

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

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements
As of and For the Three-Month Period Ended
31 March 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
14 May 2010

*This report contains “Independent Accountants’
Limited Review Report” comprising 2 pages
and; “Unconsolidated Financial Statements and
Related Disclosures and Footnotes” comprising 77
pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2010 - 31 MARCH 2010

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") as at 31 March 2010 and the related 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. The financial statements of the Bank as of and for the three month period ended 31 March 2009 were reviewed and as of and for the year ended 31 December 2009 were audited by another auditor. The other independent auditor stated that nothing has come to their attention that causes them to believe that the interim financial statements do not give a true and fair view of the financial position and the results of its operations in their review report dated 14 May 2009 for the financial statements as of 31 March 2009, 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 330,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and all of this reserve amount was charged to the income statement as expense in that period.

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 a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

As of the balance sheet date, the accompanying financial statements include a general reserve amounting to TL 330,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and all of this reserve amount was charged to the income statement as expense in the previous periods.

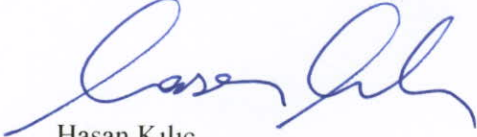
Based on our review, except for the effect of the matter referred to in the preceding paragraph on the financial statements, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank for the period ended 31 March 2010 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

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's 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 AŞ

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner

Istanbul, 14 May 2010

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Interim Financial Report as of and for the Three-Month Period Ended 31 March 2010

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The Unconsolidated Interim Financial Report for the three-month period ended 31 March 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 the Bank
2. Unconsolidated Financial Statements
3. Accounting Policies of Unconsolidated Financial Statements
4. Financial Position and Results of Operations of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Independent Accountants' Limited Review Report

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

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

Aydın Şenel
Executive Vice
President

Mustafa Keleş
Financial Accounting
Director

M. Cüneyt Sezgin
Audit Committee
Member

Des O'Shea
Audit Committee
Member

The authorized contact person for questions on this financial report:

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1 General Information

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 786 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

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

As of 31 March 2010, the group of companies under Doğuş Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğuş Group (the Group). On 22 December 2005, Doğuş Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9,765,000,000 shares of Türkiye Garanti Bankası AŞ at a nominal value of TL 97,650 each to Doğuş Holding AŞ, representing 4.65% of the issued share capital of Türkiye Garanti Bankası AŞ.

Doğuş Group

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

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

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

General Electric Group

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

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

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

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

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	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 and 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 Erun	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 Ersözöglü	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 the bank's qualified shareholders

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

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 the bank's activities and services

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

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

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

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

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

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 31 March 2010

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2010			PRIOR PERIOD 31 December 2009		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	1,099,337	2,933,482	4,032,819	3,848,995	3,016,978	6,865,973
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,098,823	141,938	1,240,761	784,350	130,442	914,792
2.1	Financial assets held for trading		1,098,823	141,938	1,240,761	784,350	130,442	914,792
2.1.1	Government securities		960,986	11,384	972,370	317,533	14,312	331,845
2.1.2	Equity securities		8,645	-	8,645	1,108	-	1,108
2.1.3	Derivative financial assets held for trading		114,358	130,554	244,912	456,737	116,130	572,867
2.1.4	Other securities		14,834	-	14,834	8,972	-	8,972
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)	2,735,607	5,489,545	8,225,152	2,518,057	5,816,281	8,334,338
IV.	INTERBANK MONEY MARKETS		25,005	-	25,005	1,000,180	-	1,000,180
4.1	Interbank money market placements		-	-	-	1,000,180	-	1,000,180
4.2	Istanbul Stock Exchange money market placements		25,005	-	25,005	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	25,488,587	2,695,831	28,184,418	25,218,752	2,876,281	28,095,033
5.1	Equity securities		54,903	78,929	133,832	54,356	78,066	132,422
5.2	Government securities		25,163,130	914,038	26,077,168	24,952,926	1,049,312	26,002,238
5.3	Other securities		270,554	1,702,864	1,973,418	211,470	1,748,903	1,960,373
VI.	LOANS	(5.1.5)	30,716,294	23,227,589	53,943,883	28,582,799	21,149,896	49,732,695
6.1	Performing loans		30,340,113	23,227,589	53,567,702	28,158,157	21,149,896	49,308,053
6.1.1	Loans to bank's risk group	(5.7)	245,116	531,109	776,225	254,147	297,777	551,924
6.1.2	Government securities		-	-	-	-	-	-
6.1.3	Others		30,094,997	22,696,480	52,791,477	27,904,010	20,852,119	48,756,129
6.2	Loans under follow-up		2,114,571	-	2,114,571	2,237,105	-	2,237,105
6.3	Specific provisions (-)		1,738,390	-	1,738,390	1,812,463	-	1,812,463
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	5,123,191	1,378,552	6,501,743	5,960,353	1,385,808	7,346,161
8.1	Government securities		5,123,191	1,378,552	6,501,743	5,960,353	1,385,808	7,346,161
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	29,705	-	29,705	29,705	-	29,705
9.1	Associates consolidated under equity accounting		-	-	-	-	-	-
9.2	Unconsolidated associates		29,705	-	29,705	29,705	-	29,705
9.2.1	Financial investments in associates		27,991	-	27,991	27,991	-	27,991
9.2.2	Non-financial investments in associates		1,714	-	1,714	1,714	-	1,714
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	279,377	749,251	1,028,628	284,458	718,802	1,003,260
10.1	Unconsolidated financial investments in subsidiaries		264,814	749,251	1,014,065	270,155	718,802	988,957
10.2	Unconsolidated non-financial investments in subsidiaries		14,563	-	14,563	14,303	-	14,303
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1	Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Net foreign investment hedges		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(5.1.12)	1,121,944	1,045	1,122,989	1,141,266	1,326	1,142,592
XV.	INTANGIBLE ASSETS (Net)	(5.1.13)	21,469	-	21,469	20,626	-	20,626
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		21,469	-	21,469	20,626	-	20,626
XVI.	INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII.	TAX ASSET		141,634	-	141,634	22,439	-	22,439
17.1	Current tax asset		902	-	902	3,903	-	3,903
17.2	Deferred tax asset	(5.1.15)	140,732	-	140,732	18,536	-	18,536
XVIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	86,940	-	86,940	81,150	-	81,150
18.1	Assets held for sale		86,940	-	86,940	81,150	-	81,150
18.2	Assets of discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(5.1.17)	851,499	51,516	903,015	832,352	40,758	873,110
TOTAL ASSETS			68,819,412	36,668,749	105,488,161	70,325,482	35,136,572	105,462,054

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 31 March 2010

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 31 March 2010			PRIOR PERIOD 31 December 2009		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	38,096,133	27,770,342	65,866,475	36,093,812	26,714,233	62,808,045
1.1 Deposits from bank's risk group	(5.7)	520,026	518,171	1,038,197	467,020	448,044	915,064
1.2 Others		37,576,107	27,252,171	64,828,278	35,626,792	26,266,189	61,892,981
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	156,020	158,760	314,780	111,538	117,246	228,784
III. FUNDS BORROWED	(5.2.3)	3,517,838	9,633,993	13,151,831	3,190,609	9,816,865	13,007,474
IV. INTERBANK MONEY MARKETS	(5.2.4)	5,638,675	-	5,638,675	10,377,251	157,453	10,534,704
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		5,638,675	-	5,638,675	10,377,251	157,453	10,534,704
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2,368,381	27,322	2,395,703	2,339,620	20,730	2,360,350
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		666,556	263,755	930,311	707,043	223,933	930,976
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.2.5)	468	2,238	2,706	914	3,264	4,178
10.1 Financial lease payables		504	2,432	2,936	984	3,548	4,532
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		36	194	230	70	284	354
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	3,348	3,348	-	3,464	3,464
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	3,348	3,348	-	3,464	3,464
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	(5.2.7)	1,117,158	31,360	1,148,518	1,009,841	32,725	1,042,566
12.1 General provisions		455,910	28,606	484,516	407,179	30,155	437,334
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		212,701	-	212,701	165,367	-	165,367
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		448,547	2,754	451,301	437,295	2,570	439,865
XIII. TAX LIABILITY	(5.2.8)	597,974	158	598,132	351,317	151	351,468
13.1 Current tax liability		597,974	158	598,132	351,317	151	351,468
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-
14.1 Assets held for sale		-	-	-	-	-	-
14.2 Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	(5.2.10)	-	858,869	858,869	-	874,358	874,358
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	14,215,709	363,104	14,578,813	13,007,477	308,210	13,315,687
16.1 Paid-in capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital reserves		2,838,147	350,856	3,189,003	2,635,113	295,299	2,930,412
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		1,516,714	352,997	1,869,711	1,313,680	297,466	1,611,146
16.2.4 Revaluation surplus on tangible assets		598,194	-	598,194	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		2,453	-	2,453	2,453	-	2,453
16.2.8 Hedging reserves (effective portion)		(63,648)	(2,141)	(65,789)	(63,648)	(2,167)	(65,815)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves		3,210,014	12,248	3,222,262	3,210,123	12,911	3,223,034
16.3.1 Legal reserves		362,398	4,396	366,794	362,398	4,634	367,032
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		2,847,764	-	2,847,764	2,847,764	-	2,847,764
16.3.4 Other profit reserves		(148)	7,852	7,704	(39)	8,277	8,238
16.4 Profit or loss		3,967,548	-	3,967,548	2,962,241	-	2,962,241
16.4.1 Prior periods profit/loss		2,962,241	-	2,962,241	-	-	-
16.4.2 Current period net profit/loss		1,005,307	-	1,005,307	2,962,241	-	2,962,241
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		66,374,912	39,113,249	105,488,161	67,189,422	38,272,632	105,462,054

