolidated liquidity risk

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

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

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

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	140.51	175.51	99.52	117.84

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	168.14	149.56	110.42	108.99

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	5,140,616	1,746,289	-	-	-	-	-	6,886,905
Banks	869,347	1,880,524	1,251,679	581,704	2,132,324	2,451,367	891,426	10,058,371
Financial Assets at Fair Value through Profit/Loss	9,503	303,379	329,891	458,182	135,444	4,834	-	1,241,233
Interbank Money Market Placements	-	1,000,180	-	-	-	-	-	1,000,180
Financial Assets Available-for-Sale	99,798	206,924	1,167,126	7,217,561	17,997,827	3,080,398	-	29,769,634
Loans	84,017	11,197,166	5,325,137	8,627,683	15,959,169	11,856,606	426,858	53,476,636
Investments Held-to-Maturity	-	-	539,934	875,573	4,728,116	1,324,202	-	7,467,825
Other Assets	458,934	399,245	1,820,448	766,823	744,712	54,413	2,189,107	6,433,682
Total Assets	6,662,215	16,733,707	10,434,215	18,527,526	41,697,592	18,771,820	3,507,391	116,334,466
Liabilities								
Bank Deposits	1,589,345	1,034,641	51,058	49,569	13,720	-	-	2,738,333
Other Deposits	12,576,988	43,568,170	6,434,105	2,396,545	959,138	108,434	-	66,043,380
Other Fundings	-	1,194,645	570,040	4,233,286	5,867,504	4,592,333	-	16,457,808
Interbank Money Market Takings	-	10,192,120	368	416,428	155,813	-	-	10,764,729
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	133,131	2,254,425	-	1,350,285	-	-	-	3,737,841
Other Liabilities (**)	581,773	283,462	113,863	107,601	45,263	52,458	15,407,955	16,592,375
Total Liabilities	14,881,237	58,527,463	7,169,434	8,553,714	7,041,438	4,753,225	15,407,955	116,334,466
Liquidity Gap	(8,219,022)	(41,793,756)	3,264,781	9,973,812	34,656,154	14,018,595	(11,900,564)	-
Prior Period								
Total Assets	5,563,100	16,056,020	8,729,566	13,328,381	36,944,311	15,947,545	2,469,490	99,038,413
Total Liabilities	11,249,485	52,649,997	6,098,654	8,906,724	6,666,873	2,327,610	11,139,070	99,038,413
Liquidity Gap	(5,686,385)	(36,593,977)	2,630,912	4,421,657	30,277,438	13,619,935	(8,669,580)	-

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

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

Contractual maturity analysis of liabilities according to remaining maturities:

The remaining maturities table of the contractual liabilities includes the undiscounted future cash outflows for the principal amounts of the Bank and its financial affiliates' financial liabilities as per their earliest likely contractual maturities.

	Carrying Value	Nominal Principal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Current Period								
Bank Deposits	2,738,333	2,735,186	1,589,345	1,032,377	50,109	48,314	15,041	-
Other Deposits	66,043,380	65,797,397	12,576,988	43,405,334	6,399,964	2,361,006	946,065	108,040
Other Fundings	16,457,808	16,195,118	-	1,169,281	420,365	4,145,635	5,867,504	4,592,333
Interbank Money Market Takings	10,764,729	10,705,562	-	10,155,194	368	400,000	150,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	96,004,250	95,433,263	14,166,333	55,762,186	6,870,806	6,954,955	6,978,610	4,700,373

	Carrying Value	Nominal Principal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Prior Period								
Bank Deposits	2,119,276	2,110,029	942,190	715,308	79,921	348,687	23,923	-
Other Deposits	55,840,681	55,464,595	9,644,208	38,338,472	4,246,319	2,032,675	1,085,704	117,217
Other Fundings	14,420,088	14,109,746	-	766,577	620,269	4,479,461	4,310,073	3,933,366
Interbank Money Market Takings	11,153,180	11,091,708	-	10,135,485	189,213	217,010	550,000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	83,533,225	82,776,078	10,586,398	49,955,842	5,135,722	7,077,833	5,969,700	4,050,583

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	107,745,258	90,801,218	108,619,596	90,810,777
Interbank Money Market Placements	1,000,180	40,552	1,000,180	40,552
Banks (*)	16,030,983	11,898,964	16,030,983	11,898,964
Financial Assets Available-for-Sale	29,769,634	18,327,621	29,769,634	18,327,621
Investments Held-to-Maturity	7,467,825	7,784,381	8,057,776	7,789,674
Loans	53,476,636	52,749,700	53,761,023	52,753,966
Financial Liabilities	98,750,634	85,503,153	98,750,634	85,503,153
Bank Deposits	2,738,333	2,119,276	2,738,333	2,119,276
Other Deposits	66,043,380	55,840,681	66,043,380	55,840,681
Interbank Money Market Takings and Funds Borrowed	26,231,080	24,626,559	26,231,080	24,626,559
Securities Issued	-	-	-	-
Miscellaneous Payables	3,737,841	2,916,637	3,737,841	2,916,637

(*) including the balances at the Central Bank of Turkey

Fair values of financial assets available-for-sale and investments held-to-maturity are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

Fair values of other financial assets and liabilities are represented by the total of acquisition costs and accrued interest income.

The table below analyses financial instruments carried at fair value, by valuation method:

31 December 2009	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	27,779,077	383,061	1,607,496	29,769,634
Financial Assets Held for Trading	430,635	9,955	158,531	599,121
Derivative Financial Assets Held for Trading	150,192	491,920	-	642,112
Investments in Associates and Subsidiaries	15	-	71,773	71,788
Financial Assets at Fair Value	28,359,919	884,936	1,837,800	31,082,655
Derivative Financial Liabilities Held for Trading	132,962	207,804	650	341,416
Derivative Financial Liabilities Held for Risk Management	3,464	-	-	3,464
Financial Liabilities at Fair Value	136,426	207,804	650	344,880

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	468,037	329,562	312,476	359,882
Central Bank of Turkey	3,375,837	2,596,775	2,258,831	2,589,911
Others	5,130	111,564	3,753	25,177
Total	3,849,004	3,037,901	2,575,060	2,974,970

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3,375,837	850,486	2,258,831	853,027
Unrestricted Time Deposits	-	29,809	-	15,200
Restricted Time Deposits	-	1,716,480	-	1,721,684
Total	3,375,837	2,596,775	2,258,831	2,589,911

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 9%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. The interest rate applied by the Central Bank of Turkey for TL reserves is 5.20%. The FC reserves do not earn any interests.

5.1.2 Financial assets at fair value through profit/loss

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Common Shares	-	-	-	-
Bills, Bonds and Similar Securities	89	-	89	-
Others	-	-	-	-
Total	89	-	89	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	17,087	12,059	59,507	5,604
Swap Transactions	424,230	129,523	441,829	178,418
Futures	-	281	-	14
Options	21,107	37,825	11,231	46,447
Others	-	-	-	185
Total	462,424	179,688	512,567	230,668

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	638,687	377,805	371,140	1,206,441
Foreign banks	2,515,054	6,526,825	1,342,728	4,129,913
Foreign headoffices and branches	-	-	-	-
Total	3,153,741	6,904,630	1,713,868	5,336,354

Due from foreign banks:

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	3,822,354	2,988,551	4,387,625	1,563,287
USA and Canada	275,128	464,554	311,402	308,368
OECD Countries (1)	23,371	15,446	-	-
Off-shore Banking Regions	47,948	41,198	15,824	15,953
Others	158,227	75,284	-	-
Total	4,327,028	3,585,033	4,714,851	1,887,608

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

The placements at foreign banks include blocked accounts amounting TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 4,327,359 thousands as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 44,394 thousands as required for insurance activities.

5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Carrying values of such securities with total face value of TL 1,851,913 thousands (31 December 2008: TL 2,421,747 thousands) is TL 1,769,837 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 234,344 thousands (31 December 2008: TL 125,357 thousands) and TL 29 thousands (31 December 2008: TL 1,743 thousands), respectively. Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds and other foreign currency government securities. Carrying values of such securities with total face value of USD 68,675,000, EUR 197,547,000 and RUB 105,000,000 (31 December 2008: USD 272,345,000 and EUR 3,884,000), are USD 71,205,705, EUR 209,640,915 and RUB 105,178,500 (31 December 2008: USD 273,641,122 and EUR 4,070,650). The related accrued interest income amount to USD 5,594,374, EUR 4,747,076 and RUB 3,728,550 respectively (31 December 2008: USD 9,915,654 and EUR 30,507), and the impairment losses to USD 500,712 and EUR 42,535 respectively (31 December 2008: USD 1,375,890 and EUR 242,566).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,004,152	577,791	2,488,593	437,003
Assets subject to Repurchase Agreements	7,957,698	290,863	6,491,961	540,370
Total	9,961,850	868,654	8,980,554	977,373

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	26,793,650	16,881,667
Quoted at Stock Exchange	25,004,436	15,062,032
Unquoted at Stock Exchange	1,789,214	1,819,635
Common Shares	26,083	25,682
Quoted at Stock Exchange	13,054	13,213
Unquoted at Stock Exchange	13,029	12,469
Value Increase/Impairment Losses (-)	2,949,901	1,420,272
Total	29,769,634	18,327,621

As of 31 December 2009, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 882,777,778 and EUR 500,000 (31 December 2008: USD 895,500,000 and EUR 1,175,000) and a total carrying value of TL 1,335,731 thousands (31 December 2008: TL 1,389,392 thousands).

