

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

**Türkiye Garanti Bankası Anonim Şirketi**  
**And Its Financial Affiliates**  
**Consolidated Financial Statements**  
**As of and For the 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;  
"Consolidated Financial Statements and Related  
Disclosures and Footnotes" comprising 83 pages.*

To the Board of Directors of  
Türkiye Garanti Bankası A.Ş.  
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 consolidated balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") and its consolidated financial affiliates as at 31 March 2010 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements. The consolidated financial statements of the Bank and its financial affiliates 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 consolidated 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 consolidated financial statements as of 31 March 2009, and expressed a qualified opinion in their audit report dated 11 February 2010 for the consolidated financial statements as of 31 December 2009 stating that the consolidated financial statements included a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and TL 330,000 thousands 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 consolidated financial statements include a general reserve amounting to TL 360,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and all of this reserve amount was charged to the income statement as expense in the previous periods.

Based on our review, except for the effect of the matter referred to in the preceding paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank and its consolidated financial affiliates for the period ended 31 March 2010 in accordance with the prevailing accounting principles and standards set out as per the Article No 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç  
Partner

Istanbul, 14 May 2010

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Interim Financial Report**  
**as of and for the Three-Month Period Ended 31 March 2010**

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

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

**Subsidiaries**

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

**Associates**

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1. Eureka Sigorta AŞ

**Special Purpose Entities**

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

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

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

The authorized contact person for questions on this financial report:

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## **1 General Information**

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

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

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

As of 31 March 2010, group of companies under Doğuş Holding AŞ that currently owns 30.52% shares of the Bank, is called as the Doğuş Group (the Group). On 22 December 2005, Doğuş Holding AŞ had completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) Group. Accordingly, GE acquired a joint control on the Bank’s management. On 27 December 2007, GE Araştırma ve Müşavirlik Limited Şti. has sold 9,765,000,000 shares of the Bank at a nominal value of TL 97,650 thousands 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 28 thousands employees.

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

The major investments of the Group in financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Eureko 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 parent bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

#### Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	20 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	28 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	22 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	36 years
Denis Arthur Hall	Member	08.10.2008	College	26 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	University	33 years
Dmitri Lysander Stockton	Member	22.12.2005	University	19 years
Xavier Pascal Durand	Member	02.04.2009	Master	10 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	23 years

#### CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	23 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	32 years
Afzal Mohammed Modak	EVP-Finance & Accounting	20.07.2007	Master	25 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	18 years
Ali Temel	EVP-Loans	21.10.1999	University	20 years
Gökhan 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 Ersözöğlu	EVP-Treasury	05.04.2006	University	19 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	18 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	25 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	29 years
Zekeriya Öztürk	EVP- International Business Development	06.03.2006	Master	15 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	16 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	16 years

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



#### **1.4 Information on parent bank's qualified shareholders**

<b>Company</b>	<b>Shares</b>	<b>Ownership</b>	<b>Paid-in Capital</b>	<b>Unpaid Portion</b>
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 5<sup>th</sup> Commercial Court of First Instance. A total payment of TL 1,434,233 thousands has been made to the owners of 368 founder share-certificates from "extraordinary reserves", and the value of remaining 2 founder share-certificates has been blocked in the bank accounts.

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

#### **1.5 Summary information on parent bank's activities and services**

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

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

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

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

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

## 2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

### Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates Consolidated Balance Sheet (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
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>		5.1.1	1,099,367	2,955,880	4,055,247	3,849,004	3,037,901	6,886,905
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>		5.1.2	1,156,973	294,124	1,451,097	892,050	349,183	1,241,233
2.1 Financial assets held for trading			1,156,973	294,124	1,451,097	892,050	349,183	1,241,233
2.1.1 Government securities			1,005,131	11,384	1,016,515	411,165	14,312	425,477
2.1.2 Equity securities			21,600	14	21,614	9,489	14	9,503
2.1.3 Derivative financial assets held for trading			115,408	155,044	270,452	462,424	179,688	642,112
2.1.4 Other securities			14,834	127,682	142,516	8,972	155,169	164,141
2.2 Financial assets valued at fair value through profit or loss			-	-	-	-	-	-
2.2.1 Government securities			-	-	-	-	-	-
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Loans			-	-	-	-	-	-
2.2.4 Other securities			-	-	-	-	-	-
<b>III. BANKS</b>		5.1.3	3,363,755	5,768,262	9,132,017	3,153,741	6,904,630	10,058,371
<b>IV. INTERBANK MONEY MARKETS</b>			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			-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>		5.1.4	25,678,456	4,429,666	30,108,122	25,422,478	4,347,156	29,769,634
5.1 Equity securities			24,828	78,929	103,757	21,732	78,066	99,798
5.2 Government securities			25,316,778	1,226,562	26,543,340	25,126,111	1,284,849	26,410,960
5.3 Other securities			336,850	3,124,175	3,461,025	274,635	2,984,241	3,258,876
<b>VI. LOANS</b>		5.1.5	31,185,180	26,793,766	57,978,946	28,830,216	24,646,420	53,476,636
6.1 Loans			30,808,999	26,765,253	57,574,252	28,405,574	24,644,204	53,049,778
6.1.1 Loans to bank's risk group		5.7	142,870	170,875	313,745	119,441	146,867	266,308
6.1.2 Government securities			-	-	-	-	-	-
6.1.3 Other			30,666,129	26,594,378	57,260,507	28,286,133	24,497,337	52,783,470
6.2 Loans under follow-up			2,114,571	74,035	2,188,606	2,237,105	58,093	2,295,198
6.3 Specific provisions (-)			1,738,390	45,522	1,783,912	1,812,463	55,877	1,868,340
<b>VII. FACTORING RECEIVABLES</b>		5.1.6	747,187	224,257	971,444	628,065	227,595	855,660
<b>VIII. INVESTMENTS HELD-TO-MATURITY (Net)</b>		5.1.7	5,155,123	1,455,504	6,610,627	5,991,656	1,476,169	7,467,825
8.1 Government securities			5,155,123	1,417,484	6,572,607	5,991,656	1,438,946	7,430,602
8.2 Other securities			-	38,020	38,020	-	37,223	37,223
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>		5.1.8	73,164	-	73,164	69,297	-	69,297
9.1 Associates consolidated under equity accounting			54,419	-	54,419	50,579	-	50,579
9.2 Unconsolidated associates			18,745	-	18,745	18,718	-	18,718
9.2.1 Financial investments in associates			16,768	-	16,768	16,741	-	16,741
9.2.2 Non-financial investments in associates			1,977	-	1,977	1,977	-	1,977
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>		5.1.9	25,994	645	26,639	22,432	681	23,113
10.1 Unconsolidated financial investments in subsidiaries			418	645	1,063	417	681	1,098
10.2 Unconsolidated non-financial investments in subsidiaries			25,576	-	25,576	22,015	-	22,015
<b>XI. INVESTMENTS IN JOINT-VENTURES (Net)</b>		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>		5.1.11	313,943	1,095,457	1,409,400	321,461	1,220,048	1,541,509
12.1 Financial lease receivables			378,690	1,241,726	1,620,416	396,311	1,389,287	1,785,598
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			64,747	146,269	211,016	74,850	169,239	244,089
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT</b>		5.1.12	-	-	-	-	-	-
13.1 Fair value hedges			-	-	-	-	-	-
13.2 Cash flow hedges			-	-	-	-	-	-
13.3 Net foreign investment hedges			-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		5.1.13	1,146,564	118,418	1,264,982	1,166,985	123,268	1,290,253
<b>XV. INTANGIBLE ASSETS (Net)</b>		5.1.14	39,493	5,806	45,299	41,572	5,374	46,946
15.1 Goodwill			6,388	-	6,388	6,388	-	6,388
15.2 Other intangibles			33,105	5,806	38,911	35,184	5,374	40,558
<b>XVI. INVESTMENT PROPERTY (Net)</b>		5.1.15	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>			221,676	316	221,992	115,201	1,455	116,656
17.1 Current tax asset			27,342	316	27,658	36,484	1,455	37,939
17.2 Deferred tax asset		5.1.16	194,334	-	194,334	78,717	-	78,717
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>		5.1.17	86,982	-	86,982	81,192	-	81,192
18.1 Asset held for resale			86,982	-	86,982	81,192	-	81,192
18.2 Assets of discontinued operations			-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>		5.1.18	2,343,581	206,437	2,550,018	2,216,285	192,771	2,409,056
<b>TOTAL ASSETS</b>			72,662,443	43,348,538	116,010,981	73,801,815	42,532,651	116,334,466

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

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

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Balance Sheet (Statement of Financial Position)**  
**At 31 March 2010**

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			31 March 2010			31 December 2009		
			TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	5.2.1		<b>38,272,612</b>	<b>33,187,676</b>	<b>71,460,288</b>	<b>36,270,775</b>	<b>32,510,938</b>	<b>68,781,713</b>
1.1 Deposits from bank's risk group	5.7		233,545	511,152	744,697	248,102	475,122	723,224
1.2 Other			38,039,067	32,676,524	70,715,591	36,022,673	32,035,816	68,058,489
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	5.2.2		<b>160,275</b>	<b>351,880</b>	<b>512,155</b>	<b>117,872</b>	<b>223,544</b>	<b>341,416</b>
<b>III. FUNDS BORROWED</b>	5.2.3		<b>4,241,325</b>	<b>11,224,950</b>	<b>15,466,275</b>	<b>4,127,463</b>	<b>11,338,888</b>	<b>15,466,351</b>
<b>IV. INTERBANK MONEY MARKETS</b>	5.2.4		<b>5,638,675</b>	<b>174,864</b>	<b>5,813,539</b>	<b>10,377,251</b>	<b>387,478</b>	<b>10,764,729</b>
4.1 Interbank money market takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings			-	-	-	-	-	-
4.3 Obligations under repurchase agreements			5,638,675	174,864	5,813,539	10,377,251	387,478	10,764,729
<b>V. SECURITIES ISSUED (Net)</b>			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
<b>VI. FUNDS</b>			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>			<b>3,765,304</b>	<b>109,765</b>	<b>3,875,069</b>	<b>3,642,036</b>	<b>95,805</b>	<b>3,737,841</b>
<b>VIII. OTHER EXTERNAL FUNDINGS PAYABLE</b>			<b>688,078</b>	<b>268,616</b>	<b>956,694</b>	<b>708,793</b>	<b>234,246</b>	<b>943,039</b>
<b>IX. FACTORING PAYABLES</b>	5.2.5		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	5.2.6		-	<b>5,174</b>	<b>5,174</b>	-	<b>5,034</b>	<b>5,034</b>
10.1 Financial lease payables			-	5,174	5,174	-	5,034	5,034
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	5.2.7		-	<b>3,348</b>	<b>3,348</b>	-	<b>3,464</b>	<b>3,464</b>
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	3,348	3,348	-	3,464	3,464
11.3 Net foreign investment hedges			-	-	-	-	-	-
<b>XII. PROVISIONS</b>	5.2.8		<b>1,295,169</b>	<b>48,145</b>	<b>1,343,314</b>	<b>1,182,529</b>	<b>33,939</b>	<b>1,216,468</b>
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			215,679	-	215,679	167,758	-	167,758
12.4 Insurance technical provisions (Net)			136,318	-	136,318	128,614	-	128,614
12.5 Other provisions			487,262	19,539	506,801	478,978	3,784	482,762
<b>XIII. TAX LIABILITY</b>	5.2.9		<b>610,931</b>	<b>23,530</b>	<b>634,461</b>	<b>381,104</b>	<b>16,066</b>	<b>397,170</b>
13.1 Current tax liability			610,315	6,359	616,674	380,809	5,511	386,320
13.2 Deferred tax liability			616	17,171	17,787	295	10,555	10,850
<b>XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
<b>XV. SUBORDINATED DEBTS</b>	5.2.11		-	<b>942,033</b>	<b>942,033</b>	-	<b>991,457</b>	<b>991,457</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	5.2.12		<b>14,838,829</b>	<b>159,802</b>	<b>14,998,631</b>	<b>13,556,361</b>	<b>129,423</b>	<b>13,685,784</b>
16.1 Paid-in capital			4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital reserves			2,776,710	147,554	2,924,264	2,571,092	116,512	2,687,604
16.2.1 Share premium			11,880	-	11,880	11,880	-	11,880
16.2.2 Share cancellation profits			-	-	-	-	-	-
16.2.3 Securities value increase fund			1,448,373	149,695	1,598,068	1,242,755	118,679	1,361,434
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			1,509	-	1,509	1,509	-	1,509
16.2.8 Hedging reserves (effective portion)			(55,800)	(2,141)	(57,941)	(55,800)	(2,167)	(57,967)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations			-	-	-	-	-	-
16.2.10 Other capital reserves			772,554	-	772,554	772,554	-	772,554
16.3 Profit reserves			3,639,085	12,248	3,651,333	3,650,529	12,911	3,663,440
16.3.1 Legal reserves			374,641	4,396	379,037	374,641	4,634	379,275
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			3,187,603	-	3,187,603	3,187,603	-	3,187,603
16.3.4 Other profit reserves			76,841	7,852	84,693	88,285	8,277	96,562
16.4 Profit or loss			4,170,625	-	4,170,625	3,085,717	-	3,085,717
16.4.1 Prior periods profit/loss			3,085,717	-	3,085,717	-	-	-
16.4.2 Current period net profit/loss			1,084,908	-	1,084,908	3,085,717	-	3,085,717
16.5 Minority interest			52,409	-	52,409	49,023	-	49,023
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>69,511,198</b>	<b>46,499,783</b>	<b>116,010,981</b>	<b>70,364,184</b>	<b>45,970,282</b>	<b>116,334,466</b>

