

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

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

Consolidated Financial Statements

As of and For the Nine-Month Period Ended

30 September 2010

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

With Independent Accountants' Limited Review

Report Thereon

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

1 November 2010

*This report contains "Independent Accountants'
Limited Review Report" comprising 2 pages and;
"Consolidated Financial Statements and Related
Disclosures and Footnotes" comprising 84 pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL AFFILIATES

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2010 - 30 SEPTEMBER 2010

We have reviewed the accompanying consolidated balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") and its consolidated financial affiliates as at 30 September 2010 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides less assurance. We have not performed an audit and accordingly we do not express an audit opinion.

As of the balance sheet date, the accompanying consolidated financial statements include a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions, and all of this reserve amount was charged to the income statement as expense in the previous periods.

Based on our review, except for the effect of the matter referred to in the preceding paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank and its consolidated financial affiliates as of and for the period ended 30 September 2010 in accordance with the prevailing accounting principles and standards set out as per the Article No 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Other Matters:

The consolidated financial statements of the Bank and its financial affiliates as of and for the nine-month period ended 30 September 2009 were reviewed and as of and for the year ended 31 December 2009 were audited by another auditor. The other independent auditor stated in their review report dated 6 November 2009 that nothing had come to their attention that would cause them to believe that the interim financial statements did not give a true and fair view of the financial position and the results of its operations except for the effect of the general reserve amounting to TL 295,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which might arise from any changes in the economy or market conditions, and TL 265,000 thousands of which was charged to the income statement as expense in that period and expressed a qualified opinion in their audit report dated 11 February 2010 for the financial statements as of 31 December 2009 stating that the financial statements included a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which might arise from any changes in the economy or market conditions, and TL 330,000 thousands of this reserve amount had been charged to the income statement as expense in that period.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank and its consolidated financial affiliates' financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

Istanbul, 1 November 2010

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Interim Financial Report
as of and for the Nine-Month Period Ended 30 September 2010

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The consolidated interim financial report for the nine-month period ended 30 September 2010 prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

Subsidiaries

1. Garanti Bank International NV
2. Garanti Emeklilik ve Hayat AŞ
3. D Netherlands Holding BV
4. Garanti Finansal Kiralama AŞ
5. Garanti Faktoring Hizmetleri AŞ
6. Garanti Bank Moscow
7. Garanti Yatırım Menkul Kıymetler AŞ
8. Garanti Portföy Yönetimi AŞ

Associates

1. Eureka Sigorta AŞ

Special Purpose Entities

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

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

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

The authorized contact person for questions on this financial report:

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

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 828 domestic branches, six foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

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

As of 30 September 2010, group of companies under Doğu Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğu Group (the Group). On 22 December 2005, Doğu Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9,765,000,000 shares of the Bank at a nominal value of TL 97,650 thousands each to Doğu Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğu Group

The Doğu Group that was established in 1951 initially for investments in construction sector, operates in seven sectors namely financial services, automotive, construction, real estate, tourism, media and energy with more than 70 companies and over 29 thousands employees.

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

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

General Electric Group

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

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

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

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

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	20 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	28 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	22 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	36 years
Denis Arthur Hall	Member	08.10.2008	College	26 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	33 years
Dmitri Lysander Stockton	Member	22.12.2005	University	19 years
Xavier Pascal Durand	Member	02.04.2009	Master	10 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	23 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	23 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	32 years
Afzal Mohammed Modak	EVP-Finance & Accounting	20.07.2007	Master	25 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	18 years
Ali Temel	EVP-Loans	21.10.1999	University	20 years
Gökhan Erün	EVP-Human Resources & Investment Banking	01.09.2005	Master	16 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	28 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	25 years
Uruz Ersözöğlu	EVP-Treasury	05.04.2006	University	19 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	18 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	25 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	29 years
Zekeriya Öztürk	EVP- International Business Development	06.03.2006	Master	15 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	16 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	16 years

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

1.4 Information on parent bank's qualified shareholders

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

On 23 December 2009, Doğuş Holding AŞ 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 parent bank's activities and services

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

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

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

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

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

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Balance Sheet (Statement of Financial Position)

At 30 September 2010

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2010			PRIOR PERIOD 31 December 2009		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	1,341,413	3,469,583	4,810,996	3,849,004	3,037,901	6,886,905
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	1,849,998	394,833	2,244,831	892,050	349,183	1,241,233
2.1 Financial assets held for trading			1,849,998	394,833	2,244,831	892,050	349,183	1,241,233
2.1.1 Government securities			1,393,579	13,174	1,406,753	411,165	14,312	425,477
2.1.2 Equity securities			23,513	-	23,513	9,489	14	9,503
2.1.3 Derivative financial assets held for trading			420,404	381,659	802,063	462,424	179,688	642,112
2.1.4 Other securities			12,502	-	12,502	8,972	155,169	164,141
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	2,982,479	5,408,239	8,390,718	3,153,741	6,904,630	10,058,371
IV. INTERBANK MONEY MARKETS			52,554	-	52,554	1,000,180	-	1,000,180
4.1 Interbank money market placements			50,009	-	50,009	1,000,180	-	1,000,180
4.2 Istanbul Stock Exchange money market placements			-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements			2,545	-	2,545	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	27,382,245	3,871,015	31,253,260	25,422,478	4,347,156	29,769,634
5.1 Equity securities			25,501	64,891	90,392	21,732	78,066	99,798
5.2 Government securities			26,726,766	1,043,270	27,770,036	25,126,111	1,284,849	26,410,960
5.3 Other securities			629,978	2,762,854	3,392,832	274,635	2,984,241	3,258,876
VI. LOANS		5.1.5	36,488,180	27,924,274	64,412,454	28,830,216	24,646,420	53,476,636
6.1 Loans			36,117,854	27,861,973	63,979,827	28,405,574	24,644,204	53,049,778
6.1.1 Loans to bank's risk group		5.7	108,225	245,012	353,237	119,441	146,867	266,308
6.1.2 Government securities			-	-	-	-	-	-
6.1.3 Other			36,009,629	27,616,961	63,626,590	28,286,133	24,497,337	52,783,470
6.2 Loans under follow-up			2,001,257	192,588	2,193,845	2,237,105	58,093	2,295,198
6.3 Specific provisions (-)			1,630,931	130,287	1,761,218	1,812,463	55,877	1,868,340
VII. FACTORING RECEIVABLES		5.1.6	960,287	239,197	1,199,484	628,065	227,595	855,660
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	4,437,474	1,241,790	5,679,264	5,991,656	1,476,169	7,467,825
8.1 Government securities			4,437,474	1,241,790	5,679,264	5,991,656	1,438,946	7,430,602
8.2 Other securities			-	-	-	-	37,223	37,223
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	79,103	-	79,103	69,297	-	69,297
9.1 Associates consolidated under equity accounting			60,593	-	60,593	50,579	-	50,579
9.2 Unconsolidated associates			18,510	-	18,510	18,718	-	18,718
9.2.1 Financial investments in associates			16,533	-	16,533	16,741	-	16,741
9.2.2 Non-financial investments in associates			1,977	-	1,977	1,977	-	1,977
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	33,639	628	34,267	22,432	681	23,113
10.1 Unconsolidated financial investments in subsidiaries			419	628	1,047	417	681	1,098
10.2 Unconsolidated non-financial investments in subsidiaries			33,220	-	33,220	22,015	-	22,015
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	364,861	1,197,660	1,562,521	321,461	1,220,048	1,541,509
12.1 Financial lease receivables			425,675	1,361,649	1,787,324	396,311	1,389,287	1,785,598
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			60,814	163,989	224,803	74,850	169,239	244,089
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	-	-	-	-	-	-
13.1 Fair value hedges			-	-	-	-	-	-
13.2 Cash flow hedges			-	-	-	-	-	-
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	1,160,876	123,303	1,284,179	1,166,985	123,268	1,290,253
XV. INTANGIBLE ASSETS (Net)		5.1.14	45,028	4,773	49,801	41,572	5,374	46,946
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			38,640	4,773	43,413	35,184	5,374	40,558
XVI. INVESTMENT PROPERTY (Net)		5.1.15	-	-	-	-	-	-
XVII. TAX ASSET			205,358	13,797	219,155	115,201	1,455	116,656
17.1 Current tax asset			30,883	2,025	32,908	36,484	1,455	37,939
17.2 Deferred tax asset		5.1.16	174,475	11,772	186,247	78,717	-	78,717
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		5.1.17	99,307	4,588	103,895	81,192	-	81,192
18.1 Asset held for resale			99,307	4,588	103,895	81,192	-	81,192
18.2 Assets of discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS		5.1.18	2,905,089	97,398	3,002,487	2,216,285	192,771	2,409,056
TOTAL ASSETS			80,387,891	43,991,078	124,378,969	73,801,815	42,532,651	116,334,466

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet (Statement of Financial Position)
At 30 September 2010

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 September 2010			31 December 2009		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1		42,482,325	33,195,357	75,677,682	36,270,775	32,510,938	68,781,713
1.1 Deposits from bank's risk group	5.7		356,471	727,340	1,083,811	248,102	475,122	723,224
1.2 Other			42,125,854	32,468,017	74,593,871	36,022,673	32,035,816	68,058,489
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2		351,368	423,274	774,642	117,872	223,544	341,416
III. FUNDS BORROWED	5.2.3		5,439,715	11,291,949	16,731,664	4,127,463	11,338,888	15,466,351
IV. INTERBANK MONEY MARKETS	5.2.4		6,379,586	302,851	6,682,437	10,377,251	387,478	10,764,729
4.1 Interbank money market takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings			-	-	-	-	-	-
4.3 Obligations under repurchase agreements			6,379,586	302,851	6,682,437	10,377,251	387,478	10,764,729
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			4,414,811	113,530	4,528,341	3,642,036	95,805	3,737,841
VIII. OTHER EXTERNAL FUNDINGS PAYABLE			1,053,050	272,740	1,325,790	708,793	234,246	943,039
IX. FACTORING PAYABLES	5.2.5		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6		-	1,770	1,770	-	5,034	5,034
10.1 Financial lease payables			-	1,770	1,770	-	5,034	5,034
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7		-	2,753	2,753	-	3,464	3,464
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	2,753	2,753	-	3,464	3,464
11.3 Net foreign investment hedges			-	-	-	-	-	-
XII. PROVISIONS	5.2.8		1,421,111	55,525	1,476,636	1,182,529	33,939	1,216,468
12.1 General provisions			528,852	48,087	576,939	407,179	30,155	437,334
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserve for employee benefits			253,210	781	253,991	167,758	-	167,758
12.4 Insurance technical provisions (Net)			140,729	-	140,729	128,614	-	128,614
12.5 Other provisions			498,320	6,657	504,977	478,978	3,784	482,762
XIII. TAX LIABILITY	5.2.9		332,510	42,573	375,083	381,104	16,066	397,170
13.1 Current tax liability			330,834	36,572	367,406	380,809	5,511	386,320
13.2 Deferred tax liability			1,676	6,001	7,677	295	10,555	10,850
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11		-	904,892	904,892	-	991,457	991,457
XVI. SHAREHOLDERS' EQUITY	5.2.12		15,715,999	181,280	15,897,279	13,556,361	129,423	13,685,784
16.1 Paid-in capital			4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital reserves			2,649,089	165,789	2,814,878	2,571,092	116,512	2,687,604
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			1,320,336	167,358	1,487,694	1,242,755	118,679	1,361,434
16.2.4 Revaluation surplus on tangible assets			598,187	240	598,427	598,194	-	598,194
16.2.5 Revaluation surplus on intangible assets			-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property			-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures			1,509	-	1,509	1,509	-	1,509
16.2.8 Hedging reserves (effective portion)			(55,377)	(1,809)	(57,186)	(55,800)	(2,167)	(57,967)
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			6,125,616	15,491	6,141,107	3,650,529	12,911	3,663,440
16.3.1 Legal reserves			544,489	4,518	549,007	374,641	4,634	379,275
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			5,521,244	-	5,521,244	3,187,603	-	3,187,603
16.3.4 Other profit reserves			59,883	10,973	70,856	88,285	8,277	96,562
16.4 Profit or loss			2,648,898	-	2,648,898	3,085,717	-	3,085,717
16.4.1 Prior periods profit/loss			-	-	-	-	-	-
16.4.2 Current period net profit/loss			2,648,898	-	2,648,898	3,085,717	-	3,085,717
16.5 Minority interest			92,396	-	92,396	49,023	-	49,023
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			77,590,475	46,788,494	124,378,969	70,364,184	45,970,282	116,334,466