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

Türkiye Garanti Bankası Anonim Şirketi
Off-Balance Sheet Items
At 31 March 2010

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		31 March 2010			31 December 2009		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		34,741,544	41,164,844	75,906,388	31,164,658	35,742,945	66,907,603
I. GUARANTEES AND SURETIES	(5.3.1)	4,705,740	10,029,902	14,735,642	4,513,990	10,169,309	14,683,299
1.1. Letters of guarantee		4,692,815	7,273,751	11,966,566	4,513,454	7,451,475	11,964,929
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		322,783	352,881	675,664	331,518	335,464	666,982
1.1.3. Other letters of guarantee		4,370,032	6,920,870	11,290,902	4,181,936	7,116,011	11,297,947
1.2. Bank acceptances		-	118,605	118,605	514	125,327	125,841
1.2.1. Import letter of acceptance		-	118,244	118,244	514	124,968	125,482
1.2.2. Other bank acceptances		-	361	361	-	359	359
1.3. Letters of credit		12,925	2,637,546	2,650,471	22	2,592,507	2,592,529
1.3.1. Documentary letters of credit		-	-	-	-	4	4
1.3.2. Other letters of credit		12,925	2,637,546	2,650,471	22	2,592,503	2,592,525
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	(5.3.1)	16,114,389	4,274,595	20,388,984	15,449,634	4,255,825	19,705,459
2.1. Irrevocable commitments		16,114,389	4,273,948	20,388,337	15,449,634	4,255,179	19,704,813
2.1.1. Asset purchase and sale commitments		456,970	1,581,115	2,038,089	270,190	1,170,188	1,440,378
2.1.2. Deposit purchase and sale commitments		35,000	50,332	85,332	46,000	1,736	47,736
2.1.3. Share capital commitments to associates and subsidiaries		2,250	9,616	11,866	2,250	10,136	12,386
2.1.4. Loan granting commitments		3,350,629	1,470,381	4,821,010	3,270,340	1,694,866	4,965,209
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1,595,725	-	1,595,725	1,513,300	-	1,513,300
2.1.8. Tax and fund obligations on export commitments		25,870	-	25,870	25,746	-	25,746
2.1.9. Commitments for credit card limits		9,383,735	-	9,383,735	9,057,598	-	9,057,598
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	1,162,500	2,426,710	1,264,210	1,378,250	2,642,460
2.2. Revocable commitments		-	647	647	-	646	646
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	647	647	-	646	646
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	13,921,415	26,860,347	40,781,762	11,201,034	21,317,811	32,518,845
3.1. Derivative financial instruments held for risk management		-	1,109	1,109	-	1,295	1,295
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	1,109	1,109	-	1,295	1,295
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		13,921,415	26,859,238	40,780,653	11,201,034	21,316,516	32,517,550
3.2.1. Forward foreign currency purchases/sales		2,905,113	3,941,077	6,846,190	1,927,085	2,992,507	4,919,592
3.2.1.1. Forward foreign currency purchases		1,278,668	2,188,080	3,466,748	716,991	1,761,347	2,478,338
3.2.1.2. Forward foreign currency sales		1,626,445	1,752,997	3,379,442	1,210,094	1,231,160	2,441,254
3.2.2. Currency and interest rate swaps		5,337,577	10,834,786	16,172,363	5,776,756	8,787,554	14,564,310
3.2.2.1. Currency swaps-purchases		2,330,562	5,496,849	7,827,411	2,588,879	4,718,074	7,306,953
3.2.2.2. Currency swaps-sales		3,003,296	5,244,893	8,248,189	3,187,877	3,965,784	7,153,661
3.2.2.3. Interest rate swaps-purchases		1,825	46,331	48,226	-	51,852	51,852
3.2.2.4. Interest rate swaps-sales		1,824	46,713	48,537	-	51,844	51,844
3.2.3. Currency, interest rate and security options		5,642,961	11,352,955	16,995,920	3,469,504	8,863,465	12,332,966
3.2.3.1. Currency call options		2,085,975	4,462,722	6,548,697	1,211,007	3,047,363	4,258,370
3.2.3.2. Currency put options		3,495,395	3,543,835	7,039,234	2,234,906	2,294,698	4,529,604
3.2.3.3. Interest rate call options		-	1,723,678	1,723,678	-	1,810,844	1,810,844
3.2.3.4. Interest rate put options		-	1,622,720	1,622,720	-	1,710,560	1,710,560
3.2.3.5. Security call options		31,658	-	31,658	18,368	-	18,368
3.2.3.6. Security put options		29,933	-	29,933	5,223	-	5,223
3.2.4. Currency futures		33,854	53,731	87,585	24,689	24,715	49,404
3.2.4.1. Currency futures-purchases		32,227	34,966	67,193	-	4,704	4,704
3.2.4.2. Currency futures-sales		1,627	18,765	20,392	24,689	20,011	44,700
3.2.5. Interest rate futures		-	9,000	9,000	-	32,184	32,184
3.2.5.1. Interest rate futures-purchases		-	9,000	9,000	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	32,184	32,184
3.2.6. Others		1,910	667,685	669,595	3,000	616,091	619,091
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		204,009,661	134,991,459	339,001,120	185,131,605	131,521,185	316,652,790
IV. ITEMS HELD IN CUSTODY		51,226,993	15,351,870	66,578,863	45,183,674	15,367,633	60,551,307
4.1. Customers' securities held		31,706,896	1,075	31,707,971	23,873,575	1,133	23,874,708
4.2. Investment securities held in custody		12,505,518	4,661,837	17,167,355	14,546,869	4,662,027	19,208,896
4.3. Checks received for collection		4,884,370	815,346	5,699,716	4,762,507	822,559	5,585,066
4.4. Commercial notes received for collection		2,078,984	1,728,665	3,807,653	1,955,218	1,791,447	3,746,665
4.5. Other assets received for collection		28,085	7,709,501	7,737,586	21,265	7,683,438	7,704,703
4.6. Assets received through public offering		-	37,065	37,065	-	34,412	34,412
4.7. Other items under custody		23,140	398,377	421,517	24,240	372,617	396,857
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		152,782,668	119,639,589	272,422,257	139,947,931	116,153,552	256,101,483
5.1. Securities		655,656	243	655,899	548,240	257	548,497
5.2. Guarantee notes		21,847,863	7,246,647	29,094,510	20,386,072	7,192,615	27,578,687
5.3. Commodities		-	-	-	-	-	-
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		29,383,902	35,281,624	64,665,526	26,911,048	34,618,660	61,529,708
5.6. Other pledged items		100,895,077	77,110,633	178,005,710	92,102,401	74,341,580	166,443,981
5.7. Pledged items-depository		170	442	612	170	440	610
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		238,751,205	176,156,303	414,907,508	216,296,263	167,264,130	383,560,393

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Three-Month Period Ended 31 March 2010

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2010- 31 March 2010	PRIOR PERIOD 1 January 2009- 31 March 2009
I. INTEREST INCOME	(5.4.1)	2,486,098	2,766,710
1.1 Interest income on loans		1,306,232	1,667,557
1.2 Interest income on reserve deposits		25,841	49,284
1.3 Interest income on banks		54,925	48,383
1.4 Interest income on money market transactions		287	727
1.5 Interest income on securities portfolio		1,063,582	959,374
1.5.1 Trading financial assets		9,813	6,286
1.5.2 Financial assets valued at fair value through profit or loss		-	-
1.5.3 Financial assets available-for-sale		843,609	677,886
1.5.4 Investments held-to-maturity		210,160	275,202
1.6 Financial lease income		-	-
1.7 Other interest income		35,231	41,385
II. INTEREST EXPENSE	(5.4.2)	1,104,229	1,660,457
2.1 Interest on deposits		818,452	1,236,950
2.2 Interest on funds borrowed		161,113	165,803
2.3 Interest on money market transactions		121,328	255,738
2.4 Interest on securities issued		-	-
2.5 Other interest expenses		3,336	1,966
III. NET INTEREST INCOME (I - II)		1,381,869	1,106,253
IV. NET FEES AND COMMISSIONS INCOME		442,156	417,919
4.1 Fees and commissions received		543,099	534,322
4.1.1 Non-cash loans		45,335	42,301
4.1.2 Others		497,764	492,021
4.2 Fees and commissions paid		100,943	116,403
4.2.1 Non-cash loans		180	218
4.2.2 Others		100,763	116,185
V. DIVIDEND INCOME	(5.4.3)	43	55
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	172,636	384,665
6.1 Trading account income/losses		121,572	77,765
6.2 Income/losses from derivative financial instruments		(179,131)	387,778
6.3 Foreign exchange gains/losses		230,195	(80,878)
VII. OTHER OPERATING INCOME	(5.4.5)	216,508	54,926
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		2,213,212	1,963,818
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	200,182	577,163
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	741,764	551,349
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,271,266	835,306
XII. INCOME RESULTED FROM MERGERS		-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	1,271,266	835,306
XVI. PROVISION FOR TAXES (±)	(5.4.9)	265,959	184,543
16.1 Current tax charge		386,876	212,042
16.2 Deferred tax charge/(credit)		(120,917)	(27,499)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	1,005,307	650,763
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)	1,005,307	650,763
Earnings per Share		0.239	0.155