In 2008, a consolidated financial affiliate of the Bank, reclassified certain security investments, previously classified in its financial assets held for trading amounting EUR 65,782,732 with a total face value of USD 93,155,000 to its financial assets available-for-sale as per the legislation of the Turkish Accounting Standards Board published on the Official Gazette no.27040 dated 31 October 2008 for "the Amendments to the Legislation for the Turkish Accounting Standard 39 (TAS 39), Financial Instruments: Recognition and Measurement".

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	2	920	25	1,661
Corporates	2	920	25	1,661
Individuals	-	-	-	-
Indirect Lendings to Shareholders	266,063	374,508	243,152	184,251
Loans to Employees	72,708	-	48,381	-
Total	338,773	375,428	291,558	185,912

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

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	52,259,905	19,326	590,128	180,419
Discounted Bills	128,104	-	158	-
Export Loans	3,548,273	-	11,955	4,358
Import Loans	-	-	-	-
Loans to Financial Sector	1,710,344	-	1,209	-
Foreign Loans	2,333,315	19,326	8,375	-
Consumer Loans	10,233,137	-	117,835	30,922
Credit Cards	6,977,603	-	82,344	108,293
Precious Metal Loans	263,084	-	3,484	-
Others	27,066,045	-	364,768	36,846
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	52,259,905	19,326	590,128	180,419

Collaterals received for loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,013	314	-	2,327
Loans Collateralized by Mortgages	142,127	35,093	-	177,220
Loans Collateralized by Pledged Assets	33,295	4,977	-	38,272
Loans Collateralized by Cheques and Notes	13,269	4,613	-	17,882
Loans Collateralized by Other Collaterals	34,031	1,876	-	35,907
Unsecured Loans	206,418	101,884	190,637	498,939
Total	431,153	148,757	190,637	770,547

Delinquency periods of loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	32,736	76,801	64,543	174,080
61-90 days	26,536	22,136	28,540	77,212
Other	371,881	49,820	97,554	519,255
Total	431,153	148,757	190,637	770,547

5.1.5.3 Maturity analysis of cash loans

	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
Short-Term Loans	19,336,768	1,923	180,658	149,043
Loans	19,336,768	1,923	180,658	149,043
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans	32,923,137	17,403	409,470	31,376
Loans	32,923,137	17,403	409,470	31,376
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	52,259,905	19,326	590,128	180,419

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	389,796	8,277,636	8,667,432
Housing Loans	58,456	5,078,778	5,137,234
Automobile Loans	12,972	556,731	569,703
General Purpose Loans	317,804	2,609,915	2,927,719
Others	564	32,212	32,776
Consumer Loans – FC-indexed	3,584	756,533	760,117
Housing Loans	200	675,893	676,093
Automobile Loans	385	22,675	23,060
General Purpose Loans	2,999	57,965	60,964
Others	-	-	-
Consumer Loans – FC	36,335	433,493	469,828
Housing Loans	1,187	60,161	61,348
Automobile Loans	16	14,971	14,987
General Purpose Loans	35,132	358,361	393,493
Others	-	-	-
Retail Credit Cards – TL	6,752,384	68,219	6,820,603
With Installment	2,779,239	68,219	2,847,458
Without Installment	3,973,145	-	3,973,145
Retail Credit Cards – FC	23,980	64,153	88,133
With Installment	9,427	-	9,427
Without Installment	14,553	64,153	78,706
Personnel Loans – TL	21,715	15,111	36,826
Housing Loan	-	1,434	1,434
Automobile Loans	2	286	288
General Purpose Loans	21,713	13,391	35,104
Others	-	-	-
Personnel Loans - FC-indexed	-	261	261
Housing Loans	-	175	175
Automobile Loans	-	86	86
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	1,030	41	1,071
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	39	41	80
Others	991	-	991
Personnel Credit Cards – TL	27,246	253	27,499
With Installment	19,759	253	20,012
Without Installment	7,487	-	7,487
Personnel Credit Cards – FC	505	-	505
With Installment	177	-	177
Without Installment	328	-	328
Deposit Accounts– TL (real persons)	446,359	-	446,359
Deposit Accounts– FC (real persons)	-	-	-
Total	7,702,934	9,615,700	17,318,634

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	466,128	3,180,756	3,646,884
Real Estate Loans	1,182	354,373	355,555
Automobile Loans	50,237	750,637	800,874
General Purpose Loans	414,709	2,075,746	2,490,455
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	76,607	453,330	529,937
Real Estate Loans	-	53,545	53,545
Automobile Loans	4,994	156,604	161,598
General Purpose Loans	71,613	243,181	314,794
Others	-	-	-
Installment-based Commercial Loans – FC	304	50,535	50,839
Real Estate Loans	-	444	444
Automobile Loans	49	4,632	4,681
General Purpose Loans	255	2,349	2,604
Others	-	43,110	43,110
Corporate Credit Cards – TL	228,002	803	228,805
With Installment	77,884	803	78,687
Without Installment	150,118	-	150,118
Corporate Credit Cards – FC	2,695	-	2,695
With Installment	5	-	5
Without Installment	2,690	-	2,690
Deposit Accounts– TL (corporate)	408,136	-	408,136
Deposit Accounts– FC (corporate)	-	-	-
Total	1,181,872	3,685,424	4,867,296

5.1.5.6 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	1,371,789	3,085,831
Private Sector	51,677,989	49,213,723
Total	53,049,778	52,299,554

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	50,025,017	50,134,508
Foreign Loans	3,024,761	2,165,046
Total	53,049,778	52,299,554

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	243	6,954
Indirect Lending	-	-
Total	243	6,954

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	185,391	62,160
Doubtful Loans and Receivables	560,941	179,505
Uncollectible Loans and Receivables	1,122,008	573,013
Total	1,868,340	814,678

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-
Total	55,667	227,343	229,139
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	54,285
Rescheduled Loans and Receivables	-	-	-
Total	-	-	54,285

Movements in non-performing loan groups:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	238,188	294,614	732,022
Additions (+)	1,763,145	61,846	101,832
Transfer from Other NPL Categories (+)	-	1,403,785	776,041
Transfer to Other NPL Categories (-)	1,403,785	776,041	-
Collections during the Period (-)	279,883	260,139	218,652
Write-offs (-)	-	11	137,764
Corporate and Commercial Loans	-	11	18,567
Retail Loans	-	-	3,117
Credit Cards	-	-	116,080
Other	-	-	-
Balances at End of Period	317,665	724,054	1,253,479
Specific Provisions (-)	(185,391)	(560,941)	(1,122,008)
Net Balance on Balance Sheet	132,274	163,113	131,471

Movements in specific loan provisions

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	257,567	166,194	390,917	814,678
Additions during the Period (+)	439,369	520,030	824,645	1,784,044
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	83,019	172,407	337,192	592,618
Write-Offs (-)	18,567	3,117	116,080	137,764
Balances at End of Period	595,350	510,700	762,290	1,868,340

Non-performing loans in foreign currencies

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	73,754	39,090	246,415
Specific Provisions (-)	51,023	19,622	227,514
Net Balance at Balance Sheet	22,731	19,468	18,901
Prior Period			
Balance at End of Period	7,071	3,594	151,143
Specific Provisions (-)	467	526	120,486
Net Balance at Balance Sheet	6,604	3,068	30,657

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	132,274	163,113	131,471
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,245,458
Specific Provision (-)	185,391	560,941	1,113,987
Loans to Individuals and Corporates (Net)	132,274	163,113	131,471
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	176,028	115,109	159,009
Loans to Individuals and Corporates (Gross)	238,188	294,614	724,039
Specific Provision (-)	62,160	179,505	565,030
Loans to Individuals and Corporates (Net)	176,028	115,109	159,009
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,430	1,553	-	2,983
Loans Collateralized by Mortgages	429,506	150,326	-	579,832
Loans Collateralized by Pledged Assets	132,827	116,068	-	248,895
Loans Collateralized by Cheques and Notes	132,573	208,652	-	341,225
Loans Collateralized by Other Collaterals	120,720	23,771	-	144,491
Unsecured Loans	41,815	123,693	812,264	977,772
Total	858,871	624,063	812,264	2,295,198

5.1.5.11 *Liquidation policy for uncollectible loans and receivables*

Uncollectible loans and receivables are collected with legal follow-up and liquidation of the collaterals.

