

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

Türkiye Garanti Bankası Anonim Şirketi
Unconsolidated Financial Statements
As of and For the Six-Month Period Ended
30 June 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
3 August 2010

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

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2010 – 30 JUNE 2010

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

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

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

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

Other Matters:

The financial statements of the Bank as of and for the six-month period ended 30 June 2009 were reviewed and as of and for the year ended 31 December 2009 were audited by another auditor. The other independent auditor stated in their review report dated 5 August 2009 that nothing has come to their attention that causes them to believe that the interim financial statements do not give a true and fair view of the financial position and the results of its operations except for the effect of the general reserve amounting to TL 250,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions, which was charged to the income statement as expense in that period and expressed a qualified opinion in their audit report dated 11 February 2010 for the financial statements as of 31 December 2009 stating that the financial statements included a general reserve amounting to TL 330,000 thousands provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions, and all of this reserve amount was charged to the income statement as expense in that period.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner

Istanbul, 3 August 2010

Türkiye Garanti Bankası Anonim Şirketi

Unconsolidated Interim Financial Report as of and for the Six-Month Period Ended 30 June 2010

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The Unconsolidated Interim Financial Report for the six-month period ended 30 June 2010 prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

Ferit F. Şahenk
Board of Directors
Chairman

S. Ergun Özen
General Manager

Aydın Şenel
Executive Vice
President

Mustafa Keleş
Financial Accounting
Director

M. Cüneyt Sezgin
Audit Committee
Member

Des O'Shea
Audit Committee
Member

The authorized contact person for questions on this financial report:

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1 General Information

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 803 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

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

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

Doğuş Group

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

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

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

General Electric Group

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

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

GE Technology Infrastructure
GE Energy Infrastructure
GE Capital Finance
NBC Universal

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

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

Board of Directors Chairman and Members:

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

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	23 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	32 years
Afzal Mohammed Modak	EVP-Finance and Accounting	20.07.2007	Master	25 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	18 years
Ali Temel	EVP-Loans	21.10.1999	University	20 years
Gökhan Erun	EVP-Human Resources & Investment Banking	01.09.2005	Master	16 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	28 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	25 years
Uruz Ersözöglü	EVP-Treasury	05.04.2006	University	19 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	18 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	25 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	29 years
Zekeriya Öztürk	EVP- International Business Development	06.03.2006	Master	15 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	16 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	16 years

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

1.4 Information on the bank's qualified shareholders

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

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

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

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

1.5 Summary information on the bank's activities and services

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

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

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

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

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

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi Balance Sheet (Statement of Financial Position) At 30 June 2010

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 June 2010			PRIOR PERIOD 31 December 2009		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	1.013.357	3.336.709	4.350.066	3.848.995	3.016.978	6.865.973
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1.696.932	215.295	1.912.227	784.350	130.442	914.792
2.1 Financial assets held for trading		1.696.932	215.295	1.912.227	784.350	130.442	914.792
2.1.1 Government securities		1.514.671	21.225	1.535.896	317.533	14.312	331.845
2.1.2 Equity securities		7.741	-	7.741	1.108	-	1.108
2.1.3 Derivative financial assets held for trading		157.301	194.070	351.371	456.737	116.130	572.867
2.1.4 Other securities		17.219	-	17.219	8.972	-	8.972
2.2 Financial assets valued at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Government securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	2.579.323	5.837.522	8.416.845	2.518.057	5.816.281	8.334.338
IV. INTERBANK MONEY MARKETS		35.238	-	35.238	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		35.238	-	35.238	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	24.187.687	2.738.962	26.926.649	25.218.752	2.876.281	28.095.033
5.1 Equity securities		54.923	64.574	119.497	54.356	78.066	132.422
5.2 Government securities		23.788.629	1.213.183	25.001.812	24.952.926	1.049.312	26.002.238
5.3 Other securities		344.135	1.461.205	1.805.340	211.470	1.748.903	1.960.373
VI. LOANS	(5.1.5)	32.795.372	23.202.782	55.998.154	28.582.799	21.149.896	49.732.695
6.1 Performing loans		32.440.725	23.202.782	55.643.507	28.158.157	21.149.896	49.308.053
6.1.1 Loans to bank's risk group	(5.7)	150.187	629.739	779.926	254.147	297.777	551.924
6.1.2 Government securities		-	-	-	-	-	-
6.1.3 Others		32.290.538	22.573.043	54.863.581	27.904.010	20.852.119	48.756.129
6.2 Loans under follow-up		1.976.361	-	1.976.361	2.237.105	-	2.237.105
6.3 Specific provisions (-)		1.621.714	-	1.621.714	1.812.463	-	1.812.463
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	5.274.479	1.352.372	6.626.851	5.960.353	1.385.808	7.346.161
8.1 Government securities		5.274.479	1.352.372	6.626.851	5.960.353	1.385.808	7.346.161
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	29.759	-	29.759	29.705	-	29.705
9.1 Associates consolidated under equity accounting		-	-	-	-	-	-
9.2 Unconsolidated associates		29.759	-	29.759	29.705	-	29.705
9.2.1 Financial investments in associates		28.045	-	28.045	27.991	-	27.991
9.2.2 Non-financial investments in associates		1.714	-	1.714	1.714	-	1.714
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	281.226	1.040.410	1.321.636	284.458	718.802	1.003.260
10.1 Unconsolidated financial investments in subsidiaries		266.417	1.040.410	1.306.827	270.155	718.802	988.957
10.2 Unconsolidated non-financial investments in subsidiaries		14.809	-	14.809	14.303	-	14.303
XI. INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting		-	-	-	-	-	-
11.2 Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures		-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Net foreign investment hedges		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	1.131.079	813	1.131.892	1.141.266	1.326	1.142.592
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	23.493	-	23.493	20.626	-	20.626
15.1 Goodwill		-	-	-	-	-	-
15.2 Other intangibles		23.493	-	23.493	20.626	-	20.626
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSET		132.356	-	132.356	22.439	-	22.439
17.1 Current tax asset		1.908	-	1.908	3.903	-	3.903
17.2 Deferred tax asset	(5.1.15)	130.448	-	130.448	18.536	-	18.536
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	99.787	-	99.787	81.150	-	81.150
18.1 Assets held for sale		99.787	-	99.787	81.150	-	81.150
18.2 Assets of discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	1.072.873	57.684	1.130.557	832.352	40.758	873.110
TOTAL ASSETS		70.352.961	37.782.549	108.135.510	70.325.482	35.136.572	105.462.054

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 30 June 2010

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2010			31 December 2009		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.2.1)	39.697.359	27.952.161	67.649.520	36.093.812	26.714.233	62.808.045
1.1 Deposits from bank's risk group	(5.7)	576.515	685.912	1.262.427	467.020	448.044	915.064
1.2 Others		39.120.844	27.266.249	66.387.093	35.626.792	26.266.189	61.892.981
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	178.805	232.349	411.154	111.538	117.246	228.784
III. FUNDS BORROWED	(5.2.3)	4.246.267	10.052.157	14.298.424	3.190.609	9.816.865	13.007.474
IV. INTERBANK MONEY MARKETS	(5.2.4)	4.431.976	248.545	4.680.521	10.377.251	157.453	10.534.704
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		4.431.976	248.545	4.680.521	10.377.251	157.453	10.534.704
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.682.257	32.103	2.714.360	2.339.620	20.730	2.360.350
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		941.406	266.122	1.207.528	707.043	223.933	930.976
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.2.5)	240	82	322	914	3.264	4.178
10.1 Financial lease payables		253	87	340	984	3.548	4.532
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		13	5	18	70	284	354
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.6)	-	3.279	3.279	-	3.464	3.464
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	3.279	3.279	-	3.464	3.464
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	(5.2.7)	1.147.320	28.185	1.175.505	1.009.841	32.725	1.042.566
12.1 General provisions		485.491	27.042	512.533	407.179	30.155	437.334
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		219.300	-	219.300	165.367	-	165.367
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		442.529	1.143	443.672	437.295	2.570	439.865
XIII. TAX LIABILITY	(5.2.8)	290.353	155	290.508	351.317	151	351.468
13.1 Current tax liability		290.353	155	290.508	351.317	151	351.468
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.9)	-	-	-	-	-	-
14.1 Assets held for sale		-	-	-	-	-	-
14.2 Assets of discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED DEBTS	(5.2.10)	-	900.984	900.984	-	874.358	874.358
XVI. SHAREHOLDERS' EQUITY	(5.2.11)	14.467.601	335.804	14.803.405	13.007.477	308.210	13.315.687
16.1 Paid-in capital		4.200.000	-	4.200.000	4.200.000	-	4.200.000
16.2 Capital reserves		2.525.016	320.525	2.845.541	2.635.113	295.299	2.930.412
16.2.1 Share premium		11.880	-	11.880	11.880	-	11.880
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund		1.203.167	322.628	1.525.795	1.313.680	297.466	1.611.146
16.2.4 Revaluation surplus on tangible assets		598.187	-	598.187	598.194	-	598.194
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		2.453	-	2.453	2.453	-	2.453
16.2.8 Hedging reserves (effective portion)		(63.225)	(2.103)	(65.328)	(63.648)	(2.167)	(65.815)
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		772.554	-	772.554	772.554	-	772.554
16.3 Profit reserves		5.817.380	15.279	5.832.659	3.210.123	12.911	3.223.034
16.3.1 Legal reserves		524.173	4.456	528.629	362.398	4.634	367.032
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5.294.076	-	5.294.076	2.847.764	-	2.847.764
16.3.4 Other profit reserves		(869)	10.823	9.954	(39)	8.277	8.238
16.4 Profit or loss		1.925.205	-	1.925.205	2.962.241	-	2.962.241
16.4.1 Prior periods profit/loss		-	-	-	-	-	-
16.4.2 Current period net profit/loss		1.925.205	-	1.925.205	2.962.241	-	2.962.241
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		68.083.584	40.051.926	108.135.510	67.189.422	38.272.632	105.462.054