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

**Consolidated Off-Balance Sheet Items**

At 31 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
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>37,413,513</b>	<b>52,687,514</b>	<b>90,101,027</b>	<b>33,018,295</b>	<b>45,209,801</b>	<b>78,228,096</b>
<b>I. GUARANTEES AND SURETIES</b>	5.3.1	<b>4,698,238</b>	<b>10,562,533</b>	<b>15,260,771</b>	<b>4,507,230</b>	<b>10,606,237</b>	<b>15,113,467</b>
1.1 Letters of guarantee		4,685,313	7,472,967	12,158,280	4,506,694	7,653,913	12,160,607
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		322,783	550,956	873,739	331,518	535,270	866,788
1.1.3 Other letters of guarantee		4,362,530	6,922,011	11,284,541	4,175,176	7,118,643	11,293,819
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	2,970,961	2,983,886	22	2,826,997	2,827,019
1.3.1 Documentary letters of credit		-	-	-	-	4	4
1.3.2 Other letters of credit		12,925	2,970,961	2,983,886	22	2,826,993	2,827,015
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	-	-	-	-	-
1.9 Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>16,216,527</b>	<b>4,931,968</b>	<b>21,148,495</b>	<b>15,558,625</b>	<b>5,168,345</b>	<b>20,726,970</b>
2.1 Irrevocable commitments		16,216,527	4,931,321	21,147,848	15,558,625	5,167,699	20,726,324
2.1.1 Asset purchase and sale commitments		565,216	1,982,634	2,547,850	387,216	1,876,854	2,264,070
2.1.2 Deposit purchase and sale commitments		35,000	69,726	104,726	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		3,344,874	1,609,647	4,954,521	3,262,629	1,802,239	5,064,868
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		1,595,657	-	1,595,657	1,513,244	-	1,513,244
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		9,383,450	70,980	9,454,430	9,057,330	63,429	9,120,759
2.1.10 Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1,264,210	1,188,718	2,452,928	1,264,210	1,413,305	2,677,515
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
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	5.3.2	<b>16,498,748</b>	<b>37,193,013</b>	<b>53,691,761</b>	<b>12,952,440</b>	<b>29,435,219</b>	<b>42,387,659</b>
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 derivative		16,498,748	37,191,904	53,690,652	12,952,440	29,433,924	42,386,364
3.2.1 Forward foreign currency purchases/sales		2,970,813	4,064,847	7,035,660	1,818,821	3,115,457	4,934,278
3.2.1.1 Forward foreign currency purchases		1,217,252	2,342,772	3,560,024	632,918	1,852,653	2,485,571
3.2.1.2 Forward foreign currency sales		1,753,561	1,722,075	3,475,636	1,185,903	1,262,804	2,448,707
3.2.2 Currency and interest rate swaps		6,431,369	18,695,640	25,127,009	6,495,010	15,082,269	21,577,279
3.2.2.1 Currency swaps-purchases		2,497,092	9,744,412	12,241,504	2,751,465	8,058,713	10,810,178
3.2.2.2 Currency swaps-sales		3,930,558	8,869,512	12,800,070	3,743,545	6,933,665	10,677,210
3.2.2.3 Interest rate swaps-purchases		1,895	39,653	41,548	-	43,880	43,880
3.2.2.4 Interest rate swaps-sales		1,824	42,063	43,887	-	46,011	46,011
3.2.3 Currency, interest rate and security options		7,060,802	13,701,001	20,761,803	4,610,920	10,563,208	15,174,128
3.2.3.1 Currency call options		2,797,752	5,633,886	8,431,638	1,783,868	3,895,081	5,678,949
3.2.3.2 Currency put options		4,201,459	4,720,717	8,922,176	2,803,461	3,146,723	5,950,184
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>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>204,269,108</b>	<b>135,608,762</b>	<b>339,877,870</b>	<b>185,391,052</b>	<b>132,127,676</b>	<b>317,518,728</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>51,486,440</b>	<b>15,565,788</b>	<b>67,052,228</b>	<b>45,443,121</b>	<b>15,546,141</b>	<b>60,989,262</b>
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	14,546,865	4,662,027	19,208,896
4.3 Checks received for collection		5,112,644	847,659	5,960,303	4,990,781	854,872	5,845,653
4.4 Commercial notes received for collection		2,087,175	1,763,610	3,850,785	1,963,405	1,826,388	3,789,797
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		46,122	545,041	591,163	47,222	483,871	531,093
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>152,782,668</b>	<b>120,042,974</b>	<b>272,825,642</b>	<b>139,947,931</b>	<b>116,581,535</b>	<b>256,529,466</b>
5.1 Securities		655,656	19,293	674,949	548,240	23,062	571,302
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		-	330,199	330,199	-	341,862	341,862
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	77,164,765	178,059,842	92,102,401	74,404,896	166,507,297
5.7 Pledged items-depository		170	442	612	170	440	610
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>241,682,621</b>	<b>188,296,276</b>	<b>429,978,897</b>	<b>218,409,347</b>	<b>177,337,477</b>	<b>395,746,824</b>

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

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Income Statement**  
**At 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
<b>I. INTEREST INCOME</b>	5.4.1		<b>2,645,427</b>	<b>2,952,676</b>
1.1 Interest income on loans			1,378,884	1,741,844
1.2 Interest income on reserve deposits			25,841	49,284
1.3 Interest income on banks			72,485	76,361
1.4 Interest income on money market transactions			287	727
1.5 Interest income on securities portfolio			1,094,053	987,620
1.5.1 Trading financial assets			12,053	8,722
1.5.2 Financial assets valued at fair value through profit or loss			-	-
1.5.3 Financial assets available-for-sale			869,892	699,996
1.5.4 Investments held-to-maturity			212,108	278,902
1.6 Financial lease income			38,646	55,453
1.7 Other interest income			35,231	41,387
<b>II. INTEREST EXPENSE</b>	5.4.2		<b>1,173,330</b>	<b>1,771,432</b>
2.1 Interest on deposits			856,406	1,302,967
2.2 Interest on funds borrowed			189,283	206,581
2.3 Interest on money market transactions			123,631	259,990
2.4 Interest on securities issued			338	627
2.5 Other interest expenses			3,672	1,267
<b>III. NET INTEREST INCOME (I - II)</b>			<b>1,472,097</b>	<b>1,181,244</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>			<b>462,998</b>	<b>423,374</b>
4.1 Fees and commissions received			562,642	537,417
4.1.1 Non-cash loans			49,401	43,120
4.1.2 Others			513,241	494,297
4.2 Fees and commissions paid			99,644	114,043
4.2.1 Non-cash loans			317	218
4.2.2 Others			99,327	113,825
<b>V. DIVIDEND INCOME</b>	5.4.3		<b>45</b>	<b>55</b>
<b>VI. NET TRADING INCOME/LOSSES (Net)</b>	5.4.4		<b>177,850</b>	<b>400,492</b>
6.1 Trading account income/losses (Net)			124,340	83,301
6.2 Income/losses from derivative financial instruments (Net)			(193,773)	377,348
6.3 Foreign exchange gains/losses (Net)			247,283	(60,157)
<b>VII. OTHER OPERATING INCOME</b>	5.4.5		<b>267,826</b>	<b>96,816</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>			<b>2,380,816</b>	<b>2,101,981</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	5.4.6		<b>202,816</b>	<b>586,073</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	5.4.7		<b>805,970</b>	<b>609,852</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>			<b>1,372,030</b>	<b>906,056</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>			-	-
<b>XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>			<b>3,952</b>	<b>4,442</b>
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>			-	-
<b>XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)</b>	5.4.8		<b>1,375,982</b>	<b>910,498</b>
<b>XVI. PROVISION FOR TAXES (±)</b>	5.4.9		<b>287,690</b>	<b>198,060</b>
16.1 Current tax charge			393,775	222,248
16.2 Deferred tax charge/(credit)			(106,085)	(24,188)
<b>XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)</b>	5.4.10		<b>1,088,292</b>	<b>712,438</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>			-	-
18.1 Income from assets held for sale			-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures			-	-
18.3 Others			-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>			-	-
19.1 Expenses on assets held for sale			-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures			-	-
19.3 Others			-	-
<b>XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)</b>	5.4.8		-	-
<b>XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	5.4.9		-	-
21.1 Current tax charge			-	-
21.2 Deferred tax charge/(credit)			-	-
<b>XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)</b>	5.4.10		-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	5.4.11		<b>1,088,292</b>	<b>712,438</b>
23.1 Equity holders of the bank			1,084,908	708,753
23.2 Minority interest			3,384	3,685
<b>Earnings per Share</b>			<b>0.258</b>	<b>0.169</b>

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

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

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Statement of Income/Expense Items Accounted for under Shareholders' Equity**  
**At 31 March 2010**

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD	PRIOR PERIOD
	1 January 2010 - 31 March 2010	1 January 2009 - 31 March 2009
<b>I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"</b>	<b>295,868</b>	<b>142,804</b>
<b>II. REVALUATION SURPLUS ON TANGIBLE ASSETS</b>	-	-
<b>III. REVALUATION SURPLUS ON INTANGIBLE ASSETS</b>	-	-
<b>IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES</b>	<b>(12,107)</b>	<b>13,484</b>
<b>V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)</b>	<b>33</b>	<b>(64,299)</b>
<b>VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)</b>	-	<b>(19,820)</b>
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS</b>	-	-
<b>VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	-	-
<b>IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES</b>	<b>(59,239)</b>	<b>(27,824)</b>
<b>X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)</b>	<b>224,555</b>	<b>44,345</b>
<b>XI. CURRENT PERIOD PROFIT/LOSSES</b>	<b>1,088,292</b>	<b>712,438</b>
1.1 Net changes in fair value of securities (transferred to income statement)	72,063	17,931
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	1,016,229	694,507
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)</b>	<b>1,312,847</b>	<b>756,783</b>

