

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

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Financial Statements

As of and For the 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' Report"
comprising 2 pages and;"Unconsolidated Financial
Statements and Related Disclosures and
Footnotes" comprising 91 pages.*



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

To the Board of Directors of Türkiye Garanti Bankası AŞ:

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

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

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

Disclosure for the Responsibility of the Authorized Audit Firm:

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

Basis of Qualified Opinion:

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



Independent Auditors' Opinion:

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

İstanbul,
11 February 2010

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat Alsan
Partner, Certified Public Accountant

Additional paragraph for convenience translation to English:

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

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

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

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

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

Aydın Şenel
Executive Vice
President

Mustafa Keleş
Financial Accounting
Director

M. Cüneyt Sezgin
Audit Committee
Member

Des O'Shea
Audit Committee
Member

The authorized contact person for questions on this financial report:
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1 General Information

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

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

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

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

Doğuş Group

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

The major worldwide joint ventures of the Group are; GE in finance and real estate, Volkswagen AG and TÜVSÜD in automotive, French Alstom and Japan Marubeni in construction, CNBC in media and Starwood Hotels & Resorts, Worldwide Inc., HMS International Hotel GmbH (Maritim) and Aldania GmbH in tourism.

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

General Electric Group

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

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

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

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

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

Board of Directors Chairman and Members:

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

CEO and Executive Vice Presidents:

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

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

1.4 Information on the bank's qualified shareholders

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

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

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

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

1.5 Summary information on the bank's activities and services

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

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

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

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

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

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Balance Sheet

At 31 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)	3,848,995	3,016,978	6,865,973	2,575,050	2,956,524	5,531,574
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	784,350	130,442	914,792	509,347	156,750	666,097
2.1	Financial assets held for trading		784,350	130,442	914,792	509,347	156,750	666,097
2.1.1	Government securities		317,533	14,312	331,845	4,663	15,599	20,262
2.1.2	Equity securities		1,108	-	1,108	600	-	600
2.1.3	Derivative financial assets held for trading		456,737	116,130	572,867	494,884	141,151	636,035
2.1.4	Other securities		8,972	-	8,972	9,200	-	9,200
2.2	Financial assets valued at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Government securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(5.1.3)	2,518,057	5,816,281	8,334,338	1,425,450	3,375,585	4,801,035
IV.	INTERBANK MONEY MARKETS		1,000,180	-	1,000,180	40,552	-	40,552
4.1	Interbank money market placements		1,000,180	-	1,000,180	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	40,552	-	40,552
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	25,218,752	2,876,281	28,095,033	14,887,550	2,458,231	17,345,781
5.1	Equity securities		54,356	78,066	132,422	25,679	44,989	70,668
5.2	Government securities		24,952,926	1,049,312	26,002,238	14,550,954	755,085	15,306,039
5.3	Other securities		211,470	1,748,903	1,960,373	310,917	1,658,157	1,969,074
VI.	LOANS	(5.1.5)	28,582,799	21,149,896	49,732,695	28,030,439	21,876,968	49,907,407
6.1	Performing loans		28,158,157	21,149,896	49,308,053	27,580,293	21,876,968	49,457,261
6.1.1	Loans to bank's risk group	(5.7)	254,147	297,777	551,924	128,749	538,322	667,071
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		27,904,010	20,852,119	48,756,129	27,451,544	21,338,646	48,790,190
6.2	Loans under follow-up		2,237,105	-	2,237,105	1,239,739	-	1,239,739
6.3	Specific provisions (-)		1,812,463	-	1,812,463	789,593	-	789,593
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	5,960,353	1,385,808	7,346,161	6,054,289	1,563,008	7,617,297
8.1	Government securities		5,960,353	1,385,808	7,346,161	6,054,289	1,563,008	7,617,297
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	29,705	-	29,705	27,705	-	27,705
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		29,705	-	29,705	27,705	-	27,705
9.2.1	Financial investments in associates		27,991	-	27,991	25,991	-	25,991
9.2.2	Non-financial investments in associates		1,714	-	1,714	1,714	-	1,714
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	284,458	718,802	1,003,260	229,368	582,760	812,128
10.1	Unconsolidated financial investments in subsidiaries		270,155	718,802	988,957	219,005	582,760	801,765
10.2	Unconsolidated non-financial investments in subsidiaries		14,303	-	14,303	10,363	-	10,363
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	-	-	-	69,161	69,161
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	69,161	69,161
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,141,266	1,326	1,142,592	1,083,517	1,179	1,084,696
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	20,626	-	20,626	15,764	-	15,764
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		20,626	-	20,626	15,764	-	15,764
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSET		22,439	-	22,439	34,255	-	34,255
17.1	Current tax asset		3,903	-	3,903	70	-	70
17.2	Deferred tax asset	(5.1.15)	18,536	-	18,536	34,185	-	34,185
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	81,150	-	81,150	81,304	-	81,304
18.1	Assets held for sale		81,150	-	81,150	81,304	-	81,304
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	832,352	40,758	873,110	844,459	61,645	906,104
TOTAL ASSETS			70,325,482	35,136,572	105,462,054	55,839,049	33,101,811	88,940,860

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Balance Sheet

At 31 December 2009

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2009			PRIOR PERIOD 31 December 2008		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	36,093,812	26,714,233	62,808,045	29,006,986	23,708,295	52,715,281	
1.1 Deposits from bank's risk group	(5.7)	467,020	448,044	915,064	311,435	413,825	725,260	
1.2 Others		35,626,792	26,266,189	61,892,981	28,695,551	23,294,470	51,990,021	
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	111,538	117,246	228,784	296,508	118,588	415,096	
III. FUNDS BORROWED	(5.2.3)	3,190,609	9,816,865	13,007,474	2,076,975	8,766,471	10,843,446	
IV. INTERBANK MONEY MARKETS	(5.2.4)	10,377,251	157,453	10,534,704	10,452,524	250,419	10,702,943	
4.1 Interbank money market takings		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-	
4.3 Obligations under repurchase agreements		10,377,251	157,453	10,534,704	10,452,524	250,419	10,702,943	
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-	
5.1 Bills		-	-	-	-	-	-	
5.2 Asset backed securities		-	-	-	-	-	-	
5.3 Bonds		-	-	-	-	-	-	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower funds		-	-	-	-	-	-	
6.2 Others		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES		2,339,620	20,730	2,360,350	1,932,052	17,679	1,949,731	
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		707,043	223,933	930,976	627,284	225,365	852,649	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	(5.2.5)	914	3,264	4,178	597	22,760	23,357	
10.1 Financial lease payables		984	3,548	4,532	631	24,176	24,807	
10.2 Operational lease payables		-	-	-	-	-	-	
10.3 Others		-	-	-	-	-	-	
10.4 Deferred expenses (-)		70	284	354	34	1,416	1,450	
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	3,464	3,464	-	4,871	4,871	
11.1 Fair value hedges		-	-	-	-	-	-	
11.2 Cash flow hedges		-	3,464	3,464	-	4,871	4,871	
11.3 Net foreign investment hedges		-	-	-	-	-	-	
XII. PROVISIONS	(5.2.7)	1,009,841	32,725	1,042,566	781,480	22,951	804,431	
12.1 General provisions		407,179	30,155	437,334	409,543	19,256	428,799	
12.2 Restructuring reserves		-	-	-	-	-	-	
12.3 Reserve for employee benefits		165,367	-	165,367	197,372	-	197,372	
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-	
12.5 Other provisions		437,295	2,570	439,865	174,565	3,695	178,260	
XIII. TAX LIABILITY	(5.2.8)	351,317	151	351,468	378,236	107	378,343	
13.1 Current tax liability		351,317	151	351,468	378,236	107	378,343	
13.2 Deferred tax liability		-	-	-	-	-	-	
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-	
14.1 Assets held for sale		-	-	-	-	-	-	
14.2 Assets of discontinued operations		-	-	-	-	-	-	
XV. SUBORDINATED DEBTS	(5.2.10)	-	874,358	874,358	-	781,638	781,638	
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	13,007,477	308,210	13,315,687	9,291,133	177,941	9,469,074	
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000	
16.2 Capital reserves		2,635,113	295,299	2,930,412	1,600,696	169,436	1,770,132	
16.2.1 Share premium		11,880	-	11,880	11,880	-	11,880	
16.2.2 Share cancellation profits		-	-	-	-	-	-	
16.2.3 Securities value increase fund		1,313,680	297,466	1,611,146	288,033	104,484	392,517	
16.2.4 Revaluation surplus on tangible assets		598,194	-	598,194	597,090	-	597,090	
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-	
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-	
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		2,453	-	2,453	2,453	-	2,453	
16.2.8 Hedging reserves (effective portion)		(63,648)	(2,167)	(65,815)	(71,314)	64,952	(6,362)	
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-	
16.2.10 Other capital reserves		772,554	-	772,554	772,554	-	772,554	
16.3 Profit reserves		3,210,123	12,911	3,223,034	1,739,949	8,505	1,748,454	
16.3.1 Legal reserves		362,398	4,634	367,032	268,796	4,097	272,893	
16.3.2 Status reserves		-	-	-	-	-	-	
16.3.3 Extraordinary reserves		2,847,764	-	2,847,764	1,470,724	-	1,470,724	
16.3.4 Other profit reserves		(39)	8,277	8,238	429	4,408	4,837	
16.4 Profit or loss		2,962,241	-	2,962,241	1,750,488	-	1,750,488	
16.4.1 Prior periods profit/loss		-	-	-	-	-	-	
16.4.2 Current period net profit/loss		2,962,241	-	2,962,241	1,750,488	-	1,750,488	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		67,189,422	38,272,632	105,462,054	54,843,775	34,097,085	88,940,860	