5.1.5.12 *Write-off policy*

Bank's write-off policy is to write-off the receivables when it is documented that the collection is not possible with legal follow-up.

5.1.6 *Factoring receivables*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	628,065	227,595	405,992	245,807
Medium and Long-Term	-	-	-	-
Total	628,065	227,595	405,992	245,807

5.1.7 *Investments held-to-maturity*

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,860,387	280,390	1,508,226	65,263
Investments subject to Repurchase Agreements	2,637,832	152,905	4,354,254	254,746
Total	4,498,219	433,295	5,862,480	320,009

5.1.7.2 *Government securities held-to-maturity*

	Current Period	Prior Period
Government Bonds	5,991,656	6,086,566
Treasury Bills	-	-
Other Government Securities	1,438,946	1,658,021
Total	7,430,602	7,744,587

5.1.7.3 *Investments held-to-maturity*

	Current Period	Prior Period
Debt Securities	7,221,757	7,516,860
Quoted at Stock Exchange	7,184,957	7,476,079
Unquoted at Stock Exchange	36,800	40,781
Valuation Increase / Decrease (-)	246,068	267,521
Total	7,467,825	7,784,381

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,784,381	4,300,360
Foreign Currency Differences on Monetary Assets	(27,979)	90,970
Purchases during the Period	927,839	3,974,502
Disposals through Sales/Redemptions	(1,155,617)	(729,947)
Valuation Effect	(60,799)	148,496
Balances at End of Period	7,467,825	7,784,381

In 2008 the Bank reclassified certain security investments, previously classified in its securities available-for-sale portfolio in its financial statements, with total face values of TL 2,831,667 thousands and USD 843,847,999 to its securities held-to-maturity portfolio as a result of change in its intention to hold such securities in compliance with the TAS. Such securities are included in the securities held-to-maturity portfolio at their fair values of TL 2,685,106 thousands and USD 852,772,307 as of their reclassification date and presented in the above movement table of investments held-to-maturity under the “purchases during the period” line. The negative valuation differences amounting TL 99,085 thousands and USD 6,729,440 of these securities, are recorded under the shareholders’ equity and amortized through the income statement throughout their maturities. As of the balance sheet date, the negative valuation differences under the shareholders’ equity are TL 70,661 thousands and USD 6,831,700.

5.1.8 Investments in associates**5.1.8.1 Unconsolidated investments in associates**

	Associates	Address (City/ Country)	Parent Bank’s Share – If Different, Voting Rights (%)	Bank Risk Group’s Share (%)
1	Emeklilik Gözetim Merkezi AŞ	Istanbul/Turkey	-	9.00
2	Bankalararası Kart Merkezi AŞ ⁽¹⁾	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ ⁽¹⁾	Istanbul/Turkey	0.77	0.77
4	İMKB Takas ve Saklama Bankası AŞ ⁽¹⁾	Istanbul/Turkey	5.83	5.83
5	Vadeli İşlem ve Opsiyon Borsası AŞ ⁽¹⁾	Istanbul/Turkey	6.00	6.00
6	KKB Kredi Kayıt Bürosu AŞ ⁽¹⁾	Istanbul/Turkey	9.09	9.09
7	Gelişen İşletmeler Piyasaları AŞ ⁽¹⁾	Istanbul/Turkey	5.00	5.00
8	Türkiye Cumhuriyet Merkez Bankası AŞ	Ankara/Turkey	2.48	2.48
9	Kredi Garanti Fonu AŞ	Ankara/Turkey	1.67	1.67

	Total Assets	Shareholders’ Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company’s Fair Value (if available)
1	6,098	4,279	378	560	77	40	585	-
2	15,522	12,964	5,738	725	-	(369)	4,467	-
3	205,816	48,198	1,570	3,960	1,914	4,496	3,002	-
4	1,453,145	274,930	11,351	31,496	10,434	32,567	65,227	-
5	39,579	36,457	2,539	2,811	31	9,679	14,777	-
6	26,777	20,210	1,984	2,046	9	6,640	-	-
7	8,060	7,912	2	756	1	587	2,233	-
8	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-

⁽¹⁾ Financial information is as of 30 September 2009.

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

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

At the Board of Directors meeting held on 3 June 2009, it was decided to participate in the capital increase of Kredi Garanti Fonu AŞ by TL 4,000 thousands and to subscribe for future capital increases upto TL 4,000 thousands in restructuring of the company to build a three-shareholders structure including the Turkish Union of Chambers and Commodity Exchanges (TOBB), the Small and Medium Size Enterprises Development Organization (KOSGEB) and the banks. As per this decision, the Bank has paid TL 2,000 thousands of its capital commitment of TL 4,000 thousands at 15 October 2009 for the capital increase of Kredi Garanti Fonu AŞ decided on 11 September 2009.

5.1.8.2 Consolidated investments in associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	563,506	252,898	13,691	16,724	24,364	46,609	97,668	-

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

5.1.8.3 Movement of consolidated investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	40,342	28,997
Movements during the Period	10,237	11,345
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	10,237	11,345
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	50,579	40,342
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Valuation methods of consolidated investments in associates

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	50,579	40,342

Sectoral distribution of consolidated investments and associates

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	50,579	40,342
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	-	-

Quoted consolidated investments in associates

None.

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian	Amsterdam/Holland	-	100.00
8	Trifoi Investments	Amsterdam/Holland	-	100.00
9	Golden Clover Stichting Custody	Amsterdam/Holland	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	20,584	13,278	761	-	1,324	3,392	(97,418)	-
2	22,244	10,718	785	26	1,692	2,339	7,801	-
3	1,049	928	-	-	47	554	-	-
4	385	204	39	-	2	(14)	(126)	-
5	1,125	975	-	-	12	166	56	-
6	58	31	53	-	-	-	(36)	-
7	267	267	-	-	-	-	-	-
8	1	1	-	-	-	(1)	-	-
9	267	267	-	-	-	-	-	-
10	136,662	7,712	110,663	3	-	3,220	(5,508)	-

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

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

As of 31 December 2009, the investments in Trifoi Real Estate Company, United Custodian, Trifoi Investments and Golden Clover Stichting Custody classified as financial subsidiaries are not consolidated as their total assets are less than 1% of the Bank's total assets, instead they are valued at cost.

The non-financial investments in are accounted under cost method of accounting.

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	810,562	577,928
Movements during the Period	187,192	232,634
Acquisitions and Capital Increases ^(*)	93	-
Bonus Shares Received ^(**)	(125,648)	71,668
Dividends from Current Year Profit	-	910
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	310,519	(23,275)
Currency Differences on Foreign Subsidiaries	2,228	86,926
Reversal of Impairment Losses / Impairment Losses (-)	-	96,405
Balance at End of Period	997,754	810,562
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) The Bank has acquired one ordinary share that EFG Finansal Kiralama AŞ had in Garanti Bank Moscow, one of the Bank's subsidiaries, representing a 0.0578% ownership in the registered share capital of this bank at a nominal value of Rouble 255,000 on 15 October 2009 for a purchase price of USD 65,000.

(**) As per the decision made at the general assembly meeting of Garanti Bank International NV at 15 April 2009, the bank's share capital had been increased from EUR 196,567,000 to EUR 231,499,000 through appropriation from the retained earnings amounting EUR 34,932,000. Subsequently, the bank's share capital has been decreased from EUR 231,499,000 to EUR 136,836,000 as per the decision made at the general assembly meeting held at 16 October 2009. The capital reduction amounting EUR 94,663,000 has been added back to the retained earnings of the bank.

Garanti Faktoring Hizmetleri AŞ had increased its share capital from TL 17,960 thousands to TL 19,280 thousands through appropriation from its 2008 retained earnings at 15 July 2009.

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	787,167	599,975
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	Prior Period
Banks	689,498	555,439
Insurance Companies	56,545	56,545
Factoring Companies	68,365	17,215
Leasing Companies	85,381	85,381
Finance Companies	97,965	95,982
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	68,365	17,215
Quoted at International Stock Exchanges	-	-

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	5.86	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	55.40	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	0.01	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	75.09	24.86	Full Consolidation
8	Garanti Financial Services Plc	Dublin/Ireland	99.99	-	Full Consolidation
9	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	-	Full Consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	1,868,321	339,553	18,347	198,475	-	53,913	202,392	-
2	1,138,515	51,482	2,295	81,220	536	10,055	19,056	123,392
3	32,692	25,293	3,547	729	1,292	354	10,250	-
4	20,847	16,376	873	1,587	51	2,182	1,355	-
5	1,744,751	233,130	15,266	23,995	9,327	76,175	89,643	-
6	7,868,914	611,909	97,628	292,893	128,611	56,709	207,276	612,710
7	484,353	100,886	29,688	25,801	11,059	10,192	43,059	102,262
8	9,586	8,376	-	-	-	(820)	5,463	29,307
9	91	-	-	-	-	-	(267)	-

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

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

Please refer to Note 5.1.9.2.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	791,344	664,371	1,098,119	927,694
Between 1-5 Years	943,917	830,101	1,270,738	1,121,576
Longer than 5 Years	50,337	47,037	60,329	54,727
Total	1,785,598	1,541,509	2,429,186	2,103,997

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	1,785,598	2,429,186
Unearned Income on Financial Lease Receivables (-)	(244,089)	(325,189)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	1,541,509	2,103,997

5.1.11.3 Financial lease agreements

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

The customer applied for a financial lease is evaluated based on the lending policies and criteria taking into account the legal legislation. A “customer analysis report” according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as “customer risk rating” and “equipment rating/scoring” are applied.