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

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**At 31 March 2010**

THOUSANDS OF TURKISH LIRA (TL)																			
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 1 January 2009 - 31 March 2009																			
I. Balances at beginning of the period		4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)		4,200,000	772,554	11,880	-	285,051	-	1,681,758	102,797	-	1,879,378	177,906	597,090	1,509	(2,468)	-	9,707,455	35,125	9,742,580
Changes during the period	5.5																		
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	114,963	-	-	-	-	114,963	7	114,970
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(80,144)	-	(80,144)	-	(80,144)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(64,288)	-	(64,288)	-	(64,288)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(15,856)	-	(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		-	-	-	-	204	-	-	11,976	-	-	(2,661)	-	-	-	-	9,519	-	9,519
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		-	-	-	-	-	-	-	-	708,753	-	-	-	-	-	-	708,753	3,685	712,438
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	-	285,255	-	1,681,758	114,773	708,753	1,879,378	290,208	597,090	1,509	(82,612)	-	10,460,546	38,817	10,499,363
CURRENT PERIOD - 1 January 2010 - 31 March 2010																			
I. Balances at beginning of the period	5.5	4,200,000	772,554	11,880	-	379,275	-	3,187,603	96,562	-	3,085,717	1,361,434	598,194	1,509	(57,967)	-	13,636,761	49,023	13,685,784
Changes during the period																			
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	236,634	-	-	-	-	236,634	2	236,636
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	26	-	26
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	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)	-	-	(11,869)	-	-	-	-	-	-	-	(12,107)	-	(12,107)
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		-	-	-	-	-	-	-	-	1,084,908	-	-	-	-	-	-	1,084,908	3,384	1,088,292
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	-	379,037	-	3,187,603	84,693	1,084,908	3,085,717	1,598,068	598,194	1,509	(57,941)	-	14,946,222	52,409	14,998,631



**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates**  
**Consolidated Statement of Cash Flows**  
**At 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
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	5.6	<b>1,618,247</b>	<b>1,070,262</b>
1.1.1 Interests received		2,635,126	2,992,778
1.1.2 Interests paid		(1,182,121)	(1,984,687)
1.1.3 Dividend received		45	55
1.1.4 Fees and commissions received		462,998	447,059
1.1.5 Other income		188,041	212,560
1.1.6 Collections from previously written-off loans and other receivables		135,636	7,208
1.1.7 Payments to personnel and service suppliers		(638,104)	(535,355)
1.1.8 Taxes paid		(208,458)	(69,356)
1.1.9 Others		225,084	-
<b>1.2 Changes in operating assets and liabilities</b>	5.6	<b>(7,433,136)</b>	<b>1,355,859</b>
1.2.1 Net (increase) decrease in financial assets held for trading		(583,942)	(90,796)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(125,655)	(2,358,110)
1.2.4 Net (increase) decrease in loans		(4,450,437)	(1,343,033)
1.2.5 Net (increase) decrease in other assets		(141,273)	(5,946)
1.2.6 Net increase (decrease) in bank deposits		(438,260)	(391,314)
1.2.7 Net increase (decrease) in other deposits		3,064,559	6,131,637
1.2.8 Net increase (decrease) in funds borrowed		(4,905,146)	(696,797)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		147,018	110,218
<b>I. Net cash flow from banking operations</b>	5.6	<b>(5,814,889)</b>	<b>2,426,121</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash flow from investing activities</b>	5.6	<b>937,683</b>	<b>(982,563)</b>
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(35,859)	(66,924)
2.4 Sales of tangible assets		509	19,442
2.5 Cash paid for purchase of financial assets available-for-sale, net		(4,805,657)	(3,616,484)
2.6 Cash obtained from sale of financial assets available-for-sale, net		5,077,623	2,681,403
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity (redemption)		701,067	-
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>(1)</b>	<b>(32)</b>
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for financial leases		(1)	(32)
3.6 Others		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>22,199</b>	<b>(60,157)</b>
<b>V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>	5.6	<b>(4,855,008)</b>	<b>1,383,369</b>
<b>VI. Cash and cash equivalents at beginning of period</b>	5.6	<b>9,294,333</b>	<b>7,145,989</b>
<b>VII. Cash and cash equivalents at end of period (V+VI)</b>	5.6	<b>4,439,325</b>	<b>8,529,358</b>

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

### **3 Accounting Policies**

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

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

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

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

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

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

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

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

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

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

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

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

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

### **3.2.2 Foreign currency transactions**

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

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

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

### **3.3 Information on consolidated subsidiaries**

As of 31 March 2010, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring), Garanti Fund Management Co Ltd (GFM) ve Garanti Financial Services Plc (GFS).

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

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

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

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

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

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

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

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

Liquidation of the associates and subsidiaries:

The liquidation processes of GFM and GFS continue.

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

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

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

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

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

General

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

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

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

#### Financial lease operations

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

### **3.6 Fees and commissions**

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are calculated according to either accrual basis of accounting or effective interest rate method depending on nature of fees and commissions, 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 recorded at their purchase costs including the transaction costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



### **3.13 Tangible assets**

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

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

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

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

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

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

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

Depreciation rates and estimated useful lives are:

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

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

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

### **3.14 Leasing activities**

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

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

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

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

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

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

### **3.16 Contingent assets**

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

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

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

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

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

	<b>31 March 2010</b>	<b>31 December 2009</b>
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:

	<b>31 March 2010</b>	
	<b>Employer</b>	<b>Employee</b>
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

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

a) Benefits transferable to SSF

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

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

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

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

**b) Other benefits not transferable to SSF**

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

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

**3.18 Taxation**

**3.18.1 Corporate tax**

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

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

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

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

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

*Tax applications for foreign branches*

**NORTHERN CYPRUS**

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

**MALTA**

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

**LUXEMBOURG**

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

*Tax applications for foreign financial affiliates*

**HOLLAND**

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

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

**RUSSIA**

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

**3.18.2 Deferred taxes**

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

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

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

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

### **3.18.3 Transfer pricing**

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

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

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

### **3.18.4 Investment allowance**

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

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

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



### **3.19 Funds borrowed**

Funds are generated from domestic and foreign sources 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 or its financial affiliates do not have any government incentives or grants.

### **3.23 Segment reporting**

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

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

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

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

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

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

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Total Operating Profit	724,219	632,289	723,525	300,738	2,380,771
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>724,219</b>	<b>632,289</b>	<b>723,525</b>	<b>300,738</b>	<b>2,380,771</b>
Net Operating Profit	241,286	343,547	699,926	91,178	1,375,937
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	45	45
<b>Net Operating Profit</b>	<b>241,286</b>	<b>343,547</b>	<b>699,926</b>	<b>91,223</b>	<b>1,375,982</b>
Provision for Taxes	-	-	-	287,690	287,690
<b>Net Profit</b>	<b>241,286</b>	<b>343,547</b>	<b>699,926</b>	<b>(196,467)</b>	<b>1,088,292</b>
Segment Assets	18,294,387	39,171,487	47,654,710	10,790,594	115,911,178
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	99,803	99,803
Undistributed Items	-	-	-	-	-
<b>Total Assets</b>	<b>18,294,387</b>	<b>39,171,487</b>	<b>47,654,710</b>	<b>10,890,397</b>	<b>116,010,981</b>
Segment Liabilities	39,912,610	28,365,295	21,783,133	10,951,312	101,012,350
Shareholders' Equity	-	-	-	14,998,631	14,998,631
Undistributed Items	-	-	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>39,912,610</b>	<b>28,365,295</b>	<b>21,783,133</b>	<b>25,949,943</b>	<b>116,010,981</b>
<b>Other Segment Items</b>					
Capital Expenditures	-	-	-	36,996	36,996
Depreciation Expenses	23,756	11,709	584	6,943	42,992
Impairment Losses	129,155	64,171	407	9,774	203,507
Other Non-Cash Income/Expenses	(10,692)	(3,227)	(144,742)	(159,718)	(318,379)
Restructuring Costs	-	-	-	-	-

<b>Prior Period</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations</b>
Total Operating Profit	634,073	605,152	597,361	265,340	2,101,926
Other	-	-	-	-	-
<b>Total Operating Profit</b>	<b>634,073</b>	<b>605,152</b>	<b>597,361</b>	<b>265,340</b>	<b>2,101,926</b>
Net Operating Profit	82,196	230,830	548,447	48,970	910,443
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	55	55
<b>Net Operating Profit</b>	<b>82,196</b>	<b>230,830</b>	<b>548,447</b>	<b>49,025</b>	<b>910,498</b>
Provision for Taxes	-	-	-	198,060	198,060
<b>Net Profit</b>	<b>82,196</b>	<b>230,830</b>	<b>548,447</b>	<b>(149,036)</b>	<b>712,438</b>
Segment Assets	17,444,234	35,949,921	51,676,386	11,171,515	116,242,056
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	92,410	92,410
Undistributed Items	-	-	-	-	-
<b>Total Assets</b>	<b>17,444,234</b>	<b>35,949,921</b>	<b>51,676,386</b>	<b>11,263,925</b>	<b>116,334,466</b>
Segment Liabilities	38,259,084	26,479,457	27,062,023	10,848,118	102,648,682
Shareholders' Equity	-	-	-	13,685,784	13,685,784
Undistributed Items	-	-	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>38,259,084</b>	<b>26,479,457</b>	<b>27,062,023</b>	<b>24,533,902</b>	<b>116,334,466</b>
<b>Other Segment Items</b>					
Capital Expenditures	-	-	-	316,741	316,741
Depreciation Expenses	24,856	12,460	1,016	7,487	45,819
Impairment Losses	261,610	196,567	42,144	85,752	586,073
Other Non-Cash Income/Expenses	106,346	133,239	(212,085)	(48,304)	(20,804)
Restructuring Costs	-	-	-	-	-

### 3.24 Other disclosures

None.

## **4 Consolidated Financial Position and Results of Operations**

### **4.1 Consolidated capital adequacy ratio**

The Bank's consolidated capital adequacy ratio is 18.92% (unconsolidated capital adequacy ratio: 20.63%) as of 31 March 2010.