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Income/Expense Items Accounted for under Shareholders' Equity For the Three-Month Period Ended 31 March 2010

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2010- 31 March 2010	PRIOR PERIOD 1 January 2009- 31 March 2009
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	262,426	158,773
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(772)	20,132
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	33	(68,252)
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	(20,009)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	44,510	11,642
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	(48,378)	(32,791)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	257,819	69,495
XI. CURRENT PERIOD PROFIT/LOSSES	1,005,307	650,763
1.1 Net changes in fair value of securities (transferred to income statement)	72,063	17,980
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	933,244	632,783
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1,263,126	720,258

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Three-Month Period Ended 31 March 2010

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (1 January - 31 March 2009)																	
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	272,893	-	1,470,724	4,837	-	1,750,488	392,517	597,090	2,453	(6,362)	-	9,469,074
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	(5.5)	4,200,000	772,554	11,880	-	272,893	-	1,470,724	4,837	-	1,750,488	392,517	597,090	2,453	(6,362)	-	9,469,074
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	137,614	-	-	-	-	137,614
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(84,098)	-	(84,098)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(68,242)	-	(68,242)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(15,856)	-	(15,856)
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences		-	-	-	-	202	-	-	(79)	-	-	15,856	-	-	-	-	15,979
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		-	-	-	-	-	-	-	-	650,763	-	-	-	-	-	-	650,763
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4,200,000	772,554	11,880	-	273,095	-	1,470,724	4,758	650,763	1,750,488	545,987	597,090	2,453	(90,460)	-	10,189,332
CURRENT PERIOD (1 January - 31 March 2010)																	
I. Balances at beginning of the period	(5.5)	4,200,000	772,554	11,880	-	367,032	-	2,847,764	8,238	-	2,962,241	1,611,146	598,194	2,453	(65,815)	-	13,315,687
Changes during the period																	
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	258,565	-	-	-	-	258,565
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	26
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	26
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	(238)	-	-	(534)	-	-	-	-	-	-	-	(772)
IX. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period net profit/loss		-	-	-	-	-	-	-	-	1,005,307	-	-	-	-	-	-	1,005,307
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4,200,000	772,554	11,880	-	366,794	-	2,847,764	7,704	1,005,307	2,962,241	1,869,711	598,194	2,453	(65,789)	-	14,578,813

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Three-Month Period Ended 31 March 2010

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2010- 31 March 2010	PRIOR PERIOD 1 January 2009- 31 March 2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1,644,138	454,862
1.1.1 Interests received		2,536,100	2,766,984
1.1.2 Interests paid		(1,169,301)	(1,890,635)
1.1.3 Dividend received		43	55
1.1.4 Fees and commissions received		580,295	575,277
1.1.5 Other income		135,636	84,167
1.1.6 Collections from previously written-off loans and other receivable:		14,442	7,208
1.1.7 Payments to personnel and service suppliers		(565,476)	(442,629)
1.1.8 Taxes paid		(29,231)	(17,668)
1.1.9 Others	(5.6)	141,630	(627,897)
1.2 Changes in operating assets and liabilities		(7,212,352)	2,783,259
1.2.1 Net (increase) decrease in financial assets held for trading		(650,813)	(144,569)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(1,411,081)	(1,430,378)
1.2.4 Net (increase) decrease in loans		(4,116,110)	(609,823)
1.2.5 Net (increase) decrease in other assets		839,541	(187,781)
1.2.6 Net increase (decrease) in bank deposits		(587,758)	(300,056)
1.2.7 Net increase (decrease) in other deposits		3,580,928	5,948,464
1.2.8 Net increase (decrease) in funds borrowed		252,894	989,562
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(5,119,953)	(1,482,160)
I. Net cash flow from banking operations		(5,568,214)	3,238,121
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		1,092,523	(734,830)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(5,817)	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(30,486)	(60,403)
2.4 Sales of tangible assets		201	17,868
2.5 Cash paid for purchase of financial assets available-for-sale		(4,317,440)	(3,313,110)
2.6 Cash obtained from sale of financial assets available-for-sale		4,756,598	2,620,815
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		689,467	-
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(1,621)	(12,814)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(1,621)	(12,814)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	15,542	216,464
V. Net increase/(decrease) in cash and cash equivalents		(4,461,770)	2,706,942
VI. Cash and cash equivalents at beginning of period		8,130,742	5,031,725
VII. Cash and cash equivalents at end of period		3,668,972	7,738,667

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

3 Accounting policies

3.1 Basis of presentation

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

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for 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 and that are in foreign currencies which are presented on a fair value basis.

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

3.1.1 Additional paragraph for convenience translation to English

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

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

3.2.1 Strategy for the use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

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

3.3 Investments in associates and subsidiaries

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

3.4 Forwards, options and other derivative transactions

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

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

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

3.5 Interest income and expenses

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

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

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

3.6 Fees and commissions

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

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

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

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

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

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

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

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

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

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

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

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

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction 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.

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

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

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

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

	31 March 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 and these contributions are as follows:

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

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.

b) Other benefits not transferable to SSF

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

The tax applications for foreign branches;

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

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

3.18.2 Deferred taxes

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

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

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

3.18.3 Transfer pricing

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

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

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

3.19 Funds borrowed

The Bank generates funds from domestic and foreign sources 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 31 March 2010, the Bank does not have any government incentives or grants.

3.23 Segment reporting

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

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

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

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

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

Information on the business segments is as follows:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	724,901	611,629	723,525	153,114	2,213,169
Other	-	-	-	-	-
Total Operating Profit	724,901	611,629	723,525	153,114	2,213,169
Net Operating Profit	241,968	322,887	699,926	6,442	1,271,223
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	43	43
Net Operating Profit	241,968	322,887	699,926	6,485	1,271,266
Provision for Taxes	-	-	-	265,959	265,959
Net Profit	241,968	322,887	699,926	(259,474)	1,005,307
Segment Assets	17,767,281	36,176,602	47,654,710	2,831,235	104,429,828
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,058,333	1,058,333
Undistributed Items	-	-	-	-	-
Total Assets	17,767,281	36,176,602	47,654,710	3,889,568	105,488,161
Segment Liabilities	38,347,839	28,497,399	21,783,133	2,280,977	90,909,348
Shareholders' Equity	-	-	-	14,578,813	14,578,813
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	38,347,839	28,497,399	21,783,133	16,859,790	105,488,161
Other Segment Items					
Capital Expenditures	-	-	-	31,729	31,729
Depreciation Expenses	23,756	11,709	584	3,271	39,320
Impairment Losses	129,155	64,171	407	7,140	200,873
Other Non-Cash Income/Expenses	(10,692)	1,506	(144,742)	(38,953)	(192,881)
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	634,073	585,821	597,361	146,508	1,963,763
Other	-	-	-	-	-
Total Operating Profit	634,073	585,821	597,361	146,508	1,963,763
Net Operating Profit	82,196	211,499	548,447	(6,891)	835,251
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	55	55
Net Operating Profit	82,196	211,499	548,447	(6,836)	835,306
Provision for Taxes	-	-	-	184,543	184,543
Net Profit	82,196	211,499	548,447	(191,379)	650,763
Segment Assets	16,937,989	32,794,707	51,676,386	3,020,007	104,429,089
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,032,965	1,032,965
Undistributed Items	-	-	-	-	-
Total Assets	16,937,989	32,794,707	51,676,386	4,052,972	105,462,054
Segment Liabilities	36,742,265	26,367,015	27,062,023	1,975,064	92,146,367
Shareholders' Equity	-	-	-	13,315,687	13,315,687
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	36,742,265	26,367,015	27,062,023	15,290,751	105,462,054
Other Segment Items					
Capital Expenditures	-	-	-	264,561	264,561
Depreciation Expenses	24,856	12,460	1,016	4,952	43,284
Impairment Losses	261,610	196,567	42,144	76,841	577,163
Other Non-Cash Income/Expenses	106,346	138,440	(212,085)	(16,950)	15,751
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 20.63%.