In compliance with the legal legislation and the authorization limits of the general manager, credit committee and board of directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criterias mentioned above, if yes, which conditions will be applied. At this stage, collateral such as bank guarantees, mortgages, asset pledges, promissory notes or the personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

The followings are monitored for the financial lease agreements signed:

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures, timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the credit monitoring unit even for the performing customers.

The reports prepared by the credit monitoring unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.12 Derivative financial assets held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

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

The eleven interest rate swap transactions classified under derivative financial assets held for cash flow risk management in the financial statements of the prior period are exercised in January 2009 before their due dates. The Bank recognized EUR 36,321,000 and USD 16,000,000 (total equivalent of TL 100,808 thousands) collected on the same transaction dates as per the related agreements, under "Income/losses from derivative financial instruments".

5.1.13 Tangible assets

	Real Estates	Finansal Kiralama ile Edinilen MD	Vehicles	Other Tangible Assets	Total
Balance at End of Prior Period					
Cost	979,770	389,089	42,140	809,010	2,220,009
Accumulated Depreciation	(228,384)	(252,236)	(28,933)	(503,432)	(1,012,985)
Net Book Value	751,386	136,853	13,207	305,578	1,207,024
Balance at End of Current Period					
Net Book Value at Beginning of Current Period	751,386	136,853	13,207	305,578	1,207,024
Additions	123,849	14,288	4,232	156,340	298,709
Disposals (Cost)	(19,679)	(1,373)	(6,690)	(47,382)	(75,124)
Disposals (Accumulated Depreciation)	4,707	166	4,233	22,653	31,759
Reversal of/Impairment Losses (-)	8,412	-	-	-	8,412
Depreciation Expense for Current Period	(23,454)	(58,930)	(5,028)	(94,429)	(181,841)
Currency Translation Differences on Foreign Operations, net	1,368	-	(617)	563	1,314
Cost at End of Current Period	1,093,372	402,004	39,070	919,053	2,453,499
Accumulated Depreciation at End of Current Period	(246,783)	(311,000)	(29,733)	(575,730)	(1,163,246)
Net Book Value at End of Current Period	846,589	91,004	9,337	343,323	1,290,253

5.1.13.1 Disclosure for impairment losses or releases individually material for financial statements

Conditions for allocating/releasing any impairment

None.

Amount of impairment losses provided or released in financial statements during current period

None.

5.1.13.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually but material for the financial statements aggregately

A provision of TL 1,041 thousands made for the impairment in values of certain real estates and a provision of TL 9,453 thousands is reversed in 2009 in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets".

5.1.14 Intangible assets

5.1.14.1 Useful lives and amortisation rates

The consolidation goodwill classified under intangible assets is not amortized. The estimated useful lives of softwares and other intangible assets vary between 3 and 15 years.

5.1.14.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation. The consolidation goodwill is not amortized, however is subject to impairment testing regularly and if there is any impairment, a provision is made.

5.1.14.3 Balances at beginning and end of current period

	Current Period		Prior Period	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Intangible Assets	117,613	70,667	99,470	61,991

5.1.14.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Net Book Value at Beginning Period	37,479	28,053
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	18,032	16,968
Disposals (-)	(418)	(40)
Impairment Losses/Reversals to/from Revaluation Surplus	9	-
Impairment Losses Recorded in Income Statement		-
Impairment Losses Reversed from Income Statement		-
Amortisation Expense for Current Period (-)	(10,738)	(8,239)
Currency Translation Differences on Foreign Operations	534	737
Other Movements	2,048	-
Net Book Value at End of Current Period	46,946	37,479

5.1.14.5 Details for any individually material intangible assets

None.

5.1.14.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.14.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.14.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.14.9 Commitments to acquire intangible assets

None.

5.1.14.10 Disclosure on revalued intangible assets

None.

5.1.14.11 Research and development costs expensed during current period

None.

5.1.14.12 Goodwill

	Shares %	Carrying Value
Goodwill		
Garanti Yatırım	100.00	2,778
Garanti Finansal Kiralama	98.94	2,119
Garanti Faktoring	55.40	1,491
Total		6,388

5.1.14.13 Movements in goodwill during current period

	Current Period
Net Book Value at Beginning Period	6,388
Movements in Current Period	-
Additions	-
Adjustments due to the Changes in Value of Assets and Liabilities	-
Disposals in Current Period due to a Discontinued Operation Or Partial or Complete Disposal of an Asset (-)	-
Amortisation Expense for Current Period (-)	-
Impairment Losses (-)	-
Reversal of Impairment Losses (-)	-
Other changes in Book Values	-
Net Book Value at End of Current Period	6,388

5.1.15 Investment property

None.

5.1.16 Deferred tax asset

As of 31 December 2009, on a consolidated basis the Bank has a deferred tax asset of TL 78,717 thousands (31 December 2008: TL 52,521 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 December 2009. However, there is a deferred tax asset of TL 248,506 thousands (31 December 2008: TL 133,715 thousands) and deferred tax liability of TL 169,789 thousands (31 December 2008: TL 81,194 thousands) presented as net in the accompanying consolidated financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 32,383 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2009 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future.

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

5.1.17 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	83,178	115,635
Accumulated Depreciation (-)	(1,832)	(2,749)
Net Book Value	81,346	112,886
End of Current Period		
Additions	33,184	6,923
Disposals (Cost)	(25,278)	(39,867)
Disposals (Accumulated Depreciation)	1,358	1,780
Reversal of Impairment / Impairment Losses (-)	(8,748)	487
Depreciation Expense for Current Period (-)	(670)	(863)
Currency Translation Differences on Foreign Operations	-	-
Cost	82,336	83,178
Accumulated Depreciation (-)	(1,144)	(1,832)
Net Book Value	81,192	81,346

As of balance sheet date, the rights of repurchase on various assets held for sale amount to TL 3,263 thousands (31 December 2008: TL 13,714 thousands).

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	17,353	29,530
Sale of Real Estates	-	455
Sale of Other Assets	2,884	2,863
Total	20,237	32,848

5.1.18.2 Prepaid expenses

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	244,835	318,026

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	1,833,772	-	7,089,376	11,569,248	175,313	134,826	83,831	51	20,886,417
Foreign Currency Deposits	7,582,027	-	9,104,499	9,296,644	444,965	1,360,734	2,412,379	89,179	30,290,427
Residents in Turkey	4,698,349	-	8,356,255	8,751,946	359,979	254,215	817,161	87,831	23,325,736
Residents in Abroad	2,883,678	-	748,244	544,698	84,986	1,106,519	1,595,218	1,348	6,964,691
Public Sector Deposits	461,652	-	5,722	8,017	15	302	67	-	475,775
Commercial Deposits	2,280,440	-	3,993,514	7,251,222	40,005	68,916	150,864	-	13,784,961
Others	85,261	-	42,193	139,686	686	137	273	-	268,236
Precious Metal Deposits	333,836	-	34	2,610	-	1,084	-	-	337,564
Bank Deposits	1,589,345	-	923,360	118,219	28,715	47,728	30,966	-	2,738,333
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	100,175	-	213,048	38,075	-	13,194	4,730	-	369,222
Foreign Banks	1,179,801	-	710,312	80,144	28,715	34,534	26,236	-	2,059,742
Special Purpose Financial Institutions	309,369	-	-	-	-	-	-	-	309,369
Others	-	-	-	-	-	-	-	-	-
Total	14,166,333	-	21,158,698	28,385,646	689,699	1,613,727	2,678,380	89,230	68,781,713

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	1,288,447	-	6,734,053	10,090,399	115,387	87,261	77,063	-	18,392,610
Foreign Currency Deposits	5,956,954	-	9,665,986	7,104,105	519,367	2,000,870	1,812,773	90,877	27,150,932
Residents in Turkey	3,957,213	-	9,039,186	6,699,350	407,667	530,296	569,274	89,588	21,292,574
Residents in Abroad	1,999,741	-	626,800	404,755	111,700	1,470,574	1,243,499	1,289	5,858,358
Public Sector Deposits	426,693	-	283,600	516,009	25	272	63	-	1,226,662
Commercial Deposits	1,718,894	-	3,085,788	3,647,112	74,494	31,679	97,490	-	8,655,457
Others	159,815	-	54,414	77,756	705	569	207	-	293,466
Precious Metal Deposits	93,443	-	1	2,002	-	24,020	2,088	-	121,554
Bank Deposits	942,592	-	359,785	232,964	170,693	212,939	200,303	-	2,119,276
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	115,582	-	54,077	29,344	77,386	117,008	79,385	-	472,782
Foreign Banks	381,703	-	305,708	203,620	93,307	95,931	120,918	-	1,201,187
Special Purpose Financial Institutions	445,307	-	-	-	-	-	-	-	445,307
Others	-	-	-	-	-	-	-	-	-
Total	10,586,838	-	20,183,627	21,670,347	880,671	2,357,610	2,189,987	90,877	57,959,957

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

5.2.1.1.1 Deposits exceeding insurance limit

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	9,297,711	8,456,294	11,380,762	9,677,592
Foreign Currency Saving Deposits	7,242,292	6,040,437	10,277,032	8,138,054
Other Saving Deposits	120,181	20,544	175,083	83,909
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

None.