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

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

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

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

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

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

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

#### 4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>18,493,237</b>	-	<b>2,470,459</b>	<b>14,100,577</b>	<b>40,164,118</b>	<b>367,221</b>	<b>21,262</b>
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 (Business Partnership) (Net)	-	-	-	-	1,045,223	-	-
Tangible Assets (Net)	-	-	-	-	1,033,207	-	-
Other Assets	379,619	-	213,462	-	60,657	-	-
<b>Off-Balance Sheet Items</b>	<b>1,525,107</b>	-	<b>1,099,286</b>	<b>801,703</b>	<b>9,550,135</b>	-	-
Non-Cash Loans and Commitments	1,525,107	-	800,727	801,703	9,428,953	-	-
Derivative Financial Instruments	-	-	298,559	-	121,182	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-
<b>Total Risk-Weighted Assets</b>	<b>20,018,344</b>	-	<b>3,569,745</b>	<b>14,902,280</b>	<b>49,714,253</b>	<b>367,221</b>	<b>21,262</b>

	<b>Risk Weightings</b>						
	<b>Consolidated</b>						
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
<b>Value at Credit Risk</b>							
<b>Balance Sheet Items (Net)</b>	<b>18,872,883</b>	<b>-</b>	<b>4,556,437</b>	<b>14,620,133</b>	<b>45,444,491</b>	<b>367,221</b>	<b>21,262</b>
Cash on Hand	595,075	-	190	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,605,353	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,416,475	-	2,665,037	-	1,998,998	-	-
Interbank Money Market Placements	25,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	1,830,086	-	-	-	-	-	-
Loans	3,265,133	-	1,604,238	14,191,004	38,253,730	367,221	21,262
Loans under Follow-Up (Net)	-	-	-	-	404,694	-	-
Lease Receivables	13,331	-	21,484	230,489	1,131,911	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	6,437,546	-	-	-	38,795	-	-
Receivables from Term Sale of Assets	-	-	-	-	19,795	-	-
Miscellaneous Receivables	48,630	-	-	-	1,544,908	-	-
Accrued Interest and Income	176,277	-	52,026	198,640	652,799	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	42,940	-	-
Tangible Assets (Net)	-	-	-	-	1,163,080	-	-
Other Assets	459,977	-	213,462	-	192,841	-	-
<b>Off-Balance Sheet Items</b>	<b>1,555,333</b>	<b>-</b>	<b>1,375,953</b>	<b>824,283</b>	<b>9,949,788</b>	<b>-</b>	<b>-</b>
Non-Cash Loans and Commitments	1,555,333	-	999,926	824,283	9,802,776	-	-
Derivative Financial Instruments	-	-	376,027	-	147,012	-	-
<b>Non-Risk-Weighted Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Risk-Weighted Assets</b>	<b>20,428,216</b>	<b>-</b>	<b>5,932,390</b>	<b>15,444,416</b>	<b>55,394,279</b>	<b>367,221</b>	<b>21,262</b>

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

	<b>Parent Bank Only</b>	
	<b>Current Period</b>	<b>Prior Period</b>
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%

	<b>Consolidated</b>	
	<b>Current Period</b>	<b>Prior Period</b>
Value at Credit Risk (VaCR)	64,896,321	61,062,215
Value at Market Risk (VaMR)	5,075,188	4,447,563
Value at Operational Risk (VaOR)	11,028,669	8,212,044
Shareholders' Equity	15,322,762	14,125,554
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	18.92%	19.16%

#### 4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	379,037	379,275
I. Legal Reserve (Turkish Commercial Code 466/1)	348,910	349,148
II. Legal Reserve (Turkish Commercial Code 466/2)	30,127	30,127
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	3,187,603	3,187,603
Reserve Allocated as per the Decision held by the General Assembly	3,187,603	3,187,603
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	4,170,625	3,085,717
Current Period Profit	1,084,908	3,085,717
Prior Periods Profit	3,085,717	-
Provision for Possible Losses (upto 25% of Core Capital)	360,000	360,000
Income on Sale of Investments in Associates, Subsidiaries and Real Estate	596,047	596,047
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	52,385	49,001
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) <sup>(*)</sup>	141,977	147,686
Prepaid Expenses (-) <sup>(*)</sup>	276,442	244,835
Intangible Assets (-) <sup>(*)</sup>	38,911	40,558
Deferred Tax Asset excess of 10% of Core Capital (-) <sup>(*)</sup>	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
<b>Total Core Capital</b>	<b>13,266,413</b>	<b>12,202,610</b>
<b>SUPPLEMENTARY CAPITAL</b>		
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 (Business Partnership)	1,509	1,509
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	927,237	932,551
45% of Securities Value Increase Fund <sup>(**)</sup>	719,115	612,632
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	719,115	612,632
Minority Interest	24	22
Other Reserves	26,752	38,595
<b>Total Supplementary Capital</b>	<b>2,160,119</b>	<b>2,023,609</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>15,426,532</b>	<b>14,226,219</b>

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

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

<b>DEDUCTIONS FROM CAPITAL</b>	<b>103,770</b>	<b>100,665</b>
Unconsolidated Investments in Banks and Financial Institutions	2,444	2,479
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts		-
Banks and Financial Institutions' Assets and Liabilities that are not Fully Consolidated but Included Using Equity Accounting	54,419	50,579
Loan granted to Customer against the Articles 50 and 51 of the Banking Law		-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	46,907	47,607
Others		-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15,322,762</b>	<b>14,125,554</b>

## 4.2 Consolidated credit risk

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

## 4.3 Consolidated market risk

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

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

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

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

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

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	172,423
(II) Capital Obligation against Specific Risks - Standard Method	134,234
(III) Capital Obligation against Currency Risk - Standard Method	62,591
(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	36,767
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
<b>(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)</b>	<b>406,015</b>
<b>(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))</b>	<b>5,075,188</b>

#### **4.3.2 Average values at market risk**

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

#### **4.4 Consolidated operational risk**

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

#### **4.5 Consolidated currency risk**

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2010, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to TL 819,714 thousands (31 December 2009: TL 1,314,971 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 936,865 thousands (31 December 2009: TL 1,357,216 thousands), while net foreign currency long open position amounts to TL 117,151 thousands (31 December 2009: TL 42,245 thousands).

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

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

	USD	EUR	Yen (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.5000	2.0284	1.6080	2.2713
<u>Foreign currency 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 rate	1.5145	2.0556	1.6668	2.2796

***The Bank's consolidated currency risk:***

	<b>Euro</b>	<b>USD</b>	<b>Yen</b>	<b>Other FCs</b>	<b>Total</b>
<b>Current Period</b>					
<b>Assets</b>					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,199,512	1,712,253	389	43,726	2,955,880
Banks	2,451,288	3,158,309	18,429	140,236	5,768,262
Financial Assets at Fair Value through Profit/Loss	140,401	107,562	2	7,123	255,088
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	896,643	3,237,742	-	295,281	4,429,666
Loans (*)	9,268,732	18,495,826	55,568	946,647	28,766,773
Investments in Associates, Subsidiaries and Joint-Ventures	645	-	-	-	645
Investments Held-to-Maturity	23,227	1,432,277	-	-	1,455,504
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	45,220	217	-	72,981	118,418
Intangible Assets	4,989	-	-	817	5,806
Other Assets	854,889	640,775	5,742	9,636	1,511,042
<b>Total Assets</b>	<b>14,885,546</b>	<b>28,784,961</b>	<b>80,130</b>	<b>1,516,447</b>	<b>45,267,084</b>
<b>Liabilities</b>					
Bank Deposits	599,590	563,102	15,746	298,927	1,477,365
Foreign Currency Deposits	14,631,945	15,959,007	28,510	796,662	31,416,124
Interbank Money Market Takings	16,955	84,691	-	73,218	174,864
Other Fundings	4,528,518	7,629,603	8,862	-	12,166,983
Securities Issued	-	-	-	-	-
Miscellaneous Payables	45,779	53,227	323	10,436	109,765
Derivative Financial Liabilities Held for Risk Management	-	3,348	-	-	3,348
Other Liabilities (**)	214,704	196,630	2,027	324,988	738,349
<b>Total Liabilities</b>	<b>20,037,491</b>	<b>24,489,608</b>	<b>55,468</b>	<b>1,504,231</b>	<b>46,086,798</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(5,151,945)</b>	<b>4,295,353</b>	<b>24,662</b>	<b>12,216</b>	<b>(819,714)</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>5,420,265</b>	<b>(4,702,121)</b>	<b>(20,080)</b>	<b>238,801</b>	<b>936,865</b>
Derivative Assets	7,670,148	9,144,069	171,722	1,288,261	18,274,200
Derivative Liabilities	(2,249,883)	(13,846,190)	(191,802)	(1,049,460)	(17,337,335)
Non-Cash Loans	-	-	-	-	-
<b>Prior Period</b>					
<b>Total Assets</b>	<b>15,699,728</b>	<b>27,030,231</b>	<b>67,206</b>	<b>1,587,451</b>	<b>44,384,616</b>
<b>Total Liabilities</b>	<b>19,056,583</b>	<b>24,997,852</b>	<b>53,620</b>	<b>1,591,532</b>	<b>45,699,587</b>
<b>Net 'On Balance Sheet' Position</b>	<b>(3,356,855)</b>	<b>2,032,379</b>	<b>13,586</b>	<b>(4,081)</b>	<b>(1,314,971)</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>3,637,522</b>	<b>(2,422,652)</b>	<b>(13,163)</b>	<b>155,509</b>	<b>1,357,216</b>
Derivative Assets	5,466,081	7,471,485	14,348	1,452,704	14,404,618
Derivative Liabilities	(1,828,559)	(9,894,137)	(27,511)	(1,297,195)	(13,047,402)
Non-Cash Loans	-	-	-	-	-

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

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

#### **4.6 Consolidated interest rate risk**

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	716,040	-	-	-	-	3,339,207	<b>4,055,247</b>
Banks	2,513,510	3,845,299	1,247,744	922	-	1,524,542	<b>9,132,017</b>
Financial Assets at Fair Value through Profit/Loss	119,473	59,555	927,632	46,513	5,511	292,413	<b>1,451,097</b>
Interbank Money Market Placements	25,000	-	-	-	-	5	<b>25,005</b>
Financial Assets Available-for-Sale	10,950,740	1,741,465	10,090,185	3,244,253	808,039	3,273,440	<b>30,108,122</b>
Loans	15,423,716	12,721,538	10,703,891	12,275,402	5,622,075	1,232,324	<b>57,978,946</b>
Investments Held-to-Maturity	910,865	114,540	2,116,449	2,028,615	1,305,871	134,287	<b>6,610,627</b>
Other Assets	505,137	359,598	657,063	660,842	41,038	4,426,242	<b>6,649,920</b>
<b>Total Assets</b>	<b>31,164,481</b>	<b>18,841,995</b>	<b>25,742,964</b>	<b>18,256,547</b>	<b>7,782,534</b>	<b>14,222,460</b>	<b>116,010,981</b>
<b>Liabilities</b>							
Bank Deposits	1,170,355	74,803	23,271	15,088	-	1,009,957	<b>2,293,474</b>
Other Deposits	49,316,574	4,931,512	3,591,376	381,522	8,597	10,937,233	<b>69,166,814</b>
Interbank Money Market Takings	5,117,108	101,668	550,000	-	-	44,763	<b>5,813,539</b>
Miscellaneous Payables	-	-	-	-	-	3,875,069	<b>3,875,069</b>
Securities Issued	-	-	-	-	-	-	<b>-</b>
Other Fundings	5,397,176	2,077,665	2,352,508	3,284,528	3,162,071	134,360	<b>16,408,308</b>
Other Liabilities	-	-	-	-	-	18,453,777	<b>18,453,777</b>
<b>Total Liabilities</b>	<b>61,001,213</b>	<b>7,185,648</b>	<b>6,517,155</b>	<b>3,681,138</b>	<b>3,170,668</b>	<b>34,455,159</b>	<b>116,010,981</b>
<b>On Balance Sheet Long Position</b>	<b>-</b>	<b>11,656,347</b>	<b>19,225,809</b>	<b>14,575,409</b>	<b>4,611,866</b>	<b>-</b>	<b>50,069,431</b>
<b>On Balance Sheet Short Position</b>	<b>(29,836,732)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,232,699)</b>	<b>(50,069,431)</b>
<b>Off-Balance Sheet Long Position</b>	<b>1,834</b>	<b>2,168</b>	<b>20,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,246</b>
<b>Off-Balance Sheet Short Position</b>	<b>(459)</b>	<b>(1,942)</b>	<b>(11,538)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,939)</b>
<b>Total Position</b>	<b>(29,835,357)</b>	<b>11,656,573</b>	<b>19,234,515</b>	<b>14,575,409</b>	<b>4,611,866</b>	<b>(20,232,699)</b>	<b>10,307</b>

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

***Average interest rates on monetary financial instruments (%):***

<b>Current Period</b>	<b>Euro</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	0.17-6.17	0.025-6.73	-	6.3-10.70
Financial Assets at Fair Value through Profit/Loss	4.77	6.94	-	7.41-8.94
Interbank Money Market Placements	-	-	-	6.75
Financial Assets Available-for-Sale	0.86-9.50	0.51-11.88		6.21-20.80
Loans	0.75-14.00	0.88-17.00	4.79	7.05-24.43
Investments Held-to-Maturity	9.25-9.50	6.13-11.75	-	10.08-14.73
<b>Liabilities</b>				
Bank Deposits	0.30-2.42	0.25-6.74	-	6.15-6.85
Other Deposits	0.95-8.40	1.05-8.23	0.42	7.69
Interbank Money Market Takings	-	0.70-0.85	-	7.34
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-6.00	2.19-6.00	2.60	7.42-11.78