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Off-Balance Sheet Items

At 30 September 2010

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 September 2010			PRIOR PERIOD 31 December 2009		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		42,056,936	72,887,889	114,944,825	33,018,295	55,718,543	88,736,838
I. GUARANTEES AND SURETIES	5.3.1	5,057,174	10,563,969	15,621,143	4,507,230	10,606,237	15,113,467
1.1 Letters of guarantee		5,049,520	7,107,567	12,157,087	4,506,694	7,653,913	12,160,607
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		342,473	408,396	750,869	331,518	535,270	866,788
1.1.3 Other letters of guarantee		4,707,047	6,699,171	11,406,218	4,175,176	7,118,643	11,293,819
1.2 Bank acceptances		-	138,965	138,965	514	125,327	125,841
1.2.1 Import letter of acceptance		-	138,965	138,965	514	124,968	125,482
1.2.2 Other bank acceptances		-	-	-	-	359	359
1.3 Letters of credit		7,654	3,317,437	3,325,091	22	2,826,997	2,827,019
1.3.1 Documentary letters of credit		-	-	-	-	4	4
1.3.2 Other letters of credit		7,654	3,317,437	3,325,091	22	2,826,993	2,827,015
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		-	-	-	-	-	-
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		17,761,158	7,230,253	24,991,411	15,558,625	5,168,345	20,726,970
2.1 Irrevocable commitments		17,761,158	7,229,636	24,990,794	15,558,625	5,167,699	20,726,324
2.1.1 Asset purchase and sale commitments		1,402,263	2,293,529	3,695,792	387,216	1,876,854	2,264,070
2.1.2 Deposit purchase and sale commitments		20,100	244,513	264,613	46,000	1,736	47,736
2.1.3 Share capital commitments to associates and subsidiaries		2,000	9,216	11,216	2,250	10,136	12,386
2.1.4 Loan granting commitments		2,049,244	3,494,367	5,543,611	3,262,629	1,802,239	5,064,868
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		1,888,613	-	1,888,613	1,513,244	-	1,513,244
2.1.8 Tax and fund obligations on export commitments		22,461	-	22,461	25,746	-	25,746
2.1.9 Commitments for credit card limits		11,112,267	61,329	11,173,596	9,057,330	63,429	9,120,759
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	1,126,682	2,390,892	1,264,210	1,413,305	2,677,515
2.2 Revocable commitments		-	617	617	-	646	646
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	617	617	-	646	646
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	19,238,604	55,093,667	74,332,271	12,952,440	39,943,961	52,896,401
3.1 Derivative financial instruments held for risk management		-	176,344	176,344	-	245,850	245,850
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	176,344	176,344	-	245,850	245,850
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		19,238,604	54,917,323	74,155,927	12,952,440	39,698,111	52,650,551
3.2.1 Forward foreign currency purchases/sales		2,312,476	4,452,419	6,764,895	1,818,821	3,115,457	4,934,278
3.2.1.1 Forward foreign currency purchases		867,135	2,508,033	3,375,168	632,918	1,852,653	2,485,571
3.2.1.2 Forward foreign currency sales		1,445,341	1,944,386	3,389,727	1,185,903	1,262,804	2,448,707
3.2.2 Currency and interest rate swaps		7,497,200	32,515,031	40,012,231	6,495,010	25,346,456	31,841,466
3.2.2.1 Currency swaps-purchases		3,592,248	10,909,974	14,502,222	2,751,465	8,058,713	10,810,178
3.2.2.2 Currency swaps-sales		3,768,452	10,698,603	14,467,055	3,743,545	6,933,665	10,677,210
3.2.2.3 Interest rate swaps-purchases		68,250	5,453,227	5,521,477	-	5,175,970	5,175,970
3.2.2.4 Interest rate swaps-sales		68,250	5,453,227	5,521,477	-	5,178,109	5,178,109
3.2.3 Currency, interest rate and security options		9,240,262	17,380,995	26,621,257	4,610,920	10,563,208	15,174,128
3.2.3.1 Currency call options		3,595,066	7,538,290	11,133,356	1,783,868	3,895,081	5,678,949
3.2.3.2 Currency put options		5,397,038	6,589,054	11,986,092	2,803,461	3,146,723	5,950,184
3.2.3.3 Interest rate call options		-	1,647,349	1,647,349	-	1,810,844	1,810,844
3.2.3.4 Interest rate put options		-	1,555,280	1,555,280	-	1,710,560	1,710,560
3.2.3.5 Security call options		240,585	25,511	266,096	18,368	-	18,368
3.2.3.6 Security put options		7,573	25,511	33,084	5,223	-	5,223
3.2.4 Currency futures		56,853	3,753	60,606	24,689	24,715	49,404
3.2.4.1 Currency futures-purchases		54,691	1,248	55,939	-	4,704	4,704
3.2.4.2 Currency futures-sales		2,162	2,505	4,667	24,689	20,011	44,700
3.2.5 Interest rate futures		-	22,658	22,658	-	32,184	32,184
3.2.5.1 Interest rate futures-purchases		-	22,658	22,658	-	-	-
3.2.5.2 Interest rate futures-sales		-	-	-	-	32,184	32,184
3.2.6 Others		131,813	542,467	674,280	3,000	616,091	619,091
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		242,423,951	136,418,235	378,842,186	185,391,052	132,127,676	317,518,728
IV. ITEMS HELD IN CUSTODY		69,419,796	14,639,343	84,059,139	45,443,121	15,546,141	60,989,262
4.1 Customers' securities held		47,490,561	954	47,491,515	23,873,575	1,133	23,874,708
4.2 Investment securities held in custody		14,019,668	3,835,780	17,855,448	14,546,869	4,662,027	19,208,896
4.3 Checks received for collection		5,539,523	869,118	6,408,641	4,990,781	854,872	5,845,653
4.4 Commercial notes received for collection		2,291,280	1,823,932	4,115,212	1,963,409	1,826,388	3,789,797
4.5 Other assets received for collection		32,313	7,442,958	7,475,271	21,265	7,683,438	7,704,703
4.6 Assets received through public offering		-	35,240	35,240	-	34,412	34,412
4.7 Other items under custody		46,451	631,361	677,812	47,222	483,871	531,093
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		173,004,155	121,778,892	294,783,047	139,947,931	116,581,535	256,529,466
5.1 Securities		1,305,663	170,263	1,475,926	548,240	23,062	571,302
5.2 Guarantee notes		24,437,473	7,190,139	31,627,612	20,386,072	7,192,615	27,578,687
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	235,230	235,230	-	341,862	341,862
5.5 Real estates		34,373,281	34,499,209	68,872,490	26,911,048	34,618,660	61,529,708
5.6 Other pledged items		112,887,568	79,683,631	192,571,199	92,102,401	74,404,896	166,507,297
5.7 Pledged items-depository		170	420	590	170	440	610
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		284,480,887	209,306,124	493,787,011	218,409,347	187,846,219	406,255,566

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
At 30 September 2010

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		1 January 2010- 30 September 2010	1 January 2009- 30 September 2009	1 July 2010- 30 September 2010	1 July 2009- 30 September 2009
I. INTEREST INCOME	5.4.1	7,442,717	8,420,625	2,266,800	2,671,260
1.1 Interest income on loans		4,152,829	4,846,775	1,404,807	1,511,856
1.2 Interest income on reserve deposits		82,797	122,421	29,068	33,701
1.3 Interest income on banks		221,482	192,052	73,821	55,555
1.4 Interest income on money market transactions		3,121	2,841	286	482
1.5 Interest income on securities portfolio		2,768,741	2,990,464	690,170	988,736
1.5.1 Trading financial assets		46,987	22,292	18,926	6,279
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		2,066,072	2,179,455	429,009	742,575
1.5.4 Investments held-to-maturity		655,682	788,717	242,235	239,882
1.6 Financial lease income		112,917	153,135	38,652	48,607
1.7 Other interest income		100,830	112,937	29,996	32,323
II. INTEREST EXPENSE	5.4.2	3,669,855	4,531,814	1,279,881	1,317,090
2.1 Interest on deposits		2,761,121	3,299,362	989,669	930,218
2.2 Interest on funds borrowed		610,113	619,613	218,291	218,267
2.3 Interest on money market transactions		292,388	609,426	70,808	167,679
2.4 Interest on securities issued		996	1,636	322	696
2.5 Other interest expenses		5,237	1,777	791	230
III. NET INTEREST INCOME (I - II)		3,772,862	3,888,811	986,919	1,354,170
IV. NET FEES AND COMMISSIONS INCOME		1,352,692	1,318,372	452,648	448,091
4.1 Fees and commissions received		1,684,871	1,651,602	569,874	553,486
4.1.1 Non-cash loans		134,436	137,791	40,977	46,665
4.1.2 Others		1,550,435	1,513,811	528,897	506,821
4.2 Fees and commissions paid		332,179	333,230	117,226	105,395
4.2.1 Non-cash loans		936	592	352	196
4.2.2 Others		331,243	332,638	116,874	105,199
V. DIVIDEND INCOME	5.4.3	1,801	2,741	214	113
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	372,818	820,013	111,901	99,789
6.1 Trading account income/losses (Net)		250,166	379,325	87,239	69,665
6.2 Income/losses from derivative financial instruments (Net)		(58,162)	318,624	(18,551)	(37,537)
6.3 Foreign exchange gains/losses (Net)		180,814	122,064	43,213	67,661
VII. OTHER OPERATING INCOME	5.4.5	708,749	225,590	227,131	65,677
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6,208,922	6,255,527	1,778,813	1,967,840
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	5.4.6	524,355	1,474,257	213,881	389,040
X. OTHER OPERATING EXPENSES (-)	5.4.7	2,339,804	2,009,615	790,139	686,357
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3,344,763	2,771,655	774,793	892,443
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		9,405	5,763	2,149	(468)
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	5.4.8	3,354,168	2,777,418	776,942	891,975
XVI. PROVISION FOR TAXES (±)	5.4.9	689,368	619,160	166,873	186,014
16.1 Current tax charge		788,766	658,202	175,612	238,619
16.2 Deferred tax charge/(credit)		(99,398)	(39,042)	(8,739)	(52,605)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	5.4.10	2,664,800	2,158,258	610,069	705,961
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	2,664,800	2,158,258	610,069	705,961
23.1 Equity holders of the bank		2,648,898	2,147,332	602,542	702,816
23.2 Minority interest		15,902	10,926	7,527	3,145
Earnings per Share		0.631	0.511	0.143	0.167

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted for under Shareholders' Equity
At 30 September 2010

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD	PRIOR PERIOD
	1 January 2010 - 30 September 2010	1 January 2009 - 30 September 2009
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	136,068	1,534,989
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	233	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(29,552)	(536)
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	448	(63,221)
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(9,884)	(295,293)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	97,313	1,175,939
XI. CURRENT PERIOD PROFIT/LOSSES	2,664,800	2,158,258
1.1 Net changes in fair value of securities (transferred to income statement)	216,671	114,463
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	2,448,129	2,043,795
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	2,762,113	3,334,197