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Off-Balance Sheet Items

At 31 December 2009

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 December 2009			31 December 2008		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		31,164,658	35,742,945	66,907,603	31,399,717	38,058,985	69,458,702
I. GUARANTEES AND SURETIES	(5.3.1)	4,513,990	10,169,309	14,683,299	4,231,196	10,034,868	14,266,064
1.1. Letters of guarantee		4,513,454	7,451,475	11,964,929	4,120,918	6,790,151	10,911,069
1.1.1. Guarantees subject to State Tender Law		-	-	-	238,990	541,707	780,697
1.1.2. Guarantees given for foreign trade operations		331,518	335,464	666,982	312,563	330,871	643,434
1.1.3. Other letters of guarantee		4,181,936	7,116,011	11,297,947	3,569,365	5,917,573	9,486,938
1.2. Bank acceptances		514	125,327	125,841	-	123,807	123,807
1.2.1. Import letter of acceptance		514	124,968	125,482	-	108,097	108,097
1.2.2. Other bank acceptances		-	359	359	-	15,710	15,710
1.3. Letters of credit		22	2,592,507	2,592,529	278	3,120,910	3,121,188
1.3.1. Documentary letters of credit		-	4	4	-	82	82
1.3.2. Other letters of credit		22	2,592,503	2,592,525	278	3,120,828	3,121,106
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	110,000	-	110,000
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	15,449,634	4,255,825	19,705,459	14,325,782	3,577,545	17,903,327
2.1. Irrevocable commitments		15,449,634	4,255,175	19,704,813	14,325,782	3,576,891	17,902,673
2.1.1. Asset purchase and sale commitments		270,190	1,170,188	1,440,378	101,953	635,532	737,485
2.1.2. Deposit purchase and sale commitments		46,000	1,736	47,736	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		2,250	10,136	12,386	812	-	812
2.1.4. Loan granting commitments		3,270,340	1,694,869	4,965,209	2,787,561	1,535,359	4,322,920
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,513,300	-	1,513,300	1,356,364	-	1,356,364
2.1.8. Tax and fund obligations on export commitments		25,746	-	25,746	25,834	-	25,834
2.1.9. Commitments for credit card limits		9,057,598	-	9,057,598	8,789,048	-	8,789,048
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1,264,210	1,378,250	2,642,460	1,264,210	1,406,000	2,670,210
2.2. Revocable commitments		-	646	646	-	654	654
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	646	646	-	654	654
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	11,201,034	21,317,811	32,518,845	12,842,739	24,446,572	37,289,311
3.1. Derivative financial instruments held for risk management		-	1,295	1,295	-	110,523	110,523
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	1,295	1,295	-	110,523	110,523
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		11,201,034	21,316,516	32,517,550	12,842,739	24,336,049	37,178,788
3.2.1. Forward foreign currency purchases/sales		1,927,085	2,992,507	4,919,592	1,842,879	2,509,939	4,352,818
3.2.1.1. Forward foreign currency purchases		716,991	1,761,347	2,478,338	835,846	1,346,064	2,181,910
3.2.1.2. Forward foreign currency sales		1,210,094	1,231,160	2,441,254	1,007,033	1,163,875	2,170,908
3.2.2. Currency and interest rate swaps		5,776,756	8,787,554	14,564,310	9,282,041	14,428,281	23,710,322
3.2.2.1. Currency swaps-purchases		2,588,879	4,718,074	7,306,953	5,342,075	6,590,355	11,932,430
3.2.2.2. Currency swaps-sales		3,187,877	3,969,480	7,156,357	3,939,966	7,799,523	11,739,489
3.2.2.3. Interest rate swaps-purchases		-	51,852	51,852	-	17,990	17,990
3.2.2.4. Interest rate swaps-sales		-	51,844	51,844	-	20,413	20,413
3.2.3. Currency, interest rate and security options		3,469,504	8,863,465	12,332,969	1,683,016	6,523,740	8,206,756
3.2.3.1. Currency call options		1,211,007	3,047,363	4,258,370	658,260	1,580,783	2,239,043
3.2.3.2. Currency put options		2,234,906	2,294,698	4,529,604	990,950	1,451,277	2,442,227
3.2.3.3. Interest rate call options		-	1,810,844	1,810,844	-	1,799,040	1,799,040
3.2.3.4. Interest rate put options		-	1,710,560	1,710,560	-	1,692,640	1,692,640
3.2.3.5. Security call options		18,368	-	18,368	33,806	-	33,806
3.2.3.6. Security put options		5,223	-	5,223	-	-	-
3.2.4. Currency futures		24,689	24,715	49,404	27,209	33,537	60,746
3.2.4.1. Currency futures-purchases		-	4,704	4,704	24,833	24,967	49,800
3.2.4.2. Currency futures-sales		24,689	20,011	44,700	2,376	8,570	10,946
3.2.5. Interest rate futures		-	32,184	32,184	-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	32,184	32,184	-	-	-
3.2.6. Others		3,000	616,091	619,091	7,594	840,552	848,146
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		185,131,605	131,521,185	316,652,790	149,828,729	108,222,111	258,050,840
IV. ITEMS HELD IN CUSTODY		45,183,674	15,367,633	60,551,307	38,828,829	15,588,198	54,417,027
4.1. Customers' securities held		23,873,575	1,133	23,874,708	18,299,861	3,913,486	22,213,347
4.2. Investment securities held in custody		14,546,866	4,662,027	19,208,893	13,804,387	932,508	14,736,895
4.3. Checks received for collection		4,762,507	822,559	5,585,066	4,869,700	895,721	5,765,421
4.4. Commercial notes received for collection		1,955,218	1,791,447	3,746,665	1,822,785	1,776,262	3,599,047
4.5. Other assets received for collection		21,265	7,683,438	7,704,703	9,649	7,665,813	7,675,462
4.6. Assets received through public offering		-	34,412	34,412	-	25,454	25,454
4.7. Other items under custody		24,240	372,617	396,857	22,447	378,954	401,401
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		139,947,931	116,153,552	256,101,483	110,999,900	92,633,913	203,633,813
5.1. Securities		548,240	257	548,497	77,210	-	77,210
5.2. Guarantee notes		20,386,072	7,192,615	27,578,687	16,424,680	6,927,507	23,352,187
5.3. Commodities		-	-	-	157	-	157
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		26,911,048	34,618,660	61,529,708	19,469,018	20,275,144	39,744,162
5.6. Other pledged items		92,102,401	74,341,586	166,443,987	75,028,665	65,430,814	140,459,475
5.7. Pledged items-depository		170	440	610	170	448	618
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		216,296,263	167,264,130	383,560,393	181,228,446	146,281,096	327,509,542

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Twelve-Month Period Ended 31 December 2009

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2009- 31 December 2009	PRIOR PERIOD 1 January 2008- 31 December 2008
I. INTEREST INCOME	(5.4.1)	10,441,368	9,378,392
1.1 Interest income on loans		6,003,840	5,757,266
1.2 Interest income on reserve deposits		148,186	218,100
1.3 Interest income on banks		220,269	261,715
1.4 Interest income on money market transactions		3,182	7,120
1.5 Interest income on securities portfolioc		3,917,937	2,955,527
1.5.1 Trading financial assets		18,151	24,908
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		2,897,216	2,111,947
1.5.4 Investments held-to-maturity		1,002,570	818,672
1.6 Financial lease income		-	-
1.7 Other interest income		147,954	178,664
II. INTEREST EXPENSE	(5.4.2)	5,361,386	6,200,432
2.1 Interest on deposits		3,936,377	4,318,410
2.2 Interest on funds borrowed		668,499	713,554
2.3 Interest on money market transactions		752,660	1,159,115
2.4 Interest on securities issued		-	-
2.5 Other interest expenses		3,850	9,353
III. NET INTEREST INCOME (I - II)		5,079,982	3,177,960
IV. NET FEES AND COMMISSIONS INCOME		1,642,508	1,441,128
4.1 Fees and commissions received		2,088,234	1,915,070
4.1.1 Non-cash loans		161,167	114,210
4.1.2 Others		1,927,067	1,800,860
4.2 Fees and commissions paid		445,726	473,942
4.2.1 Non-cash loans		808	453
4.2.2 Others		444,918	473,489
V. DIVIDEND INCOME	(5.4.3)	78,937	102,470
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	880,698	251,295
6.1 Trading account income/losses		361,107	49,366
6.2 Income/losses from derivative financial instruments		379,039	480,060
6.3 Foreign exchange gains/losses		140,552	(278,131)
VII. OTHER OPERATING INCOME	(5.4.5)	279,252	278,171
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		7,961,377	5,251,024
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	1,612,814	566,446
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	2,570,035	2,522,590
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,778,528	2,161,988
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	3,778,528	2,161,988
XVI. PROVISION FOR TAXES (±)	(5.4.9)	816,287	411,500
16.1 Current tax charge		817,616	399,213
16.2 Deferred tax charge/(credit)		(1,329)	12,287
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	2,962,241	1,750,488
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from assets held for sale		-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3 Others		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses on assets held for sale		-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3 Others		-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge/(credit)		-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	(5.4.10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	2,962,241	1,750,488
EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)		705	588

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Income/Expense Items Accounted under Shareholders' Equity
For the Twelve-Month Period 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"	1,379,598	31,407
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	196	84,412
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	(66,849)	32,591
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	9,583	(64,240)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	98,527	80,122
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(261,683)	(6,472)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	1,159,372	157,820
XI. CURRENT PERIOD PROFIT/LOSSES	2,962,241	1,750,488
1.1 Net changes in fair value of securities (transferred to income statement)	109,738	61,271
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4 Others	2,852,503	1,689,217
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	4,121,613	1,908,308

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (31/12/2008)																	
I. Balances at beginning of the period		2,100,000	772,554	-	-	156,211	-	1,275,689	(1,715)	-	2,315,616	208,057	29,864	2,453	24,390	-	6,883,119
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)	(5.5)	2,100,000	772,554	-	-	156,211	-	1,275,689	(1,715)	-	2,315,616	208,057	29,864	2,453	24,390	-	6,883,119
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	120,220	-	-	-	-	120,220
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(30,752)	-	(30,752)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	33,488	-	33,488
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(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		-	-	-	-	901	-	-	3,211	-	64,240	-	-	-	-	-	68,352
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
14.1. Cash		2,100,000	-	11,880	-	-	-	-	-	-	-	-	-	-	-	-	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)
XIX. Current period net profit/loss		-	-	-	-	-	-	-	1,750,488	-	-	-	-	-	-	-	1,750,488
XX. Profit distribution		-	-	-	-	115,781	-	1,629,268	3,341	-	(2,315,616)	-	567,226	-	-	-	-
20.1. Dividends		-	-	-	-	115,781	-	1,629,268	3,341	-	(1,745,049)	-	567,226	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	(570,567)	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	272,893	-	1,470,724	4,837	1,750,488	-	392,517	597,090	2,453	(6,362)	-	9,469,074
CURRENT PERIOD (31/12/2009)																	
I. Balances at beginning of the period	(5.5)	4,200,000	772,554	11,880	-	272,893	-	1,470,724	4,837	-	1,750,488	392,517	597,090	2,453	(6,362)	-	9,469,074
Changes during the period																	
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	1,218,629	-	-	-	-	1,218,629
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(59,453)	-	(59,453)
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(67,119)	-	(67,119)
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	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	-	-	81	-	-	-	-	-	-	-	196
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		-	-	-	-	-	-	-	2,962,241	-	-	-	-	-	-	-	2,962,241
XVIII. Profit distribution		-	-	-	-	94,024	-	1,377,040	3,320	-	(1,750,488)	-	1,104	-	-	-	(275,000)
18.1. Dividends		-	-	-	-	94,024	-	1,377,040	3,320	-	(1,750,488)	-	1,104	-	-	-	(275,000)
18.2. Transfers to reserves		-	-	-	-	6,500	-	1,658,540	-	-	(1,746,064)	-	-	-	-	-	-
18.3. Others		-	-	-	-	87,524	-	-	-	-	(4,424)	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	367,032	-	2,847,764	8,238	2,962,241	-	1,611,146	598,194	2,453	(65,815)	-	13,315,687

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Twelve-Month Period 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		3,755,718	(596,645)
1.1.1 Interests received		10,657,486	7,574,346
1.1.2 Interests paid		(5,478,564)	(5,931,586)
1.1.3 Dividend received		78,937	102,470
1.1.4 Fees and commissions received		2,271,798	2,054,089
1.1.5 Other income		393,571	116,554
1.1.6 Collections from previously written-off loans and other receivable:		39,016	25,323
1.1.7 Payments to personnel and service suppliers		(2,076,921)	(1,964,574)
1.1.8 Taxes paid		(1,035,411)	(372,940)
1.1.9 Others	(5.6)	(1,094,194)	(2,200,327)
1.2 Changes in operating assets and liabilities		7,708,099	8,094,899
1.2.1 Net (increase) decrease in financial assets held for trading		(309,542)	65,861
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(2,814,808)	(1,518,419)
1.2.4 Net (increase) decrease in loans		(388,822)	(11,979,155)
1.2.5 Net (increase) decrease in other assets		1,062,576	3,260,282
1.2.6 Net increase (decrease) in bank deposits		665,402	77,234
1.2.7 Net increase (decrease) in other deposits		9,552,211	13,408,117
1.2.8 Net increase (decrease) in funds borrowed		2,296,389	2,353,243
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(2,355,307)	2,427,736
I. Net cash flow from banking operations		11,463,817	7,498,254
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(8,008,898)	(7,013,989)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(2,655)	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	(37,883)
2.3 Purchases of tangible assets		(297,743)	(348,771)
2.4 Sales of tangible assets		25,378	144,244
2.5 Cash paid for purchase of financial assets available-for-sale		(17,790,579)	(11,690,440)
2.6 Cash obtained from sale of financial assets available-for-sale		9,869,206	4,449,682
2.7 Cash paid for purchase of investments held-to-maturity		(927,839)	-
2.8 Cash obtained from sale of investments held-to-maturity		1,115,334	469,179
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(307,799)	552,727
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	2,111,880
3.4 Dividends paid		(275,000)	-
3.5 Payments for financial leases		(32,799)	(124,920)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	(1,434,233)
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	(48,103)	577,238
V. Net increase/(decrease) in cash and cash equivalents		3,099,017	1,614,230
VI. Cash and cash equivalents at beginning of period		5,031,725	3,417,495
VII. Cash and cash equivalents at end of period		8,130,742	5,031,725

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit Distribution
At 31 December 2009

STATEMENT OF PROFIT DISTRIBUTION		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		31 December 2009	31 December 2008
I.	DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1	CURRENT PERIOD PROFIT	3,778,528	2,161,988
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	816,287	411,500
1.2.1	Corporate tax (income tax)	816,287	411,500
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	2,962,241	1,750,488
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	148,112	87,524
1.5	OTHER STATUTORY RESERVES (-)	3,817	4,424
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	2,810,312	1,658,540
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	210,000
1.6.1	To owners of ordinary shares	-	210,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	65,000
1.9.1	To owners of ordinary shares	-	65,000
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	6,500
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	1,377,040
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE (per YTL'000 face value each)		
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	705	417
3.2	TO OWNERS OF ORDINARY SHARES (%)	71	42
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

Decision regarding to the current year profit distribution will be held at General Assembly meeting.