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

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

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

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

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

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

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

4.1.2 Capital adequacy ratio

	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	18,493,237	-	2,470,459	14,100,577	40,164,118	367,221	21,262
Cash on Hand	572,647	-	190	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,605,353	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,356,789	-	2,058,113	-	1,761,982	-	-
Interbank Money Market Placements	25,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,830,086	-	-	-	-	-	-
Loans	3,134,549	-	175,178	13,904,740	35,164,100	367,221	21,262
Loans under Follow-Up (Net)	-	-	-	-	376,181	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	6,361,088	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	19,795	-	-
Miscellaneous Receivables	48,630	-	-	-	73,570	-	-
Accrued Interest and Income	179,476	-	23,516	195,837	629,403	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	-	1,045,223	-	-
Tangible Assets (Net)	-	-	-	-	1,033,207	-	-
Other Assets	379,619	-	213,462	-	60,657	-	-
Off-Balance Sheet Items	1,525,107	-	1,099,286	801,703	9,550,135	-	-
Non-Cash Loans and Commitments	1,525,107	-	800,727	801,703	9,428,953	-	-
Derivative Financial Instruments	-	-	298,559	-	121,182	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	20,018,344	-	3,569,745	14,902,280	49,714,253	367,221	21,262

4.1.3 Summary information related to capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk (VaCR)	58,472,698	54,763,611
Value at Market Risk (VaMR)	3,207,100	2,525,413
Value at Operational Risk (VaOR)	10,184,205	7,212,178
Shareholders' Equity	14,822,046	13,672,917
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100	20.63%	21.20%

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	366,794	367,032
I. Legal Reserve (Turkish Commercial Code 466/1)	341,504	341,742
II. Legal Reserve (Turkish Commercial Code 466/2)	25,290	25,290
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	2,847,764	2,847,764
Reserve allocated as per the Decision held by the General Assembly	2,847,764	2,847,764
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	7,704	8,238
Profit	3,967,548	2,962,241
Current Period Profit	1,005,307	2,962,241
Prior Periods Profit	2,962,241	-
Provision for Possible Losses (upto 25% of Core Capital)	330,000	330,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	596,047	596,047
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) (*)	129,857	133,651
Prepaid Expenses (-) (*)	232,963	210,859
Intangible Assets (-) (*)	21,469	20,626
Deferred Tax Asset excess of 10% of Core Capital (-) (*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	12,716,002	11,730,620
SUPPLEMENTARY CAPITAL		
General Provisions	484,516	437,334
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus shares of Associates, Subsidiaries and Joint-Ventures	2,453	2,453
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	851,420	851,910
45% of Securities Value Increase Fund (**)	826,664	710,309
Associates and Subsidiaries	116,301	95,790
Investment Securities Available for Sale	710,363	614,519
Other Reserves	-	-
Total Supplementary Capital	2,166,019	2,002,972

TIER III CAPITAL	-	-
CAPITAL	14,882,021	13,733,592
DEDUCTIONS FROM CAPITAL	59,975	60,675
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	13,110	13,110
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	46,865	47,565
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	14,822,046	13,672,917

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

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

4.2 Credit risk

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

4.3 Market risk

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

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

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

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

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

Market risks arising from trading transactions are measured by internal risk measurement model using value at risk (VaR) methodology. In the VaR calculations, trading, 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

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	139,256
(II) Capital Obligation against Specific Risks - Standard Method	38,040
(III) Capital Obligation against Currency Risk - Standard Method	59,389
(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	19,883
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	256,568
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	3,207,100

4.3.2 Monthly average values at market risk

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

4.4 Operational risk

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

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2010, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to TL 48,840 thousands (31 December 2009: TL 845,840 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 54,560 thousands (31 December 2009: TL 893,798 thousands), while net foreign currency long position amounts to TL 5,720 thousands (31 December 2009: TL 47,958 thousands).

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

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

	USD	EUR	Yen (100)	GBP
Foreign currency purchase rates at balance sheet date	1.5000	2.0284	1.6080	2.2713
<u>Rates for the days before balance sheet date:</u>				
Day 1	1.5100	2.0269	1.6232	2.2804
Day 2	1.5100	2.0337	1.6304	2.2612
Day 3	1.5200	2.0366	1.6416	2.2653
Day 4	1.5200	2.0365	1.6421	2.2643
Day 5	1.5150	2.0203	1.6348	2.2536
Last 30-days arithmetical average rates	1.5145	2.0556	1.6668	2.2796

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	1,198,355	1,710,952	389	23,786	2,933,482
Banks	2,916,299	2,519,768	18,427	35,051	5,489,545
Financial Assets at Fair Value through Profit/Loss	88,643	37,656	-	-	126,299
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	225,644	2,470,187	-	-	2,695,831
Loans (*)	7,821,174	16,855,625	31,820	491,977	25,200,596
Investments in Associates, Subsidiaries and Joint-Ventures	625,705	123,546	-	-	749,251
Investments Held-to-Maturity	-	1,378,552	-	-	1,378,552
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	828	217	-	-	1,045
Intangible Assets	-	-	-	-	-
Other Assets	9,502	34,043	593	667	44,805
Total Assets	12,886,150	25,130,546	51,229	551,481	38,619,406
Liabilities					
Bank Deposits	593,220	499,406	4	7,413	1,100,043
Foreign Currency Deposits	10,919,598	14,979,943	28,332	448,239	26,376,112
Interbank Money Market Takings	-	-	-	-	-
Other Fundings	3,422,296	7,069,950	616	-	10,492,862
Securities Issued	-	-	-	-	-
Miscellaneous Payables	9,214	16,934	274	900	27,322
Derivative Financial Liabilities Held for Risk Management	-	3,348	-	-	3,348
Other Liabilities (**)	195,389	171,626	2,027	299,517	668,559
Total Liabilities	15,139,717	22,741,207	31,253	756,069	38,668,246
Net 'On Balance Sheet' Position	(2,253,567)	2,389,339	19,976	(204,588)	(48,840)
Net 'Off-Balance Sheet' Position	2,501,929	(2,681,559)	(18,509)	252,699	54,560
Derivative Assets	4,273,330	7,303,413	90,566	783,286	12,450,595
Derivative Liabilities	1,771,401	9,984,972	109,075	530,587	12,396,035
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	12,662,309	23,653,640	39,485	705,702	37,061,136
Total Liabilities	13,779,499	23,281,265	29,995	816,217	37,906,976
Net 'On Balance Sheet' Position	(1,117,190)	372,375	9,490	(110,515)	(845,840)
Net 'Off-Balance Sheet' Position	1,409,510	(624,017)	(8,891)	117,196	893,798
Derivative Assets	2,479,074	6,237,239	8,893	1,028,763	9,753,969
Derivative Liabilities	1,069,564	6,861,256	17,784	911,567	8,860,171
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,973,007 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities also include gold deposits of TL 294,187 thousands.

4.6 Interest rate risk

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	716,040	-	-	-	-	3,316,779	4,032,819
Banks	1,891,105	3,723,300	1,494,810	30,000	-	1,085,937	8,225,152
Financial Assets at Fair Value through Profit/Loss	110,024	49,413	802,334	11,341	5,511	262,138	1,240,761
Interbank Money Market Placements	25,000	-	-	-	-	5	25,005
Financial Assets Available-for-Sale	10,905,812	1,602,097	9,815,044	2,015,996	618,469	3,227,000	28,184,418
Loans	13,976,619	11,525,543	9,986,126	12,175,919	5,102,843	1,176,833	53,943,883
Investments Held-to-Maturity	910,865	95,180	2,059,351	2,026,372	1,269,319	140,656	6,501,743
Other Assets	17,948	5,509	459	6,775	6,899	3,296,790	3,334,380
Total Assets	28,553,413	17,001,042	24,158,124	16,266,403	7,003,041	12,506,138	105,488,161
Liabilities							
Bank Deposits	617,625	63,837	52,769	-	-	1,006,232	1,740,463
Other Deposits	47,069,523	4,496,178	2,124,096	32,190	7,500	10,396,525	64,126,012
Interbank Money Market Takings	5,043,890	85	550,000	-	-	44,700	5,638,675
Miscellaneous Payables	-	-	-	-	-	2,395,703	2,395,703
Securities Issued	-	-	-	-	-	-	-
Other Fundings	4,385,598	1,890,107	1,660,902	2,804,852	3,150,298	118,943	14,010,700
Other Liabilities	1,642	1,178	308	17	-	17,573,463	17,576,608
Total Liabilities	57,118,278	6,451,385	4,388,075	2,837,059	3,157,798	31,535,566	105,488,161
On Balance Sheet Long Position	-	10,549,657	19,770,049	13,429,344	3,845,243	-	47,594,293
On Balance Sheet Short Position	(28,564,865)	-	-	-	-	(19,029,428)	(47,594,293)
Off-Balance Sheet Long Position	1,291	1,738	11,492	-	-	-	14,521
Off-Balance Sheet Short Position	(459)	(1,942)	(11,538)	-	-	-	(13,939)
Total Position	(28,564,033)	10,549,453	19,770,003	13,429,344	3,845,243	(19,029,428)	582

(*) 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	-	-	-	5.20
Banks (*)	1.57	1.67	-	8.49
Financial Assets at Fair Value through Profit/Loss	4.77	6.94	-	7.85
Interbank Money Market Placements	-	-	-	6.75
Financial Assets Available-for-Sale	4.18	5.63	-	13.63
Loans	5.35	5.42	4.79	16.99
Investments Held-to-Maturity	-	7.52	-	14.73
Liabilities				
Bank Deposits	1.18	1.73	-	6.50
Other Deposits	1.96	2.03	0.42	7.69
Interbank Money Market Takings	-	-	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.39	2.19	2.60	11.78