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
At 30 September 2010

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		THOUSANDS OF TURKISH LIRA (TL)																	
		Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 1 January-30 September 2009																			
I.	Balances at beginning of the period	4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
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)	4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
	Changes during the period																		
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Market value changes of securities	-	-	-	-	-	-	-	-	-	-	1,239,871	-	-	-	-	1,239,901	30	1,239,901
VI.	Hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1.	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(63,426)	-	(63,426)	-	(63,426)
6.2.	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(63,426)	-	(63,426)	-	(63,426)
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences	-	-	-	-	122	-	-	(658)	-	-	-	-	-	-	-	(536)	-	(536)
XI.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on bank's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1.	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2.	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current period net profit/loss	-	-	-	-	-	-	-	-	2,147,332	-	-	-	-	-	-	2,147,332	10,926	2,158,258
XX.	Profit distribution	-	-	-	-	94,109	-	1,505,845	3,320	-	(1,879,378)	-	1,104	-	-	-	(275,000)	-	(275,000)
20.1.	Dividends	-	-	-	-	6,500	-	(281,500)	-	-	-	-	-	-	-	-	(275,000)	-	(275,000)
20.2.	Transfers to reserves	-	-	-	-	87,609	-	1,787,345	-	-	(1,874,954)	-	-	-	-	-	-	-	-
20.3.	Others	-	-	-	-	-	-	-	3,320	-	(4,424)	-	1,104	-	-	-	-	-	-
	Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)	4,200,000	772,554	11,880	-	379,282	-	3,187,603	105,459	2,147,332	-	1,417,777	598,194	1,509	(65,894)	-	12,755,696	46,081	12,801,777
CURRENT PERIOD - 1 January-30 September 2010																			
I.	Balances at beginning of the period	4,200,000	772,554	11,880	-	379,275	-	3,187,603	96,562	-	3,085,717	1,361,434	598,194	1,509	(57,967)	-	13,636,761	49,023	13,685,784
	Changes during the period																		
II.	Mergers	-	-	-	-	-	-	(228,075)	-	-	-	-	-	-	-	-	(228,075)	-	(228,075)
III.	Market value changes of securities	-	-	-	-	-	-	-	-	-	-	126,360	-	-	-	-	126,360	14	126,274
IV.	Hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	781	-	781	-	781
4.1.	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	358	-	358	-	358
4.2.	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	423	-	423	-	423
V.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	240	-	-	-	240	-	240
VI.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences	-	-	-	-	(452)	-	-	(29,523)	-	-	-	-	-	-	-	(29,975)	-	(29,975)
IX.	Changes resulted from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-	(7)	-	(7)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,457	27,457
XVII.	Current period net profit/loss	-	-	-	-	-	-	-	-	2,648,898	-	-	-	-	-	-	2,648,898	15,902	2,664,800
XVIII.	Profit distribution	-	-	-	-	170,184	-	2,561,716	3,817	-	(3,085,717)	-	-	-	-	-	(350,000)	-	(350,000)
18.1.	Dividends	-	-	-	-	-	-	-	-	-	(350,000)	-	-	-	-	-	(350,000)	-	(350,000)
18.2.	Transfers to reserves	-	-	-	-	170,184	-	2,561,716	-	-	(2,731,900)	-	-	-	-	-	-	-	-
18.3.	Others	-	-	-	-	-	-	-	3,817	-	(3,817)	-	-	-	-	-	-	-	-
	Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)	4,200,000	772,554	11,880	-	549,007	-	5,521,244	70,856	2,648,898	-	1,487,694	598,427	1,509	(57,186)	-	15,804,883	92,396	15,897,279

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
At 30 September 2010

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2010 30 September 2010	1 January 2009 30 September 2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	3,897,490	3,589,425
1.1.1 Interests received		7,729,190	8,923,291
1.1.2 Interests paid		(3,633,378)	(4,816,248)
1.1.3 Dividend received		1,801	2,741
1.1.4 Fees and commissions received		1,352,692	1,318,372
1.1.5 Other income		958,915	503,206
1.1.6 Collections from previously written-off loans and other receivables		41,825	28,107
1.1.7 Payments to personnel and service suppliers		(1,983,890)	(1,676,193)
1.1.8 Taxes paid		(894,773)	(693,851)
1.1.9 Others		325,108	-
1.2 Changes in operating assets and liabilities	5.6	(8,118,193)	2,942,316
1.2.1 Net (increase) decrease in financial assets held for trading		(842,094)	142,048
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		86,404	(5,045,561)
1.2.4 Net (increase) decrease in loans		(11,601,639)	(2,280,321)
1.2.5 Net (increase) decrease in other assets		(974,144)	574,242
1.2.6 Net increase (decrease) in bank deposits		(567,574)	746,006
1.2.7 Net increase (decrease) in other deposits		7,388,817	5,713,484
1.2.8 Net increase (decrease) in funds borrowed		(2,853,962)	2,322,713
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		1,245,999	769,705
I. Net cash flow from banking operations	5.6	(4,220,703)	6,531,741
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	148,891	(5,378,670)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(62)	(562)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(216,895)	(225,695)
2.4 Sales of tangible assets		57,070	42,278
2.5 Cash paid for purchase of financial assets available-for-sale, net		(15,398,044)	(14,110,166)
2.6 Cash obtained from sale of financial assets available-for-sale, net		14,073,952	8,687,697
2.7 Cash paid for purchase of investments held-to-maturity		-	(927,839)
2.8 Cash obtained from sale of investments held-to-maturity (redemption)		1,632,870	1,155,617
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(354,338)	(275,160)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(350,000)	(275,000)
3.5 Payments for financial leases		(4,338)	(160)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(144,294)	122,064
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	(4,570,444)	999,975
VI. Cash and cash equivalents at beginning of period	5.6	9,294,333	7,145,989
VII. Cash and cash equivalents at end of period (V+VI)	5.6	4,723,889	8,145,964

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

3 Accounting Policies

3.1 Basis of presentation

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

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

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

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

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

3.3 Information on consolidated subsidiaries

As of 30 September 2010, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring) and D Netherlands Holding BV (D Netherlands).

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

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

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

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

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank. Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 0.21%, has been consolidated in the accompanying consolidated financial statements as of 30 September 2010 under full consolidation method due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

Garanti Moscow was established in 1996 to perform banking activities abroad. This bank's head office is in Moscow. The Bank owns 99.94% of its shares.

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

D Netherlands was established in December 2007 in Amsterdam and as described in note 5.1.9.2, all its shares have been purchased by the Bank from Doğuş Holding AŞ in May 2010.

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

Liquidation of the associates and subsidiaries:

The liquidation processes of Garanti Fund Management Co Ltd and Garanti Financial Services Plc have been finalized, and accounting for their disposals was made by 31 May 2010.

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.

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

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

3.5 Interest income and expenses

General

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

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

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

Financial lease operations

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

3.6 Fees and commissions

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are calculated according to either accrual basis of accounting or effective interest rate method depending on nature of fees and commissions, income 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 on those assets is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the income statement. In case of sales of such securities before their maturity, the gains/losses on such sales are recorded under trading income/losses.

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Impairment of financial assets

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

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

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

3.9 Netting of financial instruments

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations and related borrowings

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

Depreciation rates and estimated useful lives are:

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

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

	30 September 2010	31 December 2009
Discount rate	5.92%	5.92%
Interest rate	11.00%	11.00%
Expected rate of salary/limit increase	4.80%	4.80%
Estimated employee turnover rate	6.70%	6.70%

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. These contributions are as follows:

	30 September 2010	
	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 on 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 on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette no.26870.

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

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

b) Other benefits not transferable to SSF

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

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

Tax applications for foreign branches

NORTHERN CYPRUS

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

MALTA

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

Tax applications for foreign financial affiliates

HOLLAND

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

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

RUSSIA

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

ROMANIA

The applicable corporate tax rate in Romania is 16%. The taxation system in Romania is continuously developing and is subject to varying interpretations and constant changes, which may become rarely retroactive. In Romania, tax periods remain open for tax audits for five years. Tax losses can be carried forward to offset against future taxable income for seven years.

3.18.2 Deferred taxes

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

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

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

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

3.18.3 Transfer pricing

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

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

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

3.18.4 Investment allowance

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

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

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

3.19 Funds borrowed

Funds are generated from domestic and foreign sources whenever required. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed 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 30 September 2010, the Bank or its financial affiliates do not have any government incentives or grants.

3.23 Segment reporting

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

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

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

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

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

Information on the business segments on a consolidated basis is as follows:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,139,283	1,916,045	1,447,911	703,882	6,207,121
Other	-	-	-	-	-
Total Operating Profit	2,139,283	1,916,045	1,447,911	703,882	6,207,121
Net Operating Profit	787,859	971,603	1,353,458	239,447	3,352,367
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	1,801	1,801
Net Operating Profit	787,859	971,603	1,353,458	241,248	3,354,168
Provision for Taxes	-	-	-	(689,368)	(689,368)
Net Profit	787,859	971,603	1,353,458	(448,120)	2,664,800
Segment Assets	20,606,933	42,717,032	48,605,835	12,335,799	124,265,599
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	113,370	113,370
Undistributed Items	-	-	-	-	-
Total Assets	20,606,933	42,717,032	48,605,835	12,449,169	124,378,969
Segment Liabilities	42,895,889	30,132,853	23,834,465	11,618,483	108,481,690
Shareholders' Equity	-	-	-	15,897,279	15,897,279
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	42,895,889	30,132,853	23,834,465	27,515,762	124,378,969
Other Segment Items					
Capital Expenditures	-	-	-	157,898	157,898
Depreciation Expenses	75,375	39,177	2,802	20,808	138,162
Impairment Losses	213,354	242,436	551	70,041	526,382
Other Non-Cash Income/Expenses	(45,176)	(67,774)	(543,621)	55,981	(600,590)
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,909,237	1,896,053	1,830,805	616,691	6,252,786
Other	-	-	-	-	-
Total Operating Profit	1,909,237	1,896,053	1,830,805	616,691	6,252,786
Net Operating Profit	938,755	1,301,561	1,751,025	(1,216,664)	2,774,677
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	2,741	2,741
Net Operating Profit	938,755	1,301,561	1,751,025	(1,213,923)	2,777,418
Provision for Taxes	-	-	-	(619,160)	(619,160)
Net Profit	938,755	1,301,561	1,751,025	(1,833,083)	2,158,258
Segment Assets	17,444,234	35,949,921	51,676,386	11,171,515	116,242,056
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	92,410	92,410
Undistributed Items	-	-	-	-	-
Total Assets	17,444,234	35,949,921	51,676,386	11,263,925	116,334,466
Segment Liabilities	38,259,084	26,479,457	27,062,023	10,848,118	102,648,682
Shareholders' Equity	-	-	-	13,685,784	13,685,784
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	38,259,084	26,479,457	27,062,023	24,533,902	116,334,466
Other Segment Items					
Capital Expenditures	-	-	-	316,741	316,741
Depreciation Expenses	75,213	38,890	2,987	20,056	137,146
Impairment Losses	826,487	277,276	59	370,435	1,474,257
Other Non-Cash Income/Expenses	2,593	(89,718)	1,075,929	214,949	1,203,753
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 18.27% (unconsolidated capital adequacy ratio: 19.75%) as of 30 September 2010.