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

Türkiye Garanti Bankası Anonim Şirketi
Off-Balance Sheet Items
At 30 June 2010

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2010			31 December 2009		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		37.763.918	54.718.656	92.482.574	31.164.658	45.427.130	76.591.788
I. GUARANTEES AND SURETIES	(5.3.1)	4.826.279	10.378.826	15.205.105	4.513.990	10.169.309	14.683.299
1.1. Letters of guarantee		4.819.044	7.166.766	11.985.810	4.513.454	7.451.475	11.964.929
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		345.810	311.186	656.996	331.518	335.464	666.982
1.1.3. Other letters of guarantee		4.473.234	6.855.580	11.328.814	4.181.936	7.116.011	11.297.947
1.2. Bank acceptances		-	140.458	140.458	514	125.327	125.841
1.2.1. Import letter of acceptance		-	140.458	140.458	514	124.968	125.482
1.2.2. Other bank acceptances		-	-	-	-	359	359
1.3. Letters of credit		7.235	3.071.602	3.078.837	22	2.592.507	2.592.529
1.3.1. Documentary letters of credit		-	-	-	-	4	4
1.3.2. Other letters of credit		7.235	3.071.602	3.078.837	22	2.592.503	2.592.525
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	-	-
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.3.1)	16.514.261	4.758.893	21.273.154	15.449.634	4.255.825	19.705.459
2.1. Irrevocable commitments		16.514.261	4.758.218	21.272.479	15.449.634	4.255.179	19.704.813
2.1.1. Asset purchase and sale commitments		636.261	1.336.300	1.972.561	270.190	1.170.188	1.440.378
2.1.2. Deposit purchase and sale commitments		92.400	516.450	608.850	46.000	1.736	47.736
2.1.3. Share capital commitments to associates and subsidiaries		2.250	9.090	11.340	2.250	10.136	12.386
2.1.4. Loan granting commitments		1.926.370	1.683.503	3.609.873	3.270.340	1.694.866	4.965.209
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1.661.358	-	1.661.358	1.513.300	-	1.513.300
2.1.8. Tax and fund obligations on export commitments		22.782	-	22.782	25.746	-	25.746
2.1.9. Commitments for credit card limits		10.908.630	-	10.908.630	9.057.598	-	9.057.598
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		1.264.210	1.212.875	2.477.085	1.264.210	1.378.250	2.642.460
2.2. Revocable commitments		-	675	675	-	646	646
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	675	675	-	646	646
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	16.423.378	39.580.937	56.004.315	11.201.034	31.001.996	42.203.030
3.1. Derivative financial instruments held for risk management		-	215.188	215.188	-	245.850	245.850
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	215.188	215.188	-	245.850	245.850
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		16.423.378	39.365.745	55.789.127	11.201.034	30.756.146	41.957.180
3.2.1. Forward foreign currency purchases/sales		2.323.330	4.693.301	7.016.631	1.927.085	2.992.507	4.919.592
3.2.1.1. Forward foreign currency purchases		1.018.388	2.495.915	3.514.303	716.991	1.761.347	2.478.338
3.2.1.2. Forward foreign currency sales		1.304.942	2.197.386	3.502.328	1.210.094	1.231.160	2.441.254
3.2.2. Currency and interest rate swaps		7.419.903	22.290.964	29.710.867	5.776.756	18.227.184	24.003.940
3.2.2.1. Currency swaps-purchases		3.837.495	5.737.454	9.574.949	2.588.879	4.718.074	7.306.953
3.2.2.2. Currency swaps-sales		3.445.908	6.353.798	9.799.706	3.187.877	3.965.784	7.153.661
3.2.2.3. Interest rate swaps-purchases		68.250	5.099.856	5.168.106	-	4.771.663	4.771.663
3.2.2.4. Interest rate swaps-sales		68.250	5.099.856	5.168.106	-	4.771.663	4.771.663
3.2.3. Currency, interest rate and security options		6.661.871	11.300.264	17.962.135	3.469.504	8.863.465	12.332.969
3.2.3.1. Currency call options		2.747.756	4.400.225	7.147.981	1.211.007	3.047.363	4.258.370
3.2.3.2. Currency put options		3.805.601	3.730.924	7.536.525	2.234.906	2.294.698	4.529.604
3.2.3.3. Interest rate call options		-	1.635.115	1.635.115	-	1.810.844	1.810.844
3.2.3.4. Interest rate put options		-	1.534.000	1.534.000	-	1.710.560	1.710.560
3.2.3.5. Security call options		73.304	-	73.304	18.368	-	18.368
3.2.3.6. Security put options		35.210	-	35.210	5.223	-	5.223
3.2.4. Currency futures		18.274	18.920	37.194	24.689	24.715	49.404
3.2.4.1. Currency futures-purchases		409	18.507	18.916	-	4.704	4.704
3.2.4.2. Currency futures-sales		17.865	413	18.278	24.689	20.011	44.700
3.2.5. Interest rate futures		-	-	-	-	32.184	32.184
3.2.5.1. Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	32.184	32.184
3.2.6. Others		-	1.062.300	1.062.300	3.000	616.091	619.091
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		217.473.618	139.976.065	357.449.683	185.131.605	131.521.185	316.652.790
IV. ITEMS HELD IN CUSTODY		54.808.157	15.429.340	70.237.497	45.183.674	15.367.633	60.551.307
4.1. Customers' securities held		34.165.221	941	34.166.162	23.873.575	1.133	23.874.708
4.2. Investment securities held in custody		13.028.784	4.428.893	17.457.677	14.546.869	4.662.027	19.208.896
4.3. Checks received for collection		5.383.022	889.820	6.272.842	4.762.507	822.559	5.585.066
4.4. Commercial notes received for collection		2.171.215	1.737.707	3.908.926	1.955.218	1.791.447	3.746.665
4.5. Other assets received for collection		36.773	7.897.247	7.934.020	21.265	7.683.438	7.704.703
4.6. Assets received through public offering		-	38.347	38.347	-	34.412	34.412
4.7. Other items under custody		23.138	436.385	459.523	24.240	372.617	396.857
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		162.665.461	124.546.725	287.212.186	139.947.931	116.153.552	256.101.483
5.1. Securities		621.585	51.875	673.460	548.240	257	548.497
5.2. Guarantee notes		23.235.972	7.565.269	30.801.241	20.386.072	7.192.615	27.578.687
5.3. Commodities		-	-	-	-	-	-
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		32.204.388	35.108.324	67.312.712	26.911.048	34.618.660	61.529.708
5.6. Other pledged items		106.603.346	81.820.795	188.424.145	92.102.401	74.341.580	166.443.981
5.7. Pledged items-depository		170	458	628	170	440	610
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		255.237.536	194.694.721	449.932.257	216.296.263	176.948.315	393.244.578

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Income Statement
For the Six-Month Period Ended 30 June 2010