(*) The interest rates for USD and TL placements at banks are 0.63% and 6.56%, respectively, when the placements with range accrual agreements are excluded.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,381,166	-	-	-	-	3,484,807	6,865,973
Banks	2,619,893	3,268,100	1,531,570	-	-	914,775	8,334,338
Financial Assets at Fair Value through Profit/Loss	24,275	8,070	268,548	29,719	4,393	579,787	914,792
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,119,497	5,787,005	8,151,995	2,612,367	468,557	2,955,612	28,095,033
Loans	15,080,303	8,011,378	11,504,216	9,799,800	4,168,639	1,168,359	49,732,695
Investments Held-to-Maturity	1,394,173	1,261,949	92,163	3,056,156	1,261,280	280,440	7,346,161
Other Assets	15,921	459	5,364	7,168	7,093	3,136,877	3,172,882
Total Assets	31,635,228	18,336,961	21,553,856	15,505,210	5,909,962	12,520,837	105,462,054
Liabilities							
Bank Deposits	856,621	48,816	42,404	-	-	1,381,242	2,329,083
Other Deposits	42,500,244	6,048,721	1,833,534	17,405	-	10,079,058	60,478,962
Interbank Money Market Takings	9,925,239	368	400,000	150,000	-	59,097	10,534,704
Miscellaneous Payables	-	-	-	-	-	2,360,350	2,360,350
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,748,328	4,373,084	2,515,234	2,217	-	242,969	13,881,832
Other Liabilities	56	1,424	2,674	23	-	15,872,946	15,877,123
Total Liabilities	60,030,488	10,472,413	4,793,846	169,645	-	29,995,662	105,462,054
On Balance Sheet Long Position	-	7,864,548	16,760,010	15,335,565	5,909,962	-	45,870,085
On Balance Sheet Short Position	(28,395,260)	-	-	-	-	(17,474,825)	(45,870,085)
Off-Balance Sheet Long Position	3,693	6,612	9,275	-	-	-	19,580
Off-Balance Sheet Short Position	(2,815)	(6,383)	(9,428)	-	-	-	(18,626)
Total Position	(28,394,382)	7,864,777	16,759,857	15,335,565	5,909,962	(17,474,825)	954

(*) 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 (*)	1.43	1.64	-	10.70
Financial Assets at Fair Value through Profit/Loss	6.28	3.78	-	9.26
Interbank Money Market Placements	-	-	-	6.50
Financial Assets Available-for-Sale	4.33	5.32	-	13.30
Loans	5.73	5.86	5.06	18.37
Investments Held-to-Maturity	9.25	7.52	-	14.74
Liabilities				
Bank Deposits	0.52	0.90	-	6.85
Other Deposits	1.75	1.93	0.23	7.78
Interbank Money Market Takings	-	4.84	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.43	2.26	3.16	12.37

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

4.7 Liquidity risk

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

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

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios of the first three 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 (%)	127.22	200.62	93.31	130.86

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	2,202,733	1,830,086	-	-	-	-	-	4,032,819
Banks	1,039,604	944,203	843,666	318,479	2,670,680	2,408,520	-	8,225,152
Financial Assets at Fair Value through Profit/Loss	8,205	191,910	112,052	863,609	59,289	5,696	-	1,240,761
Interbank Money Market Placements	-	25,005	-	-	-	-	-	25,005
Financial Assets Available-for-Sale	133,832	791,923	419,992	5,735,016	17,176,967	3,926,688	-	28,184,418
Loans	71,710	11,216,001	5,127,707	7,757,340	17,904,174	11,490,770	376,181	53,943,883
Investments Held-to-Maturity	-	-	95,337	2,106,775	3,016,416	1,283,215	-	6,501,743
Other Assets	449,928	198,964	5,509	459	6,775	6,899	2,665,846	3,334,380
Total Assets	3,906,012	15,198,092	6,604,263	16,781,678	40,834,301	19,121,788	3,042,027	105,488,161
Liabilities								
Bank Deposits	1,004,388	618,061	52,370	7,728	52,917	4,999	-	1,740,463
Other Deposits	10,127,895	47,279,072	4,361,978	2,083,836	134,018	139,213	-	64,126,012
Other Fundings	-	267,222	1,422,304	2,212,578	5,782,815	4,325,781	-	14,010,700
Interbank Money Market Takings	-	5,059,801	85	578,789	-	-	-	5,638,675
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	130,240	2,265,463	-	-	-	-	-	2,395,703
Other Liabilities (**)	587,224	239,267	81,351	86,554	39,028	56,251	16,486,933	17,576,608
Total Liabilities	11,849,747	55,728,886	5,918,088	4,969,485	6,008,778	4,526,244	16,486,933	105,488,161
Liquidity Gap	(7,943,735)	(40,530,794)	686,175	11,812,193	34,825,523	14,595,544	(13,444,906)	-
Prior Period								
Total Assets	6,663,927	15,336,114	7,604,498	15,630,078	39,263,393	18,026,838	2,937,206	105,462,054
Total Liabilities	11,933,622	56,149,486	6,537,262	5,555,020	5,740,904	4,680,869	14,864,891	105,462,054
Liquidity Gap	(5,269,695)	(40,813,372)	1,067,236	10,075,058	33,522,489	13,345,969	(11,927,685)	-

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

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

4.8 Fair values of financial assets and liabilities

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

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

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	353,337	202,087	468,028	308,639
Central Bank of Turkey	740,583	2,719,399	3,375,837	2,596,775
Others	5,417	11,996	5,130	111,564
Total	1,099,337	2,933,482	3,848,995	3,016,978

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	740,583	889,313	3,375,837	850,486
Unrestricted Time Deposits	-	-	-	29,809
Restricted Time Deposits	-	1,830,086	-	1,716,480
Total	740,583	2,719,399	3,375,837	2,596,775

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

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

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

None.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	28,832	4,014	16,263	5,675
Swap Transactions	40,616	96,762	419,367	83,607
Futures	-	68	-	281
Options	44,910	29,710	21,107	26,567
Other	-	-	-	-
Total	114,358	130,554	456,737	116,130

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	236,419	85,965	61,207	411,438
Foreign banks	2,499,188	5,403,580	2,456,850	5,404,843
Foreign headoffices and branches	-	-	-	-
Total	2,735,607	5,489,545	2,518,057	5,816,281

The placements at foreign banks include blocked accounts amounting TL 5,298,800 thousands of which TL 145,657 thousands, TL 180,922 thousands and TL 16,709 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits, and TL 4,955,512 thousands as collateral against funds borrowed.

Due from foreign banks:

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

5.1.4 Financial assets available-for-sale

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

The collateralized financial assets available-for-sale in TL consist of government bonds. The total carrying value of such securities with total face value of TL 1,648,000 thousands (31 December 2009: TL 1,844,500 thousands) is TL 1,620,059 thousands (31 December 2009: TL 1,761,802 thousands). The related accrued interests and impairment losses amount to TL 139,697 thousands (31 December 2009: TL 234,079 thousands) and TL 115 thousands (31 December 2009: TL 29 thousands), respectively. The collateralized financial assets available-for-sale in foreign currencies consist of Eurobonds. The total carrying value of such securities with total face value of USD 7,000,000 (31 December 2009: USD 7,000,000) is USD 7,280,000 (31 December 2009: USD 7,280,000). The related accrued interests amount to USD 325,116 (31 December 2009: USD 211,366).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	1,759,641	11,408	1,995,852	11,162
Assets subject to Repurchase Agreements	3,624,926	-	7,957,698	84,018
Total	5,384,567	11,408	9,953,550	95,180

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	24,971,849	25,142,865
Quoted at Stock Exchange	23,632,062	23,570,847
Unquoted at Stock Exchange	1,339,787	1,572,018
Common Shares	35,305	34,281
Quoted at Stock Exchange (*)	21,305	21,252
Unquoted at Stock Exchange	14,000	13,029
Value Increases/Impairment Losses (-)	3,177,264	2,917,887
Total	28,184,418	28,095,033

(*) TL 8,198 thousands of quoted shares comprise of 26.4389% participation in Garanti Faktoring Hiz. AŞ.

As of 31 March 2010, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 725,000,000 (31 December 2009: USD 875,000,000) and a total carrying value of TL 1,093,835 thousands (31 December 2009: TL 1,322,035 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	254	4,221	2	920
Corporates	254	4,221	2	920
Individuals	-	-	-	-
Indirect Lendings to Shareholders	225,269	280,921	212,884	299,669
Loans to Employees	71,329	-	71,717	-
Total	296,852	285,142	284,603	300,589

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

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	52,031,913	-	1,243,862	291,927
Discounted Bills	157,418	-	74	-
Export Loans	3,030,768	-	101,708	11,687
Import Loans	-	-	-	-
Loans to Financial Sector	1,567,832	-	1,136	28
Foreign Loans	1,154,766	-	11,250	-
Consumer Loans	10,732,178	-	73,197	30,053
Credit Cards	6,839,208	-	63,772	131,953
Precious Metal Loans	250,628	-	29	3,347
Other	28,299,115	-	992,696	114,859
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	52,031,913	-	1,243,862	291,927

Collaterals received for loans under follow-up:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	67,518	314	-	67,832
Loans Collateralized by Mortgages	725,876	64,222	-	790,098
Loans Collateralized by Pledged Assets	148,470	6,832	-	155,302
Loans Collateralized by Cheques and Notes	57,648	14,006	-	71,654
Loans Collateralized by Other Collaterals	187,836	3,005	-	190,841
Unsecured Loans	49,466	14,871	195,725	260,062
Total	1,236,814	103,250	195,725	1,535,789