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

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

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

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

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

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

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

4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	18,054,290	-	2,223,181	14,781,385	45,916,292	480,773	18,079
Cash on Hand	690,230	-	2,312	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,842,661	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,428,999	-	708,327	-	1,989,921	-	-
Interbank Money Market Placements	50,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	2,225,209	-	-	-	-	-	-
Loans	3,408,275	-	268,930	14,643,274	40,311,586	480,773	18,079
Loans under Follow-Up (Net)	-	-	-	-	370,326	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	4,508,700	-	979,822	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	13,659	-	-
Miscellaneous Receivables	48,486	-	-	-	80,848	-	-
Accrued Interest and Income	209,850	-	5,486	138,111	590,414	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	1,435,560	-	-
Tangible Assets (Net)	-	-	-	-	1,062,389	-	-
Other Assets	641,880	-	258,304	-	61,589	-	-
Off-Balance Sheet Items	1,855,845	-	1,608,103	839,065	11,664,994	-	-
Non-Cash Loans and Commitments	1,855,845	-	967,213	839,065	11,359,224	-	-
Derivative Financial Instruments	-	-	640,890	-	305,770	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	19,910,135	-	3,831,284	15,620,450	57,581,286	480,773	18,079

	Risk Weightings						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	18,448,187	-	5,162,994	15,571,946	50,673,672	480,773	18,079
Cash on Hand	713,200	-	2,312	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,842,661	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,484,051	-	2,081,936	-	1,791,724	-	-
Interbank Money Market Placements	50,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	2,545	-	-	-	-
Reserve Deposits	2,225,209	-	-	-	-	-	-
Loans	3,600,750	-	1,808,575	15,250,683	43,275,184	480,773	18,079
Loans under Follow-Up (Net)	-	-	-	-	432,627	-	-
Lease Receivables	12,374	-	9,440	180,164	1,348,223	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	4,533,706	-	979,822	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	13,659	-	-
Miscellaneous Receivables	48,486	-	-	-	1,854,675	-	-
Accrued Interest and Income	208,073	-	20,060	141,099	615,184	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	50,350	-	-
Tangible Assets (Net)	-	-	-	-	1,201,056	-	-
Other Assets	729,677	-	258,304	-	90,990	-	-
Off-Balance Sheet Items	1,895,832	-	2,036,510	853,003	12,340,833	-	-
Non-Cash Loans and Commitments	1,895,832	-	1,279,810	853,003	12,007,336	-	-
Derivative Financial Instruments	-	-	756,700	-	333,497	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	20,344,019	-	7,199,504	16,424,949	63,014,505	480,773	18,079

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	66,915,086	54,763,611
Value at Market Risk (VaMR)	3,712,613	2,525,413
Value at Operational Risk (VaOR)	10,184,205	7,212,178
Shareholders' Equity	15,962,396	13,672,917
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	19.75%	21.20%

	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	73,424,198	61,062,215
Value at Market Risk (VaMR)	5,201,125	4,447,563
Value at Operational Risk (VaOR)	11,028,669	8,212,044
Shareholders' Equity	16,381,954	14,125,554
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	18.27%	19.16%

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	549,007	379,275
I. Legal Reserve (Turkish Commercial Code 466/1)	504,604	349,148
II. Legal Reserve (Turkish Commercial Code 466/2)	44,403	30,127
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	5,521,244	3,187,603
Reserve Allocated as per the Decision held by the General Assembly	5,521,244	3,187,603
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,648,898	3,085,717
Current Period Profit	2,648,898	3,085,717
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	360,000	360,000
Income on Sale of Investments in Associates, Subsidiaries and Real Estate	596,047	596,047
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	92,359	49,001
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) ^(*)	141,513	147,686
Prepaid Expenses (-) ^(*)	223,406	244,835
Intangible Assets (-) ^(*)	43,413	40,558
Deferred Tax Asset excess of 10% of Core Capital (-) ^(*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	14,337,269	12,202,610
SUPPLEMENTARY CAPITAL		
General Provisions	576,939	437,334
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	1,071	966
Bonus Shares of Associates, Subsidiaries and Joint-Ventures (Business Partnership)	1,509	1,509
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	890,544	932,551
45% of Securities Value Increase Fund ^(**)	669,440	612,632
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	669,440	612,632
Minority Interest	37	22
Other Reserves	13,670	38,595
Total Supplementary Capital	2,153,210	2,023,609
TIER III CAPITAL	-	-
CAPITAL	16,490,479	14,226,219

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

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

DEDUCTIONS FROM CAPITAL	108,525	100,665
Unconsolidated Investments in Banks and Financial Institutions	2,427	2,479
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Banks and Financial Institutions' Assets and Liabilities that are not Fully Consolidated but Included Using Equity Accounting	60,593	50,579
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	45,505	47,607
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	16,381,954	14,125,554

4.2 Consolidated credit risk

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

4.3 Consolidated market risk

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

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

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

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

The board of directors follows up the effectiveness of risk management systems through audit committee, related other committees and top management, and take decisions in the light of various risk reports and the assessments made by audit committee. The board of directors is responsible for the sound 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 historical VaR results as the basis for the internal management of market risk and determination of limits. The calculations made according to other two methods are used for comparison and monitoring purposes. In the VaR calculation, one year historical market data set is used, and 99% confidence interval and one-day retention period (10 days for legal capital adequacy calculation) are taken into account. In order to test the reliability of the VaR model, back tests are performed. Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Beside the VaR limits, the limits on transaction, dealer, desk, stop loss for trading portfolio as approved by the board of directors are also applied and monitored.

4.3.1 Value at market risk on a consolidated basis

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	217,693
(II) Capital Obligation against Specific Risks - Standard Method	115,983
(III) Capital Obligation against Currency Risk - Standard Method	53,668
(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	28,746
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	416,090
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	5,201,125

4.3.2 Average values at market risk

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

4.4 Consolidated operational risk

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

4.5 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2010, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to TL 629,224 thousands (31 December 2009: TL 1,314,971 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 1,085,429 thousands (31 December 2009: TL 1,357,216 thousands), while net foreign currency long open position amounts to TL 456,205 thousands (31 December 2009: TL 42,245 thousands).

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

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

	USD	EUR	JPY (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.4250	1.9441	1.7083	2.2447
<u>Foreign currency rates for the days before balance sheet date:</u>				
Day 1	1.4350	1.9502	1.7271	2.2664
Day 2	1.4500	1.9641	1.7271	2.2915
Day 3	1.4550	1.9611	1.7275	2.3043
Day 4	1.4550	1.9608	1.7279	2.3006
Day 5	1.4550	1.9602	1.7143	2.2993
Last 30-days arithmetical average rate	1.4730	1.9242	1.7451	2.2942

The Bank's consolidated currency risk:

	Euro	USD	Yen	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,281,268	102,857	363	85,095	3,469,583
Banks	2,198,353	3,130,835	1,061	77,990	5,408,239
Financial Assets at Fair Value through Profit/Loss	110,839	66,936	-	7,800	185,575
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	915,135	2,780,720	-	175,160	3,871,015
Loans (*)	9,825,516	19,019,892	43,953	1,020,316	29,909,677
Investments in Associates, Subsidiaries and Joint-Ventures	618	-	-	10	628
Investments Held-to-Maturity	23,001	1,218,789	-	-	1,241,790
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	48,952	119	-	61,879	110,950
Intangible Assets	1,602	-	-	3,171	4,773
Other Assets	827,667	667,952	5,653	20,804	1,522,076
Total Assets	17,232,951	26,988,100	51,030	1,452,225	45,724,306
Liabilities					
Bank Deposits	375,088	1,011,446	16,109	122,850	1,525,493
Foreign Currency Deposits	12,141,108	18,251,791	57,741	848,749	31,299,389
Interbank Money Market Takings	-	258,881	-	43,970	302,851
Other Fundings	4,788,353	7,304,290	447	103,751	12,196,841
Securities Issued	-	-	-	-	-
Miscellaneous Payables	57,782	50,966	437	4,345	113,530
Derivative Financial Liabilities Held for Risk Management	-	2,753	-	-	2,753
Other Liabilities (**)	259,567	244,918	1,526	406,662	912,673
Total Liabilities	17,621,898	27,125,045	76,260	1,530,327	46,353,530
Net 'On Balance Sheet' Position	(388,947)	(136,945)	(25,230)	(78,102)	(629,224)
Net 'Off-Balance Sheet' Position	117,969	601,051	800	365,609	1,085,429
Derivative Assets	6,794,100	13,404,690	470,986	1,633,825	22,303,601
Derivative Liabilities	(6,676,131)	(12,803,639)	(470,186)	(1,268,216)	(21,218,172)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	15,699,728	27,030,231	67,206	1,587,451	44,384,616
Total Liabilities	19,056,583	24,997,852	53,620	1,591,532	45,699,587
Net 'On Balance Sheet' Position	(3,356,855)	2,032,379	13,586	(4,081)	(1,314,971)
Net 'Off-Balance Sheet' Position	3,637,522	(2,422,652)	(13,163)	155,509	1,357,216
Derivative Assets	5,466,081	7,471,485	14,348	1,452,704	14,404,618
Derivative Liabilities	(1,828,559)	(9,894,137)	(27,511)	(1,297,195)	(13,047,402)
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,985,403 thousands included under TL loans in the accompanying consolidated balance sheet are presented above under the related foreign currency code.

(**) Other liabilities also include gold deposits of TL 370,475 thousands.

4.6 Consolidated interest rate risk

The interest rate risk resulting 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.

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	905,987	-	-	-	-	3,905,009	4,810,996
Banks	2,306,346	3,085,866	763,710	512,803	-	1,721,993	8,390,718
Financial Assets at Fair Value through Profit/Loss	439,351	194,525	250,502	525,841	16,347	818,265	2,244,831
Interbank Money Market Placements	52,545	-	-	-	-	9	52,554
Financial Assets Available-for-Sale	10,645,359	2,664,684	10,805,617	3,399,837	894,695	2,843,068	31,253,260
Loans	15,428,346	10,026,702	13,345,264	16,598,775	7,826,971	1,186,396	64,412,454
Investments Held-to-Maturity	910,865	-	1,370,610	2,026,372	1,205,681	165,736	5,679,264
Other Assets	838,700	439,109	584,939	635,940	104,345	4,931,859	7,534,892
Total Assets	31,527,499	16,410,886	27,120,642	23,699,568	10,048,039	15,572,335	124,378,969
Liabilities							
Bank Deposits	1,304,494	46,419	43,840	98,361	-	671,782	2,164,896
Other Deposits	44,562,716	12,110,297	4,331,140	518,607	85,857	11,904,169	73,512,786
Interbank Money Market Takings	6,216,565	307,769	150,000	-	-	8,103	6,682,437
Miscellaneous Payables	-	-	-	-	-	4,528,341	4,528,341
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,339,956	1,159,536	1,990,885	3,774,244	3,156,328	215,607	17,636,556
Other Liabilities	-	-	-	-	-	19,853,953	19,853,953
Total Liabilities	59,423,731	13,624,021	6,515,865	4,391,212	3,242,185	37,181,955	124,378,969
On Balance Sheet Long Position	-	2,786,865	20,604,777	19,308,356	6,805,854	-	49,505,852
On Balance Sheet Short Position	(27,896,232)	-	-	-	-	(21,609,620)	(49,505,852)
Off-Balance Sheet Long Position	805,481	2,141,910	1,275,565	1,925,624	1,062,383	-	7,210,963
Off-Balance Sheet Short Position	(875,151)	(2,124,607)	(1,290,396)	(1,981,662)	(939,147)	-	(7,210,963)
Total Position	(27,965,902)	2,804,168	20,589,946	19,252,318	6,929,090	(21,609,620)	-

(*) Interest accruals are included in non-interest bearing column.