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD 1 January 2010- 30 June 2010	PRIOR PERIOD 1 January 2009- 30 June 2009	CURRENT PERIOD 1 April 2010- 30 June 2010	PRIOR PERIOD 1 April 2009- 30 June 2009
I. INTEREST INCOME	(5.4.1)	4.872.349	5.405.244	2.386.251	2.638.534
1.1 Interest income on loans		2.610.821	3.197.992	1.304.589	1.530.435
1.2 Interest income on reserve deposits		53.729	88.720	27.888	39.436
1.3 Interest income on banks		114.846	95.513	59.921	47.130
1.4 Interest income on money market transactions		2.835	2.359	2.548	1.632
1.5 Interest income on securities portfolio		2.019.284	1.940.048	955.702	980.674
1.5.1 Trading financial assets		23.937	11.160	14.124	4.874
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		1.587.743	1.386.963	744.134	709.077
1.5.4 Investments held-to-maturity		407.604	541.925	197.444	266.723
1.6 Financial lease income		-	-	-	-
1.7 Other interest income		70.834	80.612	35.603	39.227
II. INTEREST EXPENSE	(5.4.2)	2.266.434	3.015.782	1.162.205	1.355.325
2.1 Interest on deposits		1.706.599	2.243.346	888.147	1.006.396
2.2 Interest on funds borrowed		337.241	334.368	176.128	168.565
2.3 Interest on money market transactions		218.680	435.110	97.352	179.372
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expenses		3.914	2.958	578	992
III. NET INTEREST INCOME (I - II)		2.605.915	2.389.462	1.224.046	1.283.209
IV. NET FEES AND COMMISSIONS INCOME		861.807	837.745	419.651	419.826
4.1 Fees and commissions received		1.073.469	1.065.745	530.370	531.423
4.1.1 Non-cash loans		84.946	83.616	39.611	41.315
4.1.2 Others		988.523	982.129	490.759	490.108
4.2 Fees and commissions paid		211.662	228.000	110.719	111.597
4.2.1 Non-cash loans		357	396	177	178
4.2.2 Others		211.305	227.604	110.542	111.419
V. DIVIDEND INCOME	(5.4.3)	3.593	77.725	3.550	77.670
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	246.444	722.393	73.808	337.728
6.1 Trading account income/losses		153.683	303.510	32.111	225.745
6.2 Income/losses from derivative financial instruments		(30.896)	384.181	148.235	(3.597)
6.3 Foreign exchange gains/losses		123.657	34.702	(106.538)	115.580
VII. OTHER OPERATING INCOME	(5.4.5)	377.871	79.392	161.363	24.466
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		4.095.630	4.106.717	1.882.418	2.142.899
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	279.749	1.071.564	79.567	494.401
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	1.416.921	1.212.984	675.157	661.635
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		2.398.960	1.822.169	1.127.694	986.863
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	2.398.960	1.822.169	1.127.694	986.863
XVI. PROVISION FOR TAXES (±)	(5.4.9)	473.755	406.309	207.796	221.766
16.1 Current tax charge		581.357	395.961	194.481	183.919
16.2 Deferred tax charge/(credit)		(107.602)	10.348	13.315	37.847
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	1.925.205	1.415.860	919.898	765.097
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from assets held for sale		-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expenses on assets held for sale		-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	(5.4.8)	-	-	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge/(credit)		-	-	-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	(5.4.10)	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	1.925.205	1.415.860	919.898	765.097
Earnings per Share		0,458	0,337	0,219	0,182

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Income/Expense Items Accounted for under Shareholders' Equity

For the Six-Month Period Ended 30 June 2010

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2010- 30 June 2010	PRIOR PERIOD 1 January 2009- 30 June 2009
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(149.313)	551.308
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(2.616)	195
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	81	(66.938)
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	528	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	35.375	(50.180)
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	28.458	(107.635)
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(87.487)	326.750
XI. CURRENT PERIOD PROFIT/LOSSES	1.925.205	1.415.860
1.1 Net changes in fair value of securities (transferred to income statement)	115.769	113.659
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	1.809.436	1.302.201
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1.837.718	1.742.610

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the Six-Month Period Ended 30 June 2010

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity
PRIOR PERIOD (1 January - 30 June 2009)																	
I. Balances at beginning of the period		4.200.000	772.554	11.880	-	272.893	-	1.470.724	4.837	-	1.750.488	392.517	597.090	2.453	(6.362)	-	9.469.074
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	(5.5)	4.200.000	772.554	11.880	-	272.893	-	1.470.724	4.837	-	1.750.488	392.517	597.090	2.453	(6.362)	-	9.469.074
Changes during the period																	
IV. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	393.746	-	-	-	-	393.746
VI. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(67.191)	-	(67.191)
6.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(67.191)	-	(67.191)
6.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Translation differences		-	-	-	-	115	-	-	80	-	-	-	-	-	-	-	195
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		-	-	-	-	-	-	-	-	1.415.860	-	-	-	-	-	-	1.415.860
XX. Profit distribution		-	-	-	-	87.524	-	1.658.556	3.304	-	(1.750.488)	-	1.104	-	-	-	-
20.1. Dividends		-	-	-	-	87.524	-	1.658.556	3.304	-	(1.746.080)	-	1.104	-	-	-	-
20.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	(4.408)	-	-	-	-	-	-
20.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)		4.200.000	772.554	11.880	-	360.532	-	3.129.280	8.221	1.415.860	-	786.263	598.194	2.453	(73.553)	-	11.211.684
CURRENT PERIOD (1 January - 30 June 2010)																	
I. Balances at beginning of the period	(5.5)	4.200.000	772.554	11.880	-	367.032	-	2.847.764	8.238	-	2.962.241	1.611.146	598.194	2.453	(65.815)	-	13.315.687
Changes during the period																	
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(85.351)	-	-	-	-	(85.351)
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	487	-	487
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	64	-	64
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	423	-	423
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of assets		-	-	-	-	(515)	-	-	(2.101)	-	-	-	-	-	-	-	(2.616)
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-	(7)
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		-	-	-	-	-	-	-	-	1.925.205	-	-	-	-	-	-	1.925.205
XVIII. Profit distribution		-	-	-	-	162.112	-	2.446.312	3.817	-	(2.962.241)	-	-	-	-	-	(350.000)
18.1. Dividends		-	-	-	-	162.112	-	2.446.312	3.817	-	(350.000)	-	-	-	-	-	(350.000)
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	(2.608.424)	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	(3.817)	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		4.200.000	772.554	11.880	-	528.629	-	5.294.076	9.954	1.925.205	-	1.525.795	598.187	2.453	(65.328)	-	14.803.405

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Cash Flows
For the Six-Month Period Ended 30 June 2010

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2010- 30 June 2010	PRIOR PERIOD 1 January 2009- 30 June 2009
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.380.364	2.288.687
1.1.1 Interests received		4.657.710	5.519.889
1.1.2 Interests paid		(2.238.457)	(3.160.168)
1.1.3 Dividend received		3.593	77.725
1.1.4 Fees and commissions received		1.147.251	1.147.056
1.1.5 Other income		509.982	317.867
1.1.6 Collections from previously written-off loans and other receivable:		27.947	18.630
1.1.7 Payments to personnel and service suppliers		(1.091.589)	(909.355)
1.1.8 Taxes paid		(499.397)	(79.759)
1.1.9 Others	(5.6)	(136.676)	(643.198)
1.2 Changes in operating assets and liabilities		(7.901.264)	(260.039)
1.2.1 Net (increase) decrease in financial assets held for trading		(1.210.060)	(53.893)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks		(1.461.591)	(2.588.262)
1.2.4 Net (increase) decrease in loans		(6.461.424)	512.893
1.2.5 Net (increase) decrease in other assets		247.647	88.647
1.2.6 Net increase (decrease) in bank deposits		(1.112.242)	240.541
1.2.7 Net increase (decrease) in other deposits		5.861.322	5.030.028
1.2.8 Net increase (decrease) in funds borrowed		1.398.614	2.432.272
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	(5.163.530)	(5.922.265)
I. Net cash flow from banking operations		(5.520.900)	2.028.648
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		1.459.930	(1.626.533)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(332.822)	(562)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		5.568	-
2.3 Purchases of tangible assets		(104.357)	(129.086)
2.4 Sales of tangible assets		-	28.573
2.5 Cash paid for purchase of financial assets available-for-sale		(5.958.407)	(7.404.008)
2.6 Cash obtained from sale of financial assets available-for-sale		7.065.322	5.734.447
2.7 Cash paid for purchase of investments held-to-maturity		-	-
2.8 Cash obtained from sale of investments held-to-maturity		784.626	144.103
2.9 Others	(5.6)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(354.254)	(25.602)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(350.000)	-
3.5 Payments for financial leases		(4.254)	(25.602)
3.6 Others (payments for founder shares repurchased)	(5.6)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(5.6)	160.122	8.017
V. Net increase/(decrease) in cash and cash equivalents		(4.255.102)	384.530
VI. Cash and cash equivalents at beginning of period		8.130.742	5.031.725
VII. Cash and cash equivalents at end of period		3.875.640	5.416.255

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

3 Accounting policies

3.1 Basis of presentation

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

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

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

3.1.1 Additional paragraph for convenience translation to English

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

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

3.2.1 Strategy for the use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

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

3.3 Investments in associates and subsidiaries

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

3.4 Forwards, options and other derivative transactions

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

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

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

3.5 Interest income and expenses

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

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

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

3.6 Fees and commissions

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

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Impairment of financial assets

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

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

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

3.9 Netting of financial instruments

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

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

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

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

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

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

Retirement Benefit Obligations

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

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

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

	30 June 2010	
	Employer	Employee
Pension contributions	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%

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

a) Benefits transferable to SSF

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

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

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

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

b) Other benefits not transferable to SSF

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

The tax applications for foreign branches;

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

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

3.18.2 Deferred taxes

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

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

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

3.18.3 Transfer pricing

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

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

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

3.19 Funds borrowed

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

There are no convertible bonds or any other securities issued.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 30 June 2010, the Bank does not have any government incentives or grants.