5.2.1.3 Saving deposits not covered by insurance limits

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	401,603	543,248
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	172,124	244,985
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Deals	12,214	16,829	57,798	14,580
Swaps	86,116	170,251	181,869	237,941
Futures	-	106	-	996
Options	19,542	36,358	62,474	45,208
Others	-	-	-	226
Total	117,872	223,544	302,141	298,951

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	1,005,262	775,418	870,554	793,014
Foreign Banks, Institutions and Funds	3,122,201	10,563,470	1,867,947	9,941,864
Total	4,127,463	11,338,888	2,738,501	10,734,878

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,091,320	3,895,952	1,221,919	4,352,644
Medium and Long-Term	3,036,143	7,442,936	1,516,582	6,382,234
Total	4,127,463	11,338,888	2,738,501	10,734,878

5.2.3.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad and TL funds obtained through repurchase transactions.

5.2.4 Interbank money markets

Funds obtained through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	9,804,711	-	9,878,528	-
Financial Institutions and Organizations	9,749,113	-	9,810,615	-
Other Institutions and Organizations	18,423	-	19,774	-
Individuals	37,175	-	48,139	-
Foreign Transactions	572,540	387,478	573,996	700,656
Financial Institutions and Organizations	572,241	387,478	571,711	700,656
Other Institutions and Organizations	176	-	1,749	-
Individuals	123	-	536	-
Total	10,377,251	387,478	10,452,524	700,656

5.2.5 Factoring payables

None.

5.2.6 Lease payables

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	5,034	5,034	4,845	4,845
Between 1-5 Years	-	-	-	-
Longer than 5 Years	-	-	-	-
Total	5,034	5,304	4,845	4,845

5.2.6.2 Operational lease agreements

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

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	3,464	-	4,871
Net Foreign Investment Hedges	-	-	-	-
Total	-	3,464	-	4,871

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	437,334	428,799
Loans and Receivables in Group I	383,421	378,581
Loans and Receivables in Group II	13,342	12,934
Non-Cash Loans	40,571	37,284
Others	-	-

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

	Current Period	Prior Period
Short-Term Loans	10,494	9,441
Medium and Long Term Loans	9,244	1,855
Total	19,738	11,296

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

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

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	7,473	244
Doubtful Loans and Receivables	14,085	55
Uncollectible Loans and Receivables	34,547	2,160
Total	56,105	2,459

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	360,000	52,000

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	167,758	198,840
Recognized Liability for Defined Benefit Obligations	-	102,601
Insurance Technical Provisions, Net	128,614	123,603
Provision for Promotion Expenses of Credit Cards (*)	36,208	36,206
Other Provisions	30,449	28,758
Total	363,029	490,008

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

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 15 January 2010 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 722,746 thousands (31 December 2008: TL 445,178 thousands) at 31 December 2009 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2009 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 15 January 2010 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 324,807 thousands (31 December 2008: TL 32,799 thousands) remains as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 191,521 thousands (31 December 2008: TL 135,400 thousands) as stated above and resulted from the present value of medical benefits and health premiums transferable to SSF. However, despite this treatment there are no excess obligation that needs to be provided against. Accordingly, it was decided to reverse the provision amounting TL 102,601 thousands that was charged fully as expense as of 31 December 2008, in the accompanying financial statements as of 31 December 2009.

	Current Period	Prior Period
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(287,981)	(296,328)
Net present value of medical benefits and health premiums transferable to SSF	191,521	135,400
General administrative expenses	(16,957)	(15,488)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(113,417)	(176,416)
Fair Value of Plan Assets (2)	836,163	621,594
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	722,746	445,178
Non-Transferable Benefits:		
Other pension benefits	(188,494)	(162,356)
Other medical benefits	(209,445)	(250,023)
Total Non-Transferable Benefits (4)	(397,939)	(412,379)
Asset Surplus over Total Benefits ((3)-(4)=(5))	324,807	32,799
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(191,521)	(135,400)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	133,286	(102,601)

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

	Current Period	Prior Period
	%	%
Discount Rate	10.86-8.42	17.41-10.51
Inflation Rate	6.90-4.80	9.50-5.73
Future Real Salary Increase Rate	1.5	1.5
Medical Cost Trend Rate	20.50-6.80	17.80-11.77
Future Pension Increase Rates	6.90-4.80	9.50-5.73

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 31 December 2009, the tax liability amounts to TL 224,153 thousands (31 December 2008: TL 126,911 thousands). In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	224,153	126,911
Taxation on Securities Income	88,060	191,148
Taxation on Real Estates Income	1,300	1,137
Banking Insurance Transaction Tax	29,843	37,291
Foreign Exchange Transaction Tax	27	12
Value Added Tax Payable	2,694	2,485
Others	38,205	33,892
Total	384,282	392,876

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	336	273
Social Security Premiums-Employer	255	211
Bank Pension Fund Premium-Employees	30	5
Bank Pension Fund Premium-Employer	15	27
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	492	441
Unemployment Insurance-Employer	910	806
Others	-	-
Total	2,038	1,763

5.2.9.2 *Deferred tax liability*

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 10,850 thousands as of 31 December 2009 (31 December 2008: TL 2,238 thousands).

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

None.

5.2.11 **Subordinated debts**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	991,457	-	946,709
Total	-	991,457	-	946,709

On 5 February 2007, the Bank obtained a subordinated debt of US\$ 500 millions from foreign markets with an interest of 6.95% and maturity of 10 years with a repayment option for the Bank at the end of the fifth year.

On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

As at 31 December 2009, the subordinated debts include a floating rate note of EUR 30 millions obtained in September 2006 and subordinated deposits of approximately EUR 24 millions held by the Bank's consolidated subsidiary operating in Netherland.

These debts are qualified as the secondary subordinated debts to be included in the supplementary capital by the BRSA in the calculation of the Bank's capital adequacy ratio in compliance with the conditions set in the "Regulation on Equities of Banks" issued by the BRSA and published in the Official Gazette no.26333 dated 1 November 2006.

5.2.12 **Shareholders' equity**

5.2.12.1 *Paid-in capital*

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

5.2.12.2 *Registered share capital system*

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

5.2.12.3 *Capital increases in current period*

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	1,242,755	118,679	257,174	(79,268)
Valuation Difference	1,242,755	118,679	257,174	(79,268)
Exchange Rate Difference	-	-	-	-
Total	1,242,755	118,679	257,174	(79,268)

5.2.12.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,147	-	2,147	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	596,047	-	594,943	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	598,194	-	597,090	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

It includes the bonus shares received from the following investee companies; Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ by TL 23 thousands, Eureka Sigorta AŞ by TL 559 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	349,148	261,424
II. Legal Reserve	30,127	23,627
Special Reserves	-	-
Total	379,275	285,051

As per the decisions made at the annual general assemblies of the Bank and its consolidated financial affiliates, 5% of prior periods' profits are allocated to legal reserves.

As per the decisions made at the extraordinary general assembly of the Bank at 3 September 2009, TL 6,500 thousands of extraordinary reserves is allocated to II.legal reserves.

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	3,187,603	1,681,758
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	3,187,603	1,681,758

As per the decisions made at the annual general assemblies of the Bank and its consolidated financial affiliates, the remaining prior periods' profits after the appropriation to legal reserves and undistributable funds, are allocated to extraordinary reserves.

At the extraordinary general assembly of the Bank held on 3 September 2009, it was decided to distribute a dividend of TL 275,000 thousands to shareholders and to allocate TL 6,500 thousands to II.legal reserves from extraordinary reserves.