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	-	-	-	5.00
Banks (*)	0.36-6.01	0.79-5.65	-	6.39-10.20
Financial Assets at Fair Value through Profit/Loss	5.10	5.07	-	6.68-8.00
Interbank Money Market Placements	-	-	-	6.25-7.35
Financial Assets Available-for-Sale	0.97-7.38	5.00-11.88	-	3.00-20.80
Loans	1.50-15.00	2.85-15.68	2.25-4.53	7.20-24.92
Investments Held-to-Maturity	9.50	7.22	-	15.60
Liabilities				
Bank Deposits	0.61-4.62	0.88-5.19	-	3.75-10.23
Other Deposits	1.00-8.00	0.70-6.50	1.01	7.69
Interbank Money Market Takings	-	0.80-1.29	-	7.09
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-3.99	1.17-3.70	3.02	7.71-11.12

(*) The interest rates for USD placements at banks are 0.57% excluding the placements with range accrual agreements.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,381,166	-	-	-	-	3,505,739	6,886,905
Banks	3,570,120	3,409,327	1,727,889	5,132	-	1,345,903	10,058,371
Financial Assets at Fair Value through Profit/Loss	34,084	56,454	398,212	88,691	4,393	659,399	1,241,233
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,158,546	5,847,802	8,465,902	3,747,609	571,530	2,978,245	29,769,634
Loans	16,260,566	8,932,799	12,320,690	10,105,978	4,637,973	1,218,630	53,476,636
Investments Held-to-Maturity	1,394,174	1,274,169	142,373	3,085,813	1,297,588	273,708	7,467,825
Other Assets	241,052	440,554	763,086	755,377	54,130	4,179,483	6,433,682
Total Assets	34,039,708	19,961,105	23,818,152	17,788,600	6,565,614	14,161,287	116,334,466
Liabilities							
Bank Deposits	1,247,366	50,105	46,547	15,041	-	1,379,274	2,738,333
Other Deposits	45,037,305	6,447,007	3,421,971	689,015	403	10,447,679	66,043,380
Interbank Money Market Takings	10,155,173	368	400,000	150,000	-	59,188	10,764,729
Miscellaneous Payables	-	-	-	-	-	3,737,841	3,737,841
Securities Issued	-	-	-	-	-	-	-
Other Fundings	7,699,797	4,625,891	3,358,309	496,539	12,410	264,862	16,457,808
Other Liabilities	-	-	-	-	-	16,592,375	16,592,375
Total Liabilities	64,139,641	11,123,371	7,226,827	1,350,595	12,813	32,481,219	116,334,466
On Balance Sheet Long Position	-	8,837,734	16,591,325	16,438,005	6,552,801	-	48,419,865
On Balance Sheet Short Position	(30,099,933)	-	-	-	-	(18,319,932)	(48,419,865)
Off-Balance Sheet Long Position	1,350,031	516,516	2,768,143	2,131,085	311,129	-	7,076,904
Off-Balance Sheet Short Position	(680,013)	(497,856)	(2,770,495)	(2,254,009)	(874,531)	-	(7,076,904)
Total Position	(29,429,915)	8,856,394	16,588,973	16,315,081	5,989,399	(18,319,932)	-

(*) Interest accruals are included in non-interest bearing column.

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	-	-	-	5.20
Banks (*)	0.25-7.09	0.08-8.21	-	6.50-11.00
Financial Assets at Fair Value through Profit/Loss	0.91-6.28	3.78	-	7.57-16.00
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	0.91-9.50	0.50-12.38	-	7.11-20.80
Loans	0.52-17.00	0.33-17.00	5.06	6.90-27.15
Investments Held-to-Maturity	9.25-9.50	6.13-11.75	-	11.56-14.74
Liabilities				
Bank Deposits	0.25-7.09	0.23-8.21	-	6.50-7.05
Other Deposits	0.40-8.30	0.7-8.23	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-6.00	2.26-6.00	3.16	7.35-12.37

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

4.7 Consolidated liquidity risk

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

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

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Bank's liquidity ratios for the first nine-months of 2010 and the year 2009 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	126.94	208.48	90.33	131.12

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

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	2,585,787	2,225,209	-	-	-	-	-	4,810,996
Banks	1,595,387	1,252,968	568,300	734,830	1,857,929	2,293,230	88,074	8,390,718
Financial Assets at Fair Value through Profit/Loss	13,059	121,695	364,214	555,552	1,062,719	127,545	47	2,244,831
Interbank Money Market Placements	-	52,554	-	-	-	-	-	52,554
Financial Assets Available-for-Sale	90,393	17,381	1,500,443	7,584,643	17,623,061	4,437,339	-	31,253,260
Loans	68,023	13,358,087	6,224,639	10,911,593	21,498,360	11,919,125	432,627	64,412,454
Investments Held-to-Maturity	-	-	-	1,425,155	3,035,320	1,218,789	-	5,679,264
Other Assets	760,934	839,383	2,217,854	636,246	751,377	104,927	2,224,171	7,534,892
Total Assets	5,113,583	17,867,277	10,875,450	21,848,019	45,828,766	20,100,955	2,744,919	124,378,969
Liabilities								
Bank Deposits	709,001	1,273,148	87,423	76,629	18,695	-	-	2,164,896
Other Deposits	13,917,912	43,093,956	11,994,351	3,599,490	722,703	184,374	-	73,512,786
Other Fundings	-	968,893	1,665,844	4,410,164	6,446,545	4,145,110	-	17,636,556
Interbank Money Market Takings	-	6,221,604	308,920	151,913	-	-	-	6,682,437
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	143,829	2,647,037	-	1,737,475	-	-	-	4,528,341
Other Liabilities (**)	992,576	380,847	195,426	186,031	114,381	161,165	17,823,527	19,853,953
Total Liabilities	15,763,318	54,585,485	14,251,964	10,161,702	7,302,324	4,490,649	17,823,527	124,378,969
Liquidity Gap	(10,649,735)	(36,718,208)	(3,376,514)	11,686,317	38,526,442	15,610,306	(15,078,608)	-
Prior Period								
Total Assets	6,662,215	16,733,707	10,434,215	18,527,526	41,697,592	18,771,820	3,507,391	116,334,466
Total Liabilities	14,881,237	58,527,463	7,169,434	8,553,714	7,041,438	4,753,225	15,407,955	116,334,466
Liquidity Gap	(8,219,022)	(41,793,756)	3,264,781	9,973,812	34,656,154	14,018,595	(11,900,564)	-

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

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

4.8 Fair values of financial assets and liabilities

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

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

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	407,828	254,516	468,037	329,562
Central Bank of Turkey	933,585	3,161,899	3,375,837	2,596,775
Others	-	53,168	5,130	111,564
Total	1,341,413	3,469,583	3,849,004	3,037,901

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	933,585	936,690	3,375,837	850,486
Unrestricted Time Deposits	-	-	-	29,809
Restricted Time Deposits	-	2,225,209	-	1,716,480
Total	933,585	3,161,899	3,375,837	2,596,775

The banks operating in Turkey keep reserve deposits for turkish lira and foreign currency liabilities in TL and USD or EUR at the rates of 5% and 10%, 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%. The FC reserves do not earn any interests.

Effective from 1 October 2010, as per the revision made by the Central Bank of Turkey in the Communiqué no.2005/1 "Reserve Deposits" on 23 September 2010, the rates of reserve deposits in turkish lira and foreign currencies have been revised as 5.5% and 11.0%, respectively. Furthermore, the application regarding interest payment for TL reserves have been ceased.

5.1.2 Financial assets at fair value through profit/loss

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Common Shares	-	-	-	-
Bills, Bonds and Similar Securities	96	-	89	-
Others	-	-	-	-
Total	96	-	89	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	43,578	47,255	17,087	12,059
Swap Transactions	282,681	273,604	424,230	129,523
Futures	47	12	-	281
Options	94,098	60,783	21,107	37,825
Others	-	5	-	-
Total	420,404	381,659	462,424	179,688

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	433,815	644,068	638,687	377,805
Foreign banks	2,548,664	4,764,171	2,515,054	6,526,825
Foreign headoffices and branches	-	-	-	-
Total	2,982,479	5,408,239	3,153,741	6,904,630

The placements at foreign banks include blocked accounts amounting TL 5,541,625 thousands of which TL 123,405 thousands, TL 176,797 thousands and TL 21,387 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 5,220,036 thousands as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 61,982 thousands as required for insurance activities.

Due from foreign banks:

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

5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Total carrying value of such securities with total face value of TL 2,181,000 thousands (31 December 2009: TL 1,851,913 thousands) is TL 2,147,394 thousands (31 December 2009: TL 1,769,837 thousands). The related accrued interests and impairment losses amount to TL 87,384 thousands (31 December 2009: TL 234,344 thousands) and TL 206 thousands (31 December 2009: TL 29 thousands), respectively. Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds and other foreign currency government securities. Carrying values of such securities with total face value of USD 54,662,273, EUR 185,998,164 and RUB 100,000,000 (31 December 2009: USD 68,675,000, EUR 197,547,000 and RUB 105,000,000), are USD 56,322,021, EUR 193,044,781 and RUB 103,637,258 (31 December 2009: USD 71,205,705, EUR 209,640,915 and RUB 105,178,500). The related accrued interest income amount to USD 4,426,620, EUR 3,397,423 and RUB 1,330,742 respectively (31 December 2009: USD 5,594,374, EUR 4,747,076 and RUB 3,728,550), and the impairment losses to USD 586,391 and EUR 31,454 respectively (31 December 2009: USD 500,712 and EUR 42,535).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,234,572	473,074	2,004,152	577,791
Assets subject to Repurchase Agreements	6,049,590	375,783	7,957,698	290,863
Total	8,284,162	848,857	9,961,850	868,654

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	28,420,441	26,793,650
Quoted at Stock Exchange	26,078,237	25,004,436
Unquoted at Stock Exchange	2,342,204	1,789,214
Common Shares	26,109	26,083
Quoted at Stock Exchange	12,711	13,054
Unquoted at Stock Exchange	13,398	13,029
Value Increase/Impairment Losses (-)	2,806,710	2,949,901
Total	31,253,260	29,769,634

As of 30 September 2010, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 730,555,556 (31 December 2009: USD 882,777,778 and EUR 500,000) and a total carrying value of TL 1,048,239 thousands (31 December 2009: TL 1,335,731 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	22	4,045	2	920
Corporates	22	4,045	2	920
Individuals	-	-	-	-
Indirect Lendings to Shareholders	235,580	421,744	266,063	374,508
Loans to Employees	120,110	-	72,708	-
Total	355,712	425,789	338,773	375,428

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	62,172,580	40,792	1,092,082	674,373
Discounted Bills	206,326	-	15	-
Export Loans	4,827,829	-	38,218	13,272
Import Loans	17,966	-	-	-
Loans to Financial Sector	2,870,538	-	1,086	73
Foreign Loans	2,515,995	30,548	14,580	-
Consumer Loans	13,097,433	10,244	100,537	95,277
Credit Cards	7,565,171	-	60,839	159,796
Precious Metal Loans	268,361	-	4,787	244
Others	30,802,961	-	872,020	405,711
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	62,172,580	40,792	1,092,082	674,373

Collaterals received for loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,767	641	-	2,408
Loans Collateralized by Mortgages	1,056,726	107,453	-	1,164,179
Loans Collateralized by Pledged Assets	35,186	10,284	-	45,470
Loans Collateralized by Cheques and Notes	55,544	24,016	-	79,560
Loans Collateralized by Other Collaterals	155,040	3,584	-	158,624
Unsecured Loans	45,743	49,836	220,635	316,214
Total	1,350,006	195,814	220,635	1,766,455

Delinquency periods of loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	19,495	58,689	47,983	126,167
61-90 days	26,404	32,025	12,180	70,609
Other	1,304,107	105,100	160,472	1,569,679
Total	1,350,006	195,814	220,635	1,766,455