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

3 Accounting policies

3.1 Basis of presentation

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

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

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

3.1.1 Additional paragraph for convenience translation to English

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

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

3.2.1 Strategy for the use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

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

3.3 Investments in associates and subsidiaries

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

3.4 Forwards, options and other derivative transactions

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

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

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

3.5 Interest income and expenses

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

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

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

3.6 Fees and commissions

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

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Impairment of financial assets

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

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

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

3.9 Netting of financial instruments

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations

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

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

3.12 Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares, intangible rights and other intangible assets.

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

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

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are 6.67-33.3%.

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

3.13 Tangible assets

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

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

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

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

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

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

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

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

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

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

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

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

Retirement Benefit Obligations

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

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

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

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

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

a) Benefits transferable to SSF

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

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

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

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

b) Other benefits not transferable to SSF

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

The tax applications for foreign branches;

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

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

3.18.2 Deferred taxes

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

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

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

3.18.3 Transfer pricing

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

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

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

3.19 Funds borrowed

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

There are no convertible bonds or any other securities issued.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 31 December 2009, the Bank does not have any government incentives or aids.

3.23 Segment reporting

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

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

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

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

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

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

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,551,764	2,425,221	2,461,229	444,226	7,882,440
Other	-	-	-	-	-
Total Operating Profit	2,551,764	2,425,221	2,461,229	444,226	7,882,440
Net Operating Profit	1,229,331	1,633,665	2,379,317	(1,542,722)	3,699,591
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	78,937	78,937
Net Operating Profit	1,229,331	1,633,665	2,379,317	(1,463,785)	3,778,528
Provision for Taxes	-	-	-	816,287	816,287
Net Profit	1,229,331	1,633,665	2,379,317	(2,280,072)	2,962,241
Segment Assets	16,937,989	32,794,707	51,676,386	3,020,007	104,429,089
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,032,965	1,032,965
Undistributed Items	-	-	-	-	-
Total Assets	16,937,989	32,794,707	51,676,386	4,052,972	105,462,054
Segment Liabilities	36,742,265	26,367,015	27,062,023	1,975,064	92,146,367
Shareholders' Equity	-	-	-	13,315,687	13,315,687
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	36,742,265	26,367,015	27,062,023	15,290,751	105,462,054
Other Segment Items					
Capital Expenditure	-	-	-	264,560	264,560
Depreciation Expenses	-	-	-	171,867	171,867
Impairment Losses	-	-	703	1,620,859	1,621,562
Other Non-Cash Income/Expenses	(36,348)	(196,896)	1,425,632	17,003	1,209,391
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 21.20%.

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

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

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

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

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

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

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

4.1.2 Capital adequacy ratio

	Risk Weightings						
	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 (Net)	-	-	-	-	1,019,855	-	-
Tangible Assets (Net)	-	-	-	-	1,042,526	-	-
Other Assets	278,270	-	210,130	-	41,105	-	-
Off-Balance Sheet Items	1,705,076	-	1,096,091	806,350	9,510,243	-	-
Non-Cash Loans and Commitments	1,705,076	-	815,249	806,350	9,418,278	-	-
Derivative Financial Instruments	-	-	280,842	-	91,965	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	24,280,162	-	4,326,325	13,714,238	46,405,943	399,473	18,037

4.1.3 Summary information related to capital adequacy ratio

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

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	367,032	272,893
I. Legal Reserve (Turkish Commercial Code 466/1)	341,742	254,103
II. Legal Reserve (Turkish Commercial Code 466/2)	25,290	18,790
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	2,847,764	1,470,724
Reserve allocated as per the Decision held by the General Assembly	2,847,764	1,470,724
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,962,241	1,750,488
Current Period Profit	2,962,241	1,750,488
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	330,000	22,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	596,047	594,943
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) (*)	133,651	-
Prepaid Expenses (-) (*)	210,859	295,671
Intangible Assets (-) (*)	20,626	15,764
Deferred Tax Asset excess of 10% of Core Capital (-) (*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	11,722,382	9,095,482
SUPPLEMENTARY CAPITAL		
General Provisions	437,334	428,799
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus shares of Associates, Subsidiaries and Joint-Ventures	2,453	2,453
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	851,910	760,000
45% of Securities Value Increase Fund (**)	710,309	142,608
Associates and Subsidiaries	95,790	46,593
Investment Securities Available for Sale	614,519	96,015
Other Reserves	8,238	4,837
Total Supplementary Capital	2,011,210	1,339,663

TIER III CAPITAL	-	-
CAPITAL	13,733,592	10,435,145
DEDUCTIONS FROM CAPITAL	60,675	378,428
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	13,110	13,110
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	47,565	62,883
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	13,672,917	10,047,717

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

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

4.2 Credit risk

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

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

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

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

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

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

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

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondents network. Accordingly, the Bank assigns limits to domestic and foreign banks and other financial institutions examining their credit worthiness, periodically.

The Bank's largest 100 cash loan customers compose 31.32% of the total cash loan portfolio.

The Bank's largest 100 non-cash loan customers compose 54.85% of the total non-cash loan portfolio.

The Bank's largest 100 cash and non-cash loan customers represent 11.51% of the total "on and off balance sheet" assets.

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

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

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

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

Customer and regional concentration of credit risks:

	Loans to Individuals and Corporates		Balances with Banks and Central Bank of Turkey		Securities*		Other Credits**		Off-Balance Sheet Commitments and Contingencies	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Customer concentration										
Private Sector	31,443,893	32,021,835	-	-	593,801	654,424	188,385	234,276	30,732,733	31,887,765
Public Sector	1,253,389	1,268,795	-	-	33,667,037	22,908,162	80,322	308	2,305	2,305
Banks	106,923	103,865	15,307,130	9,690,329	1,388,751	1,359,286	950,942	1,080,641	17,870,356	18,815,380
Retail Customers	16,928,490	16,512,912	-	-	-	-	15,469	404	1,951,071	127,546
Equity Securities	-	-	-	-	133,530	71,268	1,032,965	839,833	-	-
Total	49,732,695	49,907,407	15,307,130	9,690,329	35,783,119	24,993,140	2,268,083	2,155,462	50,556,465	50,832,996
Regional concentration										
Domestic	48,794,662	49,062,370	7,445,437	5,709,534	34,097,811	23,410,847	1,064,524	915,273	36,055,579	31,442,005
European Union (EU) Countries	784,284	667,477	7,154,425	3,042,197	1,257,553	1,277,785	1,010,302	944,132	6,575,988	10,895,571
OECD Countries ***	17,317	6,617	16,213	12,044	-	-	-	140	2,259,071	1,008,121
Off-Shore Banking Regions	75,523	90,103	63,772	57,151	229,387	226,765	281	212	21,266	30,461
USA, Canada	8,927	17,948	544,533	688,655	75,644	77,743	116,180	227,539	5,421,901	7,103,945
Other Countries	51,982	62,892	82,750	180,748	122,724	-	76,796	68,166	222,660	352,893
Total	49,732,695	49,907,407	15,307,130	9,690,329	35,783,119	24,993,140	2,268,083	2,155,462	50,556,465	50,832,996

- * Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity
** Includes transactions defined as credit as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above
*** OECD countries other than EU countries, USA and Canada

4.2.1 Geographical concentration

	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit/(Loss)
Current Period					
Domestic	93,744,414	82,234,658	12,528,207	264,560	2,858,005
EU Countries	10,232,419	14,407,286	1,101,122	-	99,349
OECD Countries*	33,530	514,743	384,922	-	-
Off-Shore Banking Regions	372,155	436,414	21,266	-	4,887
USA, Canada	745,284	7,680,608	429,465	-	-
Other Countries	334,252	188,345	218,317	-	-
Unallocated Assets/Liabilities**	-	-			
Total	105,462,054	105,462,054	14,683,299	264,560	2,962,241
Prior Period					
Domestic	81,258,972	74,770,923	11,500,025	341,854	1,674,576
EU Countries	5,961,447	6,511,645	1,635,450	-	73,356
OECD Countries*	18,801	836,228	433,287	-	-
Off-Shore Banking Regions	377,949	207,015	30,461	-	2,556
USA, Canada	1,011,885	6,421,186	314,583	-	-
Other Countries	311,806	193,863	352,258	-	-
Unallocated Assets/Liabilities**	-	-			
Total	88,940,860	88,940,860	14,266,064	341,854	1,750,488

* OECD countries other than EU countries, USA and Canada

** Assets, liabilities and equity items that can not be allocated on a consistent basis

4.2.2 Sectoral distribution of cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	260,997	0.93	60,656	0.29	276,174	1.00	72,527	0.33
Farming and Stockbreeding	243,422	0.86	54,587	0.26	265,942	0.96	61,230	0.28
Forestry	10,263	0.04	-	-	4,937	0.02	-	-
Fishery	7,312	0.03	6,069	0.03	5,295	0.02	11,297	0.05
Manufacturing	3,678,528	13.06	7,508,606	35.50	3,871,969	14.04	7,511,040	34.33
Mining	102,415	0.36	205,355	0.97	121,982	0.44	246,644	1.13
Production	3,423,729	12.16	5,207,127	24.62	3,537,887	12.83	5,885,970	26.90
Electricity, Gas, Water	152,384	0.54	2,096,124	9.91	212,100	0.77	1,378,426	6.30
Construction	1,097,197	3.90	1,031,639	4.88	953,983	3.46	1,348,629	6.16
Services	4,874,984	17.32	9,329,664	44.11	4,568,160	16.57	10,261,707	46.90
Wholesale and Retail Trade	3,210,181	11.40	3,266,448	15.44	3,178,646	11.53	2,562,118	11.71
Hotel, Food and Beverage Services	244,417	0.87	1,198,029	5.66	208,057	0.75	974,713	4.46
Transportation and Telecommunication	553,652	1.97	3,325,939	15.73	575,719	2.09	3,693,885	16.88
Financial Institutions	543,237	1.93	728,769	3.45	283,019	1.03	2,269,082	10.37
Real Estate and Renting Services	57,200	0.20	385,292	1.82	70,624	0.26	373,717	1.71
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	77,908	0.28	27,948	0.13	72,763	0.26	31,401	0.14
Health and Social Services	188,389	0.67	397,239	1.88	179,332	0.65	356,791	1.63
Other	18,246,451	64.79	3,219,331	15.22	17,910,007	64.93	2,683,065	12.28
Total	28,158,157	100.00	21,149,896	100.00	27,580,293	100.00	21,876,968	100.00

4.2.3 Credit risk by business segments

Loan Groups	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Performing Loans					
Cash Loans	31,836,695	9,795,736	6,913,450	6,338,990	54,884,871
Non-Cash Loans	14,498,868	4,965,209	9,057,598	5,682,006	34,203,681
Loans under Follow-Up					
Cash Loans	422,778	148,757	190,637	-	762,172
Non-Cash Loans	81,316	-	-	-	81,316
Non-Performing Loans					
Cash Loans	819,834	605,007	812,264	-	2,237,105
Non-Cash Loans	103,115	-	-	-	103,115
Total					
Cash Loans	33,079,307	10,549,500	7,916,351	6,338,990	57,884,148
Non-Cash Loans	14,683,299	4,965,209	9,057,598	5,682,006	34,388,112

Provision Types	Corporate Loans	Retail Loans	Credit Cards	Others	Total
Specific Provision					
Cash Loans	556,575	493,598	762,290	-	1,812,463
Non-Cash Loans	56,105	-	-	-	56,105
General Provision					
Cash Loans	224,188	72,196	49,126	51,253	396,763
Non-Cash Loans	18,731	4,768	12,011	5,061	40,571

4.3 Market risk

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

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

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

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

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

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

4.3.1 Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	150,328
(II) Capital Obligation against Specific Risks - Standard Method	35,119
(III) Capital Obligation against Currency Risk - Standard Method	7,545
(IV) Capital Obligation against Stocks Risks - Standard Method	-
(V) Capital Obligation against Exchange Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	9,041
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	202,033
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	2,525,413

4.3.2 Monthly average values at market risk

	Current Period			Prior Period		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	3.042.250	4.084.562	2.062.874	2.236.147	2.562.612	1.413.975
Common Share Risk	184.339	259.438	117.075	157.298	189.025	115.725
Currency Risk	193.895	495.825	5.238	109.942	268.725	12.963
Stock Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	241.970	470.975	108.788	175.148	316.100	122.113
Total Value at Risk	3,662,454	5,310,800	2,293,975	2,678,535	3,336,462	1,664,776

The value at market risk as of 31 December 2006 is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and the “Regulation on Equities of Banks” published in Official Gazette no.26333 dated 1 November 2006.