3.23 Segment reporting

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

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

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

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

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

Information on the business segments is as follows:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,411,747	1,235,568	1,232,222	212,500	4,092,037
Other	-	-	-	-	-
Total Operating Profit	1,411,747	1,235,568	1,232,222	212,500	4,092,037
Net Operating Profit	511,500	674,352	1,183,828	25,687	2,395,367
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	3,593	3,593
Net Operating Profit	511,500	674,352	1,183,828	29,280	2,398,960
Provision for Taxes	-	-	-	473,755	473,755
Net Profit	511,500	674,352	1,183,828	(444,475)	1,925,205
Segment Assets	19,152,306	36,845,848	47,589,192	3,196,769	106,784,115
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,351,395	1,351,395
Undistributed Items	-	-	-	-	-
Total Assets	19,152,306	36,845,848	47,589,192	4,548,164	108,135,510
Segment Liabilities	40,278,275	29,230,901	21,590,892	2,232,037	93,332,105
Shareholders' Equity	-	-	-	14,803,405	14,803,405
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	40,278,275	29,230,901	21,590,892	17,035,442	108,135,510
Other Segment Items					
Capital Expenditures	-	-	-	66,012	66,012
Depreciation Expenses	48,588	23,701	1,700	3,246	77,235
Impairment Losses	172,714	98,407	314	9,695	281,130
Other Non-Cash Income/Expenses	(29,245)	(48,829)	(296,794)	(8,476)	(383,344)
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	1,276,189	1,244,663	1,327,466	180,674	4,028,992
Other	-	-	-	-	-
Total Operating Profit	1,276,189	1,244,663	1,327,466	180,674	4,028,992
Net Operating Profit	641,863	860,251	1,258,968	(1,016,638)	1,744,444
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	77,725	77,725
Net Operating Profit	641,863	860,251	1,258,968	(938,913)	1,822,169
Provision for Taxes	-	-	-	406,309	406,309
Net Profit	641,863	860,251	1,258,968	(1,345,222)	1,415,860
Segment Assets	16,937,989	32,794,707	51,676,386	3,020,007	104,429,089
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	1,032,965	1,032,965
Undistributed Items	-	-	-	-	-
Total Assets	16,937,989	32,794,707	51,676,386	4,052,972	105,462,054
Segment Liabilities	36,742,265	26,367,015	27,062,023	1,975,064	92,146,367
Shareholders' Equity	-	-	-	13,315,687	13,315,687
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	36,742,265	26,367,015	27,062,023	15,290,751	105,462,054
Other Segment Items					
Capital Expenditures	-	-	-	115,145	115,145
Depreciation Expenses	49,950	25,472	1,981	8,613	86,016
Impairment Losses	588,141	191,765	252	291,406	1,071,564
Other Non-Cash Income/Expenses	26,741	(78,184)	618,736	22,620	589,913
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

None.

4 Financial position and results of operations

4.1 Capital adequacy ratio

The Bank's unconsolidated capital adequacy ratio is 20.14%.

4.1.1 Risk measurement methods in calculation of capital adequacy ratio

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

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

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

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

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

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

4.1.2 Capital adequacy ratio

	Risk Weightings						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	19,353,251	-	2,298,384	14,263,203	42,399,300	462,842	20,225
Cash on Hand	692,749	-	1,740	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,541,706	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	4,519,019	-	1,742,365	-	2,114,672	-	-
Interbank Money Market Placements	35,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-
Reserve Deposits	2,087,383	-	-	-	-	-	-
Loans	3,215,637	-	284,245	14,078,933	36,773,630	462,842	20,225
Loans under Follow-Up (Net)	-	-	-	-	354,647	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	6,344,103	-	-	-	-	-	-
Receivables from Term Sale of Assets	-	-	-	-	14,338	-	-
Miscellaneous Receivables	49,575	-	-	-	88,905	-	-
Accrued Interest and Income	323,961	-	11,747	184,270	606,400	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	-	1,338,285	-	-
Tangible Assets (Net)	-	-	-	-	1,054,048	-	-
Other Assets	544,118	-	258,287	-	54,375	-	-
Off-Balance Sheet Items	1,788,485	-	1,872,444	799,266	10,907,959	-	-
Non-Cash Loans and Commitments	1,788,485	-	1,372,635	799,266	10,666,299	-	-
Derivative Financial Instruments	-	-	499,809	-	241,660	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	21,141,736	-	4,170,828	15,062,469	53,307,259	462,842	20,225

4.1.3 Summary information related to capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk (VaCR)	62,407,372	54,763,611
Value at Market Risk (VaMR)	3,079,663	2,525,413
Value at Operational Risk (VaOR)	10,184,205	7,212,178
Shareholders' Equity	15,236,627	13,672,917
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100	20.14%	21.20%

4.1.4 Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	4,200,000	4,200,000
Nominal Capital	4,200,000	4,200,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	528,629	367,032
I. Legal Reserve (Turkish Commercial Code 466/1)	489,339	341,742
II. Legal Reserve (Turkish Commercial Code 466/2)	39,290	25,290
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	5,294,076	2,847,764
Reserve allocated as per the Decision held by the General Assembly	5,294,076	2,847,764
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	9,954	8,238
Profit	1,925,205	2,962,241
Current Period Profit	1,925,205	2,962,241
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	330,000	330,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	596,047	596,047
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-) (*)	131,466	133,651
Prepaid Expenses (-) (*)	235,936	210,859
Intangible Assets (-) (*)	23,493	20,626
Deferred Tax Asset excess of 10% of Core Capital (-) (*)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	13,277,450	11,730,620
SUPPLEMENTARY CAPITAL		
General Provisions	512,533	437,334
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	963	966
Bonus shares of Associates, Subsidiaries and Joint-Ventures	2,453	2,453
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	878,375	851,910
45% of Securities Value Increase Fund (**)	672,065	710,309
Associates and Subsidiaries	112,049	95,790
Investment Securities Available for Sale	560,016	614,519
Other Reserves	-	-
Total Supplementary Capital	2,066,389	2,002,972

TIER III CAPITAL	-	-
CAPITAL	15,343,839	13,733,592
DEDUCTIONS FROM CAPITAL	107,212	60,675
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	13,110	13,110
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	47,938	-
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	46,164	47,565
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	15,236,627	13,672,917

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

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

4.2 Credit risk

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

4.3 Market risk

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

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

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

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

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

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

4.3.1 Value at market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	137,567
(II) Capital Obligation against Specific Risks - Standard Method	37,401
(III) Capital Obligation against Currency Risk - Standard Method	42,810
(IV) Capital Obligation against Stocks Risks - Standard Method	-
(V) Capital Obligation against Exchange Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	28,595
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	246,373
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	3,079,663

4.3.2 Monthly average values at market risk

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

4.4 Operational risk

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

4.5 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 June 2010, the Bank’s net ‘on balance sheet’ foreign currency long position amounts to TL 49,890 thousands (31 December 2009: TL 845,840 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 1,097,787 thousands (31 December 2009: TL 893,798 thousands), while net foreign currency long position amounts to TL 1,147,677 thousands (31 December 2009: TL 47,958 thousands).