Delinquency periods of loans under follow-up:

	Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	43,966	45,601	49,935	139,502
61-90 days	15,735	13,166	13,837	42,738
Others	1,177,113	44,483	131,953	1,353,549
Total	1,236,814	103,250	195,725	1,535,789

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	382,231	9,268,194	9,650,425
Housing Loans	55,794	5,612,989	5,668,783
Automobile Loans	12,961	539,927	552,888
General Purpose Loans	312,321	3,059,481	3,371,802
Other	1,155	55,797	56,952
Consumer Loans – FC-indexed	658	662,369	663,027
Housing Loans	-	598,159	598,159
Automobile Loans	89	16,349	16,438
General Purpose Loans	569	47,861	48,430
Other	-	-	-
Consumer Loans – FC	34	31,877	31,911
Housing Loans	-	17,381	17,381
Automobile Loans	-	12,720	12,720
General Purpose Loans	34	1,776	1,810
Other	-	-	-
Retail Credit Cards – TL	6,687,314	80,150	6,767,464
With Installment	2,682,061	80,150	2,762,211
Without Installment	4,005,253	-	4,005,253
Retail Credit Cards – FC	16,486	1	16,487
With Installment	1,615	1	1,616
Without Installment	14,871	-	14,871
Personnel Loans – TL	21,155	15,894	37,049
Housing Loan	-	1,786	1,786
Automobile Loans	-	247	247
General Purpose Loans	21,155	13,861	35,016
Other	-	-	-
Personnel Loans - FC-indexed	-	206	206
Housing Loans	-	159	159
Automobile Loans	-	47	47
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	34	138	172
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	34	138	172
Other	-	-	-
Personnel Credit Cards – TL	26,140	279	26,419
With Installment	19,373	279	19,652
Without Installment	6,767	-	6,767
Personnel Credit Cards – FC	357	-	357
With Installment	32	-	32
Without Installment	325	-	325
Deposit Accounts– TL (real persons)	452,638	-	452,638
Deposit Accounts– FC (real persons)	-	-	-
Total	7,587,047	10,059,108	17,646,155

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	471,849	3,628,247	4,100,096
Real Estate Loans	1,987	386,000	387,987
Automobile Loans	45,356	744,194	789,550
General Purpose Loans	424,506	2,498,053	2,922,559
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	76,079	473,437	549,516
Real Estate Loans	-	52,919	52,919
Automobile Loans	3,595	143,053	146,648
General Purpose Loans	72,484	277,465	349,949
Other	-	-	-
Installment-based Commercial Loans – FC	319	93,082	93,401
Real Estate Loans	-	375	375
Automobile Loans	41	4,235	4,276
General Purpose Loans	278	3,119	3,397
Other	-	85,353	85,353
Corporate Credit Cards – TL	219,490	905	220,395
With Installment	79,194	905	80,099
Without Installment	140,296	-	140,296
Corporate Credit Cards – FC	3,811	-	3,811
With Installment	15	-	15
Without Installment	3,796	-	3,796
Deposit Accounts– TL (corporates)	448,090	-	448,090
Deposit Accounts– FC (corporates)	-	-	-
Total	1,219,638	4,195,671	5,415,309

5.1.5.6 Allocation of loans by customers

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

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	52,401,686	48,370,142
Foreign Loans	1,166,016	937,911
Total	53,567,702	49,308,053

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	551,435	339,778
Indirect Lending	-	-
Total	551,435	339,778

5.1.5.9 Specific provisions for loans

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	72,818	185,391
Doubtful Loans and Receivables	486,719	560,941
Uncollectible Loans and Receivables	1,178,853	1,066,131
Total	1,738,390	1,812,463

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

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross Amounts before Specific Provisions)	22,464	153,815	242,539
Restructured Loans and Receivables	22,464	153,815	242,539
Rescheduled Loans and Receivables	-	-	-
Prior Period			
(Gross Amounts before Specific Provisions)	55,667	227,343	229,139
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	317,665	724,054	1,195,386
Additions during the Period (+)	158,612	18,241	7,152
Transfer from Other NPL Categories (+)	-	291,716	288,464
Transfer to Other NPL Categories (-)	291,716	288,464	-
Collections during the Period (-)	53,782	110,440	117,054
Write-offs (-)	-	-	25,263
Corporate and Commercial Loans	-	-	7
Retail Loans	-	-	33
Credit Cards	-	-	25,223
Others	-	-	-
Balances at End of Period	130,779	635,107	1,348,685
Specific Provisions (-)	72,818	486,719	1,178,853
Net Balance on Balance Sheet	57,961	148,388	169,832

Movements in specific loan provisions:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	556,575	493,598	762,290	1,812,463
Additions during the Period(+)	22,039	39,012	107,550	168,601
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	48,569	69,871	98,971	217,411
Write-offs (-)	7	33	25,223	25,263
Balances at End of Period	530,038	462,706	745,646	1,738,390

Non-performing loans and other receivables in foreign currencies:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	6,497	103,687	180,065
Specific Provisions (-)	480	70,888	158,869
Net Balance at Balance Sheet	6,017	32,799	21,196
Prior Period			
Balance at End of Period	73,754	39,090	188,322
Specific Provisions (-)	51,023	19,622	171,637
Net Balance at Balance Sheet	22,731	19,468	16,685

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	57,961	148,388	169,832
Loans to Individuals and Corporates (Gross)	130,779	635,107	1,340,664
Specific Provision (-)	72,818	486,719	1,170,832
Loans to Individuals and Corporates (Net)	57,961	148,388	169,832
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	132,274	163,113	129,255
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,187,365
Specific Provision (-)	185,391	560,941	1,058,110
Loans to Individuals and Corporates (Net)	132,274	163,113	129,255
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	309	495	-	804
Loans Collateralized by Mortgages	394,255	131,017	-	525,272
Loans Collateralized by Pledged Assets	114,204	96,947	-	211,151
Loans Collateralized by Cheques and Notes	126,574	196,451	-	323,025
Loans Collateralized by Other Collaterals	110,764	22,288	-	133,052
Unsecured Loans	31,647	119,764	769,856	921,267
Total	777,753	566,962	769,856	2,114,571

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” policies

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 Investments held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,399,044	277,403	1,860,387	280,390
Investments subject to Repurchase Agreements	2,295,900	-	2,637,831	116,555
Total	3,694,944	277,403	4,498,218	396,945

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,123,184	5,960,353
Treasury Bills	-	-
Other Government Securities	1,378,559	1,385,808
Total	6,501,743	7,346,161

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	6,412,509	7,092,872
Quoted at Stock Exchange	6,412,509	7,092,872
Unquoted at Stock Exchange	-	-
Valuation Increase / (Decrease)	89,234	253,289
Total	6,501,743	7,346,161

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,346,161	7,617,297
Foreign Currency Differences On Monetary Assets	9,104	(27,259)
Purchases during the Period	-	927,839
Disposals through Sales/Redemptions	(689,467)	(1,115,334)
Valuation Effect	(164,055)	(56,382)
Balances at End of Period	6,501,743	7,346,161

5.1.7 Investments in associates

5.1.7.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Eureko Sigorta AŞ	Istanbul/Turkey	20.00	20.00
2	Bankalarası Kart Merkezi AŞ	Istanbul/Turkey	10.15	10.15
3	Yatırım Finansman Menkul Değerler AŞ	Istanbul/Turkey	0.77	0.77
4	İMKB Takas ve Saklama Bankası AŞ	Istanbul/Turkey	5.83	5.83
5	Vadeli İşlem ve Opsiyon Borsası AŞ (1)	Istanbul/Turkey	6.00	6.00
6	KKB Kredi Kayıt Burosı AŞ	Istanbul/Turkey	9.09	9.09
7	Gelişen İşletmeler Piyasaları AŞ	Istanbul/Turkey	5.00	5.00
8	Türkiye Cumhuriyet Merkez Bankası AŞ (1)	Ankara/Turkey	2.48	2.48
9	Kredi Garanti Fonu AŞ	Ankara/Turkey	1.67	1.67

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	585,550	272,099	13,688	4,756	3,674	19,483	144,059	-
2	18,767	16,305	6,338	200	-	1,905	5,481	-
3	449,633	53,687	1,568	5,261	484	3,004	2,148	-
4	1,627,575	276,880	11,126	7,734	2,276	7,890	91,064	-
5	42,956	39,123	4,469	3,590	42	12,345	14,777	-
6	32,291	25,336	1,819	581	-	2,663	9,103	-
7	8,228	8,190	1	193	-	142	2,980	-
8	155,794	10,821	246	3,764	2,291	1,637	10,774	-
9	133,833	130,087	990	1,239	-	2,120	3,713	-

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

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

5.1.7.2 Movement of investments in associates

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

5.1.7.3 Sectoral distribution of investments and associates

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

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

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

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Investments in subsidiaries

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	20,449	13,537	743	-	90	260	(94,022)	-
2	23,048	10,725	728	-	291	579	9,567	-
3	1,258	1,172	3	-	4	358	440	-
4	388	205	38	-	-	-	(140)	-
5	584	454	-	-	1	(486)	187	-
6	1,625,768	360,566	18,022	40,373	-	21,011	256,306	-
7	1,253,208	54,529	2,284	8,668	95	3,047	29,110	113,752
8	33,902	27,142	3,517	183	527	1,850	10,606	-
9	19,106	17,097	796	317	51	721	3,536	-
10	1,873,799	250,237	11,637	5,477	2,249	17,095	165,819	-
11	8,125,514	623,600	92,433	70,392	24,046	22,278	264,143	625,705
12	482,963	112,452	30,745	5,698	3,504	6,362	53,250	113,963
13	9,552	8,249	-	-	-	(93)	4,642	9,651
14	92	-	-	-	-	-	(267)	-

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

5.1.8.2 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	1,003,260	812,128
Movements during the Period	25,368	191,132
Acquisitions and Capital Increases (*)	5,817	655
Bonus Shares Received	-	(125,648)
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	34,117	310,519
Currency Differences on Foreign Subsidiaries	(14,826)	2,228
Impairment Reversals/(Losses)	260	3,378
Balance at End of Period	1,028,628	1,003,260
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.