5.1.5.3 Maturity analysis of cash loans

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	364,850	11,223,242	11,588,092
Housing Loans	32,097	6,477,412	6,509,509
Automobile Loans	14,123	630,718	644,841
General Purpose Loans	317,921	3,976,004	4,293,925
Others	709	139,108	139,817
Consumer Loans – FC-indexed	-	518,993	518,993
Housing Loans	-	481,242	481,242
Automobile Loans	-	7,980	7,980
General Purpose Loans	-	29,771	29,771
Others	-	-	-
Consumer Loans – FC	109,864	588,878	698,742
Housing Loans	7,839	284,102	291,941
Automobile Loans	17	10,375	10,392
General Purpose Loans	44,723	293,141	337,864
Others	57,285	1,260	58,545
Retail Credit Cards – TL	7,300,746	76,689	7,377,435
With Installment	3,221,677	76,689	3,298,366
Without Installment	4,079,069	-	4,079,069
Retail Credit Cards – FC	29,988	43,293	73,281
With Installment	1,570	-	1,570
Without Installment	28,418	43,293	71,711
Personnel Loans – TL	23,625	16,071	39,696
Housing Loan	-	1,621	1,621
Automobile Loans	-	157	157
General Purpose Loans	23,625	14,293	37,918
Others	-	-	-
Personnel Loans - FC-indexed	-	134	134
Housing Loans	-	134	134
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	1,109	40,449	41,558
Housing Loans	714	18,800	19,514
Automobile Loans	-	41	41
General Purpose Loans	171	20,665	20,836
Others	224	943	1,167
Personnel Credit Cards – TL	30,298	309	30,607
With Installment	22,621	309	22,930
Without Installment	7,677	-	7,677
Personnel Credit Cards – FC	414	414	828
With Installment	50	-	50
Without Installment	364	414	778
Deposit Accounts– TL (real persons)	416,276	-	416,276
Deposit Accounts– FC (real persons)	-	-	-
Total	8,277,170	12,508,472	20,785,642

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	553,151	4,448,321	5,001,472
Real Estate Loans	1,318	420,427	421,745
Automobile Loans	48,356	904,947	953,303
General Purpose Loans	502,830	3,114,071	3,616,901
Others	647	8,876	9,523
Installment-based Commercial Loans - FC-indexed	59,110	467,097	526,207
Real Estate Loans	-	47,660	47,660
Automobile Loans	2,422	137,680	140,102
General Purpose Loans	56,688	281,757	338,445
Others	-	-	-
Installment-based Commercial Loans – FC	5,523	619,742	625,265
Real Estate Loans	-	284	284
Automobile Loans	32	3,965	3,997
General Purpose Loans	300	3,637	3,937
Others	5,191	611,856	617,047
Corporate Credit Cards – TL	298,837	765	299,602
With Installment	122,610	764	123,374
Without Installment	176,227	1	176,228
Corporate Credit Cards – FC	4,053	-	4,053
With Installment	4	-	4
Without Installment	4,049	-	4,049
Deposit Accounts– TL (corporates)	496,413	-	496,413
Deposit Accounts– FC (corporates)	-	-	-
Total	1,417,087	5,535,925	6,953,012

5.1.5.6 Allocation of loans by customers

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

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	60,495,768	50,025,017
Foreign Loans	3,484,059	3,024,761
Total	63,979,827	53,049,778

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	117,635	243
Indirect Lending	-	-
Total	117,635	243

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	19,964	185,391
Doubtful Loans and Receivables	156,887	560,941
Uncollectible Loans and Receivables	1,584,367	1,122,008
Total	1,761,218	1,868,340

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	9,376	19,283	285,432
Rescheduled Loans and Receivables	-	-	-
Total	9,376	19,283	285,432
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-
Total	55,667	227,343	229,139

Movements in non-performing loan groups:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	317,665	724,054	1,253,479
Additions (+)	345,032	39,392	353,662
Transfer from Other NPL Categories (+)	-	490,813	816,740
Transfer to Other NPL Categories (-)	490,813	822,279	23,054
Collections during the Period (-)	101,425	233,599	409,583
Write-offs (-)	-	-	66,239
Corporate and Commercial Loans	-	-	10,086
Retail Loans	-	-	33
Credit Cards	-	-	56,074
Other	-	-	46
Balances at End of Period	70,459	198,381	1,925,005
Specific Provisions (-)	19,964	156,887	1,584,367
Net Balance on Balance Sheet	50,495	41,494	340,638

Movements in specific loan provisions

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	595,350	510,700	762,290	1,868,340
Additions during the Period (+)	192,465	152,743	209,393	554,601
Restructured/Rescheduled Loans (-)	11,399	5,429	-	16,828
Collections during the Period (-)	134,545	187,939	256,453	578,937
Write-Offs (-)	9,851	33	56,074	65,958
Balances at End of Period	632,020	470,042	659,156	1,761,218

Non-performing loans in foreign currencies

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	1,224	24,603	502,729
Specific Provisions (-)	115	17,940	372,839
Net Balance at Balance Sheet	1,109	6,663	129,890
Prior Period			
Balance at End of Period	73,754	39,090	246,415
Specific Provisions (-)	51,023	19,622	227,514
Net Balance at Balance Sheet	22,731	19,468	18,901

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	50,495	41,494	340,638
Loans to Individuals and Corporates (Gross)	70,459	198,381	1,917,333
Specific Provision (-)	19,964	156,887	1,576,695
Loans to Individuals and Corporates (Net)	50,495	41,494	340,638
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,361
Specific Provision (-)	-	-	7,361
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	132,274	163,113	131,471
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,245,458
Specific Provision (-)	185,391	560,941	1,113,987
Loans to Individuals and Corporates (Net)	132,274	163,113	131,471
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,540	263	-	1,803
Loans Collateralized by Mortgages	366,740	97,997	-	464,737
Loans Collateralized by Pledged Assets	210,775	75,349	-	286,124
Loans Collateralized by Cheques and Notes	130,000	178,842	-	308,842
Loans Collateralized by Other Collaterals	140,291	18,581	-	158,872
Unsecured Loans	103,093	180,740	689,634	973,467
Total	952,439	551,772	689,634	2,193,845

5.1.5.11 *Liquidation policy for uncollectible loans and receivables*

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

5.1.5.12 *Write-off policy*

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

5.1.6 *Factoring receivables*

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

5.1.7 *Investments held-to-maturity*

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	2,242,442	366,299	1,860,387	280,390
Investments subject to Repurchase Agreements	424,029	-	2,637,832	152,905
Total	2,666,471	366,299	4,498,219	433,295

5.1.7.2 *Government securities held-to-maturity*

	Current Period	Prior Period
Government Bonds	4,437,474	5,991,656
Treasury Bills	-	-
Other Government Securities	1,241,790	1,438,946
Total	5,679,264	7,430,602

5.1.7.3 *Investments held-to-maturity*

	Current Period	Prior Period
Debt Securities	5,524,394	7,221,757
Quoted at Stock Exchange	5,524,394	7,184,957
Unquoted at Stock Exchange	-	36,800
Valuation Increase / (Decrease)	154,870	246,068
Total	5,679,264	7,467,825

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,467,825	7,784,381
Foreign Currency Differences on Monetary Assets	(64,691)	(27,979)
Purchases during the Period	-	927,839
Disposals through Sales/Redemptions	(1,632,870)	(1,155,617)
Valuation Effect	(91,000)	(60,799)
Balances at End of Period	5,679,264	7,467,825

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	6,893	5,958	347	302	71	1,679	625	-
2	18,840	15,414	5,971	428	-	1,014	5,481	-
3	455,501	55,790	1,674	12,080	842	5,790	2,148	-
4	1,648,890	287,517	10,878	16,249	4,403	17,870	91,721	-
5	48,713	44,204	4,722	1,667	22	7,427	23,983	-
6	35,701	28,637	1,797	1,096	-	5,964	9,103	-
7	8,412	8,338	1	389	-	290	2,943	-
8	155,794	10,821	246	3,764	2,291	1,637	10,774	-
9	138,091	133,547	2,235	4,510	-	5,437	3,526	-

⁽¹⁾ Financial information is as of 30 June 2010.

⁽²⁾ Financial information is as of 31 December 2009.

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

^(**) The commercial name of Gelişen İşletmeler Piyasaları AŞ has been changed as Gelişen Bilgi Teknolojileri AŞ during the period. At the annual general assembly of Gelişen Bilgi Teknolojileri AŞ held on 5 April 2010, the company's capital has been decreased from TL 10,000 thousands to TL 50 thousands.

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

None.

5.1.8.2 Consolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Eureko Sigorta AŞ	Istanbul/Turkey	20.00	20.00
2	Garanti Yatırım Ortaklığı AŞ ⁽¹⁾	İstanbul / Türkiye	0.21	0.21

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	641,062	302,968	14,000	15,994	5,719	46,530	144,277	-
2	28,751	28,028	21	-	134	503	437	16,754

⁽¹⁾ Financial information is as of 30 June 2010, the fair value information is as of 30 September 2010.

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

Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 0.21%, has been consolidated in the accompanying consolidated financial statements as of 30 June 2010 under full consolidation method due to the company's right to elect all the members of the board of directors as resulted from its privilege in election of board members.

5.1.8.3 Movement of consolidated investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	50,579	40,342
Movements during the Period	10,014	10,237
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Allocation from Current Period Profit	9,405	9,221
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	609	1,016
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	60,593	50,579
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

Valuation methods of consolidated investments in associates

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	60,593	50,579

Sectoral distribution of consolidated investments and associates

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	60,593	50,579
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	-	-

Quoted consolidated investments in associates

None.

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian ⁽¹⁾	Amsterdam/Holland	-	100.00
8	Trifoi Investments	Amsterdam/Holland	-	100.00
9	Golden Clover Stichting Custody ⁽¹⁾	Amsterdam/Holland	-	100.00
10	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00
11	Garanti Broker Asigurari BRL	Bucharest/Romania	-	73.27

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	23,452	15,445	701	-	330	2,168	(94,020)	-
2	21,177	11,669	601	-	823	1,523	9,567	-
3	1,127	1,037	5	-	13	623	-	-
4	397	205	36	-	-	1	(140)	-
5	1,015	865	-	-	5	(75)	181	-
6	120	101	116	-	-	24	(33)	-
7	240	240	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-
9	242	240	-	-	-	-	-	-
10	182,797	16,749	150,804	3	-	9,273	(2,524)	-
11	12	7	-	-	-	(4)	-	-

⁽¹⁾ Financial information is as of 30 June 2010.

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

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

As of 30 September 2010, the investments in Trifoi Real Estate Company, United Custodian, Trifoi Investments, Golden Clover Stichting Custody and Garanti Broker Asigurari BRL classified as financial subsidiaries are not consolidated as their total assets are less than 1% of the Bank's total assets, instead they are valued at cost.

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

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	997,754	810,562
Movements during the Period	413,730	187,192
Acquisitions and Capital Increases ^(*)	390,358	93
Bonus Shares Received ^(**)	953	(125,648)
Dividends from Current Year Profit	-	-
Sales/Liquidations	(4,227)	-
Reclassifications	-	-
Increase/Decrease in Market Values	46,967	310,519
Currency Differences on Foreign Subsidiaries	(20,321)	2,228
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balance at End of Period	1,411,484	997,754
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

^(*) At 24 February 2010, the Bank acquired 430 common stocks of Garanti Bank Moscow representing 24.8555% of its registered capital at a total face value of RUR 109,650,000 from Garanti Financial Services Plc at a cost of USD 3,826,933.41 through subrogation.

On 27 May 2010, the Bank purchased the shares of D Netherlands Holding BV, established in Holland, presenting 100% ownership at a price of EUR 53.5 millions from Doğu Holding AŞ, and subsequent to this share purchase, the paid-in capital of D Netherlands Holding BV was increased by EUR 118.4 millions. D Netherlands Holding BV is the shareholder of Doğu GE BV directly, and GE Garanti Bank SA, Motoractive IFN SA, Ralfi IFN SA and Domenia Credit IFN SA, all resident in Romania, indirectly through Doğu GE BV.