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

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

**Average interest rates on monetary financial instruments (%):**

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

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

#### 4.7 Consolidated liquidity risk

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

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

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

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Undistributed (*)</b>	<b>Total</b>
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,225,161	1,830,086	-	-	-	-	-	<b>4,055,247</b>
Banks	1,026,805	1,575,840	1,176,351	290,250	2,286,327	2,408,520	367,924	<b>9,132,017</b>
Financial Assets at Fair Value through Profit/Loss	21,174	199,976	126,069	1,002,027	96,155	5,696	-	<b>1,451,097</b>
Interbank Money Market Placements	-	25,005	-	-	-	-	-	<b>25,005</b>
Financial Assets Available-for-Sale	103,757	841,575	556,031	6,027,291	18,452,450	4,127,018	-	<b>30,108,122</b>
Loans	71,710	12,119,961	5,902,013	8,813,823	18,569,406	12,097,339	404,694	<b>57,978,946</b>
Investments Held-to-Maturity	-	-	111,042	2,161,934	3,017,301	1,320,350	-	<b>6,610,627</b>
Other Assets	439,215	661,078	1,841,060	661,088	674,805	41,248	2,331,426	<b>6,649,920</b>
<b>Total Assets</b>	<b>3,887,822</b>	<b>17,253,521</b>	<b>9,712,566</b>	<b>18,956,413</b>	<b>43,096,444</b>	<b>20,000,171</b>	<b>3,104,044</b>	<b>116,010,981</b>
<b>Liabilities</b>								
Bank Deposits	1,305,346	852,798	73,145	36,030	26,155	-	-	<b>2,293,474</b>
Other Deposits	13,089,605	47,694,969	4,847,408	2,758,371	636,233	140,228	-	<b>69,166,814</b>
Other Fundings	-	1,280,378	1,552,171	2,914,062	6,262,847	4,398,850	-	<b>16,408,308</b>
Interbank Money Market Takings	-	5,133,019	101,731	578,789	-	-	-	<b>5,813,539</b>
Securities Issued	-	-	-	-	-	-	-	<b>-</b>
Miscellaneous Payables	163,481	2,260,493	-	1,451,095	-	-	-	<b>3,875,069</b>
Other Liabilities (**)	613,130	334,943	130,658	147,991	60,161	57,101	17,109,793	<b>18,453,777</b>
<b>Total Liabilities</b>	<b>15,171,562</b>	<b>57,556,600</b>	<b>6,705,113</b>	<b>7,886,338</b>	<b>6,985,396</b>	<b>4,596,179</b>	<b>17,109,793</b>	<b>116,010,981</b>
<b>Liquidity Gap</b>	<b>(11,283,740)</b>	<b>(40,303,079)</b>	<b>3,007,453</b>	<b>11,070,075</b>	<b>36,111,048</b>	<b>15,403,992</b>	<b>(14,005,749)</b>	<b>-</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>6,662,215</b>	<b>16,733,707</b>	<b>10,434,215</b>	<b>18,527,526</b>	<b>41,697,592</b>	<b>18,771,820</b>	<b>3,507,391</b>	<b>116,334,466</b>
<b>Total Liabilities</b>	<b>14,881,237</b>	<b>58,527,463</b>	<b>7,169,434</b>	<b>8,553,714</b>	<b>7,041,438</b>	<b>4,753,225</b>	<b>15,407,955</b>	<b>116,334,466</b>
<b>Liquidity Gap</b>	<b>(8,219,022)</b>	<b>(41,793,756)</b>	<b>3,264,781</b>	<b>9,973,812</b>	<b>34,656,154</b>	<b>14,018,595</b>	<b>(11,900,564)</b>	<b>-</b>

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

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

**4.8 Fair values of financial assets and liabilities**

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

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

None.

## **5 Disclosures and Footnotes on Consolidated Financial Statements**

### **5.1 Consolidated assets**

#### **5.1.1 Cash and balances with Central Bank**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	353,367	224,485	468,037	329,562
Central Bank of Turkey	740,583	2,719,399	3,375,837	2,596,775
Others	5,417	11,996	5,130	111,564
<b>Total</b>	<b>1,099,367</b>	<b>2,955,880</b>	<b>3,849,004</b>	<b>3,037,901</b>

#### *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
<b>Total</b>	<b>740,583</b>	<b>2,719,399</b>	<b>3,375,837</b>	<b>2,596,775</b>

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

#### **5.1.2 Financial assets at fair value through profit/loss**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Common Shares	-	-	-	-
Bills, Bonds and Similar Securities	92	-	89	-
Others	-	-	-	-
<b>Total</b>	<b>92</b>	<b>-</b>	<b>89</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	29,451	5,117	17,087	12,059
Swap Transactions	41,045	106,734	424,230	129,523
Futures	-	68	-	281
Options	44,912	43,125	21,107	37,825
Others	-	-	-	-
<b>Total</b>	<b>115,408</b>	<b>155,044</b>	<b>462,424</b>	<b>179,688</b>

### 5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	640,075	551,037	638,687	377,805
Foreign banks	2,723,680	5,217,225	2,515,054	6,526,825
Foreign headoffices and branches	-	-	-	-
<b>Total</b>	<b>3,363,755</b>	<b>5,768,262</b>	<b>3,153,741</b>	<b>6,904,630</b>

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 at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 53,823 thousands as required for insurance activities.

#### ***Due from foreign banks:***

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

### 5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Total carrying value of such securities with total face value of TL 1,648,000 thousands (31 December 2009: TL 1,851,913 thousands) is TL 1,620,059 thousands (31 December 2009: TL 1,769,837 thousands). The related accrued interests and impairment losses amount to TL 139,697 thousands (31 December 2009: TL 234,344 thousands) and TL 115 thousands (31 December 2009: TL 29 thousands), respectively. Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds and other foreign currency government securities. Carrying values of such securities with total face value of USD 68,675,000, EUR 273,047,000 and RUB 80,000,000 (31 December 2009: USD 68,675,000, EUR 197,547,000 and RUB 105,000,000), are USD 71,564,110, EUR 285,446,958 and RUB 82,640,000 (31 December 2009: USD 71,205,705, EUR 209,640,915 and RUB 105,178,500). The related accrued interest income amount to USD 5,332,542, EUR 9,068,577 and RUB 1,873,600 respectively (31 December 2009: USD 5,594,374, EUR 4,747,076 and RUB 3,728,550), and the impairment losses to USD 516,005 and EUR 116,066 respectively (31 December 2009: USD 500,712 and EUR 42,535).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	1,759,641	716,601	2,004,152	577,791
Assets subject to Repurchase Agreements	3,624,926	187,954	7,957,698	290,863
<b>Total</b>	<b>5,384,567</b>	<b>904,555</b>	<b>9,961,850</b>	<b>868,654</b>

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>26,846,578</b>	<b>26,793,650</b>
Quoted at Stock Exchange	25,247,179	25,004,436
Unquoted at Stock Exchange	1,599,399	1,789,214
<b>Common Shares</b>	<b>27,107</b>	<b>26,083</b>
Quoted at Stock Exchange	13,107	13,054
Unquoted at Stock Exchange	14,000	13,029
<b>Value Increase/Impairment Losses (-)</b>	<b>3,234,437</b>	<b>2,949,901</b>
<b>Total</b>	<b>30,108,122</b>	<b>29,769,634</b>

As of 31 March 2010, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 731,666,667 and EUR 500,000 (31 December 2009: USD 882,777,778 and EUR 500,000) and a total carrying value of TL 1,105,898 thousands (31 December 2009: TL 1,335,731 thousands).

#### 5.1.5 Loans

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
<b>Direct Lendings to Shareholders</b>	<b>254</b>	<b>4,221</b>	<b>2</b>	<b>920</b>
Corporates	254	4,221	2	920
Individuals	-	-	-	-
<b>Indirect Lendings to Shareholders</b>	<b>276,946</b>	<b>351,915</b>	<b>266,063</b>	<b>374,508</b>
<b>Loans to Employees</b>	<b>72,256</b>	<b>-</b>	<b>72,708</b>	<b>-</b>
<b>Total</b>	<b>349,456</b>	<b>356,136</b>	<b>338,773</b>	<b>375,428</b>

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

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
<b>Loans</b>	<b>56,038,463</b>		<b>1,243,862</b>	<b>291,927</b>
Discounted Bills	157,418	-	74	-
Export Loans	4,301,436	-	101,708	11,687
Import Loans	-	-	-	-
Loans to Financial Sector	2,275,455	-	1,136	28
Foreign Loans	2,612,240	-	11,250	-
Consumer Loans	11,185,548	-	73,197	30,053
Credit Cards	6,906,456	-	63,772	131,953
Precious Metal Loans	250,628	-	29	3,347
Others	28,349,282	-	992,696	114,859
<b>Specialization Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>56,038,463</b>	<b>-</b>	<b>1,243,862</b>	<b>291,927</b>

**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
<b>Total</b>	<b>1,236,814</b>	<b>103,250</b>	<b>195,725</b>	<b>1,535,789</b>

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

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	43,966	45,601	49,935	139,502
61-90 days	15,735	13,166	13,837	42,738
Other	1,177,113	44,483	131,953	1,353,549
<b>Total</b>	<b>1,236,814</b>	<b>103,250</b>	<b>195,725</b>	<b>1,535,789</b>

**5.1.5.3 Maturity analysis of cash loans**

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

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

	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans – TL</b>	<b>382,231</b>	<b>9,268,194</b>	<b>9,650,425</b>
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
Others	1,155	55,797	56,952
<b>Consumer Loans – FC-indexed</b>	<b>658</b>	<b>662,369</b>	<b>663,027</b>
Housing Loans	-	598,159	598,159
Automobile Loans	89	16,349	16,438
General Purpose Loans	569	47,861	48,430
Others	-	-	-
<b>Consumer Loans – FC</b>	<b>23,482</b>	<b>460,872</b>	<b>484,354</b>
Housing Loans	623	134,722	135,345
Automobile Loans	-	13,408	13,408
General Purpose Loans	34	1,776	1,810
Others	22,825	310,966	333,791
<b>Retail Credit Cards – TL</b>	<b>6,687,314</b>	<b>80,150</b>	<b>6,767,464</b>
With Installment	2,682,061	80,150	2,762,211
Without Installment	4,005,253	-	4,005,253
<b>Retail Credit Cards – FC</b>	<b>16,486</b>	<b>67,249</b>	<b>83,735</b>
With Installment	1,615	1	1,616
Without Installment	14,871	67,248	82,119
<b>Personnel Loans – TL</b>	<b>21,155</b>	<b>15,894</b>	<b>37,049</b>
Housing Loan	-	1,786	1,786
Automobile Loans	-	247	247
General Purpose Loans	21,155	13,861	35,016
Others	-	-	-
<b>Personnel Loans - FC-indexed</b>	<b>-</b>	<b>206</b>	<b>206</b>
Housing Loans	-	159	159
Automobile Loans	-	47	47
General Purpose Loans	-	-	-
Others	-	-	-
<b>Personnel Loans – FC</b>	<b>961</b>	<b>138</b>	<b>1,099</b>
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	34	138	172
Others	927	-	927
<b>Personnel Credit Cards – TL</b>	<b>26,140</b>	<b>279</b>	<b>26,419</b>
With Installment	19,373	279	19,652
Without Installment	6,767	-	6,767
<b>Personnel Credit Cards – FC</b>	<b>357</b>	<b>-</b>	<b>357</b>
With Installment	32	-	32
Without Installment	325	-	325
<b>Deposit Accounts– TL (real persons)</b>	<b>452,638</b>	<b>-</b>	<b>452,638</b>
<b>Deposit Accounts– FC (real persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,611,422</b>	<b>10,555,351</b>	<b>18,166,773</b>