4.4 Operational risk

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

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

Basic Indicator Method		31 December 2008	31 December 2007	31 December 2006
(I)	Net Interest Income	3,177,960	2,804,103	1,901,806
(II)	Net Fees and Commissions Income	1,441,128	1,197,703	1,014,451
(III)	Dividend Income	102,470	49,399	46,945
(IV)	Net Trading Income/(Losses)	251,295	(135,904)	(56,272)
(V)	Other Operating Income	297,971	1,017,870	212,746
(VI)	Gain/(Loss) on Securities Available-for-Sale and Held-to-Maturity	48,991	47,375	50,081
(VII)	Extraordinary Income	375,184	1,021,942	240,613
(VIII)	Insurance Claim Collections	-	-	-
(IX)	Gross Income (I+II+III+IV+V-VI-VII-VIII)	4,846,649	3,863,854	2,828,982
(X)	Capital Obligation (IX * 15%)	726,997	579,578	424,347
(XI)	Average Capital Obligation against Operational Risk		576,974	
(XII)	Value at Operational Risk (XI * 12.5)		7,212,178	

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2009, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 845,840 thousands (31 December 2008: a long position of TL 1,684,034 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 893,798 thousands (31 December 2008: a short position of TL 1,928,664 thousands), while net foreign currency long position amounts to TL 47,958 thousands (31 December 2008: a net foreign currency short position of TL 244,630 thousands).

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

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

	USD	EUR	Yen (100)	GBP
Foreign currency purchase rates at balance sheet date	1,4900	2,1382	1,6029	2,4074
<u>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 rates	1.4887	2.1660	1.6504	2.4115

Currency risk:

	EURO	USD	YEN	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	975,343	1,918,434	703	122,498	3,016,978
Banks	2,912,180	2,838,568	6,073	59,460	5,816,281
Financial Assets at Fair Value through Profit/Loss	84,547	33,936	40	248	118,771
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	244,919	2,631,362	-	-	2,876,281
Loans (*)	7,816,302	14,723,715	32,490	522,967	23,095,474
Investments in Associates, Subsidiaries and Joint-Ventures	612,710	106,092	-	-	718,802
Investments Held-to-Maturity	5,778	1,380,030	-	-	1,385,808
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	1,077	249	-	-	1,326
Intangible Assets	-	-	-	-	-
Other Assets	9,453	21,254	179	529	31,415
Total Assets	12,662,309	23,653,640	39,485	705,702	37,061,136
Liabilities					
Bank Deposits	737,318	829,003	4	39,622	1,605,947
Foreign Currency Deposits	9,211,652	15,094,759	29,180	435,131	24,770,722
Interbank Money Market Takings	-	157,453	-	-	157,453
Other Fundings	3,670,540	7,020,471	212	-	10,691,223
Securities Issued	-	-	-	-	-
Miscellaneous Payables	6,063	13,917	175	575	20,730
Derivative Financial Liabilities Held for Risk Management	-	3,464	-	-	3,464
Other Liabilities (**)	153,926	162,198	424	340,889	657,437
Total Liabilities	13,779,499	23,281,265	29,995	816,217	37,906,976
Net 'On Balance Sheet' Position	(1,117,190)	372,375	9,490	(110,515)	(845,840)
Net 'Off-Balance Sheet' Position	1,409,510	(624,017)	(8,891)	117,196	893,798
Derivative Assets	2,479,074	6,237,239	8,893	1,028,763	9,753,969
Derivative Liabilities	1,069,564	6,861,256	17,784	911,567	8,860,171
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	9,727,440	24,919,804	49,861	805,769	35,502,874
Total Liabilities	11,927,327	21,290,615	42,357	558,541	33,818,840
Net 'On Balance Sheet' Position	(2,199,887)	3,629,189	7,504	247,228	1,684,034
Net 'Off-Balance Sheet' Position	2,029,201	(3,707,044)	(8,155)	(242,666)	(1,928,664)
Derivative Assets	3,750,886	5,234,213	2,914	418,432	9,406,445
Derivative Liabilities	1,721,685	8,941,257	11,069	661,098	11,335,109
Non-Cash Loans	-	-	-	-	-

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

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

4.6 Interest rate risk

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

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

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

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

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

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

Sensitivity analysis for TL interest rates:

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

Sensitivity analysis for FC interest rates:

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 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	-	-	-	-	3,484,807	6,865,973
Banks	2,619,893	3,268,100	1,531,570	-	-	914,775	8,334,338
Financial Assets at Fair Value through Profit/Loss	24,275	8,070	268,548	29,719	4,393	579,787	914,792
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,119,497	5,787,005	8,151,995	2,612,367	468,557	2,955,612	28,095,033
Loans	15,080,303	8,011,378	11,504,216	9,799,800	4,168,639	1,168,359	49,732,695
Investments Held-to-Maturity	1,394,173	1,261,949	92,163	3,056,156	1,261,280	280,440	7,346,161
Other Assets	15,921	459	5,364	7,168	7,093	3,136,877	3,172,882
Total Assets	31,635,228	18,336,961	21,553,856	15,505,210	5,909,962	12,520,837	105,462,054
Liabilities							
Bank Deposits	856,621	48,816	42,404	-	-	1,381,242	2,329,083
Other Deposits	42,500,244	6,048,721	1,833,534	17,405	-	10,079,058	60,478,962
Interbank Money Market Takings	9,925,239	368	400,000	150,000	-	59,097	10,534,704
Miscellaneous Payables	-	-	-	-	-	2,360,350	2,360,350
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,748,328	4,373,084	2,515,234	2,217	-	242,969	13,881,832
Other Liabilities	56	1,424	2,674	23	-	15,872,946	15,877,123
Total Liabilities	60,030,488	10,472,413	4,793,846	169,645	-	29,995,662	105,462,054
On Balance Sheet Long Position	-	7,864,548	16,760,010	15,335,565	5,909,962	-	45,870,085
On Balance Sheet Short Position	(28,395,260)	-	-	-	-	(17,474,825)	(45,870,085)
Off-Balance Sheet Long Position	3,693	6,612	9,275	-	-	-	19,580
Off-Balance Sheet Short Position	(2,815)	(6,383)	(9,428)	-	-	-	(18,626)
Total Position	(28,394,382)	7,864,777	16,759,857	15,335,565	5,909,962	(17,474,825)	954

Average interest rates on monetary financial instruments:

Current Period	EURO	USD	YEN	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	1.43	1.64	-	10.70
Financial Assets at Fair Value through Profit/Loss	6.28	3.78	-	9.26
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	4.33	5.32	-	13.30
Loans	5.73	5.86	5.06	18.37
Investments Held-to-Maturity	9.25	7.52	-	14.74
Liabilities				
Bank Deposits	0.52	0.90	-	6.85
Other Deposits	1.75	1.93	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.43	2.26	3.16	12.37

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,728,238	-	-	-	-	3,803,336	5,531,574
Banks	1,718,535	816,777	1,258,619	-	-	1,007,104	4,801,035
Financial Assets at Fair Value through Profit/Loss	25	4,074	6,504	7,862	7,096	640,536	666,097
Interbank Money Market Placements	40,000	-	-	-	-	552	40,552
Financial Assets Available-for-Sale	963,557	5,538,579	4,993,862	4,128,800	241,928	1,479,055	17,345,781
Loans	15,628,128	8,808,272	12,727,647	8,476,743	2,717,529	1,549,088	49,907,407
Investments Held-to-Maturity	483,311	2,218,437	148,422	3,164,752	1,290,181	312,194	7,617,297
Other Assets	101	301	5,052	6,338	21,056	2,998,269	3,031,117
Total Assets	20,561,895	17,386,440	19,140,106	15,784,495	4,277,790	11,790,134	88,940,860
Liabilities							
Bank Deposits	770,085	87,388	25,519	-	-	783,557	1,666,549
Other Deposits	37,445,771	3,977,245	1,455,984	28,612	-	8,141,120	51,048,732
Interbank Money Market Takings	10,100,811	324	-	550,000	-	51,808	10,702,943
Miscellaneous Payables	-	-	-	-	-	1,949,731	1,949,731
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,471,428	2,969,534	1,129,186	12,327	760,000	282,609	11,625,084
Other Liabilities	3,570	5,465	11,159	3,163	-	11,924,464	11,947,821
Total Liabilities	54,791,665	7,039,956	2,621,848	594,102	760,000	23,133,289	88,940,860
On Balance Sheet Long Position	-	10,346,484	16,518,258	15,190,393	3,517,790	-	45,572,925
On Balance Sheet Short Position	(34,229,770)	-	-	-	-	(11,343,155)	(45,572,925)
Off-Balance Sheet Long Position	3,116	2,155	6,022	-	-	-	11,293
Off-Balance Sheet Short Position	(50)	(16,701)	(43,725)	-	-	-	(60,476)
Total Position	(34,226,704)	10,331,938	16,480,555	15,190,393	3,517,790	(11,343,155)	(49,183)

Average interest rates on monetary financial instruments:

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

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

4.7 Liquidity risk

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

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

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

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

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

Contractual maturity analysis of liabilities according to remaining maturities:

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

	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Current Period								
Bank Deposits	2.329.083	2.325.408	1.377.571	811.502	43.851	34.954	52.565	4.965
Other Deposits	60.478.962	60.276.454	9.876.596	42.492.544	6.021.843	1.649.962	127.587	107.922
Other Fundings	13.881.832	13.638.863	-	217.237	230.960	3.302.501	5.372.888	4.515.277
Interbank Money Market Takings	10.534.704	10.475.607	-	9.925.239	368	400.000	150.000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	87,224,581	86,716,332	11,254,167	53,446,522	6,297,022	5,387,417	5,703,040	4,628,164

	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Prior Period								
Bank Deposits	1.666.549	1.660.006	777.025	725.371	87.388	7.110	57.370	5.742
Other Deposits	51.048.732	50.724.242	7.816.630	37.431.789	3.948.697	1.309.473	111.545	106.108
Other Fundings	11.625.084	11.342.474	-	119.856	398.398	3.255.912	3.638.018	3.930.290
Interbank Money Market Takings	10.702.943	10.651.135	-	10.100.811	324	-	550.000	-
Securities Issued	-	-	-	-	-	-	-	-
Total	75,043,308	74,377,857	8,593,655	48,377,827	4,434,807	4,572,495	4,356,933	4,042,140

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	5,119,684	1,746,289	-	-	-	-	-	6,865,973
Banks	862,668	1,328,443	884,960	267,667	2,561,140	2,429,460	-	8,334,338
Financial Assets at Fair Value through Profit/Loss	1,108	275,684	269,800	301,775	61,591	4,834	-	914,792
Interbank Money Market Placements	-	1,000,180	-	-	-	-	-	1,000,180
Financial Assets Available-for-Sale	132,422	163,555	1,107,671	6,904,007	16,820,824	2,966,554	-	28,095,033
Loans	84,017	10,645,757	4,813,274	7,322,215	15,111,745	11,331,045	424,642	49,732,695
Investments Held-to-Maturity	-	-	528,334	829,050	4,700,925	1,287,852	-	7,346,161
Other Assets	464,028	176,206	459	5,364	7,168	7,093	2,512,564	3,172,882
Total Assets	6,663,927	15,336,114	7,604,498	15,630,078	39,263,393	18,026,838	2,937,206	105,462,054
Liabilities								
Bank Deposits	1,377,804	813,347	44,740	35,662	52,565	4,965	-	2,329,083
Other Deposits	9,876,596	42,645,484	6,043,953	1,675,886	128,743	108,300	-	60,478,962
Other Fundings	-	240,919	371,806	3,380,942	5,372,888	4,515,277	-	13,881,832
Interbank Money Market Takings	-	9,962,095	368	416,428	155,813	-	-	10,534,704
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	104,880	2,255,470	-	-	-	-	-	2,360,350
Other Liabilities (**)	574,342	232,171	76,395	46,102	30,895	52,327	14,864,891	15,877,123
Total Liabilities	11,933,622	56,149,486	6,537,262	5,555,020	5,740,904	4,680,869	14,864,891	105,462,054
Liquidity Gap	(5,269,695)	(40,813,372)	1,067,236	10,075,058	33,522,489	13,345,969	(11,927,685)	-
Prior Period								
Total Assets	5,315,959	13,568,405	6,780,137	10,911,437	34,491,603	15,068,568	2,804,751	88,940,860
Total Liabilities	9,221,750	50,794,760	4,589,989	4,809,186	4,628,762	4,186,699	10,709,714	88,940,860
Liquidity Gap	(3,905,791)	(37,226,355)	2,190,148	6,102,251	29,862,841	10,881,869	(7,904,963)	-