5.1.8.3 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	739,600	689,498
Insurance Companies	56,545	56,545
Factoring Companies	63,024	68,365
Leasing Companies	76,169	76,169
Finance Companies	78,727	98,380
Other Subsidiaries	14,563	14,303

5.1.8.4 Quoted subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	63,024	68,365
Quoted at International Stock Exchanges	-	-

5.1.8.5 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	202,612	202,612
Valued at Fair Value	812,274	787,166
Valued by Equity Method of Accounting (*)	13,742	13,482

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

5.1.8.6 Investments in subsidiaries disposed during the current period

None.

5.1.8.7 Investments in subsidiaries acquired during the current period

None.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

None.

5.1.12 Tangible assets

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

5.1.13 Intangible assets

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

5.1.14 Investment property

None.

5.1.15 Deferred tax asset

As of 31 March 2010, the Bank has a deferred tax asset of TL 140,732 thousands (31 December 2009: TL 18,536 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 March 2010. However, there is a deferred tax asset of TL 201,982 thousands (31 December 2009: TL 167,727 thousands) and deferred tax liability of TL 61,250 thousands (31 December 2009: TL 149,191 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	82,293	83,136
Accumulated Depreciation (-)	(1,143)	(1,832)
Net Book Value	81,150	81,304
End of Current Period		
Additions	15,993	33,183
Disposals (Cost)	(9,370)	(25,278)
Disposals (Accumulated Depreciation)	11	1,358
Impairment Losses (-)	(691)	(8,748)
Depreciation Expense for Current Period (-)	(153)	(669)
Currency Translation Differences on Foreign Operations	-	-
Cost	88,225	82,293
Accumulated Depreciation (-)	(1,285)	(1,143)
Net Book Value	86,940	81,150

As of 31 March 2010, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 5,464 thousands (31 December 2009: TL 3,263 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint Ventures	16,911	17,353
Sale of Real Estates	-	-
Sale of Other Assets	2,884	2,884
Total	19,795	20,237

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	232,963	210,859
Prepaid Taxes	902	3,903

5.1.18 Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	24,543	-	24,471	9
Financial Assets at Fair Value through Profit or Loss	8,809	211	4,094	1,718
Banks	34,825	13,443	34,936	18,653
Interbank Money Markets	5	-	180	-
Financial Assets Available-for-Sale	2,990,905	102,263	2,713,745	109,445
Loans	453,796	346,856	453,023	290,694
Investments Held-to-Maturity	126,603	14,053	253,061	27,379
Other Accruals	15,952	-	15,769	-
Total	3,655,438	476,826	3,499,279	447,898

5.2 Liabilities

5.2.1 Maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,921,435	-	6,802,759	13,869,923	119,690	105,730	80,189	232	22,899,958
Foreign Currency Deposits	5,015,546	-	8,044,825	10,716,754	337,520	1,080,951	1,092,126	88,390	26,376,112
Residents in Turkey	4,641,231	-	7,571,610	10,224,002	298,288	459,084	801,136	87,035	24,082,386
Residents in Abroad	374,315	-	473,215	492,752	39,232	621,867	290,990	1,355	2,293,726
Public Sector Deposits	658,073	-	5,773	7,265	1,787	10	68	-	672,976
Commercial Deposits	2,169,675	-	3,386,510	7,478,188	116,368	39,142	132,288	-	13,322,171
Other	72,710	-	31,739	454,977	736	134	312	-	560,608
Precious Metal Deposits	290,456	-	34	48	-	3,649	-	-	294,187
Bank Deposits	1,004,388	-	532,957	100,981	10,596	28,738	62,803	-	1,740,463
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	52,189	-	13,122	5,100	-	4,273	-	-	74,684
Foreign Banks	687,650	-	519,835	95,881	10,596	24,465	62,803	-	1,401,230
Special Financial Institutions	264,549	-	-	-	-	-	-	-	264,549
Other	-	-	-	-	-	-	-	-	-
Total	11,132,283	-	18,804,597	32,628,136	586,697	1,258,354	1,367,786	88,622	65,866,475

Prior Period

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

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

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	9,843,449	9,284,979	12,812,583	11,352,216
Foreign Currency Saving Deposits	3,142,862	3,214,814	9,693,148	10,005,530
Other Saving Deposits	127,352	120,181	147,205	175,083
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

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

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

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	416,499	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	203,325	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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	34,854	14,350	12,147	9,949
Swap transactions	103,444	113,792	79,849	81,895
Futures	-	73	-	106
Options	17,722	30,545	19,542	25,296
Other	-	-	-	-
Total	156,020	158,760	111,538	117,246

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	149,909	129,915	154,465	158,979
Foreign Banks, Institutions and Funds	3,367,929	9,504,078	3,036,144	9,657,886
Total	3,517,838	9,633,993	3,190,609	9,816,865

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	135,178	2,854,903	154,465	2,859,824
Medium and Long-Term	3,382,660	6,779,090	3,036,144	6,957,041
Total	3,517,838	9,633,993	3,190,609	9,816,865

5.2.3.2 Disclosures for concentration areas of bank's 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".

5.2.4 Other external funds

Funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	5,059,629	-	9,804,711	-
Financial Institutions and Organizations	5,018,515	-	9,749,113	-
Other Institutions and Organizations	10,109	-	18,423	-
Individuals	31,005	-	37,175	-
Foreign Transactions	579,046	-	572,540	157,453
Financial Institutions and Organizations	578,789	-	572,241	157,453
Other Institutions and Organizations	136	-	176	-
Individuals	121	-	123	-
Total	5,638,675	-	10,377,251	157,453

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	2,917	2,689	4,506	4,155
1-4 Years	19	17	26	23
More than 4 Years	-	-	-	-
Total	2,936	2,706	4,532	4,178

5.2.5.2 Operational lease agreements

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

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	3,348	-	3,464
Net foreign investment hedges	-	-	-	-
Total	-	3,348	-	3,464

5.2.7 Provisions

5.2.7.1 General provisions

	Current Period	Prior Period
General Provision for	484,516	437,334
Loans and Receivables in Group I	415,082	383,421
Loans and Receivables in Group II	28,095	13,342
Non-Cash Loans	41,339	40,571
Other	-	-

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

	Current Period	Prior Period
Short-Term Loans	14,145	10,494
Medium and Long-Term Loans	13,542	9,244
Total	27,687	19,738

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

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

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

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

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

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	212,701	165,367
Recognized Liability for Defined Benefit Obligations	-	-
Provision for Promotion Expenses of Credit Cards (*)	47,760	36,208
Other Provisions	17,578	17,552
Total	278,039	219,127

(*) 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, it was decided to reverse the provision amounting TL 102,601 thousands that was charged fully as expense in prior periods, 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.

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 31 March 2010, the Bank had a current tax liability of TL 469,987 thousands (31 December 2009: TL 198,353 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.

5.2.8.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	469,987	198,353
Taxation on Securities Income	84,377	88,060
Taxation on Real Estates Income	1,657	1,300
Banking Insurance Transaction Tax	28,471	29,605
Foreign Exchange Transaction Tax	28	27
Value Added Tax Payable	1,147	2,672
Others	11,111	30,057
Total	596,778	350,074

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	29	30
Bank Pension Fund Premium-Employer	12	15
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	461	474
Unemployment Insurance-Employer	852	875
Others	-	-
Total	1,354	1,394

5.2.8.2 Deferred tax liability

None.