**5.1.5.5 Installment based commercial loans and corporate credit cards**

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

**5.1.5.6 Allocation of loans by customers**

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

**5.1.5.7 Allocation of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	54,240,458	50,025,017
Foreign Loans	3,333,794	3,024,761
<b>Total</b>	<b>57,574,252</b>	<b>53,049,778</b>

**5.1.5.8 Loans to associates and subsidiaries**

	Current Period	Prior Period
Direct Lending	36,553	243
Indirect Lending	-	-
<b>Total</b>	<b>36,553</b>	<b>243</b>



#### 5.1.5.9 Specific provisions for loans

Specific Provisions	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	1,224,375	1,122,008
<b>Total</b>	<b>1,783,912</b>	<b>1,868,340</b>

#### 5.1.5.10 Non-performing loans(NPLs) (net)

##### Non-performing loans and other receivables restructured or rescheduled:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Current Period</b>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	22,464	153,815	242,539
Rescheduled Loans and Receivables	-	-	-
<b>Total</b>	<b>22,464</b>	<b>153,815</b>	<b>242,539</b>
<b>Prior Period</b>			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	55,667	227,343	229,139
Rescheduled Loans and Receivables	-	-	-
<b>Total</b>	<b>55,667</b>	<b>227,343</b>	<b>229,139</b>

##### Movements in non-performing loan groups:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Balances at Beginning of Period</b>	<b>317,665</b>	<b>724,054</b>	<b>1,253,479</b>
Additions (+)	158,612	18,241	24,099
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	117,771
Write-offs (-)	-	-	25,551
Corporate and Commercial Loans	-	-	295
Retail Loans	-	-	33
Credit Cards	-	-	25,223
Other	-	-	-
<b>Balances at End of Period</b>	<b>130,779</b>	<b>635,107</b>	<b>1,422,720</b>
Specific Provisions (-)	72,818	486,719	1,224,375
<b>Net Balance on Balance Sheet</b>	<b>57,961</b>	<b>148,388</b>	<b>198,345</b>

***Movements in specific loan provisions***

	<b>Corporate / Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>Balances at End of Prior Period</b>	<b>595,350</b>	<b>510,700</b>	<b>762,290</b>	<b>1,868,340</b>
Additions during the Period (+)	26,250	40,783	109,461	176,494
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	49,142	87,258	98,971	235,371
Write-Offs (-)	295	33	25,223	25,551
<b>Balances at End of Period</b>	<b>572,163</b>	<b>464,192</b>	<b>747,557</b>	<b>1,783,912</b>

***Non-performing loans in foreign currencies***

	<b>Group III Substandard Loans and Receivables</b>	<b>Group IV Doubtful Loans and Receivables</b>	<b>Group V Uncollectible Loans and Receivables</b>
<b>Current Period</b>			
<b>Balance at End of Period</b>	<b>6,497</b>	<b>103,687</b>	<b>254,100</b>
Specific Provisions (-)	480	70,888	204,391
<b>Net Balance at Balance Sheet</b>	<b>6,017</b>	<b>32,799</b>	<b>49,709</b>
<b>Prior Period</b>			
<b>Balance at End of Period</b>	<b>73,754</b>	<b>39,090</b>	<b>246,415</b>
Specific Provisions (-)	51,023	19,622	227,514
<b>Net Balance at Balance Sheet</b>	<b>22,731</b>	<b>19,468</b>	<b>18,901</b>

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

	<b>Group III Substandard Loans and Receivables</b>	<b>Group IV Doubtful Loans and Receivables</b>	<b>Group V Uncollectible Loans and Receivables</b>
<b>Current Period (Net)</b>	<b>57,961</b>	<b>148,388</b>	<b>198,345</b>
Loans to Individuals and Corporates (Gross)	130,779	635,107	1,414,699
Specific Provision (-)	72,818	486,719	1,216,354
Loans to Individuals and Corporates (Net)	57,961	148,388	198,345
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>132,274</b>	<b>163,113</b>	<b>131,471</b>
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,245,458
Specific Provision (-)	185,391	560,941	1,113,987
Loans to Individuals and Corporates (Net)	132,274	163,113	131,471
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-

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

	<b>Corporate/Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Loans Collateralized by Cash	2,025	1,595	-	3,620
Loans Collateralized by Mortgages	404,874	143,036	-	547,910
Loans Collateralized by Pledged Assets	130,777	106,326	-	237,103
Loans Collateralized by Cheques and Notes	126,661	196,931	-	323,592
Loans Collateralized by Other Collaterals	115,820	22,288	1,909	140,017
Unsecured Loans	44,454	122,054	769,856	936,364
<b>Total</b>	<b>824,611</b>	<b>592,230</b>	<b>771,765</b>	<b>2,188,606</b>

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

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

**5.1.5.12 *Write-off policy***

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

**5.1.6 *Factoring receivables***

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

**5.1.7 *Investments held-to-maturity***

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Collateralised/Blocked Investments	1,399,044	277,403	1,860,387	280,390
Investments subject to Repurchase Agreements	2,295,900	-	2,637,832	152,905
<b>Total</b>	<b>3,694,944</b>	<b>277,403</b>	<b>4,498,219</b>	<b>433,295</b>

**5.1.7.2 *Government securities held-to-maturity***

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	5,155,116	5,991,656
Treasury Bills	-	-
Other Government Securities	1,417,491	1,438,946
<b>Total</b>	<b>6,572,607</b>	<b>7,430,602</b>

**5.1.7.3 *Investments held-to-maturity***

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>6,527,805</b>	<b>7,221,757</b>
Quoted at Stock Exchange	6,491,208	7,184,957
Unquoted at Stock Exchange	36,597	36,800
<b>Valuation Increase / (Decrease)</b>	<b>82,822</b>	<b>246,068</b>
<b>Total</b>	<b>6,610,627</b>	<b>7,467,825</b>

**5.1.7.4 Movement of investments held-to-maturity**

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>7,467,825</b>	<b>7,784,381</b>
Foreign Currency Differences on Monetary Assets	8,181	(27,979)
Purchases during the Period	-	927,839
Disposals through Sales/Redemptions	(701,067)	(1,155,617)
Valuation Effect	(164,312)	(60,799)
<b>Balances at End of Period</b>	<b>6,610,627</b>	<b>7,467,825</b>

**5.1.8 Investments in associates**

**5.1.8.1 Unconsolidated investments in associates**

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Emeklilik Gözetim Merkezi AŞ	Istanbul/Turkey	-	9.00
2	Bankalararası Kart Merkezi AŞ	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 <sup>(1)</sup>	Istanbul/Turkey	6.00	6.00
6	KKB Kredi Kayıt Bürosu AŞ	Istanbul/Turkey	9.09	9.09
7	Gelişen İşletmeler Piyasaları AŞ	Istanbul/Turkey	5.00	5.00
8	Türkiye Cumhuriyet Merkez Bankası AŞ <sup>(1)</sup>	Ankara / Turkey	2.48	2.48
9	Kredi Garanti Fonu AŞ	Ankara / Turkey	1.67	1.67

	Total Assets	Shareholders' Equity	Total Fixed Assets <sup>(*)</sup>	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	5,919	5,057	372	119	-	777	625	-
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	-

<sup>(\*)</sup> Total fixed assets include tangible and intangible assets.

<sup>(1)</sup> Financial information is as of 31 December 2009.

**Unconsolidated investments in associates sold during the current period**

None.

**Unconsolidated investments in associates acquired during the current period**

None.

**5.1.8.2 Consolidated investments in associates**

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	585,550	272,099	13,688	4,756	3,674	19,483	144,059	-

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

**5.1.8.3 Movement of consolidated investments in associates**

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>50,579</b>	<b>40,342</b>
<b>Movements during the Period</b>	<b>3,840</b>	<b>10,237</b>
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	3,952	9,221
Sales/Liquidations (-)	-	-
Reclassifications	-	-
Increase/Decrease in Fair Values	(112)	1,016
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at End of Period</b>	<b>54,419</b>	<b>50,579</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the End of Period (%)</b>	-	-

**Valuation methods of consolidated investments in associates**

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	54,419	50,579

**Sectoral distribution of consolidated investments and associates**

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	54,419	50,579
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	-	-

**Quoted consolidated investments in associates**

None.

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

None.

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

None.

## **5.1.9 Investments in subsidiaries**

### **5.1.9.1 Unconsolidated investments in subsidiaries**

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

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets (*)</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss and Extraordinary Reserves</b>	<b>Company's Fair Value (if available)</b>
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	127	80	123	-	-	-	(36)	-
7	254	254	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-
9	256	254	-	-	-	-	-	-
10	154,099	10,764	122,611	2	-	3,301	(2,537)	-

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

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

As of 31 March 2010, the investments in Trifoi Real Estate Company, United Custodian, Trifoi Investments and Golden Clover Stichting Custody classified as financial subsidiaries are not consolidated as their total assets are less than 1% of the Bank's total assets, instead they are valued at cost.

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

**5.1.9.2 Movement of consolidated investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>997,754</b>	<b>810,562</b>
<b>Movements during the Period</b>	<b>25,108</b>	<b>187,192</b>
Acquisitions and Capital Increases <sup>(*)</sup>	5,817	93
Bonus Shares Received	-	(125,648)
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	34,117	310,519
Currency Differences on Foreign Subsidiaries	(14,826)	2,228
Reversal of Impairment Losses / Impairment Losses (-)	-	-
<b>Balance at End of Period</b>	<b>1,022,862</b>	<b>997,754</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of Period (%)</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> 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.

**Valuation methods of consolidated investments in subsidiaries**

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	812,275	787,167
Valued by Equity Method of Accounting	-	-

**Sectoral distribution of consolidated investments in subsidiaries**

	Current Period	Prior Period
Banks	739,600	689,498
Insurance Companies	56,545	56,545
Factoring Companies	63,024	68,365
Leasing Companies	85,381	85,381
Finance Companies	78,312	97,965
Other Subsidiaries	-	-

**Quoted consolidated investments in subsidiaries**

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

***Other information on consolidated investments in subsidiaries***

	<b>Subsidiaries</b>	<b>Address (City/ Country)</b>	<b>Parent Bank's Share – If Different, Voting Rights (%)</b>	<b>Shares of Other Consolidated Subsidiaries (%)</b>	<b>Method of Consolidation</b>
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	5.86	Full Consolidation
2	Garanti Faktoring Hizmetleri AŞ	Istanbul/Turkey	55.40	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	0.01	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	99.94	-	Full Consolidation
8	Garanti Financial Services Plc	Dublin/Ireland	99.99	-	Full Consolidation
9	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	-	Full Consolidation

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets (*)</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss and Extraordinary Reserves</b>	<b>Company's Fair Value (if available)</b>
1	1,625,768	360,566	18,022	40,373	-	21,011	256,306	-
2	1,253,208	54,529	2,284	8,668	95	3,047	29,110	113,752
3	33,902	27,142	3,517	183	527	1,850	10,606	-
4	19,106	17,097	796	317	51	721	3,536	-
5	1,873,799	250,237	11,637	5,477	2,249	17,095	165,819	-
6	8,125,514	623,600	92,433	70,392	24,046	22,278	264,143	625,705
7	482,963	112,452	30,745	5,698	3,504	6,362	53,250	113,963
8	9,552	8,249	-	-	-	(93)	4,642	9,651
9	92	-	-	-	-	-	(267)	-

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

***Consolidated investments in subsidiaries disposed during the current period***

None.

***Consolidated investments in subsidiaries acquired during the current period***

Please refer to Note 5.1.9.2.