The paid-in capital of D Netherlands Holding BV was increased to EUR 247,088,600 from EUR 217,088,600 on 27 August 2010. The funding raised from this paid-in capital increase was used to increase the paid-in capitals of the financial subsidiaries under D Netherlands Holding BV and accordingly, the participation ratio of the Bank in these financial institutions increased from 70.00% to 73.27%.

^(**) The paid-in capital of Garanti Faktoring Hizmetleri AŞ was increased from TL 19,280 thousands to TL 21,000 thousands through appropriation from its retained earnings on 8 September 2010.

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	1,200,897	787,167
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	Prior Period
Banks	733,337	689,498
Insurance Companies	56,545	56,545
Factoring Companies	75,046	68,365
Leasing Companies	85,381	85,381
Finance Companies	461,175	97,965
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	75,046	68,365
Quoted at International Stock Exchanges	-	-

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	5.86	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	55.40	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	0.01	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	99.94	-	Full Consolidation
8	D Netherlands Holding BV	Amsterdam/Holland	100.00	100.00	Full Consolidation
9	Doğuş GE BV	Bucharest/Romania	73.27	73.27	Partial Consolidation
10	GE Garanti Bank SA	Bucharest/Romania	73.27	73.27	Partial Consolidation
11	Motoractive IFN SA ^(**)	Bucharest/Romania	73.27	73.27	Partial Consolidation
12	Ralfi IFN SA ^(**)	Bucharest/Romania	73.27	73.27	Partial Consolidation
13	Domenic Credit IFN SA ^(**)	Bucharest/Romania	73.27	73.27	Partial Consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	1,742,423	406,836	17,829	113,155	-	67,282	256,306	-
2	1,427,313	60,486	2,540	76,379	363	9,003	26,953	135,450
3	66,768	57,698	3,137	508	1,902	2,473	9,989	-
4	19,156	15,948	712	907	132	1,900	948	-
5	2,224,965	302,345	11,500	18,924	7,145	69,115	157,050	-
6	6,164,200	630,813	50,528	181,683	65,536	74,276	263,985	622,884
7	443,840	111,558	34,747	13,322	9,582	15,762	53,250	110,517
8	289,338	289,270	-	-	-	(41)	(215,898)	-
9	549,959	453,032	-	-	-	(5,606)	(8,791)	-
10	2,383,277	288,791	46,797	38,483	7,614	(34,946)	(4,546)	-
11	241,410	27,325	6,582	5,286	-	1,544	(2,997)	-
12	173,860	17,793	1,754	11,127	-	(4,375)	(3,724)	-
13	269,224	27,396	2,434	3,957	-	(1,442)	(6,913)	-

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

^(**) During the board meetings of Ralfi IFN SA, Motoractive IFN SA and Domenia Credit IFN SA held in June 2010, as part of the approval processes of their 2009 annual financial statements, these institutions' losses accumulated up to 31 December 2009 have been covered by their existing reserves and capitals.

Consolidated investments in subsidiaries disposed during the current period

The liquidation processes of Garanti Fund Management Co Ltd and Garanti Financial Services Plc have been finalized and accounting for their disposals was made by 31 May 2010.

Consolidated investments in subsidiaries acquired during the current period

Please refer to Note 5.1.9.2.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	796,084	687,679	791,344	664,371
Between 1-5 Years	885,560	777,252	943,917	830,101
Longer than 5 Years	105,680	97,590	50,337	47,037
Total	1,787,324	1,562,521	1,785,598	1,541,509

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	1,787,324	1,785,598
Unearned Income on Financial Lease Receivables (-)	(224,803)	(244,089)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	1,562,521	1,541,509

5.1.11.3 Financial lease agreements

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

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

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

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

The followings are monitored for the financial lease agreements signed:

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

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

5.1.12 Derivative financial assets held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

None.

5.1.13 Tangible assets

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

5.1.14 Intangible assets

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

5.1.15 Investment property

None.

5.1.16 Deferred tax asset

As of 30 September 2010, on a consolidated basis the Bank has a deferred tax asset of TL 186,247 thousands (31 December 2009: TL 78,717 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2010. However, there is a deferred tax asset of TL 244,756 thousands (31 December 2009: TL 248,506 thousands) and deferred tax liability of TL 58,509 thousands (31 December 2009: TL 169,789 thousands) presented as net in the accompanying consolidated financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 32,383 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2009 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future. In the accompanying consolidated financial statements as of 30 September 2010, a deferred tax asset amounting TL 26,506 thousands is included in this respect.

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

5.1.17 Assets held for sale and assets of discontinued operations

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	82,336	83,178
Accumulated Depreciation (-)	(1,144)	(1,832)
Net Book Value	81,192	81,346
End of Current Period		
Additions	62,507	33,184
Disposals (Cost)	(37,506)	(25,278)
Disposals (Accumulated Depreciation)	146	1,358
Reversal of Impairment / Impairment Losses (-)	(1,838)	(8,748)
Depreciation Expense for Current Period (-)	(606)	(670)
Currency Translation Differences on Foreign Operations	-	-
Cost	105,499	82,336
Accumulated Depreciation (-)	(1,604)	(1,144)
Net Book Value	103,895	81,192

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 6,140 thousands (31 December 2009: TL 3,263 thousands).

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	<i>Current Period</i>	<i>Prior Period</i>
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	10,745	17,353
Sale of Real Estates	-	-
Sale of Other Assets	2,914	2,884
Total	13,659	20,237

5.1.18.2 Prepaid expenses

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	223,406	244,835

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	2,043,320	-	7,006,131	14,827,932	965,721	178,078	105,416	607	25,127,205
Foreign Currency Deposits	8,168,128	-	9,261,121	8,181,375	1,332,983	2,232,207	2,041,409	82,166	31,299,389
Residents in Turkey	5,593,757	-	8,578,294	7,192,303	867,561	584,583	819,714	80,789	23,717,001
Residents in Abroad	2,574,371	-	682,827	989,072	465,422	1,647,624	1,221,695	1,377	7,582,388
Public Sector Deposits	677,619	-	9,817	5,192	136,481	1,939	-	-	831,048
Commercial Deposits	2,608,295	-	3,994,556	6,082,897	1,954,654	255,341	143,994	-	15,039,737
Others	53,552	-	35,286	673,074	78,024	141	4,855	-	844,932
Precious Metal Deposits	366,998	-	2	-	-	3,475	-	-	370,475
Bank Deposits	709,001	-	947,670	346,409	27,481	84,057	50,278	-	2,164,896
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2,179	-	496,639	74,655	-	31,232	855	-	605,560
Foreign Banks	278,741	-	451,031	271,754	27,481	52,825	49,423	-	1,131,255
Special Financial Institutions	428,081	-	-	-	-	-	-	-	428,081
Others	-	-	-	-	-	-	-	-	-
Total	14,626,913	-	21,254,583	30,116,879	4,495,344	2,755,238	2,345,952	82,773	75,677,682

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

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

5.2.1.1.1 Deposits exceeding insurance limit

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	10,962,297	9,297,711	13,980,696	11,380,762
Foreign Currency Saving Deposits	6,525,559	7,242,292	10,462,273	10,277,032
Other Saving Deposits	168,631	120,181	79,095	175,083
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

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

5.2.1.3 Saving deposits not covered by insurance limits

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	432,242	401,603
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	188,227	172,124
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	57,184	8,262	12,214	16,829
Swap Transactions	217,513	356,574	86,116	170,251
Futures	-	92	-	106
Options	76,671	58,334	19,542	36,358
Others	-	12	-	-
Total	351,368	423,274	117,872	223,544

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	1,031,362	665,732	1,005,262	775,418
Foreign Banks, Institutions and Funds	4,408,353	10,626,217	3,122,201	10,563,470
Total	5,439,715	11,291,949	4,127,463	11,338,888

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,076,760	4,493,304	1,091,320	3,895,952
Medium and Long-Term	4,362,955	6,798,645	3,036,143	7,442,936
Total	5,349,715	11,291,949	4,127,463	11,338,888

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Interbank money markets

Funds obtained through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	6,227,319	-	9,804,711	-
Financial Institutions and Organizations	6,188,809	-	9,749,113	-
Other Institutions and Organizations	8,852	-	18,423	-
Individuals	29,658	-	37,175	-
Foreign Transactions	152,267	302,851	572,540	387,478
Financial Institutions and Organizations	151,913	302,851	572,241	387,478
Other Institutions and Organizations	124	-	176	-
Individuals	230	-	123	-
Total	6,379,586	302,851	10,377,251	387,478

5.2.5 Factoring payables

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

5.2.6 Lease payables

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	865	865	5,034	5,034
Between 1-5 Years	905	905	-	-
Longer than 5 Years	-	-	-	-
Total	1,770	1,770	5,034	5,034

5.2.6.2 Operational lease agreements

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

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	2,753	-	3,464
Net Foreign Investment Hedges	-	-	-	-
Total	-	2,753	-	3,464

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	576,939	437,334
Loans and Receivables in Group I	498,253	383,421
Loans and Receivables in Group II	32,380	13,342
Non-Cash Loans	46,306	40,571
Others	-	-

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

	Current Period	Prior Period
Short-Term Loans	46,766	10,494
Medium and Long Term Loans	28,826	9,244
Total	75,592	19,738

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

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

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

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

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

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	253,991	167,758
Recognized Liability for Defined Benefit Obligations	-	-
Insurance Technical Provisions, Net	140,729	128,614
Provision for Promotion Expenses of Credit Cards (*)	52,433	36,208
Other Provisions	34,621	30,449
Total	481,774	363,029

(*) 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 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 remains as of 31 December 2009 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 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, the provision amounting TL 102,601 thousands that was charged fully as expense as of 31 December 2008, was reversed in the accompanying financial statements as of 31 December 2009.

	31 December 2009
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(287,981)
Net present value of medical benefits and health premiums transferable to SSF	191,521
General administrative expenses	(16,957)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(113,417)
Fair Value of Plan Assets (2)	836,163
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	722,746
Non-Transferable Benefits:	
Other pension benefits	(188,494)
Other medical benefits	(209,445)
Total Non-Transferable Benefits (4)	(397,939)
Asset Surplus over Total Benefits ((3)-(4)=(5))	324,807
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(191,521)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	133,286

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF in compliance with TAS 19 are as follows:

	31 December 2009
	%
Discount Rate	10.86-8.42
Inflation Rate	6.90-4.80
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	20.50-6.80
Future Pension Increase Rates	6.90-4.80

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 30 September 2010, the corporate tax liability amounts to TL 251,581 thousands (31 December 2009: TL 224,153 thousands) after offsetting with prepaid taxes. In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	251,581	224,153
Taxation on Securities Income	63,974	88,060
Taxation on Real Estates Income	1,454	1,300
Banking Insurance Transaction Tax	27,558	29,843
Foreign Exchange Transaction Tax	22	27
Value Added Tax Payable	1,045	2,694
Others	19,613	38,205
Total	365,247	384,282

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	366	336
Social Security Premiums-Employer	267	255
Bank Pension Fund Premium-Employees	35	30
Bank Pension Fund Premium-Employer	45	15
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	2	-
Unemployment Insurance-Employees	501	492
Unemployment Insurance-Employer	938	910
Others	5	-
Total	2,159	2,038

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 7,677 thousands as of 30 September 2010 (31 December 2009: TL 10,850 thousands).