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

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

5.2.10 Subordinated debts

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

5.2.11 Shareholders’ equity

5.2.11.1 Paid-in capital

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

5.2.11.2 Registered share capital system

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

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	59,496	231,631	63,768	181,780
Valuation difference	26,816	231,631	31,088	181,780
Exchange rate difference	32,680	-	32,680	-
Securities Available-for-Sale	1,457,218	121,366	1,249,912	115,686
Valuation difference	1,457,218	121,366	1,249,912	115,686
Exchange rate difference	-	-	-	-
Total	1,516,714	352,997	1,313,680	297,466

5.2.11.9 Revaluation surplus

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

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

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

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	341,504	341,742
II. Legal Reserve	25,290	25,290
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

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

5.2.12 Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	208,628	62,815	154,150	52,033
Funds Borrowed	69,703	49,240	188,772	54,197
Interbank Money Markets	44,700	-	53,020	6,077
Other Accruals	57,780	651	18,754	537
Total	380,811	112,706	414,696	112,844

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 2,038,089 thousands (31 December 2009: TL 1,440,378 thousands), commitments for cheque payments of TL 1,595,725 thousands (31 December 2009: TL 1,513,300 thousands) and commitments for credit card limits of TL 9,383,735 thousands (31 December 2009: TL 9,057,598 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,273,751	7,451,475
Letters of Guarantee in TL	4,692,815	4,513,454
Letters of Credit	2,650,471	2,592,529
Bills of Exchange and Acceptances	118,605	125,841
Others	-	-
Total	14,735,642	14,683,299

A specific provision of TL 55,963 thousands (31 December 2009: TL 56,105 thousands) is made for unliquidated non-cash loans of TL 97,369 thousands (31 December 2009: TL 103,115 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

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

As of 31 March 2010, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 775,000,000 (31 December 2009: USD 925,000,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	860,364	897,123
With Original Maturity of 1 Year or Less	7,136	13,519
With Original Maturity of More Than 1 Year	853,228	883,604
Other Non-Cash Loans	13,875,278	13,786,176
Total	14,735,642	14,683,299

5.3.1.4 Sectoral risk concentration of non-cash loans

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

5.3.1.5 Non-cash loans classified under Group I and II

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

5.3.2 Financial derivative instruments

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

5.3.3 Contingent liabilities and assets

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

5.3.4 Services rendered on behalf of third parties

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

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	496,369	36,065	747,003	72,941
Medium and long-term loans	497,036	262,320	503,509	336,896
Loans under follow-up	14,442	-	7,208	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	1,007,847	298,385	1,257,720	409,837

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	1,055	18	1,170	295
Domestic Banks	587	118	4,191	180
Foreign Banks	39,483	13,664	18,033	24,514
Foreign Head Offices and Branches	-	-	-	-
Total	41,125	13,800	23,394	24,989

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	9,742	71	5,804	482
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	807,570	36,039	632,989	44,897
Investments Held-to-Maturity	184,777	25,383	245,447	29,755
Total	1,002,089	61,493	884,240	75,134

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	8,810	16,723

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	94,860	51,712	74,815	75,403
Central Bank of Turkey	-	-	-	-
Domestic Banks	3,448	1,256	10,280	1,747
Foreign Banks	91,412	50,456	64,535	73,656
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	14,541	-	15,585
Total	94,860	66,253	74,815	90,988

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest paid to Investments in Associates and Subsidiaries	6,967	4,767

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	466	5,008	-	-	-	-	-	5,474
Saving Deposits	210	139,956	270,676	2,737	2,926	1,923	-	418,428
Public Sector Deposits	-	313	733	33	1	2	-	1,082
Commercial Deposits	651	95,051	170,308	1,407	1,005	3,465	-	271,887
Other	650	641	7,278	14	3	6	-	8,592
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	1,977	240,969	448,995	4,191	3,935	5,396	-	705,463
Foreign Currency								
Foreign Currency Deposits	653	37,775	53,273	1,854	7,619	9,617	456	111,247
Bank Deposits	-	1,719	-	-	-	-	-	1,719
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1	-	22	-	-	23
Total FC	653	39,494	53,274	1,854	7,641	9,617	456	112,989
Grand Total	2,630	280,463	502,269	6,045	11,576	15,013	456	818,452

5.4.2.5 Interest expense on repurchase agreements

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

5.4.2.6 Financial lease expenses

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

5.4.4 Trading income/losses (Net)

	Current Period	Prior Period
Income	14,210,077	17,356,241
Trading Account Income	131,973	83,229
Gains from Derivative Financial Instruments	743,776	1,114,057
Foreign Exchange Gains	13,334,328	16,158,955
Losses (-)	14,037,441	16,971,576
Trading Account Losses	10,401	5,464
Losses from Derivative Financial Instruments	922,907	726,279
Foreign Exchange Losses	13,104,133	16,239,833
Total	172,636	384,665

TL 176,457 thousands (31 March 2009: TL 274,139 thousands) of foreign exchange gains and TL 65,514 thousands (31 March 2009: TL 393,203 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

5.4.5 Other operating income

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

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	147,987	425,962
<i>Loans and receivables in Group III</i>	72,115	238,962
<i>Loans and receivables in Group IV</i>	61,163	64,842
<i>Loans and receivables in Group V</i>	14,709	122,158
General Provisions	48,763	60,406
Provision for Possible Losses	-	15,000
Impairment Losses on Securities	347	118
<i>Financial assets at fair value through profit or loss</i>	347	115
<i>Financial assets available-for-sale</i>	-	3
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	15
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	15
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	3,085	75,662
Total	200,182	577,163

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	288,050	198,463
Reserve for Employee Termination Benefits	934	-
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	37,627	42,014
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	1,540	1,071
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	691	-
Depreciation Expenses of Assets to be Disposed	153	199
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	277,426	216,166
<i>Operational Lease related Expenses</i>	35,723	30,653
<i>Repair and Maintenance Expenses</i>	4,608	4,712
<i>Advertisement Expenses</i>	29,957	19,429
<i>Other Expenses</i>	207,138	161,372
Loss on Sale of Assets	232	376
Others (*)	135,111	93,060
Total	741,764	551,349

(*) In the current period, this item includes a provision amounting TL 46,400 thousands (31 March 2009: TL 46,565 thousands) for short-term employee benefits.

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

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

5.4.9 Provision for taxes including taxes from discontinued operations

As of 31 March 2010, the Bank recorded a tax charge of TL 386,876 thousands (31 March 2009: TL 212,042 thousands) and a deferred tax benefit of TL 120,917 thousands (31 March 2009: TL 27,499 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	Current Period
Increase in tax deductible timing differences (+)	50,053
Decrease in tax deductible timing differences (-)	8,605
Increase in taxable timing differences (-)	894
Decrease in taxable timing differences (+)	80,363
Total	120,917

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
Increase/(decrease) in tax deductible timing differences (net)	41,448
Increase/(decrease) in taxable timing differences (net)	79,469
Increase/(decrease) in tax losses (net)	-
Increase/(decrease) in tax deductions and exemptions (net)	-
Total	120,917

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

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

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in income statement

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

5.5 Statement of Changes in Shareholders' Equity

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

5.6 Statement of Cash Flows

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

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	1,454,678	23,581	2	920	214,868	299,669
Balance at end of period	1,931,988	25,307	254	4,221	226,794	280,921
Interest and Commission Income	11,424	39	2	-	3,785	873

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	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,454,678	23,581	2	920	214,868	299,669
Interest and Commission Income	17,848	30	10	1	5,771	336

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	231,523	240,915	359,876	300,582	323,665	183,763
Balance at end of period	297,455	231,523	377,946	359,876	362,796	323,665
Interest Expense	6,967	4,767	4,497	3,951	2,930	3,054

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Balance at beginning of period	303,015	-	-	-	3,326	-
Balance at end of period	333,199	303,015	-	-	100,959	3,326
Total Profit/(Loss)	40,587	26,704	-	-	576	-
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 776,225 thousands (31 December 2009: TL 551,924 thousands) compose 1.44% (31 December 2009: 1.11%) of the Bank's total cash loans and 0.74% (31 December 2009: 0.52%) of the Bank's total assets. The total loans and similar receivables amounting TL 2,159,036 thousands (31 December 2009: TL 1,669,548 thousands) compose 2.05% (31 December 2009: TL 1.59%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 310,449 thousands (31 December 2009: TL 324,170 thousands) compose 2.11% (31 December 2009: 2.21%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,038,197 thousands (31 December 2009: TL 915,064 thousands) compose 1.58% (31 December 2009: 1.46%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

The Bank has a total lease payable of TL 2,706 thousands (31 December 2009: TL 4,178 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 126 thousands (31 March 2009: TL 747 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 37,546 thousands (31 December 2009: TL 37,215 thousands) to related parties.

Operating expenses of TL 1,168 thousands (31 March 2009: TL 1,508 thousands) for IT services rendered by related parties and rent income of TL 415 thousands (31 March 2009: TL 443 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 47,873 thousands to its top management considered as key management as of 31 March 2010 (31 March 2009: TL 39,338 thousands).

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted under equity method*

Please refer to Note 5.1.8.

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

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

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

5.8 Domestic, Foreign and Off-Shore Branches or Investments and Foreign Representative Offices

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

5.9 Significant Events and Matters Arising Subsequent to Balance Sheet Date

At the 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 – First dividend at 5% of the Paid Capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(130,016)
D – Dividend to the owners of the Founder Shares	(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.

5.10 Other Disclosures on Activities of the Bank

5.10.1 The Bank's latest international risk ratings

MOODY'S (January 2010*)

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

STANDARD AND POORS (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 Support	C 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

(* Latest dates in risk ratings or outlooks.

JCR EURASIA RATINGS (May 2010*)

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

(*) Latest dates in risk ratings or outlooks.

6 Independent Accountants' Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The unconsolidated interim financial statements of the Bank as of 31 March 2010, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu). It was noted in their limited review report dated 14 May 2010 that except for the effect of the matter described in the third paragraph on the financial statements, nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as of 31 March 2010.

6.2 Disclosures and footnotes prepared by independent accountants

None.