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

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

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Finansal Assets	100,481,019	84,560,814	101,353,097	84,574,331
Interbank Money Market Placements	1,000,180	40,552	1,000,180	40,552
Banks (*)	14,306,950	9,649,777	14,306,950	9,649,777
Financial Assets Available-for-Sale	28,095,033	17,345,781	28,095,033	17,345,781
Investments Held-to-Maturity	7,346,161	7,617,297	7,933,852	7,626,548
Loans	49,732,695	49,907,407	50,017,082	49,911,673
Financial Liabilities	79,050,227	66,290,096	79,050,227	66,290,096
Bank Deposits	2,329,083	1,666,549	2,329,083	1,666,549
Other Deposits	60,478,962	51,048,732	60,478,962	51,048,732
Other Fundings	13,881,832	11,625,084	13,881,832	11,625,084
Securities Issued	-	-	-	-
Miscellaneous Payables	2,360,350	1,949,731	2,360,350	1,949,731

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

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

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

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

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

31 December 2009	Level 1	Level 2	Level 3	Total
Financial Assets Available-for-Sale	26,208,958	278,579	1,607,496	28,095,033
Financial Assets Held for Trading	334,035	4,283	3,607	341,925
Derivative Financial Assets Held for Trading	150,192	422,675	-	572,867
Investments in Associates and Subsidiaries	68,365	-	718,801	787,166
Financial Assets at Fair Value	26,761,550	705,537	2,329,904	29,796,991
Derivative Financial Liabilities Held for Trading	132,962	95,822	-	228,784
Derivative Financial Liabilities Held for Risk Management	3,464	-	-	3,464
Financial Liabilities at Fair Value	136,426	95,822	-	232,248

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

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

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

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

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	468,028	308,639	312,466	341,436
Central Bank of Turkey	3,375,837	2,596,775	2,258,831	2,589,911
Others	5,130	111,564	3,753	25,177
Total	3,848,995	3,016,978	2,575,050	2,956,524

Balances with the Central Bank of Turkey:

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

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

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

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

None.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	16,263	5,675	58,900	3,640
Swap Transactions	419,367	83,607	424,753	115,354
Futures	-	281	-	14
Options	21,107	26,567	11,231	22,143
Other	-	-	-	-
Total	456,737	116,130	494,884	141,151

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	61,207	411,438	82,934	737,306
Foreign banks	2,456,850	5,404,843	1,342,516	2,638,279
Foreign headoffices and branches	-	-	-	-
Total	2,518,057	5,816,281	1,425,450	3,375,585

Due from foreign banks:

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	2,766,800	1,478,907	4,387,625	1,563,290
USA and Canada	233,131	380,290	311,402	308,365
OECD Countries (*)	16,213	12,044	-	-
Off-Shore Banking Regions	47,948	41,198	15,824	15,953
Other	82,750	180,748	-	-
Total	3,146,842	2,093,187	4,714,851	1,887,608

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

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

5.1.4 Financial assets available-for-sale

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

The collateralized financial assets available-for-sale in TL consist of government bonds. The carrying values of such securities with total face value of TL 1,844,500 thousands (31 December 2008: TL 2,421,747 thousands) is TL 1,761,802 thousands (31 December 2008: TL 2,364,979 thousands). The related accrued interests and impairment losses amount to TL 234,079 thousands (31 December 2008: TL 125,357 thousands) and TL 29 thousands (31 December 2008: TL 1,743 thousands), respectively. The collateralized financial assets available-for-sale in foreign currencies consist of government securities. The carrying values of such securities with total face value of USD 7,000,000 (31 December 2008: USD 252,550,000) is USD 7,280,000 (31 December 2008: USD 251,524,241). The related accrued interests amount to USD 211,366 (31 December 2008: USD 8,680,426). There is no impairment losses (31 December 2008: an impairment loss of USD 368,200).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	1,995,852	11,162	2,488,593	394,951
Assets subject to Repurchase Agreements	7,957,698	84,018	6,491,961	104,557
Total	9,953,550	95,180	8,980,554	499,508

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	25,142,865	15,917,927
Quoted at Stock Exchange	23,570,847	14,363,860
Unquoted at Stock Exchange	1,572,018	1,554,067
Common Shares	34,281	33,531
Quoted at Stock Exchange	21,252	21,062
Unquoted at Stock Exchange	13,029	12,469
Value Increases/Impairment Losses (-)	2,917,887	1,394,323
Total	28,095,033	17,345,781

As of 31 December 2009, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 875,000,000 (31 December 2008: USD 875,000,000) and a total carrying value of TL 1,322,035 thousands (31 December 2008: TL 1,355,529 thousands).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	2	920	25	1,661
Corporates	2	920	25	1,661
Individuals	-	-	-	-
Indirect Lendings to Shareholders	212,884	299,669	216,995	183,922
Loans to Employees	71,717	-	47,155	-
Total	284,603	300,589	264,175	185,583

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	48,545,881	-	581,753	180,419
Discounted Bills	128,104	-	158	-
Export Loans	2,467,722	-	11,955	4,358
Import Loans	-	-	-	-
Loans to Financial Sector	1,038,283	-	1,209	-
Foreign Loans	937,911	-	-	-
Consumer Loans	9,795,736	-	117,835	30,922
Credit Cards	6,913,450	-	82,344	108,293
Precious Metal Loans	263,084	-	3,484	-
Other	27,001,591	-	364,768	36,846
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	48,545,881	-	581,753	180,419

Collaterals received for loans under follow-up:

	Corporate/ Commercial 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	25,656	1,876	-	27,532
Unsecured Loans	206,418	101,884	190,637	498,939
Total	422,778	148,757	190,637	762,172

Delinquency periods of loans under follow-up:

	Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	32,736	76,801	64,543	174,080
61-90 days	18,161	22,136	28,540	68,837
Others	371,881	49,820	97,554	519,255
Total	422,778	148,757	190,637	762,172

5.1.5.3 Maturity analysis of cash loans

	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Short-term Loans	17,036,603	-	172,283	149,043
Loans	17,036,603	-	172,283	149,043
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	31,509,278	-	409,470	31,376
Loans	31,509,278	-	409,470	31,376
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	389,796	8,277,636	8,667,432
Housing Loans	58,456	5,078,778	5,137,234
Automobile Loans	12,972	556,731	569,703
General Purpose Loans	317,804	2,609,915	2,927,719
Other	564	32,212	32,776
Consumer Loans – FC-indexed	3,584	756,533	760,117
Housing Loans	200	675,893	676,093
Automobile Loans	385	22,675	23,060
General Purpose Loans	2,999	57,965	60,964
Other	-	-	-
Consumer Loans – FC	69	33,349	33,418
Housing Loans	-	17,406	17,406
Automobile Loans	16	14,274	14,290
General Purpose Loans	53	1,669	1,722
Other	-	-	-
Retail Credit Cards – TL	6,752,384	68,219	6,820,603
With Installment	2,779,239	68,219	2,847,458
Without Installment	3,973,145	-	3,973,145
Retail Credit Cards – FC	23,980	-	23,980
With Installment	9,427	-	9,427
Without Installment	14,553	-	14,553
Personnel Loans – TL	21,715	15,111	36,826
Housing Loan	-	1,434	1,434
Automobile Loans	2	286	288
General Purpose Loans	21,713	13,391	35,104
Other	-	-	-
Personnel Loans - FC-indexed	-	261	261
Housing Loans	-	175	175
Automobile Loans	-	86	86
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	39	41	80
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	39	41	80
Other	-	-	-
Personnel Credit Cards – TL	27,246	253	27,499
With Installment	19,759	253	20,012
Without Installment	7,487	-	7,487
Personnel Credit Cards – FC	505	-	505
With Installment	177	-	177
Without Installment	328	-	328
Deposit Accounts– TL (real persons)	446,359	-	446,359
Deposit Accounts– FC (real persons)	-	-	-
Total	7,665,677	9,151,403	16,817,080

5.1.5.5 Installment based commercial loans and corporate credit cards

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

5.1.5.6 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	1,253,389	1,268,795
Private Sector	48,054,664	48,188,466
Total	49,308,053	49,457,261

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	48,370,142	48,683,233
Foreign Loans	937,911	774,028
Total	49,308,053	49,457,261

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	339,778	450,799
Indirect Lending	-	-
Total	339,778	450,799

5.1.5.9 Specific provisions for loans

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	185,391	62,160
Doubtful Loans and Receivables	560,941	179,505
Uncollectible Loans and Receivables	1,066,131	547,928
Total	1,812,463	789,593

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

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

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

Movements in non-performing loans and other receivables:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	238,188	294,614	706,937
Additions during the Period (+)	1,763,145	61,846	66,509
Transfer from Other NPL Categories (+)	-	1,403,785	776,041
Transfer to Other NPL Categories (-)	1,403,785	776,041	-
Collections during the Period (-)	279,883	260,139	218,646
Write-offs (-)	-	11	135,455
Corporate and Commercial Loans	-	11	16,559
Retail Loans	-	-	2,816
Credit Cards	-	-	116,080
Others	-	-	-
Balances at End of Period	317,665	724,054	1,195,386
Specific Provisions (-)	185,391	560,941	1,066,131
Net Balance on Balance Sheet	132,274	163,113	129,255

Movements in specific loan provisions:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	232,482	166,194	390,917	789,593
Additions during the Period(+)	423,671	502,627	824,645	1,750,943
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	83,019	172,407	337,192	592,618
Write-offs (-)	16,559	2,816	116,080	135,455
Balances at End of Period	556,575	493,598	762,290	1,812,463

Non-performing loans and other receivables in foreign currencies:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	73,754	39,090	188,322
Specific Provisions (-)	51,023	19,622	171,637
Net Balance at Balance Sheet	22,731	19,468	16,685
Prior Period			
Balance at End of Period	7,071	3,594	126,058
Specific Provisions (-)	467	526	95,401
Net Balance at Balance Sheet	6,604	3,068	30,657

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	132,274	163,113	129,255
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,187,365
Specific Provision (-)	185,391	560,941	1,058,110
Loans to Individuals and Corporates (Net)	132,274	163,113	129,255
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	176,028	115,109	159,009
Loans to Individuals and Corporates (Gross)	238,188	294,614	698,954
Specific Provision (-)	62,160	179,505	539,945
Loans to Individuals and Corporates (Net)	176,028	115,109	159,009
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,672
Specific Provision (-)	-	-	7,672
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	128	782	-	910
Loans Collateralized by Mortgages	421,452	141,899	-	563,351
Loans Collateralized by Pledged Assets	116,763	109,492	-	226,255
Loans Collateralized by Cheques and Notes	132,507	208,315	-	340,822
Loans Collateralized by Other Collaterals	116,885	23,771	-	140,656
Unsecured Loans	32,099	120,748	812,264	965,111
Total	819,834	605,007	812,264	2,237,105

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Uncollectible loans and receivables are collected through legal follow-ups and liquidation of collaterals.

5.1.5.12 "Write-off" policies

The Bank's general policy for write-offs of loans and receivables under follow-up is to write of such loans and receivables that are proven to be uncollectible in legal follow-up process.