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	35,125	23,334
Profit Share of Subsidiaries Net Profits	13,884	11,800
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	14	(9)
Balance at End of Period	49,023	35,125

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 2,264,070 thousands (31 December 2008: TL 1,572,122 thousands), commitments for cheque payments of TL 1,513,244 thousands (31 December 2008: TL 1,356,288 thousands) and commitments for credit card limits of TL 9,120,759 thousands (31 December 2008: TL 8,820,059 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,653,913	6,894,220
Letters of Guarantee in TL	4,506,694	4,118,306
Letters of Credit	2,272,805	2,511,344
Bills of Exchange and Acceptances	125,841	123,807
Prefinancings	-	-
Total	14,559,253	13,647,677

A specific provision of TL 56,105 thousands (31 December 2008: TL 2,459 thousands) is made for unliquidated non-cash loans of TL 103,115 thousands (31 December 2008: TL 15,901 thousands) recorded under the off-balance sheet items as of 31 December 2009.

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

As of 31 December 2009, in the Bank and its consolidated financial affiliates’ “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 932,777,778 and EUR 500,000 (31 December 2008: USD 945,500,000 and EUR 1,175,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	902,088	225,228
<i>With Original Maturity of 1 Year or Less</i>	<i>18,484</i>	<i>15,067</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>883,604</i>	<i>210,161</i>
Other Non-Cash Loans	14,211,379	14,341,906
Total	15,113,467	14,567,134

5.3.1.4 Other information on non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,794	0.66	46,326	0.44	20,699	0.49	25,549	0.25
Farming and Stockbreeding	27,820	0.62	46,326	0.44	19,224	0.45	25,549	0.25
Forestry	661	0.01	-	-	461	0.01	-	-
Fishery	1,313	0.03	-	-	1,014	0.03	-	-
Manufacturing	1,696,354	37.63	3,641,187	34.33	1,444,368	34.15	3,076,326	29.76
Mining	303,385	6.73	37,965	0.36	329,968	7.80	37,368	0.36
Production	1,046,987	23.23	2,455,087	23.15	896,224	21.19	2,466,059	23.86
Electricity, Gas, Water	345,982	7.68	1,148,135	10.83	218,176	5.16	572,899	5.54
Construction	565,125	12.54	2,236,691	21.09	616,200	14.57	2,169,453	20.98
Services	1,925,184	42.72	3,906,033	36.82	1,817,234	42.98	4,696,044	45.42
Wholesale and Retail Trade	1,308,395	29.03	1,188,844	11.21	1,137,920	26.92	1,586,755	15.35
Hotel, Food and Beverage Services	76,349	1.69	68,732	0.65	60,126	1.42	152,716	1.46
Transportation and Telecommunication	171,887	3.81	869,312	8.20	127,545	3.02	890,972	8.62
Financial Institutions	294,547	6.54	1,759,799	16.58	449,517	10.63	2,032,222	19.66
Real Estate and Renting Services	33,882	0.75	6,129	0.06	8,179	0.19	6,126	0.06
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	7,111	0.16	6,235	0.05	8,677	0.20	3,766	0.04
Health and Social Services	33,013	0.73	6,982	0.07	25,270	0.60	23,487	0.23
Others	290,773	6.45	776,000	7.32	330,083	7.81	371,178	3.59
Total	4,507,230	100.00	10,606,237	100.00	4,228,584	100.00	10,338,550	100.00

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

	Group I		Group II	
	YTL	FC	YTL	FC
Current Period				
Non-Cash Loans	4,478,703	10,553,448	28,527	52,789
Letters of Guarantee	4,478,167	7,603,906	28,527	50,007
Bills of Exchange and Bank Acceptances	514	123,133	-	2,194
Letters of Credit	22	2,826,409	-	588
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	-	-	-

	Group I		Group II	
	YTL	FC	YTL	FC
Prior Period				
Non-Cash Loans	4,216,824	10,320,596	4,120	9,693
Letters of Guarantee	4,106,546	6,888,327	4,120	334
Bills of Exchange and Bank Acceptances	-	113,162	-	9,359
Letters of Credit	278	3,319,107	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	110,000	-	-	-

5.3.2 Financial derivative instruments

Current Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
Derivative Financial Instrument Held for Risk Management						
A. Total Derivative Financial Instrument Held for Risk Management	1,295	-	-	-	-	1,295
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	1,295	-	-	-	-	1,295
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives	-	-	-	-	-	-
Foreign Currency Related Derivative Transaction (I)	21,377,352	7,015,319	8,225,214	621,318	861,000	38,100,203
Currency Forwards – Purchases	1,532,113	332,257	493,667	127,534	-	2,485,571
Currency Forwards – Sales	1,496,757	324,393	502,969	124,588	-	2,448,707
Currency Swaps – Purchases	6,429,051	2,069,646	1,827,889	185,592	298,000	10,810,178
Currency Swaps – Sales	6,270,363	1,808,613	1,851,630	183,604	563,000	10,677,210
Currency Options – Purchases	2,799,781	1,193,595	1,685,573	-	-	5,678,949
Currency Options – Sales	2,849,287	1,238,477	1,862,420	-	-	5,950,184
Currency Futures – Purchases	-	4,182	522	-	-	4,704
Currency Futures – Sales	-	44,156	544	-	-	44,700
Interest Rate Related Derivative Transaction (II)	5,068	61,430	178,088	3,422,484	-	3,667,070
Interest Rate Swaps – Purchases	208	14,544	28,446	682	-	43,880
Interest Rate Swaps – Sales	3,133	14,702	27,494	682	-	46,011
Interest Rate Options – Purchases	-	-	100,284	1,710,560	-	1,810,844
Interest Rate Options – Sales	-	-	-	1,710,560	-	1,710,560
Securities Options – Purchases	-	-	18,368	-	-	18,368
Securities Options – Sales	1,727	-	3,496	-	-	5,223
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	-	32,184	-	-	-	32,184
Other Trading Derivatives (III)	308,083	102,647	208,361	-	-	619,091
B. Total Trading Derivatives (I+II+III)	21,690,503	7,179,396	8,611,663	4,043,802	861,000	42,386,364
Total Derivative Transactions (A+B)	21,691,798	7,179,396	8,611,663	4,043,802	861,000	42,387,659

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
Derivative Financial Instrument Held for Risk Management						
A. Total Derivative Financial Instrument Held for Risk Management	5,406	27,520	77,597	-	-	110,523
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	5,406	27,520	77,597	-	-	110,523
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives	-	-	-	-	-	-
Foreign Currency Related Derivative Transaction (I)	18,335,693	7,537,955	14,967,608	949,501	867,000	42,657,757
Currency Forwards – Purchases	1,090,855	459,765	686,302	187,754	-	2,424,676
Currency Forwards – Sales	1,091,096	471,628	669,026	185,920	-	2,417,670
Currency Swaps – Purchases	6,821,987	2,532,476	5,444,552	264,780	304,000	15,367,795
Currency Swaps – Sales	6,652,317	2,462,451	5,287,059	259,499	563,000	15,224,326
Currency Options – Purchases	1,308,142	754,459	1,388,565	23,953	-	3,475,119
Currency Options – Sales	1,371,296	805,525	1,483,009	27,595	-	3,687,425
Currency Futures – Purchases	-	40,705	9,095	-	-	49,800
Currency Futures – Sales	-	10,946	-	-	-	10,946
Interest Rate Related Derivative Transaction (II)	242	9,680	180,850	3,386,950	-	3,577,722
Interest Rate Swaps – Purchases	122	4,881	12,987	622	-	18,612
Interest Rate Swaps – Sales	120	4,799	15,494	1,048	-	21,461
Interest Rate Options – Purchases	-	-	106,400	1,692,640	-	1,799,040
Interest Rate Options – Sales	-	-	-	1,692,640	-	1,692,640
Securities Options – Purchases	-	-	44,448	-	-	44,448
Securities Options – Sales	-	-	1,521	-	-	1,521
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	128,010	20,683	669,053	30,400	-	848,146
B. Total Trading Derivatives (I+II+III)	18,463,945	7,568,318	15,817,511	4,366,851	867,000	47,083,625
Total Derivative Transactions (A+B)	18,469,351	7,595,838	15,895,108	4,366,851	867,000	47,194,148

5.3.3 Contingent liabilities and assets

None.