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

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

5.2.11 Subordinated debts

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

5.2.12 Shareholders’ equity

5.2.12.1 Paid-in capital

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

5.2.12.2 Registered share capital system

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

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	1,320,336	167,358	1,242,755	118,679
Valuation Difference	1,320,336	167,358	1,242,755	118,679
Exchange Rate Difference	-	-	-	-
Total	1,320,336	167,358	1,242,755	118,679

5.2.12.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	240	-	-
Real Estates	2,140	-	2,147	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	596,047	-	596,047	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	598,187	240	598,194	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

Bonus shares resulted from non-cash capital increases from the following investee companies; Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ by TL 23 thousands, Eureko Sigorta AŞ by TL 559 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	504,604	349,148
II. Legal Reserve	44,403	30,127
Special Reserves	-	-
Total	549,007	379,275

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	5,521,244	3,187,603
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	5,521,244	3,187,603

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	49,023	35,125
Profit Share of Subsidiaries Net Profits	15,902	13,884
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	27,471	14
Balance at End of Period	92,396	49,023

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 3,695,792 thousands (31 December 2009: TL 2,264,070 thousands), commitments for cheque payments of TL 1,888,613 thousands (31 December 2009: TL 1,513,244 thousands) and commitments for credit card limits of TL 11,173,596 thousands (31 December 2009: TL 9,120,759 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,107,567	7,653,913
Letters of Guarantee in TL	5,049,520	4,506,694
Letters of Credit	3,325,091	2,827,019
Bills of Exchange and Acceptances	138,965	125,841
Prefinancings	-	-
Total	15,621,143	15,113,467

A specific provision of TL 57,923 thousands (31 December 2009: TL 56,105 thousands) is made for unliquidated non-cash loans of TL 97,736 thousands (31 December 2009: TL 103,115 thousands) recorded under the off-balance sheet items as of 30 September 2010.

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

As of 30 September 2010, in the Bank and its consolidated financial affiliates’ “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 780,555,556 (31 December 2009: USD 932,777,778 and EUR 500,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	843,154	902,088
<i>With Original Maturity of 1 Year or Less</i>	<i>34,326</i>	<i>18,484</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>808,828</i>	<i>883,604</i>
Other Non-Cash Loans	14,777,989	14,211,379
Total	15,621,143	15,113,467

5.3.1.4 Other information on non-cash loans

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

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

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

5.3.2 Financial derivative instruments

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

5.3.3 Contingent liabilities and assets

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

5.3.4 Services rendered on behalf of third parties

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

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	1,572,081	229,535	2,089,497	291,249
Medium and long-term loans	1,526,683	782,705	1,508,246	929,677
Loans under follow-up	41,825	-	28,106	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,140,589	1,012,240	3,625,849	1,220,926

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	2,983	150	5,173	470
Domestic Banks	12,531	14,232	9,962	11,143
Foreign Banks	145,749	45,837	109,377	55,927
Foreign Head Offices and Branches	-	-	-	-
Total	161,263	60,219	124,512	67,540

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	46,255	732	20,287	2,005
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	1,895,958	170,114	2,002,009	177,446
Investments Held-to-Maturity	581,350	74,332	699,157	89,560
Total	2,523,563	245,178	2,721,453	269,011

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	5,013	744

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	53,776	16,315	88,193	11,856
Foreign Banks	316,072	177,494	235,279	241,645
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	46,456	-	42,640
Total	369,848	240,265	323,472	296,141

(*) Includes also fees and commissions expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	1,981	1

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	1,505	17,165	2,638	214	173	2,737	-	24,432
Saving Deposits	529	436,386	889,862	39,516	9,953	7,734	-	1,383,980
Public Sector Deposits	2	1,000	3,506	82	46	4	-	4,640
Commercial Deposits	3,491	287,652	448,801	50,078	6,053	10,823	-	806,898
Others	1,593	2,748	33,748	14,003	9	46	-	52,147
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	7,120	744,951	1,378,555	103,893	16,234	21,344	-	2,272,097
Foreign Currency								
Foreign Currency Deposits	7,051	153,234	206,888	27,439	44,755	29,480	1,226	470,073
Bank Deposits	1,287	9,929	1,521	2,036	1,955	2,155	-	18,883
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2	-	66	-	-	68
Total FC	8,338	163,163	208,411	29,475	46,776	31,635	1,226	489,024
Grand Total	15,458	908,114	1,586,966	133,368	63,010	52,979	1,226	2,761,121

5.4.2.5 Interest expense on repurchase agreements

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

5.4.2.6 Financial lease expenses

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	54,746,114	53,023,946
Trading Account Income	1,370,283	711,349
Derivative Financial Instruments	2,525,370	2,500,730
Foreign Exchange Gain	50,850,461	49,811,867
Losses (-)	54,373,296	52,203,933
Trading Account Losses	1,120,117	332,024
Derivative Financial Instruments	2,583,532	2,182,106
Foreign Exchange Losses	50,669,647	49,689,803
Total	372,818	820,013

TL 4,044,200 thousands (30 September 2009: TL 4,451,282 thousands) of foreign exchange gains and TL 4,281,144 thousands (30 September 2009: TL 5,477,287 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	361,941	1,098,580
<i>Loans and receivables in Group III</i>	19,261	221,628
<i>Loans and receivables in Group IV</i>	133,122	422,671
<i>Loans and receivables in Group V</i>	209,558	454,281
General Provisions	142,681	19,722
Provision for Possible Losses	-	265,000
Impairment Losses on Financial Assets	422	20,458
<i>Financial assets at fair value through profit or loss</i>	388	43
<i>Financial assets available-for-sale</i>	34	20,415
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	16
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	16
<i>Joint ventures (business partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	-
Others	19,311	70,481
Total	524,355	1,474,257

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	928,784	762,818
Reserve for Employee Termination Benefits	4,240	23
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	125,449	128,941
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	12,107	7,672
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	2,027	-
Depreciation Expenses of Assets to be Disposed	606	533
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	853,410	767,038
<i>Operational lease related expenses</i>	120,174	99,008
<i>Repair and maintenance expenses</i>	22,706	20,872
<i>Advertisement expenses</i>	91,634	64,448
<i>Other expenses</i>	618,896	582,710
Loss on Sale of Assets	1,527	1,126
Others (*)	411,654	341,464
Total	2,339,804	2,009,615

(*) In the current period, this item includes a provision amounting TL 151,685 thousands (30 September 2009: TL 104,600 thousands) for short-term employee benefits.

5.4.8 Information on profit/loss before taxes from continued and discontinued operations

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

5.4.9 Information on provision for taxes for continued and discontinued operations

As of 30 September 2010, on a consolidated basis, the Bank recorded a current tax charge of TL 788,766 thousands (30 September 2009: TL 658,202 thousands) and a deferred tax benefit of TL 99,398 thousands (30 September 2009: TL 39,042 thousands).

Deferred tax benefit/charge on timing differences :

Deferred tax benefit/(charge) on timing differences	Current Period	Prior Period
Increase in Tax Deductable Timing Differences (+)	56,193	99,880
Decrease in Tax Deductable Timing Differences (-)	32,940	6,274
Increase in Taxable Timing Differences (-)	4,617	71,348
Decrease in Taxable Timing Differences (+)	80,762	16,784
Total	99,398	39,042

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

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	Current Period	Prior Period
Increase/(Decrease) in Tax Deductable Timing Differences (net)	23,253	93,606
Increase/(Decrease) in Taxable Timing Differences (net)	76,145	(54,564)
Increase/(Decrease) in Tax Losses (net)	-	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-	-
Total	99,398	39,042

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

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

5.4.11 Net profit/loss

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

None.

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

None.

5.4.11.3 Minority interest’s profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	15,902	10,926

5.4.12 Components of other items in income statement

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

5.5 Consolidated statement of changes in shareholders' equity

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

5.6 Consolidated statement of cash flows

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

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	18,332	3,194	2	920	306,087	374,508
Balance at end of period	145,803	3,248	22	4,045	268,498	421,744
Interest and Commission Income	5,209	-	139	7	17,280	2,439

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	23,597	3,157	25	1,661	274,415	184,521
Balance at end of period	18,332	3,194	2	920	306,087	374,508
Interest and Commission Income	948	1	495	1	18,622	1,528

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	3,826	1,752	360,361	313,475	359,037	186,263
Balance at end of period	312,033	3,826	428,493	360,361	343,285	359,037
Interest Expenses	1,981	1	18,845	11,479	9,295	9,050

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss:						
Balance at beginning of period	4,412	13,500	-	-	3,326	-
Balance at end of period	383,594	4,412	-	-	4,583	3,326
Total Profit/(Loss)	4,484	37,985	-	-	1,465	353
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 353,237 thousands (31 December 2009 TL 266,308 thousands) compose 0.55% (31 December 2009: 0.50%) of the Bank's total cash loans and 0.28% (31 December 2009: 0.23%) of the Bank's total assets. The total loans and similar receivables amounting TL 414,323 thousands (31 December 2009: TL 324,421 thousands) compose 0.33% (31 December 2009: 0.28%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 429,037 thousands (31 December 2009: TL 378,622 thousands) compose 2.75% (31 December 2009: 2.51%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,083,811 thousands (31 December 2009: TL 723,224 thousands) compose 1.43% (31 December 2009: 1.05%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 8,275 thousands (31 December 2009: TL 8,415 thousands) to related parties.

Operating expenses of TL 7,647 thousands (30 September 2009: TL 9,103 thousands) for IT services rendered by related parties and rent income of TL 211 thousands (30 September 2009: TL 192 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 77,875 thousands as of 30 September 2010 (30 September 2009: TL 63,818 thousands) to its top management considered as the key management.

5.7.2.3 *Other matters not required to be disclosed*

None.

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

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

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

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

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

None.

5.10 Other disclosures on activities of bank

5.10.1 Parent bank's latest international risk ratings

MOODY'S (October 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	Positive
Financial Strength Rate (FSR)	C-
FSR Outlook	Stable
Long Term National	Aa1-tr
Short Term National	TR-1

STANDARD AND POORS (February 2010)*

Long Term FC Obligations	BB
Long Term TL Deposit	BB
Outlook	Positive

FITCH RATINGS (April 2010)*

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 (Trk)
Outlook	Stable

CAPITAL INTELLIGENCE (November 2009)*

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

JCR EURASIA RATINGS (May 2010)*

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

(*) Latest dates in risk ratings or outlooks

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

MOODY'S (September 2010)*

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

(*) Latest date in risk ratings or outlooks.

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

FITCH RATINGS (July 2010)*

Foreign Currency	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

(*) Latest date in risk ratings or outlooks.

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

FITCH RATINGS (January 2010)*

Foreign Currency	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
Support	2
Turkish Lira	
Long Term	BBB- (Stable)
Short Term	F3
Outlook	Stable
National	AAA
Outlook	Stable

STANDARD AND POORS (February 2010)*

FC Obligations	BB
TL Obligations	BB
Outlook	Positive

(*) Latest dates in risk ratings or outlooks.

5.10.5 Dividends

At the parent Bank's annual general assembly dated 1 April 2010 it was decided to distribute the profit of 2009 as follows:

2009 PROFIT DISTRIBUTION TABLE	
2009 Net Profit	2,962,241
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(148,112)
Undistributable funds	(3,817)
B – The first dividend at 5% of the paid capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(130,016)
D – The second dividend to shareholders	(140,000)
E – Extraordinary reserves	(2,316,296)
F – II. Legal reserve (Turkish Commercial Code 466/2)	(14,000)

Dividend payments to shareholders started on 12 April 2010.

6 Independent Accountants' Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The consolidated financial statements of the Bank and its financial affiliates as of 30 September 2010, are reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited). It was noted in their independent limited review report dated 1 November 2010 that except for the effect of the matter described in the third paragraph on the financial statements, nothing material had come to their attention that would cause them to believe that the accompanying consolidated interim financial statements did not give a true and fair view of the financial position and results of operations of the Bank and its financial affiliates as of 30 September 2010.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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