5.1.6 Investments held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,860,387	280,390	1,508,226	65,263
Investments subject to Repurchase Agreements	2,637,831	116,555	4,354,254	174,759
Total	4,498,218	396,945	5,862,480	240,022

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,960,353	6,054,289
Treasury Bills	-	-
Other Government Securities	1,385,808	1,563,008
Total	7,346,161	7,617,297

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	7,092,872	7,337,175
Quoted at Stock Exchange	7,092,872	7,337,175
Unquoted at Stock Exchange	-	-
Valuation Increase / Decrease (-)	253,289	280,122
Total	7,346,161	7,617,297

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,617,297	3,943,765
Foreign Currency Differences On Monetary Assets	(27,259)	66,130
Purchases during the Period	927,839	3,935,987
Disposals through Sales/Redemptions	(1,115,334)	(484,383)
Valuation Effect	(56,382)	155,798
Balances at End of Period	7,346,161	7,617,297

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

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank’s Share – If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1	Eureko Sigorta AŞ	Istanbul/Turkey	20.00	20.00
2	Bankalarası Kart Merkezi AŞ (1)	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ (1)	Istanbul/Turkey	0.77	0.77
4	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	Company’s Fair Value (if available)
1	563,506	252,898	13,691	16,724	24,364	46,609	97,668	-
2	15,522	12,964	5,738	725	-	(369)	4,467	-
3	205,816	48,198	1,570	3,960	1,914	4,496	3,002	-
4	1,453,145	274,930	11,351	31,496	10,434	32,567	65,227	-
5	39,579	36,457	2,539	2,811	31	9,679	14,777	-
6	26,777	20,210	1,984	2,046	9	6,640	-	-
7	8,060	7,912	2	756	1	587	2,233	-
8	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-

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

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

5.1.7.2 Movement of investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	27,705	27,596
Movements during the Period	2,000	109
Acquisitions and Capital Increases	2,000	-
Bonus Shares Received	-	109
Dividends from Current Year Profit	-	-
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Impairment Losses (-)	-	-
Balance at End of Period	29,705	27,705
Capital Commitments	2,250	250
Share Percentage at the End of Period (%)	-	-

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	11,312	11,312
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	16,679	14,679
Other Associates	1,714	1,714

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	Current Period	Prior Period
Valued at Cost	29,705	27,705
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

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

5.1.8 Investments in subsidiaries

5.1.8.1 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	98.94
7	Garanti Faktoring Hiz. AŞ	Istanbul/Turkey	55.40	55.40
8	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	100.00
9	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	100.00
10	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	84.91
11	Garanti Bank International NV	Amsterdam/Holland	100.00	100.00
12	Garanti Bank Moscow	Moscow/Russia	75.09	100.00
13	Garanti Financial Services Plc	Dublin/Ireland	99.99	100.00
14	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	20,584	13,278	761	-	1,324	3,392	(97,418)	-
2	22,244	10,718	785	26	1,692	2,339	7,801	-
3	1,049	928	-	-	47	554	-	-
4	385	204	39	-	2	(14)	(126)	-
5	1,125	975	-	-	12	166	56	-
6	1,868,321	339,553	18,347	198,475	-	53,913	202,392	-
7	1,138,515	51,482	2,295	81,220	536	10,055	19,056	123,392
8	32,692	25,293	3,547	729	1,292	354	10,250	-
9	20,847	16,376	873	1,587	51	2,182	1,355	-
10	1,744,751	233,130	15,266	23,995	9,327	76,175	89,643	-
11	7,868,914	611,909	97,628	292,893	128,611	56,709	207,276	612,710
12	484,353	100,886	29,688	25,801	11,059	10,192	43,059	102,262
13	9,586	8,376	-	-	-	(820)	5,463	29,307
14	91	-	-	-	-	-	(267)	-

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

5.1.8.2 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	812,128	577,408
Movements during the Period	191,132	234,720
Acquisitions and Capital Increases (*)	655	-
Bonus Shares Received (**)	(125,648)	72,284
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/(Decrease) in Market Values	310,519	80,122
Currency Differences on Foreign Subsidiaries	2,228	80,227
Impairment Reversals/(Losses)	3,378	2,087
Balance at End of Period	1,003,260	812,128
Capital Commitments	-	562
Share Percentage at the End of Period (%)	-	-

(*) The capital commitment amounting TL 562 thousands to Garanti Konut Finansmanı Danışmanlık Hizmetleri AŞ with a foundation capital of TL 750 thousands where the Bank has an ownership share of 100%, has been paid.

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

(**) As per the decision made at the general assembly meeting of Garanti Bank International NV at 14 April 2008, the bank's share capital had been increased from EUR 159,470,000 to EUR 196,567,000 through appropriation from the retained earnings amounting EUR 35,011,000 and the share premium amounting EUR 2,086,000. As per the decision made at the general assembly meeting of the bank at 15 April 2009, the bank's share capital had been further increased from EUR 196,567,000 to EUR 231,499,000 through appropriation from the retained earnings amounting EUR 34,932,000. Subsequently, the bank's share capital has been decreased from EUR 231,499,000 to EUR 136,836,000 as per the decision made at the general assembly meeting held at 16 October 2009. The capital reduction amounting EUR 94,663,000 has been added back to the retained earnings of Garanti Bank International NV.

Garanti Faktoring Hizmetleri AŞ had increased its share capital from TL 16,849 thousands to TL 17,960 thousands through appropriation from the dividends allocated from its retained earnings of the year 2007 at 10 September 2008. The company further increased its share capital from TL 17,960 thousands to TL 19,280 thousands through appropriation from its retained earnings at 15 July 2009.

5.1.8.3 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	689,498	555,439
Insurance Companies	56,545	56,545
Factoring Companies	68,365	17,215
Leasing Companies	76,169	76,169
Finance Companies	98,380	96,397
Other Subsidiaries	14,303	10,363

5.1.8.4 Quoted subsidiaries

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

5.1.8.5 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	202,612	202,049
Valued at Fair Value	787,166	599,975
Valued by Equity Method of Accounting (*)	13,482	10,104

(*) includes subsidiaries for which value decreases are provided against considering their equities.

5.1.8.6 Investments in subsidiaries disposed during the current period

None.

5.1.8.7 Investments in subsidiaries acquired during the current period

Please refer to Note 5.1.8.2 of investments in subsidiaries.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	69,161
Net foreign investment hedges	-	-	-	-
Total	-	-	-	69,161

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

5.1.12 Tangible assets

	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at End of Prior Period					
Cost	891,183	389,089	35,290	731,240	2,046,802
Accumulated Depreciation	(215,776)	(252,236)	(26,380)	(467,714)	(962,106)
Net Book Value at End of Prior Period	675,407	136,853	8,910	263,526	1,084,696
Balance at End of Current Period					
Additions	94,773	14,288	3,349	144,738	257,148
Disposals-Costs	(19,571)	(1,373)	(6,512)	(46,242)	(73,698)
Disposals-Accumulated Depreciation	4,707	166	4,202	22,518	31,593
Reversal of/(Impairment Losses)	9,453	-	-	-	9,453
Depreciation Expense for Current Period (-)	(21,687)	(58,930)	(3,632)	(82,351)	(166,600)
Currency Translation Differences on Foreign Operations	-	-	-	-	-
Cost at End of Current Period	975,838	402,004	32,127	829,736	2,239,705
Accumulated Depreciation at End of Current Period	(232,756)	(311,000)	(25,810)	(527,547)	(1,097,113)
Net Book Value at End of Current Period	743,082	91,004	6,317	302,189	1,142,592

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

Conditions for allocating/releasing any impairment:

None.

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

None.

5.1.12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

A total provision of TL 9,453 thousands made for the impairment in values of certain real estates in prior periods in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets", is reserved in 2009.

5.1.13 Intangible assets

5.1.13.1 Useful lives and amortisation rates

Intangible assets include softwares and other intangible assets. The estimated useful lives of such assets vary between 3 and 15 years.

5.1.13.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation.

5.1.13.3 Balances at beginning and end of current period

	Beginning of Period		End of Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	68,282	47,656	60,995	45,231

5.1.13.4 Movements of intangible assets for the current period

	Current Period	Prior Period
Net Book Value at End of Prior Period	15,764	11,886
Internally Generated Intangibles	-	-
Additions due to Mergers, Transfers and Acquisition	7,412	7,829
Disposals (-)	-	-
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(4,598)	(3,951)
Currency Translation Differences on Foreign Operations	-	-
Other Movements	2,048	-
Net Book Value at End of Current Period	20,626	15,764

5.1.13.5 Details for any individually material intangible assets

None.

5.1.13.6 Intangible assets capitalised under government incentives at fair values

None.

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

None.

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

None.

5.1.13.9 Commitments to acquire intangible assets

None.

5.1.13.10 Disclosure on revalued intangible assets

None.

5.1.13.11 Research and development costs expensed during current period

None.

5.1.13.12 Goodwill

None.

5.1.13.13 Movements in goodwill during current period

None.

5.1.14 Investment property

None.

5.1.15 Deferred tax asset

As of 31 December 2009, the Bank has a deferred tax asset of TL 18,536 thousands (31 December 2008: TL 34,185 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 December 2009. However, there is a deferred tax asset of TL 167,727 thousands (31 December 2008: TL 107,145 thousands) and deferred tax liability of TL 149,191 thousands (31 December 2008: TL 72,960 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	83,136	115,599
Accumulated Depreciation	(1,832)	(2,749)
Net Book Value	81,304	112,850
End of Current Period		
Additions	33,183	6,917
Disposals (Cost)	(25,278)	(39,867)
Disposals (Accumulated Depreciation)	1,358	1,780
Impairment Losses (-)	(8,748)	487
Depreciation Expense for Current Period	(669)	(863)
Currency Translation Differences on Foreign Operations		-
Cost	82,293	83,136
Accumulated Depreciation	(1,143)	(1,832)
Net Book Value	81,150	81,304

As of 31 December 2009, the rights of repurchase on various assets held for sale amount to TL 3,263 thousands (31 December 2008: TL 13,714 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

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

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	210,859	295,671
Prepaid Taxes	3,903	70

5.1.18 Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	24,471	9	51,629	8,645
Financial Assets at Fair Value through Profit or Loss	4,094	1,718	721	3,180
Banks	34,936	18,653	35,237	32,122
Interbank Money Markets	180	-	552	-
Financial Assets Available-for-Sale	2,713,745	109,445	1,360,541	47,847
Loans	453,023	290,694	755,777	343,165
Investments Held-to-Maturity	253,061	27,379	287,324	24,870
Other Accruals	15,769	-	13,351	2
Total	3,499,279	447,898	2,505,132	459,831

5.2 Liabilities

5.2.1 Maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,833,625	-	7,070,398	11,555,702	172,843	128,642	82,679	51	20,843,940
Foreign Currency Deposits	4,899,239	-	8,641,772	9,000,277	393,091	713,736	1,033,428	89,179	24,770,722
Residents in Turkey	4,562,108	-	8,147,347	8,552,469	340,970	249,290	744,837	87,831	22,684,852
Residents in Abroad	337,131	-	494,425	447,808	52,121	464,446	288,591	1,348	2,085,870
Public Sector Deposits	461,652	-	5,722	8,017	15	302	67	-	475,775
Commercial Deposits	2,262,983	-	4,047,922	7,238,876	38,372	45,113	149,459	-	13,782,725
Other	85,261	-	42,193	139,686	686	137	273	-	268,236
Precious Metal Deposits	333,836	-	34	2,610	-	1,084	-	-	337,564
Bank Deposits	1,377,804	-	751,030	73,888	25,573	35,545	65,243	-	2,329,083
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	9,593	-	203,816	5,227	-	13,000	-	-	231,636
Foreign Banks	1,058,842	-	547,214	68,661	25,573	22,545	65,243	-	1,788,078
Special Purpose Financial Institutions	309,369	-	-	-	-	-	-	-	309,369
Other	-	-	-	-	-	-	-	-	-
Total	11,254,400	-	20,559,071	28,019,056	630,580	924,559	1,331,149	89,230	62,808,045

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,263,502	-	6,626,686	10,082,104	111,230	82,761	72,599	-	18,238,882
Foreign Currency Deposits	4,161,413	-	9,087,581	6,854,269	418,274	1,086,744	766,434	90,877	22,465,592
Residents in Turkey	3,858,891	-	8,739,310	6,595,492	396,877	519,663	556,614	89,588	20,756,435
Residents in Abroad	302,522	-	348,271	258,777	21,397	567,081	209,820	1,289	1,709,157
Public Sector Deposits	426,693	-	283,600	516,009	25	272	63	-	1,226,662
Commercial Deposits	1,711,753	-	3,220,581	3,612,242	48,451	13,975	95,574	-	8,702,576
Other	159,815	-	54,414	77,756	705	569	207	-	293,466
Precious Metal Deposits	93,443	-	1	2,002	-	24,020	2,088	-	121,554
Bank Deposits	777,477	-	367,317	299,213	142,162	6,757	73,623	-	1,666,549
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	8,019	-	66,930	68,751	125,692	462	-	-	269,854
Foreign Banks	324,151	-	300,387	230,462	16,470	6,295	73,623	-	951,388
Special Purpose Financial Institutions	445,307	-	-	-	-	-	-	-	445,307
Other	-	-	-	-	-	-	-	-	-
Total	8,594,096	-	19,640,180	21,443,595	720,847	1,215,098	1,010,588	90,877	52,715,281

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

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	9,284,979	8,435,686	11,352,216	9,545,348
Foreign Currency Saving Deposits	3,214,814	2,977,501	10,005,530	7,851,492
Other Saving Deposits	120,181	20,544	175,083	83,909
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

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

None.