5.3.4 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	2,653,455	363,037	2,603,084	334,378
Medium and long-term loans	2,012,688	1,222,301	1,951,009	1,120,929
Loans under follow-up	39,014	-	25,324	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	4,705,157	1,585,338	4,579,417	1,455,307

(*) Includes also fees and commissions income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	10,097	480	10,624	775
Domestic Banks	13,495	11,732	30,417	8,485
Foreign Banks	169,350	78,708	216,057	127,631
Foreign Head Offices and Branches	-	-	-	-
Total	192,942	90,920	257,098	136,891

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	26,216	2,218	33,061	16,695
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	2,769,772	256,267	1,933,458	238,311
Investments Held-to-Maturity	899,105	115,234	794,055	60,218
Total	3,695,093	373,719	2,760,574	315,224

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	778	2,987

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	93,702	60,107	90,640	60,296
Foreign Banks	315,909	291,485	269,537	462,794
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	57,476	-	25,567
Total	409,611	409,068	360,177	548,657

(*) Includes also fees and commissions expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	3	1

5.4.2.3 Interest expenses on securities issued

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expenses on Securities Issued	-	2,272	-	2,872

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	2,570	45,952	314	490	395	311	-	50,032
Saving Deposits	1,230	696,859	1,272,896	20,440	19,027	15,483	-	2,025,935
Public Sector Deposits	2	20,940	24,878	3	37	9	-	45,869
Commercial Deposits	6,778	479,211	609,713	14,989	5,194	21,657	-	1,137,542
Others	5,932	15,141	44,213	189	42	29	-	65,546
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	16,512	1,258,103	1,952,014	36,111	24,695	37,489	-	3,324,924
Foreign Currency								
Foreign Currency Deposits	11,204	287,648	309,986	52,808	69,573	51,607	2,222	785,048
Bank Deposits	2,066	19,608	2,675	4,712	3,769	5,044	-	37,874
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	463	-	-	465
Total FC	13,270	307,256	312,663	57,520	73,805	56,651	2,222	823,387
Grand Total	29,782	1,565,359	2,264,677	93,631	98,500	94,140	2,222	4,148,311

5.4.2.5 Interest expense on repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Paid on Repurchase Agreements	745,330	16,296	1,139,018	41,004

5.4.2.6 Financial lease expenses

	Current Period	Prior Period
Financial Lease Expenses	147	88

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets Valued at Fair Value through Profit or	-	-
Financial Assets Available-for-Sale	682	27,203
Others	2,078	2,269
Total	2,760	29,472

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	64,510,515	35,243,545
Trading Account Income	847,608	250,918
Derivative Financial Instruments	2,972,528	2,775,256
Foreign Exchange Gain	60,690,379	32,217,371
Losses (-)	63,612,536	34,989,960
Trading Account Losses	430,642	189,742
Derivative Financial Instruments	2,663,267	2,349,580
Foreign Exchange Losses	60,518,627	32,450,638
Total	897,979	253,585

TL 41,216 thousands (31 December 2008: TL 193,539 thousands) of foreign exchange gains and TL 259,723 thousands (31 December 2008: TL 506,324 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	1,258,074	436,902
<i>Loans and receivables in Group III</i>	141,317	241,587
<i>Loans and receivables in Group IV</i>	421,079	44,938
<i>Loans and receivables in Group V</i>	695,678	150,377
General Provisions	11,255	143,578
Provision for Possible Losses	330,000	30,000
Impairment Losses on Securities	3,627	770
<i>Financial assets at fair value through profit or loss</i>	688	683
<i>Financial assets available-for-sale</i>	2,939	87
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	15	3,157
<i>Associates</i>	-	-
<i>Subsidiaries</i>	15	-
<i>Joint Ventures (Business Partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	3,157
Others	112,848	3,548
Total	1,715,819	617,955

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	1,130,348	1,068,887
Reserve for Employee Termination Benefits	1,692	742
Defined Benefit Obligation	-	102,601
Impairment Losses on Tangible Assets	1,041	1
Depreciation Expenses of Tangible Assets	171,534	173,088
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	10,738	8,239
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	8,748	-
Depreciation Expenses of Assets to be Disposed	670	863
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	1,094,549	1,012,555
<i>Operational lease related expenses</i>	134,981	111,244
<i>Repair and maintenance expenses</i>	33,392	30,653
<i>Advertisement expenses</i>	108,597	110,862
<i>Other expenses</i>	817,579	759,796
Loss on Sale of Assets	1,886	8,279
Others (*)	401,427	380,691
Total	2,822,633	2,755,946

(*) In the current period, this item includes a provision amounting TL 72,100 thousands (31 December 2008: TL 98,577 thousands) for short-term employee benefits.

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

TL 5,340,047 thousands of the profit before taxes is derived from net interest income and TL 1,790,866 thousands from net fees and commissions income. The total operating expenses amounted to TL 2,822,633 thousands. The profit before taxes realized at TL 3,939,354 thousands increasing by 68% comparing to the prior year.

5.4.9 Provision for taxes including taxes for discontinued operations

As of 31 December 2009, on a consolidated basis, the Bank recorded a current tax expense of TL 883,195 thousands (31 December 2008: TL 441,528 thousands) and a deferred tax income of TL 43,442 thousands (31 December 2008: a deferred tax expense of TL 14,069 thousands).

Deferred tax income/expense on timing differences :

Deferred tax income/(expense) on timing differences	Current Period
Increase in Tax Deductable Timing Differences (+)	125,520
Decrease in Tax Deductable Timing Differences (-)	30,655
Increase in Taxable Timing Differences (-)	65,666
Decrease in Taxable Timing Differences (+)	14,243
Total	43,442

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

Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions	Current Period
Increase/(Decrease) in Tax Deductable Timing Differences (net)	94,865
(Increase)/Decrease in Taxable Timing Differences (net)	(51,423)
Increase/(Decrease) in Tax Losses (net)	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-
Total	43,442

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

None.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of bank's performance

None.

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

None.

5.4.11.3 Minority interest's profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	13,884	11,800

5.4.12 Components of other items in income statement

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

5.5 Consolidated statement of changes in shareholders' equity

5.5.1 Any increases arising from application of accounting for financial instruments in current period

5.5.1.1 Increases from valuation of financial assets available-for-sale

As of 31 December 2009, the revaluation of financial assets available-for-sale at fair value netted with the related deferred tax liability effect has resulted in an increase by TL 1,183,528 thousands that is presented as the current period movement in "securities value increase fund" in the statement of changes in shareholders' equity. The gains transferred to "income statement" from "securities value increase fund" amounted to TL 61,271 thousands in the prior period and to TL 109,738 thousands in 2009.

5.5.1.2 Increases due to cash flow hedges

None.

5.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period

The parent Bank had applied net investment hedge accounting for the exchange rate differences on the net investment risks on its foreign affiliates and its related financial liabilities in foreign currencies in the previous periods. The Bank started to apply fair value hedge accounting as at 1 January 2009. Accordingly, the effective portion of the foreign exchange differences is recorded under income statement in the current period.

The foreign exchange loss of TL 9,583 thousands netted with the related tax effect of TL 1,917 thousands that had been recorded under the shareholders' equity, has been transferred from the shareholders' equity to the income statement as TL 7,666 thousands as per Garanti Bank International NV's capital decrease decision dated 16 October 2009.

5.5.2 Any decreases arising from application of accounting for financial instruments

5.5.2.1 Decreases from valuation of financial assets available-for-sale

None.

5.5.2.2 Decreases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. In the prior period the effective portion of the cash flow hedge amounting to TL 29,534 thousands were added to shareholders' equity, in the current period a gain of TL 80,646 thousands after netting with the related deferred tax effect was transferred to income from derivative financial instruments account in the income statement as explained in Note 5.1.12.1, and the shareholder's equity is reduced by TL 63,165 thousands.

5.5.3 Transfers to legal and extraordinary reserves

	Current Period	Prior Period
Transfers to Legal Reserves from Prior Year Profits	94,109	115,781
Transfers to Extraordinary Reserves from Prior Year Profits	1,787,345	1,727,430

5.5.4 Issuance of share certificates

Please refer to Note 5.2.12.3.

5.5.5 Effects of prior years' corrections to beginning balances of current period

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Consolidated statement of cash flows

5.6.1 Disclosures for “other” items and “effect of change in foreign currency rates cash and cash equivalents” in statement of cash flows

In 2009, the net cash inflows arising from banking operations amount to TL 10,999,994 thousands. TL 6,656,589 thousands of this amount is generated from the change in operating assets and liabilities and TL 4,343,405 thousands from operating profit. The “net increase in other liabilities” under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 1,039,045 thousands for the year 2009. The net cash outflow from financing activities for the year 2009 is TL 275,147 thousands.

The effect of change in foreign exchange rate on cash and cash equivalents item includes net foreign exchange losses of TL 171,752 thousands for the year 2009.

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Notes 5.1.8.1 and 5.1.9.2.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	Current Period	Prior Period
Cash on Hand	672,358	454,194
<i>Cash in TL</i>	<i>312,476</i>	<i>244,778</i>
<i>Cash in Foreign Currency</i>	<i>359,882</i>	<i>209,416</i>
Cash Equivalents	6,473,631	3,839,625
<i>Others</i>	<i>6,473,631</i>	<i>3,839,625</i>
Total	7,145,989	4,293,819

5.6.5 Cash and cash equivalents at end of period

	Current Period	Prior Period
Cash on Hand	797,599	672,358
<i>Cash in TL</i>	<i>468,037</i>	<i>312,476</i>
<i>Cash in Foreign Currency</i>	<i>329,562</i>	<i>359,882</i>
Cash Equivalents	8,496,734	6,473,631
<i>Others</i>	<i>8,496,734</i>	<i>6,473,631</i>
Total	9,294,333	7,145,989

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts with a total principal balance of TL 4,714,851 thousands of which TL 186,055 thousands, TL 185,613 thousands and TL 15,824 thousands are kept at the central banks of Luxembourg, Malta and NCTR, respectively as reserve deposits, and TL 4,327,359 thousands as collateral against funds borrowed. The consolidated domestic banks include blocked accounts of TL 44,394 thousands held for insurance activities.