**5.1.10 Investments in joint-ventures**

None.

**5.1.11 Lease receivables**

**5.1.11.1 Financial lease receivables according to remaining maturities**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 Year	738,617	625,280	791,344	664,371
Between 1-5 Years	845,412	749,981	943,917	830,101
Longer than 5 Years	36,387	34,139	50,337	47,037
<b>Total</b>	<b>1,620,416</b>	<b>1,409,400</b>	<b>1,785,598</b>	<b>1,541,509</b>



**5.1.11.2 Net financial lease receivables**

	Current Period	Prior Period
Gross Financial Lease Receivables	1,620,416	1,785,598
Unearned Income on Financial Lease Receivables (-)	(211,016)	(244,089)
Terminated Lease Contracts (-)	-	-
<b>Net Financial Lease Receivables</b>	<b>1,409,400</b>	<b>1,541,509</b>

**5.1.11.3 Financial lease agreements**

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

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

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

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

The followings are monitored for the financial lease agreements signed:

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

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

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

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

None.

**5.1.13 Tangible assets**

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

**5.1.14 Intangible assets**

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

**5.1.15 Investment property**

None.

**5.1.16 Deferred tax asset**

As of 31 March 2010, on a consolidated basis the Bank has a deferred tax asset of TL 194,334 thousands (31 December 2009: TL 78,717 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 31 March 2010. However, there is a deferred tax asset of TL 255,772 thousands (31 December 2009: TL 248,506 thousands) and deferred tax liability of TL 61,438 thousands (31 December 2009: TL 169,789 thousands) presented as net in the accompanying consolidated financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 32,383 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2009 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future. In the accompanying consolidated financial statements as of 31 March 2010, a deferred tax asset amounting TL 26,618 thousands is included in this respect.

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

**5.1.17 Assets held for sale and assets of discontinued operations**

	<i>Current Period</i>	<i>Prior Period</i>
<b>End of Prior Period</b>		
<b>Cost</b>	<b>82,336</b>	<b>83,178</b>
<b>Accumulated Depreciation (-)</b>	<b>(1,144)</b>	<b>(1,832)</b>
<b>Net Book Value</b>	<b>81,192</b>	<b>81,346</b>
<b>End of Current Period</b>		
Additions	15,993	33,184
Disposals (Cost)	(9,370)	(25,278)
Disposals (Accumulated Depreciation)	11	1,358
Reversal of Impairment / Impairment Losses (-)	(691)	(8,748)
Depreciation Expense for Current Period (-)	(153)	(670)
Currency Translation Differences on Foreign Operations	-	-
<b>Cost</b>	<b>88,268</b>	<b>82,336</b>
<b>Accumulated Depreciation (-)</b>	<b>(1,286)</b>	<b>(1,144)</b>
<b>Net Book Value</b>	<b>86,982</b>	<b>81,192</b>

As of balance sheet date, 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).

**5.1.18 Other Assets**

**5.1.18.1 Receivables from term sale of assets**

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

**5.1.18.2 Prepaid expenses**

	<i>Current Period</i>	<i>Prior Period</i>
Prepaid Expenses	276,442	244,835

## 5.2 Consolidated liabilities

### 5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
<b>Saving Deposits</b>	<b>1,935,092</b>	-	<b>6,803,107</b>	<b>13,890,857</b>	<b>121,394</b>	<b>112,696</b>	<b>81,764</b>	<b>232</b>	<b>22,945,142</b>
<b>Foreign Currency Deposits</b>	<b>7,792,506</b>	-	<b>8,443,341</b>	<b>10,959,835</b>	<b>571,338</b>	<b>1,605,373</b>	<b>1,955,341</b>	<b>88,390</b>	<b>31,416,124</b>
Residents in Turkey	4,803,347	-	7,627,588	10,365,070	387,471	462,913	874,768	87,035	24,608,192
Residents in Abroad	2,989,159	-	815,753	594,765	183,867	1,142,460	1,080,573	1,355	6,807,932
<b>Public Sector Deposits</b>	<b>658,073</b>	-	<b>5,773</b>	<b>7,265</b>	<b>1,787</b>	<b>10</b>	<b>68</b>	-	<b>672,976</b>
<b>Commercial Deposits</b>	<b>2,340,768</b>	-	<b>3,151,611</b>	<b>7,469,474</b>	<b>116,368</b>	<b>67,268</b>	<b>132,288</b>	-	<b>13,277,777</b>
<b>Others</b>	<b>72,710</b>	-	<b>31,739</b>	<b>454,977</b>	<b>736</b>	<b>134</b>	<b>312</b>	-	<b>560,608</b>
<b>Precious Metal Deposits</b>	<b>290,456</b>	-	<b>34</b>	<b>48</b>	-	<b>3,649</b>	-	-	<b>294,187</b>
<b>Bank Deposits</b>	<b>1,305,346</b>	-	<b>708,722</b>	<b>160,315</b>	<b>40,703</b>	<b>42,940</b>	<b>35,448</b>	-	<b>2,293,474</b>
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	49,623	-	73,736	34,975	-	4,782	960	-	164,076
Foreign Banks	991,174	-	634,986	125,340	40,703	38,158	34,488	-	1,864,849
Special Financial Institutions	264,549	-	-	-	-	-	-	-	264,549
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,394,951</b>	-	<b>19,144,327</b>	<b>32,942,771</b>	<b>852,326</b>	<b>1,832,070</b>	<b>2,205,221</b>	<b>88,622</b>	<b>71,460,288</b>

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

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

#### **5.2.1.1.1 Deposits exceeding insurance limit**

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	9,855,527	9,297,711	12,839,663	11,380,762
Foreign Currency Saving Deposits	6,963,522	7,242,292	9,950,708	10,277,032
Other Saving Deposits	127,352	120,181	147,205	175,083
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

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

#### **5.2.1.3 Saving deposits not covered by insurance limits**

##### **5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:**

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

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	34,989	15,781	12,214	16,829
Swap Transactions	107,562	292,192	86,116	170,251
Futures	-	73	-	106
Options	17,724	43,834	19,542	36,358
Others	-	-	-	-
<b>Total</b>	<b>160,275</b>	<b>351,880</b>	<b>117,872</b>	<b>223,544</b>

### **5.2.3 Funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	829,833	714,233	1,005,262	775,418
Foreign Banks, Institutions and Funds	3,411,492	10,510,717	3,122,201	10,563,470
<b>Total</b>	<b>4,241,325</b>	<b>11,224,950</b>	<b>4,127,463</b>	<b>11,338,888</b>

### 5.2.3.1 *Maturities of funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	858,664	3,974,184	1,091,320	3,895,952
Medium and Long-Term	3,382,661	7,250,766	3,036,143	7,442,936
<b>Total</b>	<b>4,241,325</b>	<b>11,224,950</b>	<b>4,127,463</b>	<b>11,338,888</b>

### 5.2.3.2 *Disclosures for concentration areas of bank's liabilities*

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

### 5.2.4 *Interbank money markets*

#### *Funds obtained through repurchase transactions:*

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>5,059,629</b>	-	<b>9,804,711</b>	-
Financial Institutions and Organizations	5,018,515	-	9,749,113	-
Other Institutions and Organizations	10,109	-	18,423	-
Individuals	31,005	-	37,175	-
<b>Foreign Transactions</b>	<b>579,046</b>	<b>174,864</b>	<b>572,540</b>	<b>387,478</b>
Financial Institutions and Organizations	578,789	174,864	572,241	387,478
Other Institutions and Organizations	136	-	176	-
Individuals	121	-	123	-
<b>Total</b>	<b>5,638,675</b>	<b>174,864</b>	<b>10,377,251</b>	<b>387,478</b>

### 5.2.5 *Factoring payables*

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

### 5.2.6 *Lease payables*

#### 5.2.6.1 *Financial lease payables*

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	5,174	5,174	5,034	5,034
Between 1-5 Years	-	-	-	-
Longer than 5 Years	-	-	-	-
<b>Total</b>	<b>5,174</b>	<b>5,174</b>	<b>5,034</b>	<b>5,304</b>

#### 5.2.6.2 *Operational lease agreements*

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

## 5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	3,348	-	3,464
Net Foreign Investment Hedges	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,348</b>	<b>-</b>	<b>3,464</b>

## 5.2.8 Provisions

### 5.2.8.1 General provisions

	Current Period	Prior Period
<b>General Provision for</b>	<b>484,516</b>	<b>437,334</b>
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
Others	-	-

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

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

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

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

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

### 5.2.8.4 Other provisions

#### 5.2.8.4.1 General reserves for possible losses

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

#### 5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	215,679	167,758
Recognized Liability for Defined Benefit Obligations	-	-
Insurance Technical Provisions, Net	136,318	128,614
Provision for Promotion Expenses of Credit Cards <sup>(*)</sup>	47,760	36,208
Other Provisions	43,078	30,449
<b>Total</b>	<b>442,835</b>	<b>363,029</b>

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

*Recognized liability for defined benefit plan obligations*

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

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

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

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



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

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

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

## **5.2.9 Tax liability**

### **5.2.9.1 Current tax liability**

#### **5.2.9.1.1 Tax liability**

As of 31 March 2010, the corporate tax liability amounts to TL 481,371 thousands (31 December 2009: TL 224,153 thousands) after offsetting with prepaid taxes. In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

#### **5.2.9.1.2 Taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Taxes Payable	481,371	224,153
Taxation on Securities Income	84,377	88,060
Taxation on Real Estates Income	1,657	1,300
Banking Insurance Transaction Tax	29,210	29,843
Foreign Exchange Transaction Tax	28	27
Value Added Tax Payable	1,815	2,694
Others	16,313	38,205
<b>Total</b>	<b>614,771</b>	<b>384,282</b>

#### **5.2.9.1.3 Premiums payable**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employees	245	336
Social Security Premiums-Employer	250	255
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	2	-
Unemployment Insurance-Employees	478	492
Unemployment Insurance-Employer	887	910
Others	-	-
<b>Total</b>	<b>1,903</b>	<b>2,038</b>

#### **5.2.9.2 Deferred tax liability**

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 17,787 thousands as of 31 March 2010 (31 December 2009: TL 10,850 thousands).

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

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

#### **5.2.11 Subordinated debts**

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

#### **5.2.12 Shareholders’ equity**

##### **5.2.12.1 Paid-in capital**

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

##### **5.2.12.2 Registered share capital system**

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

##### **5.2.12.3 Capital increases in current period**

None.

##### **5.2.12.4 Capital increases from capital reserves in current period**

None.

##### **5.2.12.5 Capital commitments for current and future financial periods**

None.

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

None.

##### **5.2.12.7 Information on privileges given to stocks representing the capital**

None.

**5.2.12.8 Securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Investments in Associates, Subsidiaries and Joint-Ventures</b>	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>1,448,373</b>	<b>149,695</b>	<b>1,242,755</b>	<b>118,679</b>
Valuation Difference	1,448,373	149,695	1,242,755	118,679
Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>1,448,373</b>	<b>149,695</b>	<b>1,242,755</b>	<b>118,679</b>

**5.2.12.9 Revaluation surplus**

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

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

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

**5.2.12.11 Legal reserves**

	Current Period	Prior Period
I. Legal Reserve	348,910	349,148
II. Legal Reserve	30,127	30,127
Special Reserves	-	-
<b>Total</b>	<b>379,037</b>	<b>379,275</b>

**5.2.12.12 Extraordinary reserves**

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

**5.2.12.13 Minority interest**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at Beginning of Period</b>	<b>49,023</b>	<b>35,125</b>
Profit Share of Subsidiaries Net Profits	3,384	13,884
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	2	14
<b>Balance at End of Period</b>	<b>52,409</b>	<b>49,023</b>

### 5.3 Consolidated off-balance sheet items

#### 5.3.1 Off-balance sheet contingencies

##### 5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 2,547,850 thousands (31 December 2009: TL 2,264,070 thousands), commitments for cheque payments of TL 1,595,657 thousands (31 December 2009: TL 1,513,244 thousands) and commitments for credit card limits of TL 9,454,430 thousands (31 December 2009: TL 9,120,759 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,472,967	7,653,913
Letters of Guarantee in TL	4,685,313	4,506,694
Letters of Credit	2,983,886	2,827,019
Bills of Exchange and Acceptances	118,605	125,841
Prefinancings	-	-
<b>Total</b>	<b>15,260,771</b>	<b>15,113,467</b>

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 as of 31 March 2010.