5.2.1.3 Saving deposits not covered by insurance limits

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

5.2.2 Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward deals	12,147	9,949	54,361	10,273
Swaps	79,849	81,895	179,673	87,163
Futures	-	106	-	996
Options	19,542	25,296	62,474	20,156
Other	-	-	-	-
Total	111,538	117,246	296,508	118,588

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	154,465	158,979	251,138	126,591
Foreign Banks, Institutions and Funds	3,036,144	9,657,886	1,825,837	8,639,880
Total	3,190,609	9,816,865	2,076,975	8,766,471

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	154,465	2,859,824	560,393	2,894,570
Medium and Long-Term	3,036,144	6,957,041	1,516,582	5,871,901
Total	3,190,609	9,816,865	2,076,975	8,766,471

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Other external funds

Funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	9,804,711	-	9,878,528	-
Financial Institutions and Organizations	9,749,113	-	9,810,615	-
Other Institutions and Organizations	18,423	-	19,774	-
Individuals	37,175	-	48,139	-
Foreign Transactions	572,540	157,453	573,996	250,419
Financial Institutions and Organizations	572,241	157,453	571,711	250,419
Other Institutions and Organizations	176	-	1,749	-
Individuals	123	-	536	-
Total	10,377,251	157,453	10,452,524	250,419

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	4,506	4,155	21,359	20,194
1-4 Years	26	23	3,448	3,163
More than 4 Years	-	-	-	-
Total	4,532	4,178	24,807	23,357

5.2.5.2 Operational lease agreements

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

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	3,464	-	4,871
Net foreign investment hedges	-	-	-	-
Total	-	3,464	-	4,871

5.2.7 Provisions

5.2.7.1 General provisions

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

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

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

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

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

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

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	330,000	22,000

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	165,367	197,372
Recognized Liability for Defined Benefit Obligations	-	102,601
Provision for Promotion Expenses of Credit Cards (*)	36,208	36,206
Other Provisions	17,552	14,994
Total	219,127	351,173

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

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.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 31 December 2009, the Bank had a current tax liability of TL 198,353 thousands (31 December 2008: TL 119,191 thousands). In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.8.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	198,353	119,191
Taxation on Securities Income	88,060	191,148
Taxation on Real Estates Income	1,300	1,137
Banking Insurance Transaction Tax	29,605	37,189
Foreign Exchange Transaction Tax	27	12
Value Added Tax Payable	2,672	2,449
Others	30,057	25,981
Total	350,074	377,107

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	30	5
Bank Pension Fund Premium-Employer	15	27
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	474	427
Unemployment Insurance-Employer	875	777
Others	-	-
Total	1,394	1,236

5.2.8.2 *Deferred tax liability*

None.

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

None.

5.2.10 **Subordinated debts**

- On 5 February 2007, the Bank obtained a subordinated debt of US\$ 500 millions from foreign markets with an interest of 6.95% and maturity of 10 years with a repayment option for the Bank at the end of the fifth year.
- On 23 February 2009, the Bank obtained a subordinated debt of EUR 50 millions from Proparco (Societe de Promotion et de Participation pour la Cooperation Economique SA), a company of the French Development Agency Group with an interest of Euribor+3.5% and maturity of 12 years with a repayment option at the end of the seventh year to finance the clean energy projects.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	874,358	-	781,638
Total	-	874,358	-	781,638

5.2.11 **Shareholders' equity**

5.2.11.1 *Paid-in capital*

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

5.2.11.2 *Registered share capital system*

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

5.2.11.3 *Capital increases in current period*

None.

5.2.11.4 *Capital increases from capital reserves in current period*

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	63,768	181,780	31,099	124,089
Valuation difference	31,088	181,780	(9,247)	124,089
Exchange rate difference	32,680	-	40,346	-
Securities Available-for-Sale	1,249,912	115,686	256,934	(19,605)
Valuation difference	1,249,912	115,686	256,934	(19,605)
Exchange rate difference	-	-	-	-
Total	1,313,680	297,466	288,033	104,484

5.2.11.9 Revaluation surplus

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

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

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

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	341,742	254,103
II. Legal Reserve	25,290	18,790
Special Reserves	-	-

As per the decisions made at the annual general assembly at 2 April 2009, 5% of prior periods' profit is allocated to legal reserves.

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

5.2.11.12 Extraordinary reserves

	Current Period	Prior Period
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	2,847,764	1,470,724
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

As per the decisions made at the annual general assembly at 2 April 2009, the remaining prior periods' profit after the appropriation to legal reserves and undistributable funds, are allocated to extraordinary reserves.

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

5.2.12 Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	154,150	52,033	250,628	80,405
Funds Borrowed	188,772	54,197	183,331	99,278
Interbank Money Markets	53,020	6,077	45,021	6,787
Other Accruals	18,754	537	23,902	9,978
Total	414,696	112,844	502,882	196,448

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 1,440,378 thousands (31 December 2008: TL 737,485 thousands), commitments for cheque payments of TL 1,513,300 thousands (31 December 2008: TL 1,356,364 thousands) and commitments for credit card limits of TL 9,057,598 thousands (31 December 2008: TL 8,789,048 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,451,475	6,790,151
Letters of Guarantee in TL	4,513,454	4,120,918
Letters of Credit	2,038,315	2,311,731
Bills of Exchange and Acceptances	125,841	123,807
Others	-	-
Total	14,129,085	13,346,607

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

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

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

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	897,123	225,228
With Original Maturity of 1 Year or Less	13,519	15,067
With Original Maturity of More Than 1 Year	883,604	210,161
Other Non-Cash Loans	13,786,176	14,040,836
Total	14,683,299	14,266,064

5.3.1.4 Sectoral risk concentration of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,794	0.66	27,397	0.27	20,699	0.48	18,119	0.18
Farming and Stockbreeding	27,820	0.62	27,397	0.27	19,224	0.45	18,119	0.18
Forestry	661	0.01	-	-	461	0.01	-	-
Fishery	1,313	0.03	-	-	1,014	0.02	-	-
Manufacturing	1,696,354	37.57	3,539,678	34.81	1,444,368	34.14	3,027,583	30.17
Mining	303,385	6.72	28,978	0.28	329,968	7.80	21,024	0.21
Production	1,046,987	23.19	2,362,864	23.24	896,224	21.18	2,433,660	24.25
Electricity, Gas, Water	345,982	7.66	1,147,836	11.29	218,176	5.16	572,899	5.71
Construction	565,124	12.52	2,196,693	21.60	616,200	14.56	2,125,443	21.18
Services	1,931,945	42.80	3,683,693	36.22	1,819,846	43.01	4,585,181	45.69
Wholesale and Retail Trade	1,308,395	28.99	1,187,159	11.67	1,137,920	26.89	1,585,914	15.80
Hotel, Food and Beverage Services	76,349	1.69	68,732	0.68	60,126	1.42	152,716	1.52
Transportation and Telecommunication	171,887	3.81	792,506	7.79	127,545	3.01	890,931	8.88
Financial Institutions	301,308	6.67	1,615,950	15.89	452,129	10.69	1,922,241	19.16
Real Estate and Renting Services	33,882	0.75	6,129	0.06	8,179	0.19	6,126	0.06
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	7,111	0.16	6,235	0.06	8,677	0.21	3,766	0.04
Health and Social Services	33,013	0.73	6,982	0.07	25,270	0.60	23,487	0.23
Other	290,773	6.45	721,848	7.10	330,083	7.81	278,542	2.78
Total	4,513,990	100.00	10,169,309	100.00	4,231,196	100.00	10,034,868	100.00

5.3.1.5 Non-cash loans classified under Group I and II

	Group I		Group II	
	TL	FC	TL	FC
Current Period				
Non-Cash Loans	4,485,463	10,116,520	28,527	52,789
Letters of Guarantee	4,484,927	7,401,468	28,527	50,007
Bills of Exchange and Bank Acceptances	514	123,133	-	2,194
Letters of Credit	22	2,591,919	-	588
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	-	-	-

	Group I		Group II	
	TL	FC	TL	FC
Prior Period				
Non-Cash Loans	4,219,436	10,016,914	4,120	9,693
Letters of Guarantee	4,109,158	6,784,258	4,120	334
Bills of Exchange and Bank Acceptances	-	113,162	-	9,359
Letters of Credit	278	3,119,494	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	110,000	-	-	-

5.3.2 Financial derivative instruments

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Hedging Derivatives						
A. Total Hedging Derivatives	1,295	-	-	-	-	1,295
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	1,295	-	-	-	-	1,295
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency Related Derivative Transactions (I)	17,493,520	5,064,972	4,434,328	363,764	861,000	28,217,584
Currency Forwards-Purchases	1,531,287	328,196	491,321	127,534	-	2,478,338
Currency Forwards-Sales	1,495,782	320,268	500,616	124,588	-	2,441,254
Currency Swaps-Purchases	4,860,104	1,428,996	667,703	52,150	298,000	7,306,953
Currency Swaps-Sales	4,692,129	1,164,810	674,230	59,492	563,000	7,153,661
Currency Options-Purchases	2,432,356	864,741	961,273	-	-	4,258,370
Currency Options-Sales	2,481,862	909,623	1,138,119	-	-	4,529,604
Currency Futures-Purchases	-	4,182	522	-	-	4,704
Currency Futures-Sales	-	44,156	544	-	-	44,700
Interest Rate Related Derivative Transactions (II)	20,237	61,430	178,088	3,421,120	-	3,680,875
Interest Rate Swaps-Purchases	8,862	14,544	28,446	-	-	51,852
Interest Rate Swaps-Sales	9,648	14,702	27,494	-	-	51,844
Interest Rate Options-Purchases	-	-	100,284	1,710,560	-	1,810,844
Interest Rate Options-Sales	-	-	-	1,710,560	-	1,710,560
Securities Options-Purchases	-	-	18,368	-	-	18,368
Securities Options-Sales	1,727	-	3,496	-	-	5,223
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	32,184	-	-	-	32,184
Other Trading Derivatives (III)	308,083	102,647	208,361	-	-	619,091
B. Total Trading Derivatives (I+II+III)	17,821,840	5,229,049	4,820,777	3,784,884	861,000	32,517,550
Total Derivative Transactions (A+B)	17,823,135	5,229,049	4,820,777	3,784,884	861,000	32,518,845

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Hedging Derivatives						
A. Total Hedging Derivatives	5,406	27,520	77,597	-	-	110,523
Fair Value Hedges	-	-	-	-	-	-
Cash Flow Hedges	5,406	27,520	77,597	-	-	110,523
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency Related Derivative Transactions (I)	17,538,493	6,906,906	6,505,406	948,948	867,000	32,766,753
Currency Forwards-Purchases	958,092	432,737	603,602	187,479	-	2,181,910
Currency Forwards-Sales	955,765	444,281	585,220	185,642	-	2,170,908
Currency Swaps-Purchases	6,956,078	2,335,056	2,072,516	264,780	304,000	11,932,430
Currency Swaps-Sales	6,786,634	2,264,419	1,865,937	259,499	563,000	11,739,489
Currency Options-Purchases	909,385	663,848	641,857	23,953	-	2,239,043
Currency Options-Sales	972,539	714,914	727,179	27,595	-	2,442,227
Currency Futures-Purchases	-	40,705	9,095	-	-	49,800
Currency Futures-Sales	-	10,946	-	-	-	10,946
Interest Rate Related Derivative Transactions (II)	242	9,680	168,687	3,385,280		3,563,889
Interest Rate Swaps-Purchases	122	4,881	12,987	-	-	17,990
Interest Rate Swaps-Sales	120	4,799	15,494	-	-	20,413
Interest Rate Options-Purchases	-	-	106,400	1,692,640	-	1,799,040
Interest Rate Options-Sales	-	-	-	1,692,640	-	1,692,640
Securities Options-Purchases	-	-	33,806	-	-	33,806
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	128,010	20,683	669,053	30,400	-	848,146
B. Total Trading Derivatives (I+II+III)	17,666,745	6,937,269	7,343,146	4,364,628	867,000	37,178,788
Total Derivative Transactions (A+B)	17,672,151	6,964,789	7,420,743	4,364,628	867,000	37,289,311

5.3.3 Contingent liabilities and assets

None.