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

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

	USD	EUR	Yen (100)	GBP
Foreign currency purchase rates at balance sheet date	1.5650	1.9175	1.7683	2.3421
<u>Rates for the days before balance sheet date:</u>				
Day 1	1.5650	1.9057	1.7693	2.3558
Day 2	1.5550	1.9175	1.7426	2.3498
Day 3	1.5600	1.9170	1.7475	2.3357
Day 4	1.5600	1.9178	1.7476	2.3366
Day 5	1.5650	1.9269	1.7515	2.3444
Last 30-days arithmetical average rates	1.5592	1.9035	1.7172	2.2991

Currency risk:

	EURO	USD	YEN	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,166,795	108,667	1,024	60,223	3,336,709
Banks	2,330,212	3,479,593	2,048	25,669	5,837,522
Financial Assets at Fair Value through Profit/Loss	110,988	53,972	-	-	164,960
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	204,613	2,534,349	-	-	2,738,962
Loans (*)	7,306,654	17,263,823	31,490	534,154	25,136,121
Investments in Associates, Subsidiaries and Joint-Ventures	921,359	119,051	-	-	1,040,410
Investments Held-to-Maturity	-	1,352,372	-	-	1,352,372
Derivative Financial Assets Held for Risk Management	-	-	-	-	-
Tangible Assets	420	135	-	-	555
Intangible Assets	-	-	-	-	-
Other Assets	10,433	32,249	63	1,260	44,005
Total Assets	14,051,474	24,944,211	34,625	621,306	39,651,616
Liabilities					
Bank Deposits	345,278	361,703	4	11,517	718,502
Foreign Currency Deposits	10,168,703	16,214,918	47,678	495,302	26,926,601
Interbank Money Market Takings	-	248,545	-	-	248,545
Other Fundings	3,350,543	7,601,695	903	-	10,953,141
Securities Issued	-	-	-	-	-
Miscellaneous Payables	9,627	20,974	52	1,450	32,103
Derivative Financial Liabilities Held for Risk Management	-	3,279	-	-	3,279
Other Liabilities (**)	204,662	199,170	1,949	313,774	719,555
Total Liabilities	14,078,813	24,650,284	50,586	822,043	39,601,726
Net 'On Balance Sheet' Position					
	(27,339)	293,927	(15,961)	(200,737)	49,890
Net 'Off-Balance Sheet' Position					
	598,351	350,529	364	148,543	1,097,787
Derivative Assets	2,777,242	10,058,356	290,988	1,065,027	14,191,613
Derivative Liabilities	2,178,891	9,707,827	290,624	916,484	13,093,826
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	12,662,309	23,653,640	39,485	705,702	37,061,136
Total Liabilities	13,779,499	23,281,265	29,995	816,217	37,906,976
Net 'On Balance Sheet' Position	(1,117,190)	372,375	9,490	(110,515)	(845,840)
Net 'Off-Balance Sheet' Position	1,409,510	(624,017)	(8,891)	117,196	893,798
Derivative Assets	2,479,074	6,237,239	8,893	1,028,763	9,753,969
Derivative Liabilities	1,069,564	6,861,256	17,784	911,567	8,860,171
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 1,933,339 thousands included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Other liabilities also include gold deposits of TL 307,058 thousands.

4.6 Interest rate risk

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	583,390	-	-	-	-	3,766,676	4,350,066
Banks	2,829,506	2,483,264	1,327,800	493,050	-	1,283,225	8,416,845
Financial Assets at Fair Value through Profit/Loss	447,760	106,370	853,528	124,111	6,561	373,897	1,912,227
Interbank Money Market Placements	35,000	-	-	-	-	238	35,238
Financial Assets Available-for-Sale	14,509,178	4,243,649	3,065,953	1,507,209	634,092	2,966,568	26,926,649
Loans	13,697,404	8,335,650	10,698,059	14,885,987	7,266,350	1,114,704	55,998,154
Investments Held-to-Maturity	1,393,931	726,449	872,585	2,026,372	1,324,765	282,749	6,626,851
Other Assets	17,532	459	7,025	-	6,701	3,837,763	3,869,480
Total Assets	33,513,701	15,895,841	16,824,950	19,036,729	9,238,469	13,625,820	108,135,510
Liabilities							
Bank Deposits	451,359	37,244	15,566	-	-	710,653	1,214,822
Other Deposits	46,238,426	5,878,750	2,318,381	44,149	152,376	11,802,616	66,434,698
Interbank Money Market Takings	3,822,074	400,834	398,156	-	-	59,457	4,680,521
Miscellaneous Payables	-	-	-	-	-	2,714,360	2,714,360
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,636,603	1,318,100	826,100	2,951,105	3,305,568	161,932	15,199,408
Other Liabilities	491	243	17	12	-	17,890,938	17,891,701
Total Liabilities	57,148,953	7,635,171	3,558,220	2,995,266	3,457,944	33,339,956	108,135,510
On Balance Sheet Long Position	-	8,260,670	13,266,730	16,041,463	5,780,525	-	43,349,388
On Balance Sheet Short Position	(23,635,252)	-	-	-	-	(19,714,136)	(43,349,388)
Off-Balance Sheet Long Position	850,488	424,369	2,617,513	2,014,861	953,027	-	6,860,258
Off-Balance Sheet Short Position	(742,894)	(648,671)	(2,600,448)	(2,084,922)	(783,323)	-	(6,860,258)
Total Position	(23,527,658)	8,036,368	13,283,795	15,971,402	5,950,229	(19,714,136)	-

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

Average interest rates on monetary financial instruments:

Current Period	EURO	USD	YEN	TL
	%	%	%	%
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	5.20
Banks (*)	1.46	1.33	-	6.90
Financial Assets at Fair Value through Profit/Loss	3.61	2.94	-	8.43
Interbank Money Market Placements	-	-	-	7.90
Financial Assets Available-for-Sale	4.31	5.17	-	12.60
Loans	5.12	5.04	4.45	16.46
Investments Held-to-Maturity	-	7.15	-	14.73
Liabilities				
Bank Deposits	0.71	0.93	-	6.74
Other Deposits	2.38	2.55	0.13	7.92
Interbank Money Market Takings	-	1.29	-	7.62
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.98	2.23	2.67	11.11

(*) The interest rates for USD and TL placements at banks are 0.55% and 6.48%, respectively, excluding the placements with range accrual agreements.

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,381,166	-	-	-	-	3,484,807	6,865,973
Banks	2,619,893	3,268,100	1,531,570	-	-	914,775	8,334,338
Financial Assets at Fair Value through Profit/Loss	24,275	8,070	268,548	29,719	4,393	579,787	914,792
Interbank Money Market Placements	1,000,000	-	-	-	-	180	1,000,180
Financial Assets Available-for-Sale	8,119,497	5,787,005	8,151,995	2,612,367	468,557	2,955,612	28,095,033
Loans	15,080,303	8,011,378	11,504,216	9,799,800	4,168,639	1,168,359	49,732,695
Investments Held-to-Maturity	1,394,173	1,261,949	92,163	3,056,156	1,261,280	280,440	7,346,161
Other Assets	15,921	459	5,364	7,168	7,093	3,136,877	3,172,882
Total Assets	31,635,228	18,336,961	21,553,856	15,505,210	5,909,962	12,520,837	105,462,054
Liabilities							
Bank Deposits	856,621	48,816	42,404	-	-	1,381,242	2,329,083
Other Deposits	42,500,244	6,048,721	1,833,534	17,405	-	10,079,058	60,478,962
Interbank Money Market Takings	9,925,239	368	400,000	150,000	-	59,097	10,534,704
Miscellaneous Payables	-	-	-	-	-	2,360,350	2,360,350
Securities Issued	-	-	-	-	-	-	-
Other Fundings	6,748,328	4,373,084	2,515,234	2,217	-	242,969	13,881,832
Other Liabilities	56	1,424	2,674	23	-	15,872,946	15,877,123
Total Liabilities	60,030,488	10,472,413	4,793,846	169,645	-	29,995,662	105,462,054
On Balance Sheet Long Position	-	7,864,548	16,760,010	15,335,565	5,909,962	-	45,870,085
On Balance Sheet Short Position	(28,395,260)	-	-	-	-	(17,474,825)	(45,870,085)
Off-Balance Sheet Long Position	1,350,031	397,777	2,601,863	1,994,490	311,129	-	6,655,290
Off-Balance Sheet Short Position	(680,013)	(379,117)	(2,604,215)	(2,117,414)	(874,531)	-	(6,655,290)
Total Position	(27,725,242)	7,883,208	16,757,658	15,212,641	5,346,560	(17,474,825)	-

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

Average interest rates on monetary financial instruments:

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

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

4.7 Liquidity risk

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

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

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

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	126.82	205.67	90.90	131.07

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

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,262,683	2,087,383	-	-	-	-	-	4,350,066
Banks	1,245,044	1,548,691	327,325	54,614	2,787,921	2,453,250	-	8,416,845
Financial Assets at Fair Value through Profit/Loss	7,741	405,821	146,216	1,026,856	261,468	64,125	-	1,912,227
Interbank Money Market Placements	-	35,238	-	-	-	-	-	35,238
Financial Assets Available-for-Sale	119,497	2,747,667	878,529	2,607,090	16,622,432	3,951,434	-	26,926,649
Loans	68,334	11,341,265	5,585,405	7,723,043	19,755,185	11,170,275	354,647	55,998,154
Investments Held-to-Maturity	-	-	726,449	1,440,761	3,107,268	1,352,373	-	6,626,851
Other Assets	668,591	210,389	459	7,025	-	6,701	2,976,315	3,869,480
Total Assets	4,371,890	18,376,454	7,664,383	12,859,389	42,534,274	18,998,158	3,330,962	108,135,510
Liabilities								
Bank Deposits	710,013	451,574	37,396	15,839	-	-	-	1,214,822
Other Deposits	11,505,694	46,451,366	5,882,857	2,274,338	136,489	183,954	-	66,434,698
Other Fundings	-	281,432	868,838	3,666,506	5,988,010	4,394,622	-	15,199,408
Interbank Money Market Takings	-	3,837,045	439,160	404,316	-	-	-	4,680,521
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	96,624	2,617,736	-	-	-	-	-	2,714,360
Other Liabilities (**)	864,790	198,003	106,161	148,794	89,758	104,508	16,379,687	17,891,701
Total Liabilities	13,177,121	53,837,156	7,334,412	6,509,793	6,214,257	4,683,084	16,379,687	108,135,510
Liquidity Gap	(8,805,231)	(35,460,702)	329,971	6,349,596	36,320,017	14,315,074	(13,048,725)	-
Prior Period								
Total Assets	6,663,927	15,336,114	7,604,498	15,630,078	39,263,393	18,026,838	2,937,206	105,462,054
Total Liabilities	11,933,622	56,149,486	6,537,262	5,555,020	5,740,904	4,680,869	14,864,891	105,462,054
Liquidity Gap	(5,269,695)	(40,813,372)	1,067,236	10,075,058	33,522,489	13,345,969	(11,927,685)	-

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

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

4.8 Fair values of financial assets and liabilities

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

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

None.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	403,479	248,736	468,028	308,639
Central Bank of Turkey	609,878	3,045,699	3,375,837	2,596,775
Others	-	42,274	5,130	111,564
Total	1,013,357	3,336,709	3,848,995	3,016,978

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	609,878	958,316	3,375,837	850,486
Unrestricted Time Deposits	-	-	-	29,809
Restricted Time Deposits	-	2,087,383	-	1,716,480
Total	609,878	3,045,699	3,375,837	2,596,775

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 5.00% and 9.50%, respectively as per the Communiqué no.2005/1 "Reserve Deposits" of the Central Bank of Turkey. The interest rate applied by the Central Bank of Turkey for TL reserves is 5.20%. The FC reserves do not earn any interests.

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

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

None.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	25,238	19,794	16,263	5,675
Swap Transactions	72,121	152,225	419,367	83,607
Futures	-	29	-	281
Options	59,942	22,022	21,107	26,567
Other	-	-	-	-
Total	157,301	194,070	456,737	116,130

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	60,768	461,870	61,207	411,438
Foreign banks	2,518,555	5,375,652	2,456,850	5,404,843
Foreign headoffices and branches	-	-	-	-
Total	2,579,323	5,837,522	2,518,057	5,816,281

The placements at foreign banks include blocked accounts amounting TL 5,663,019 thousands of which TL 135,142 thousands, TL 208,493 thousands and TL 19,908 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits, and TL 5,299,476 thousands as collateral against funds borrowed.

Due from foreign banks:

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

5.1.4 Financial assets available-for-sale

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

The collateralized financial assets available-for-sale in TL consist of government bonds. The total carrying value of such securities with total face value of TL 2,109,675 thousands (31 December 2009: TL 1,844,500 thousands) is TL 2,110,779 thousands (31 December 2009: TL 1,761,802 thousands). The related accrued interests amount to TL 154,843 thousands (31 December 2009: TL 234,079 thousands). There are no impairment losses (31 December 2009: TL 29 thousands). The collateralized financial assets available-for-sale in foreign currencies consist of Eurobonds. The total carrying value of such securities with total face value of USD 16,050,000 (31 December 2009: USD 7,000,000) is USD 17,326,555 (31 December 2009: USD 7,280,000). The related accrued interests and impairment losses amount to USD 270,186 (31 December 2009: USD 211,366) and USD 135,217 (31 December 2009: nil), respectively.

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	2,265,622	27,327	1,995,852	11,162
Assets subject to Repurchase Agreements	1,340,974	290,216	7,957,698	84,018
Total	3,606,596	317,543	9,953,550	95,180

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	23,969,936	25,142,865
Quoted at Stock Exchange	22,598,359	23,570,847
Unquoted at Stock Exchange	1,371,577	1,572,018
Common Shares	35,620	34,281
Quoted at Stock Exchange (*)	21,648	21,252
Unquoted at Stock Exchange	13,972	13,029
Value Increases/Impairment Losses (-)	2,921,093	2,917,887
Total	26,926,649	28,095,033

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

As of 30 June 2010, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 725,000,000 (31 December 2009: USD 875,000,000) and a total carrying value of TL 1,148,088 thousands (31 December 2009: TL 1,322,035 thousands).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	101	3,641	2	920
Corporates	101	3,641	2	920
Individuals	-	-	-	-
Indirect Lendings to Shareholders	191,703	413,697	212,884	299,669
Loans to Employees	76,016	-	71,717	-
Total	267,820	417,338	284,603	300,589

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

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	53,622,397	-	885,117	1,135,993
Discounted Bills	174,489	-	15	-
Export Loans	2,899,727	-	9,718	193,907
Import Loans	-	-	-	-
Loans to Financial Sector	1,648,036	-	1,228	84
Foreign Loans	1,149,874	-	-	-
Consumer Loans	11,599,794	-	58,060	87,166
Credit Cards	7,355,256	-	45,911	162,424
Precious Metal Loans	303,466	-	5,092	249
Other	28,491,755	-	765,093	692,163
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	53,622,397	-	885,117	1,135,993

Collaterals received for loans under follow-up:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,708	385	-	2,093
Loans Collateralized by Mortgages	1,146,996	94,722	-	1,241,718
Loans Collateralized by Pledged Assets	142,629	10,437	-	153,066
Loans Collateralized by Cheques and Notes	69,688	15,764	-	85,452
Loans Collateralized by Other Collaterals	273,231	3,284	-	276,515
Unsecured Loans	33,297	20,634	208,335	262,266
Total	1,667,549	145,226	208,335	2,021,110

Delinquency periods of loans under follow-up:

	Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	17,884	39,203	34,672	91,759
61-90 days	15,192	11,817	11,239	38,248
Others	1,634,473	94,206	162,424	1,891,103
Total	1,667,549	145,226	208,335	2,021,110

5.1.5.3 Maturity analysis of cash loans

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	346,745	10,267,222	10,613,967
Housing Loans	39,625	6,029,045	6,068,670
Automobile Loans	14,058	570,177	584,235
General Purpose Loans	291,915	3,567,233	3,859,148
Other	1,147	100,767	101,914
Consumer Loans – FC-indexed	-	604,854	604,854
Housing Loans	-	555,527	555,527
Automobile Loans	-	11,529	11,529
General Purpose Loans	-	37,798	37,798
Other	-	-	-
Consumer Loans – FC	9	32,918	32,927
Housing Loans	-	18,355	18,355
Automobile Loans	-	11,248	11,248
General Purpose Loans	9	3,315	3,324
Other	-	-	-
Retail Credit Cards – TL	7,155,187	80,069	7,235,256
With Installment	3,019,972	80,069	3,100,041
Without Installment	4,135,215	-	4,135,215
Retail Credit Cards – FC	24,336	-	24,336
With Installment	6,757	-	6,757
Without Installment	17,579	-	17,579
Personnel Loans – TL	21,607	16,562	38,169
Housing Loan	-	1,676	1,676
Automobile Loans	-	186	186
General Purpose Loans	21,607	14,700	36,307
Other	-	-	-
Personnel Loans - FC-indexed	-	164	164
Housing Loans	-	153	153
Automobile Loans	-	11	11
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	20	95	115
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	20	95	115
Other	-	-	-
Personnel Credit Cards – TL	30,226	309	30,535
With Installment	22,625	309	22,934
Without Installment	7,601	-	7,601
Personnel Credit Cards – FC	296	-	296
With Installment	101	-	101
Without Installment	195	-	195
Deposit Accounts– TL (real persons)	454,824	-	454,824
Deposit Accounts– FC (real persons)	-	-	-
Total	8,033,250	11,002,193	19,035,443