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 and its consolidated financial affiliates’ “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 781,666,667 and EUR 500,000 (31 December 2009: USD 932,777,778 and EUR 500,000).

##### 5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	860,364	902,088
<i>With Original Maturity of 1 Year or Less</i>	<i>7,136</i>	<i>18,484</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>853,228</i>	<i>883,604</i>
Other Non-Cash Loans	14,400,407	14,211,379
<b>Total</b>	<b>15,260,771</b>	<b>15,113,467</b>

##### 5.3.1.4 Other information on non-cash loans

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

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

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

**5.3.2 Financial derivative instruments**

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

**5.3.3 Contingent liabilities and assets**

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

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

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

## 5.4 Consolidated income statement

### 5.4.1 Interest income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest Income from Loans</b>				
Short-term loans	525,157	63,375	777,117	102,839
Medium and long-term loans	497,035	278,875	503,844	350,836
Loans under follow-up	14,442	-	7,208	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,036,634</b>	<b>342,250</b>	<b>1,288,169</b>	<b>453,675</b>

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

#### 5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	1,055	18	1,170	295
Domestic Banks	10,264	511	3,183	7,203
Foreign Banks	46,723	13,914	33,535	30,975
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>58,042</b>	<b>14,443</b>	<b>37,888</b>	<b>38,473</b>

#### 5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	11,902	151	8,240	482
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	814,823	55,069	636,156	63,840
Investments Held-to-Maturity	185,478	26,630	246,879	32,023
<b>Total</b>	<b>1,012,203</b>	<b>81,850</b>	<b>891,275</b>	<b>96,345</b>

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

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	338	525

### 5.4.2 Interest expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	19,226	2,390	29,678	1,981
Foreign Banks	90,868	62,258	67,699	91,638
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	14,541	-	15,585
<b>Total</b>	<b>110,094</b>	<b>79,189</b>	<b>97,377</b>	<b>109,204</b>

(\*) Includes also fees and commissions expenses on borrowings

**5.4.2.2 Interest expenses paid to associates and subsidiaries**

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	2	1

**5.4.2.3 Interest expenses on securities issued**

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

**5.4.2.4 Maturity structure of interest expense on deposits**

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
<b>Turkish Lira</b>								
Bank Deposits	520	5,278	58	91	73	57	-	6,077
Saving Deposits	210	140,162	270,977	3,060	3,301	2,780	-	420,490
Public Sector Deposits	-	313	733	33	1	2	-	1,082
Commercial Deposits	1,125	94,071	166,220	1,457	1,418	3,748	-	268,039
Others	650	641	7,278	14	3	6	-	8,592
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
<b>Total TL</b>	<b>2,505</b>	<b>240,465</b>	<b>445,266</b>	<b>4,655</b>	<b>4,796</b>	<b>6,593</b>	<b>-</b>	<b>704,280</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	2,058	41,470	61,664	8,182	15,193	12,559	456	141,582
Bank Deposits	381	6,445	657	1,074	967	997	-	10,521
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1	-	22	-	-	23
<b>Total FC</b>	<b>2,439</b>	<b>47,915</b>	<b>62,322</b>	<b>9,256</b>	<b>16,182</b>	<b>13,556</b>	<b>456</b>	<b>152,126</b>
<b>Grand Total</b>	<b>4,944</b>	<b>288,380</b>	<b>507,588</b>	<b>13,911</b>	<b>20,978</b>	<b>20,149</b>	<b>456</b>	<b>856,406</b>

**5.4.2.5 Interest expense on repurchase agreements**

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

**5.4.2.6 Financial lease expenses**

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

**5.4.2.7 Interest expenses on factoring payables**

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

**5.4.3 Dividend income**

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



#### 5.4.4 Trading income/losses (net)

	Current Period	Prior Period
<b>Income</b>	<b>15,758,004</b>	<b>20,212,763</b>
Trading Account Income	239,597	207,887
Derivative Financial Instruments	754,412	1,176,379
Foreign Exchange Gain	14,763,995	18,828,497
<b>Losses (-)</b>	<b>15,580,154</b>	<b>19,812,271</b>
Trading Account Losses	115,257	124,586
Derivative Financial Instruments	948,185	799,031
Foreign Exchange Losses	14,516,712	18,888,654
<b>Total</b>	<b>177,850</b>	<b>400,492</b>

TL 588,208 thousands (31 March 2009: TL 1,321,485 thousands) of foreign exchange gains and TL 611,782 thousands (31 March 2009: TL 1,453,839 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

#### 5.4.5 Other operating income

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

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

	Current Period	Prior Period
<b>Specific Provisions for Loans and Other Receivables</b>	<b>148,109</b>	<b>429,370</b>
<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>	14,831	125,566
<b>General Provisions</b>	<b>48,763</b>	<b>60,406</b>
<b>Provision for Possible Losses</b>	<b>-</b>	<b>15,000</b>
<b>Impairment Losses on Financial Assets</b>	<b>347</b>	<b>118</b>
<i>Financial assets at fair value through profit or loss</i>	347	115
<i>Financial assets available-for-sale</i>	-	3
<b>Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity</b>	<b>-</b>	<b>15</b>
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	15
<i>Joint ventures (business partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	-
<b>Others</b>	<b>5,597</b>	<b>81,164</b>
<b>Total</b>	<b>202,816</b>	<b>586,073</b>

#### 5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	320,711	228,998
Reserve for Employee Termination Benefits	934	-
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	39,480	43,192
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	3,360	2,428
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	691	-
Depreciation Expenses of Assets to be Disposed	153	199
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	-
Other Operating Expenses	280,023	218,734
<i>Operational lease related expenses</i>	36,360	31,377
<i>Repair and maintenance expenses</i>	5,275	5,505
<i>Advertisement expenses</i>	31,250	20,480
<i>Other expenses</i>	207,138	161,372
Loss on Sale of Assets	232	376
Others (*)	160,386	115,925
<b>Total</b>	<b>805,970</b>	<b>609,852</b>

(\*) 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 for discontinued operations

As of 31 March 2010, on a consolidated basis, the Bank recorded a current tax charge of TL 393,775 thousands (31 March 2009: TL 222,248 thousands) and a deferred tax benefit of TL 106,085 thousands (31 March 2009: TL 24,188 thousands).

##### *Deferred tax benefit/charge on timing differences :*

Deferred tax benefit/(charge) on timing differences	Current Period	Prior Period
Increase in Tax Deductable Timing Differences (+)	51,119	31,295
Decrease in Tax Deductable Timing Differences (-)	23,019	7,815
Increase in Taxable Timing Differences (-)	2,378	9,593
Decrease in Taxable Timing Differences (+)	80,363	10,301
<b>Total</b>	<b>106,085</b>	<b>24,188</b>

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

<b>Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions</b>	<b>Current Period</b>	<b>Prior Period</b>
Increase/(Decrease) in Tax Deductable Timing Differences (net)	28,100	23,480
Increase/(Decrease) in Taxable Timing Differences (net)	77,985	708
Increase/(Decrease) in Tax Losses (net)	-	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-	-
<b>Total</b>	<b>106,085</b>	<b>24,188</b>

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

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

**5.4.11 Net profit/loss**

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

None.

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

None.

**5.4.11.3 Minority interest’s profit/loss**

	<b>Current Period</b>	<b>Prior Period</b>
Net Profit/(Loss) of Minority Interest	3,384	3,685

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

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

## **5.5 Consolidated statement of changes in shareholders' equity**

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

## **5.6 Consolidated statement of cash flows**

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

## 5.7 Related Party Risks

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

#### 5.7.1.1 Loans and other receivables

##### Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	18,332	3,194	2	920	306,087	374,508
Balance at end of period	58,083	3,219	254	4,221	314,434	351,915
Interest and Commission Income	692	-	63	-	7,503	1,100

##### Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	23,597	3,157	25	1,661	274,415	184,521
Balance at end of period	18,332	3,194	2	920	306,087	374,508
Interest and Commission Income	525	-	432	1	6,845	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	3,826	1,752	360,361	313,475	359,057	186,263
Balance at end of period	1,418	3,826	378,008	360,361	365,271	359,037
Interest Expenses	2	1	4,497	3,951	2,972	3,372

#### 5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss:						
Balance at beginning of period	4,412	13,500	-	-	3,326	-
Balance at end of period	24,724	4,412	-	-	100,959	3,326
Total Profit/(Loss)	12,999	-	-	41	576	4
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

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

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

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

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

The cash loans of the risk group amounting TL 313,745 thousands (31 December 2009: TL 266,308 thousands) compose 0.54% (31 December 2009: 0.50%) of the Bank's total cash loans and 0.27% (31 December 2009: 0.23%) of the Bank's total assets. The total loans and similar receivables amounting TL 372,771 thousands (31 December 2009: TL 324,421 thousands) compose 0.32% (31 December 2009: 0.28%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 359,355 thousands (31 December 2009: TL 378,622 thousands) compose 2.35% (31 December 2009: 2.51%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 744,697 thousands (31 December 2009: TL 723,224 thousands) compose 1.04% (31 December 2009: 1.05%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 8,185 thousands (31 December 2009: TL 8,415 thousands) to related parties.

Operating expenses of TL 2,369 thousands (31 March 2009: TL 1,508 thousands) for IT services rendered by related parties and rent income of TL 57 thousands (31 March 2009: TL 74 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 56,489 thousands as of 31 March 2010 (31 March 2009: TL 45,501 thousands) to its top management considered as the key management.

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

None.

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

Please refer to Note 5.1.8.

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

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

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

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

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



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

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

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

Dividend payments to shareholders started on 12 April 2010.

## 5.10 Other disclosures on activities of bank

### 5.10.1 Parent bank's latest international risk ratings

#### MOODY'S (January 2010)\*

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

#### STANDARD AND POORS (February 2010)\*

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

#### FITCH RATINGS (April 2010)\*

<b>Foreign Currency</b>	
Long Term	BBB-
Short Term	F3
Outlook	Stable
Individual	C
Support	3
<b>Turkish Lira</b>	
Long Term	BBB-
Short Term	F3
Outlook	Stable
<b>National</b>	AAA (Trk)
Outlook	Stable

#### CAPITAL INTELLIGENCE (November 2009)\*

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

#### JCR EURASIA RATINGS (May 2010)\*

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

(\*) Latest dates in risk ratings or outlooks

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

**MOODY'S (August 2009)\***

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

(\*) Latest date in risk ratings or outlooks.

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

**FITCH RATINGS (November 2009)\***

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

(\*) Latest date in risk ratings or outlooks.

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

**FITCH RATINGS (January 2010)\***

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

**STANDARD AND POORS (February 2010)\***

FC Obligations	BB
TL Obligations	BB
Outlook	Positive

(\*) Latest dates in risk ratings or outlooks.

## **6 Independent Accountants' Limited Review Report**

### **6.1 Disclosure on independent accountants' limited review report**

The consolidated financial statements of the Bank and its financial affiliates as of 31 March 2010, are reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu). It was noted in their independent 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 consolidated interim financial statements do not give a true and fair view of the financial position and results of operations of the Bank and its financial affiliates as of 31 March 2010.

### **6.2 Disclosures and footnotes prepared by independent accountants**

None.

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