5.3.4 Services rendered on behalf of third parties

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

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	2,550,284	223,891	2,489,237	209,179
Medium and long-term loans	2,011,347	1,179,304	1,949,825	1,083,701
Loans under follow-up	39,014	-	25,324	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	4,600,645	1,403,195	4,464,386	1,292,880

(*) Includes also the fee and commission income on cash loans

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	10,097	480	10,624	775
Domestic Banks	12,570	634	9,859	2,676
Foreign Banks	122,171	74,317	152,457	85,324
Foreign Head Offices and Branches	-	-	-	-
Total	144,838	75,431	172,940	88,775

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Financial Assets	15,999	2,152	21,163	3,745
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	2,749,109	148,107	1,917,237	194,710
Investments Held-to-Maturity	894,768	107,802	770,629	48,043
Total	3,659,876	258,061	2,709,029	246,498

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	43,193	65,110

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	346,958	264,065	279,491	408,496
Central Bank of Turkey	-	-	-	-
Domestic Banks	31,483	6,787	34,875	4,799
Foreign Banks	315,475	257,278	244,616	403,697
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	57,476	-	25,567
Total	346,958	321,541	279,491	434,063

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest paid to Investments in Associates and Subsidiaries	26,476	30,081

5.4.2.3 Interest expenses on securities issued

None.

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	2,276	44,564	-	-	-	-	-	46,840
Saving Deposits	1,230	695,740	1,271,261	18,687	16,994	10,829	-	2,014,741
Public Sector Deposits	2	20,940	24,878	3	37	9	-	45,869
Commercial Deposits	4,205	481,705	621,842	14,838	2,867	20,064	-	1,145,521
Other	5,932	15,141	44,213	189	42	29	-	65,546
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	13,645	1,258,090	1,962,194	33,717	19,940	30,931	-	3,318,517
Foreign Currency								
Foreign Currency Deposits	3,583	249,948	269,715	18,343	26,438	35,714	2,222	605,963
Bank Deposits	-	11,432	-	-	-	-	-	11,432
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	463	-	-	465
Total FC	3,583	261,380	269,717	18,343	26,901	35,714	2,222	617,860
Grand Total	17,228	1,519,470	2,231,911	52,060	46,841	66,645	2,222	3,936,377

5.4.2.5 Interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest paid on Repurchase Agreements	745,308	7,330	1,139,018	20,069

5.4.2.6 *Financial lease expenses*

	Current Period	Prior Period
Financial Lease Expenses	1,785	7,934

5.4.2.7 *Interest expenses on factoring payables*

None.

5.4.3 **Dividend income**

	Current Period	Prior Period
Trading Financial Assets	-	-
Financial Assets Valued at Fair Value through Profit or Loss	-	-
Financial Assets Available-for-Sale	675	29,307
Others	78,262	73,163
Total	78,937	102,470

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

	Current Period	Prior Period
Income	55,769,542	34,524,216
Trading Account Income	373,157	83,315
Gains from Derivative Financial Instruments	2,829,863	2,564,967
Foreign Exchange Gains	52,566,522	31,875,934
Losses (-)	54,888,844	34,272,921
Trading Account Losses	12,050	33,949
Losses from Derivative Financial Instruments	2,450,824	2,084,907
Foreign Exchange Losses	52,425,970	32,154,065
Total	880,698	251,295

TL 38,669 thousands (31 December 2008: TL 190,932 thousands) of foreign exchange gains and TL 257,233 thousands (31 December 2008: TL 503,605 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

5.4.5 **Other operating income**

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

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

In 2008, a part of the Bank’s non-performing loan portfolio amounting TL 98,221 thousands has been sold to a local asset management company at a sale price of TL 28,898 thousands. The sale price is fully recognized as income in the accompanying financial statements under “other operating income”, as the sold receivables had been fully provisioned in the Bank’s financial statements in prior periods.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	1,212,401	418,629
<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>	650,005	132,104
General Provisions	11,255	143,578
Provision for Possible Losses	330,000	-
Impairment Losses on Securities	688	770
<i>Financial assets at fair value through profit or loss</i>	688	683
<i>Financial assets available-for-sale</i>	-	87
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	15	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	15	-
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	58,455	3,469
Total	1,612,814	566,446

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	994,048	943,116
Reserve for Employee Termination Benefits	1,563	-
Deficit Provision for Pension Fund	-	102,601
Impairment Losses on Tangible Assets	-	1
Depreciation Expenses of Tangible Assets	166,600	167,645
Impairment Losses on Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	4,598	3,951
Impairment Losses on Assets to be Disposed	8,748	-
Depreciation Expenses of Assets to be Disposed	669	863
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	1,082,873	1,001,658
<i>Operational Lease related Expenses</i>	131,983	109,035
<i>Repair and Maintenance Expenses</i>	29,696	28,691
<i>Advertisement Expenses</i>	103,617	104,139
<i>Other Expenses</i>	817,577	759,793
Loss on Sale of Assets	1,886	8,279
Others (*)	309,050	294,476
Total	2,570,035	2,522,590

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

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

The profit before taxes includes a net interest income of TL 5,079,982 thousands, a net fees and commissions income of TL 1,642,508 thousands and operating expenses of TL 2,570,035 thousands. The Bank's profit before taxes realized at TL 3,778,528 thousands increasing by 75% comparing to the prior year.

5.4.9 Provision for taxes including taxes from discontinued operations

As of 31 December 2009, the Bank recorded a tax expense of TL 817,616 thousands (31 December 2008: TL 399,213 thousands) and a deferred tax income of TL 1,329 thousands (31 December 2008: a deferred tax expense of TL 12,287 thousands).

Deferred tax income/expense on timing differences:

Deferred tax income/(expense) on timing differences	Current Period
Increase in tax deductible timing differences (+)	79,864
Decrease in tax deductible timing differences (-)	27,628
Increase in taxable timing differences (-)	65,150
Decrease in taxable timing differences (+)	14,243
Total	1,329

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

Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions	Current Period
Increase/(decrease) in tax deductible timing differences (net)	52,236
(Increase)/decrease in taxable timing differences (net)	(50,907)
Increase/(decrease) in tax losses (net)	-
Increase/(decrease) in tax deductions and exemptions (net)	-
Total	1,329

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

None.

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in income statement

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

5.5 Statement of Changes in Shareholders' Equity

5.5.1 Any increases arising from application of accounting for financial instruments

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

As of 31 December 2009, the revaluation of financial assets available-for-sale at fair value netted with the related deferred tax liability effect has resulted in an increase by TL 1,218,629 thousands that is presented as the current period movement in "securities value increase fund" in the statement of changes in shareholders' equity. The gains transferred to income statement from "securities value increase fund" are TL 61,271 thousands and TL 109,738 thousands for the year ended 31 December 2009 and 2008, respectively.

5.5.1.2 Increases due to cash flow hedges

None.

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

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

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

5.5.2 Any decreases arising from application of accounting for financial instruments

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

None.

5.5.2.2 Decreases due to cash flow hedges

The Bank enters into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. In the prior period the effective portion of the cash flow hedge amounting to TL 33,488 thousands were added to shareholders' equity, in the current period a gain of TL 80,646 thousands after netting with the related deferred tax effect was transferred to income from derivative financial instruments account in the income statement as explained in Note 5.1.11.1, and the shareholder's equity is reduced by TL 67,119 thousands.

5.5.3 Transfers to legal reserves

	Current Period	Prior Period
Transfers to Legal Reserves from Prior Year Profits	94,024	115,781
Transfers to Extraordinary Reserves from Prior Year Profits	1,377,040	1,629,268

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

5.5.4 Issuance of share certificates

Please refer to Note 5.2.11.3.

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

Please refer to Note 3.24.

5.5.6 Compensation of prior period losses

None.

5.6 Statement of Cash Flows

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

In 2009, the net cash inflows arising from banking operations amount to TL 11,463,817 thousands. TL 7,708,099 thousands of this amount is generated from the change in operating assets and liabilities and TL 3,755,718 thousands from operating profit. The “net decrease in other liabilities” under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to TL 2,355,307 thousands for the year 2009. The “others” item under operating income composes of fees and commissions paid, foreign exchange gains, other operating income and other operating expenses excluding employee costs, and amounts to a loss of TL 1,094,194 thousands for the year 2009.

The net cash outflow from financing activities for the year 2009, is TL 307,799 thousands.

The effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange difference resulted from the translation of cash and cash equivalents in foreign currency into TL at the exchange rates valid at the beginning and end of the year, and amounts to TL 48,103 thousands for the year 2009.

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

Please refer to Note 5.1.8.2 of investments in subsidiaries.

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

None.

5.6.4 Cash and cash equivalents at beginning of period

	Current Period	Prior Period
Cash on Hand	653,902	445,030
Cash in TL	312,466	244,772
Cash in Foreign Currency	341,436	200,258
Cash Equivalents	4,377,823	2,972,465
Other	4,377,823	2,972,465
TOTAL	5,031,725	3,417,495

5.6.5 Cash and cash equivalents at end of period

	Current Period	Prior Period
Cash on Hand	776,667	653,902
Cash in TL	468,028	312,466
Cash in Foreign Currency	308,639	341,436
Cash Equivalents	7,354,075	4,377,823
Other	7,354,075	4,377,823
TOTAL	8,130,742	5,031,725

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

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

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

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in operating capacity of the Bank

None.

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,454,678	23,581	2	920	214,868	299,669
Interest and Commission Income	51,623	137	17	2	14,485	2,411

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	953,386	61,690	1	1,090	65,794	168,482
Balance at end of period	1,729,413	122,864	25	1,661	220,662	183,932
Interest and Commission Income	70,863	108	18	8	7,346	1,114

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	240,915	154,208	300,582	86,051	183,763	235,532
Balance at end of period	231,523	240,915	359,876	300,582	323,665	183,763
Interest Expense	26,476	30,081	16,547	21,885	10,088	20,929

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Beginning of Period	331,010	-	-	-	-	-
End of Period	303,015	331,010	-	-	3,326	-
Total Profit/Loss	83,325	17,843			595	-
Transactions for Hedging:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

5.7.2 The Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 551,924 thousands (31 December 2008: TL 667,071 thousands) compose 1.11% (31 December 2008: 1.34%) of the Bank's total cash loans and 0.52% (31 December 2008: 0.75%) of the Bank's total assets. The total loans and similar receivables amounting TL 1,669,548 thousands (31 December 2008: TL 1,950,100 thousands) compose 1.59% (31 December 2008: TL 2.19%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 324,170 thousands (31 December 2008: TL 308,457 thousands) compose 2.21% (31 December 2008: 2.17%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 915,064 thousands (31 December 2008: TL 725,260 thousands) compose 1.46% (31 December 2008: 1.38%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

The Bank has a total lease payable of TL 4,178 thousands (31 December 2008: TL 23,357 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 1,785 thousands (31 December 2008: TL 7,934 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 37,215 thousands (31 December 2008: TL 25,987 thousands) to related parties.

Operating expenses of TL 6,708 thousands (31 December 2008: TL 16,885 thousands) for IT services rendered by related parties and rent income of TL 1,664 thousands (31 December 2008: TL 1,462 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 59,001 thousands to its top management considered as key management as of 31 December 2009 (31 December 2008: TL 58,742 thousands).

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted under equity method*

Please refer to Note 5.1.8.

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

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

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

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

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

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 Dođuş-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

	Number of Branches	Number Of Employees			
Domestic Branches	783	16,747			
			Country		
Foreign Representative Offices	1	1	1-Germany		
	1	1	2-Russia		
	1	-	3-England		
	1	1	4-China		
				Total Assets	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 branch was closed.

5.9 Significant Events and Matters Arising Subsequent to Balance Sheet Date

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

6. Other Disclosures on Activities of the Bank

6.1 The Bank's latest international risk ratings

MOODY'S (January 2010*)

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

STANDARD AND 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

(* Latest dates in risk ratings or outlooks.

JCR EURASIA RATINGS (February 2010*)

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

(*) Latest dates in risk ratings or outlooks.

6.2 Dividends

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

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

6.3 Other disclosures

None.

7 Independent Auditors' Report

7.1 Disclosure on independent auditors' report

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

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