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	506,772	3,986,586	4,493,358
Real Estate Loans	1,833	409,768	411,601
Automobile Loans	44,550	795,404	839,954
General Purpose Loans	460,389	2,781,414	3,241,803
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	74,760	479,776	554,536
Real Estate Loans	-	55,498	55,498
Automobile Loans	2,641	132,138	134,779
General Purpose Loans	72,119	292,140	364,259
Other	-	-	-
Installment-based Commercial Loans – FC	449	89,148	89,597
Real Estate Loans	-	370	370
Automobile Loans	59	4,305	4,364
General Purpose Loans	390	3,150	3,540
Other	-	81,323	81,323
Corporate Credit Cards – TL	269,334	967	270,301
With Installment	106,419	967	107,386
Without Installment	162,915	-	162,915
Corporate Credit Cards – FC	2,867	-	2,867
With Installment	20	-	20
Without Installment	2,847	-	2,847
Deposit Accounts– TL (corporates)	445,603	-	445,603
Deposit Accounts– FC (corporates)	-	-	-
Total	1,299,785	4,556,477	5,856,262

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	54,493,634	48,370,142
Foreign Loans	1,149,873	937,911
Total	55,643,507	49,308,053

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	588,122	385,247
Indirect Lending	-	-
Total	588,122	385,247

5.1.5.9 Specific provisions for loans

	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	31,667	185,391
Doubtful Loans and Receivables	290,877	560,941
Uncollectible Loans and Receivables	1,299,170	1,066,131
Total	1,621,714	1,812,463

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

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross Amounts before Specific Provisions)	10,655	58,333	258,669
Restructured Loans and Receivables	10,655	58,333	258,669
Rescheduled Loans and Receivables	-	-	-
Prior Period	55,667	227,343	229,139
(Gross Amounts before Specific Provisions)	55,667	227,343	229,139
Restructured Loans and Receivables	-	-	-
Rescheduled Loans and Receivables	-	-	-

Movements in non-performing loans and other receivables:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	317,665	724,054	1,195,385
Additions during the Period (+)	262,079	35,712	12,352
Transfer from Other NPL Categories (+)	-	410,395	598,608
Transfer to Other NPL Categories (-)	410,395	598,608	-
Collections during the Period (-)	84,454	188,878	240,271
Write-offs (-)	-	-	57,283
Corporate and Commercial Loans	-	-	1,176
Retail Loans	-	-	33
Credit Cards	-	-	56,074
Others	-	-	-
Balances at End of Period	84,895	382,675	1,508,791
Specific Provisions (-)	31,667	290,877	1,299,170
Net Balance on Balance Sheet	53,228	91,798	209,621

Movements in specific loan provisions:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	556,575	493,598	762,290	1,812,463
Additions during the Period(+)	45,793	62,699	158,356	266,848
Restructured/Rescheduled Loans (-)	-	-	-	-
Collections during the Period (-)	77,708	129,837	192,977	400,522
Write-offs (-)	968	33	56,074	57,075
Balances at End of Period	523,692	426,427	671,595	1,621,714

Non-performing loans and other receivables in foreign currencies:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	3,143	90,116	197,391
Specific Provisions (-)	294	62,679	168,502
Net Balance at Balance Sheet	2,849	27,437	28,889
Prior Period			
Balance at End of Period	73,754	39,090	188,322
Specific Provisions (-)	51,023	19,622	171,637
Net Balance at Balance Sheet	22,731	19,468	16,685

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	53,228	91,798	209,621
Loans to Individuals and Corporates (Gross)	84,895	382,675	1,501,120
Specific Provision (-)	31,667	290,877	1,291,499
Loans to Individuals and Corporates (Net)	53,228	91,798	209,621
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,360
Specific Provision (-)	-	-	7,360
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	132,274	163,113	129,255
Loans to Individuals and Corporates (Gross)	317,665	724,054	1,187,365
Specific Provision (-)	185,391	560,941	1,058,110
Loans to Individuals and Corporates (Net)	132,274	163,113	129,255
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	7,710
Specific Provision (-)	-	-	7,710
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans:

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	551	309	-	860
Loans Collateralized by Mortgages	382,055	109,628	-	491,683
Loans Collateralized by Pledged Assets	105,650	84,147	-	189,797
Loans Collateralized by Cheques and Notes	126,170	186,174	-	312,344
Loans Collateralized by Other Collaterals	113,835	20,092	-	133,927
Unsecured Loans	31,432	112,062	704,256	847,750
Total	759,693	512,412	704,256	1,976,361

5.1.5.11 Liquidation policy for uncollectible loans and receivables

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

5.1.5.12 “Write-off” policies

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

5.1.6 Investments held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,411,042	409,544	1,860,387	280,390
Investments subject to Repurchase Agreements	3,083,733	-	2,637,831	116,555
Total	4,494,775	409,544	4,498,218	396,945

5.1.6.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	5,274,479	5,960,353
Treasury Bills	-	-
Other Government Securities	1,352,372	1,385,808
Total	6,626,851	7,346,161

5.1.6.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	6,371,733	7,092,872
Quoted at Stock Exchange	6,371,733	7,092,872
Unquoted at Stock Exchange	-	-
Valuation Increase / (Decrease)	255,118	253,289
Total	6,626,851	7,346,161

5.1.6.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	7,346,161	7,617,297
Foreign Currency Differences On Monetary Assets	63,487	(27,259)
Purchases during the Period	-	927,839
Disposals through Sales/Redemptions	(784,626)	(1,115,334)
Valuation Effect	1,829	(56,382)
Balances at End of Period	6,626,851	7,346,161

5.1.7 Investments in associates

5.1.7.1 Investments in associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	614,029	286,226	13,776	13,175	4,916	35,788	144,277	-
2	18,840	15,414	5,971	428	-	1,014	5,481	-
3	449,633	53,687	1,568	5,261	484	3,004	2,148	-
4	1,648,890	287,517	10,878	16,249	4,403	17,870	91,721	-
5	46,141	43,032	4,179	808	8	3,909	27,121	-
6	35,701	28,637	1,797	1,096	-	5,964	9,103	-
7	8,228	8,190	1	193	-	142	2,980	-
8	155,794	10,821	246	3,764	2,291	1,637	10,774	-
9	133,833	130,087	990	1,239	-	2,120	3,713	-

(1) Financial information is as of 31 March 2010.

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

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

5.1.7.2 Movement of investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	29,705	27,705
Movements during the Period	54	2,000
Acquisitions and Capital Increases	-	2,000
Bonus Shares Received	54	-
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	-	-
Balance at End of Period	29,759	29,705
Capital Commitments	2,250	2,250
Share Percentage at the End of Period (%)	-	-

5.1.7.3 Sectoral distribution of investments and associates

Investments in Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	11,312	11,312
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	16,733	16,679
Other Associates	1,714	1,714

5.1.7.4 Quoted associates

None.

5.1.7.5 Valuation methods of investments in associates

Investments in Associates	Current Period	Prior Period
Valued at Cost	29,759	29,705
Valued at Fair Value	-	-
Valued by Equity Method of Accounting	-	-

5.1.7.6 Investments in associates sold during the current period

None.

5.1.7.7 Investments in associates acquired during the current period

None.

5.1.8 Investments in subsidiaries

5.1.8.1 Investments in subsidiaries

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	20,739	13,779	732	-	122	501	(94,020)	-
2	19,535	11,066	677	-	501	920	9,567	-
3	1,091	1,001	2	-	1	588	-	-
4	416	209	38	-	-	6	(140)	-
5	829	705	-	-	2	(235)	187	-
6	1,606,297	384,028	17,935	76,874	-	44,474	256,306	-
7	1,415,716	57,679	2,176	16,463	80	6,196	26,953	116,644
8	62,324	54,926	3,311	347	617	2,290	9,989	-
9	17,175	15,025	661	621	85	975	948	-
10	2,033,688	274,489	11,631	11,774	4,308	41,160	157,050	-
11	6,181,589	585,357	50,487	129,113	47,545	42,643	263,985	591,741
12	492,592	112,938	30,242	10,302	6,459	11,309	53,250	119,120
13	228,292	228,200	-	-	-	(4)	(212,357)	-

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

5.1.8.2 Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	1,003,260	812,128
Movements during the Period	318,376	191,132
Acquisitions and Capital Increases ^(*)	332,822	655
Bonus Shares Received	-	(125,648)
Dividends from Current Year Profit	-	-
Sales/Liquidations	(4,227)	-
Increase in Market Values	14,490	310,519
Currency Differences on Foreign Subsidiaries	(25,512)	2,228
Impairment Reversals/(Losses)	803	3,378
Balance at End of Period	1,321,636	1,003,260
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

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

5.1.8.3 Sectoral distribution of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	710,792	689,498
Insurance Companies	56,545	56,545
Factoring Companies	64,626	68,365
Leasing Companies	76,169	76,169
Finance Companies	398,695	98,380
Other Subsidiaries	14,809	14,303

5.1.8.4 Quoted subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	64,626	68,365
Quoted at International Stock Exchanges	-	-

5.1.8.5 Valuation methods of investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	202,612	202,612
Valued at Fair Value	1,105,036	787,166
Valued by Equity Method of Accounting ^(*)	13,988	13,482

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

5.1.8.6 Investments in subsidiaries disposed during the current period

The liquidation processes of Garanti Financial Services Plc and Garanti Fund Management Co Ltd have been completed and the investments were taken out from the Bank's assets as of 31 May 2010.