The blocked account at the Central Bank of Turkey with a principal balance of TL 1,716,480 thousands is for the reserve deposits against foreign currency liabilities.

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in banking activity related capacity

None.

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	23,597	3,157	25	1,661	274,415	184,521
Balance at end of period	18,332	3,194	2	920	306,087	374,508
Interest and Commission Income	1,057	-	562	2	24,389	2,411

Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	9,033	244	1	1,090	158,515	168,482
Balance at end of period	23,597	3,157	25	1,661	274,415	184,251
Interest and Commission Income	2,987	1	632	15	10,873	1,114

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	1,752	8,448	313,475	91,590	186,263	240,401
Balance at end of period	3,826	1,752	360,361	313,475	359,037	186,263
Interest Expenses	3	1	16,547	25,785	11,084	21,081

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss:						
Beginning of Period	13,500	-	-	-	-	-
End of Period	4,412	13,500	-	-	3,326	-
Total Profit/(Loss)	18	203	-	-	595	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 266,308 thousands (31 December 2008 TL 250,131 thousands) compose 0.50% (31 December 2008: 0.48%) of the Bank's total cash loans and 0.23% (31 December 2008: 0.25%) of the Bank's total assets. The total loans and similar receivables amounting TL 324,421 thousands (31 December 2008: TL 298,037 thousands) compose 0.28% (31 December 2008: 0.30%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 378,622 thousands (31 December 2008: TL 189,069 thousands) compose 2.51% (31 December 2008: 1.30%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 723,224 thousands (31 December 2008: TL 501,490 thousands) compose 1.05% (31 December 2008: 0.87%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 8,415 thousands (31 December 2008: TL 5,223 thousands) to related parties.

Operating expenses of TL 10,658 thousands (31 December 2008: TL 16,885 thousands) for IT services rendered by related parties and rent income of TL 251 thousands (31 December 2008: TL 318 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 85,730 thousands as of 31 December 2009 (31 December 2008: 87,157) to its top management considered as the key management.

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted under equity method*

Please refer to Notes 5.1.8 and 5.1.9.

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

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

Purchase of equipments for internal use are partly arranged through financial leasing.

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

At 6 March 2009, a real estate was purchased from Eureka Sigorta AŞ at a price of TL 12,434 thousands and fully paid.

The Bank purchased a real estate at a total price of USD 11,000,000 plus VAT (equivalent of TL 18,121 thousands) at 3 June 2009 through payments of USD 6,000,000 at 6 April 2009 and USD 5,880,000 at 3 June 2009 as per the trading commitment agreement with Doğuş-Ge Gayrimenkul Yatırım Ortaklığı AŞ.

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

5.8.1 Domestic and foreign branches and representative offices

Türkiye Garanti Bankası AŞ					
	Number of Branches	Number Of Employees	Country		
Domestic Branches	783	16,747			
Foreign Representative Offices	1	1	1- Germany		
	1	1	2- Russia		
	1	-	3- England		
	1	1	4- China		
				Total Assets	Legal Capital
Foreign Branches	1	19	1- Luxembourg	12,531,265	855,280
	1	13	2- Malta	16,651,896	-
	3	45	3- NCTR	220,370	3,520

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure

During the year 2009, 67 new domestic branches were opened and 5 branches were closed.

5.8.3 Information on consolidated financial subsidiaries

Garanti Bank International NV					
	Number of Branches	Number Of Employees	Country		
Foreign Representative Offices	1	15	1- Turkey		
	1	-	2- Switzerland		
	1	2	3- Ukrain		
	1	-	4- Kazakhstan		
				Total Assets	Legal Capital
Head office-Holland	1	160	1- Holland	3,907,706	EUR 136,826,000
Foreign Branches	49	619	1- Romania	1,576,157	ROL 154,731,657
	1	20	2- Germany	2,386,336	-

Garanti Bank Moscow					
	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Head Office-Moscow	1	81	Russia	484,353	US\$ 32,757,364

Other consolidated foreign financial subsidiaries:

	Number Of Employees	Country	Total Assets	Legal Capital
Garanti Financial Services Plc	1	Ireland	9,586	US\$ 2,638,100
Garanti Fund Management Co Ltd	-	Malta	91	US\$ 200,000

Consolidated domestic financial subsidiaries:

	Number Of Employees	Total Assets	Legal Capital
Garanti Finansal Kiralama AŞ	162	1,868,321	73,000
Garanti Faktoring Hizmetleri AŞ	126	1,138,515	19,280
Garanti Emeklilik ve Hayat AŞ	627	1,744,751	50,000
Garanti Yatırım Menkul Kıymetler AŞ	92	32,692	8,328
Garanti Portföy Yönetimi AŞ	71	20,847	10,000

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

“The Law for the Amendments to the Law on the Procedure for the Collection of Public Receivables and Certain Laws” was accepted by the Planning and Budget Commission Of the Turkish Parliament at the meeting held on 20 January 2010 and became effective by being published on the Official Gazette dated 5 February 2010. According to aforementioned Law; banks founded in Turkey and the foreign banks having head offices in Turkey are required to pay TL 200,000 for each year to obtain operating license. The banks founded to operate in the free trade zones and branches of the foreign banks are required to pay TL 200,000 for each branch and for each year to obtain operating license. All the branches of the banks including the branches operating in free trade zones (excluding branches of the foreign banks established in free trade zones) are required to pay license fee according to the population of the operating area at the beginning of the prior calender year; branches operating in the municipalities which have population up to 5,000 are required to pay TL 12,000; branches operating in the municipalities which have population between 5,000 and 25,000 are required to pay TL 36,000; and branches operating in the municipalities which have population more than 25,000 and branches operating in the free trade zones are required to pay 48,000 for each year and for each branch.

6 Other Disclosures on Activities of the Bank

6.1 Other disclosures

None.

6.2 Parent bank's latest international risk ratings

MOODY'S (January 2010)*

Long Term FC Deposit	Ba3
Long Term TL Deposit	Baa1
Short Term TL Deposit	Prime-2
Short Term FC Deposit	NP
Long Term FC Deposit Outlook	Stable
Financial Strength Rate (FSR)	C-
FSR Outlook	Stable
Long Term National	Aa1-tr
Short Term National	TR-1

STANDARD AND POORS (January 2010)*

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

FITCH RATINGS (December 2009)*

Foreign Currency	
Long Term	BBB-
Short Term	F3
Outlook	Stable
Individual	C
Support	3
Turkish Lira	
Long Term	BBB-
Short Term	F3
Outlook	Stable
National	AAA (tur)
Outlook	Stable

CAPITAL INTELLIGENCE (November 2009)*

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

JCR EURASIA RATINGS (February 2010)*

Long Term International FC	BBB- (Stable)
Long Term International TL	BBB (Stable)
Long Term International	AAA (Trk) (Stable)
Short Term International FC	A-3 (Stable)
Short Term International TL	A-3 (Stable)
Short Term National	A-1+ (Trk) (Stable)
Support	1
Independency from Shareholders	A

(*) Latest dates in risk ratings or outlooks

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

MOODY'S (August 2009)*

Long Term FC Deposit	Baa1
Short Term FC Deposit	Prime 2
Subordinate-Dom Curr	Baa2
FSR	C-
Outlook	Negative

(*) Latest date in risk ratings or outlooks.

6.2.2 Latest international risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS (November 2009)*

Foreign Currency	
Long Term	BB (Positive)
Short Term	B
Outlook	Stable
Support	3
Turkish Lira	
Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

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

FITCH RATINGS (November 2009)*

Foreign Currency	
Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable
Support	3
Turkish Lira	
Long Term	BBB- (Positive)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

STANDARD AND POORS (September 2009)*

FC Obligations	BB-
TL Obligations	BB-
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

6.3 Dividends

At the Bank's annual general assembly dated 2 April 2009 and extraordinary general assembly dated 3 September 2009, it was decided to distribute the profit of 2008 as follows:

2008 PROFIT DISTRIBUTION TABLE	
2008 Net Profit	1,750,488
A– I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(87,524)
Undistributable funds	(4,424)
B – The first dividend at 5% of the paid capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(72,427)
D - Founder shares	(65,000)
E – Extraordinary reserves	(1,304,613)
F – II. Legal reserve (Turkish Commercial Code 466/2)	(6,500)

7 Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The consolidated financial statements of the Bank and its financial affiliates as of 31 December 2009, have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member firm of KPMG International Cooperative, a Swiss entity). It was noted in their review report dated 11 February 2010 that except for the effect of the matter described in the fourth paragraph on the financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Bank and its financial affiliates as of 31 December 2009 and the result of its operations.

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