5.1.8.7 Investments in subsidiaries acquired during the current period

Please refer to Note 5.1.8.2.

5.1.9 Investments in Joint-Ventures

None.

5.1.10 Lease receivables

None.

5.1.11 Derivative financial assets held for risk management

5.1.11.1 Positive differences on derivative financial instruments held for risk management

None.

5.1.12 Tangible assets

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

5.1.13 Intangible assets

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

5.1.14 Investment property

None.

5.1.15 Deferred tax asset

As of 30 June 2010, the Bank has a deferred tax asset of TL 130,448 thousands (31 December 2009: TL 18,536 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank does not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 June 2010. However, there is a deferred tax asset of TL 182,341 thousands (31 December 2009: TL 167,727 thousands) and deferred tax liability of TL 51,893 thousands (31 December 2009: TL 149,191 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

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

5.1.16 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	82,293	83,136
Accumulated Depreciation (-)	(1,143)	(1,832)
Net Book Value	81,150	81,304
End of Current Period		
Additions	38,345	33,183
Disposals (Cost)	(18,036)	(25,278)
Disposals (Accumulated Depreciation)	30	1,358
Impairment Losses (-)	(1,381)	(8,748)
Depreciation Expense for Current Period (-)	(321)	(669)
Currency Translation Differences on Foreign Operations	-	-
Cost	101,221	82,293
Accumulated Depreciation (-)	(1,434)	(1,143)
Net Book Value	99,787	81,150

As of 30 June 2010, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 2,942 thousands (31 December 2009: TL 3,263 thousands).

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint Ventures	11,454	17,353
Sale of Real Estates	-	-
Sale of Other Assets	2,884	2,884
Total	14,338	20,237

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	235,936	210,859
Prepaid Taxes	1,908	3,903

5.1.18 Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	26,488	-	24,471	9
Financial Assets at Fair Value through Profit or Loss	14,473	312	4,094	1,718
Banks	26,295	14,494	34,936	18,653
Interbank Money Markets	238	-	180	-
Financial Assets Available-for-Sale	2,740,925	106,146	2,713,745	109,445
Loans	478,085	281,971	453,023	290,694
Investments Held-to-Maturity	255,141	27,608	253,061	27,379
Other Accruals	16,058	-	15,769	-
Total	3,557,703	430,531	3,499,279	447,898

5.2 Liabilities

5.2.1 Maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	2,107,565	-	7,542,988	13,731,040	859,476	130,950	84,249	402	24,456,670
Foreign Currency Deposits	5,113,326	-	9,718,494	8,648,258	654,947	1,577,249	1,127,719	86,608	26,926,601
Residents in Turkey	4,741,614	-	8,726,049	8,319,009	503,775	604,622	834,700	85,210	23,814,979
Residents in Abroad	371,712	-	992,445	329,249	151,172	972,627	293,019	1,398	3,111,622
Public Sector Deposits	1,528,091	-	2,662	7,792	2,389	-	70	-	1,541,004
Commercial Deposits	2,377,877	-	4,688,710	4,020,682	725,302	24,608	136,416	-	11,973,595
Other	76,688	-	46,808	593,250	512,568	138	318	-	1,229,770
Precious Metal Deposits	302,147	-	3	-	-	4,908	-	-	307,058
Bank Deposits	710,013	-	424,834	58,167	5,252	16,556	-	-	1,214,822
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	14,758	-	119,145	20,109	-	2,107	-	-	156,119
Foreign Banks	338,844	-	305,689	38,058	5,252	14,449	-	-	702,292
Special Financial Institutions	356,411	-	-	-	-	-	-	-	356,411
Other	-	-	-	-	-	-	-	-	-
Total	12,215,707	-	22,424,499	27,059,189	2,759,934	1,754,409	1,348,772	87,010	67,649,520

Prior Period

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

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

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	10,519,020	9,284,979	13,783,588	11,352,216
Foreign Currency Saving Deposits	3,099,492	3,214,814	9,636,170	10,005,530
Other Saving Deposits	128,600	120,181	154,250	175,083
Deposits held at Foreign Branches Under Foreign Insurance Coverage	-	-	-	-
Deposits held at Off-Shore Branches Under Foreign Insurance Coverage	-	-	-	-

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

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

5.2.1.3 Saving deposits not covered by insurance limits

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	321,453	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	214,571	172,124
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	28,209	10,389	12,147	9,949
Swap transactions	111,000	201,224	79,849	81,895
Futures	-	84	-	106
Options	39,596	20,652	19,542	25,296
Other	-	-	-	-
Total	178,805	232,349	111,538	117,246

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	186,736	137,540	154,465	158,979
Foreign Banks, Institutions and Funds	4,059,531	9,914,617	3,036,144	9,657,886
Total	4,246,267	10,052,157	3,190,609	9,816,865

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	678,053	3,147,655	154,465	2,859,824
Medium and Long-Term	3,568,214	6,904,502	3,036,144	6,957,041
Total	4,246,267	10,052,157	3,190,609	9,816,865

5.2.3.2 Disclosures for concentration areas of bank's liabilities

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

5.2.4 Other external funds

Funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	3,837,611	-	9,804,711	-
Financial Institutions and Organizations	3,796,217	-	9,749,113	-
Other Institutions and Organizations	9,737	-	18,423	-
Individuals	31,657	-	37,175	-
Foreign Transactions	594,365	248,545	572,540	157,453
Financial Institutions and Organizations	594,092	248,545	572,241	157,453
Other Institutions and Organizations	-	-	176	-
Individuals	273	-	123	-
Total	4,431,976	248,545	10,377,251	157,453

5.2.5 Lease payables (Net)

5.2.5.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	327	310	4,506	4,155
1-4 Years	13	12	26	23
More than 4 Years	-	-	-	-
Total	340	322	4,532	4,178

5.2.5.2 Operational lease agreements

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

5.2.6 Derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	3,279	-	3,464
Net foreign investment hedges	-	-	-	-
Total	-	3,279	-	3,464

5.2.7 Provisions

5.2.7.1 General provisions

	Current Period	Prior Period
General Provision for	512,533	437,334
Loans and Receivables in Group I	430,596	383,421
Loans and Receivables in Group II	37,765	13,342
Non-Cash Loans	44,172	40,571
Other	-	-

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

	Current Period	Prior Period
Short-Term Loans	11,593	10,494
Medium and Long-Term Loans	16,493	9,244
Total	28,086	19,738

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

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

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

5.2.7.4 Other provisions

5.2.7.4.1 General reserves for possible losses

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

5.2.7.4.2 Other provisions

	Current Period	Prior Period
Reserve for Employee Benefits	219,300	165,367
Recognized Liability for Defined Benefit Obligations	-	-
Provision for Promotion Expenses of Credit Cards (*)	45,529	36,208
Other Provisions	16,120	17,552
Total	280,949	219,127

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

Recognized liability for defined benefit plan obligations

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

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

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

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

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

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

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

5.2.8 Tax liability

5.2.8.1 Current tax liability

5.2.8.1.1 Tax liability

As of 30 June 2010, the Bank had a current tax liability of TL 135,887 thousands (31 December 2009: TL 198,353 thousands) after offsetting with prepaid taxes. In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.8.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	135,887	198,353
Taxation on Securities Income	108,495	88,060
Taxation on Real Estates Income	1,539	1,300
Banking Insurance Transaction Tax	27,841	29,605
Foreign Exchange Transaction Tax	19	27
Value Added Tax Payable	927	2,672
Others	14,326	30,057
Total	289,034	350,074

5.2.8.1.3 Premiums

	Current Period	Prior Period
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	-	-
Bank Pension Fund Premium-Employees	30	30
Bank Pension Fund Premium-Employer	10	15
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	500	474
Unemployment Insurance-Employer	934	875
Others	-	-
Total	1,474	1,394

5.2.8.2 Deferred tax liability

None.

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

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

5.2.10 Subordinated debts

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

5.2.11 Shareholders’ equity

5.2.11.1 Paid-in capital

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

5.2.11.2 Registered share capital system

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

5.2.11.3 Capital increases in current period

None.

5.2.11.4 Capital increases from capital reserves in current period

None.

5.2.11.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.11.7 Information on privileges given to stocks representing the capital

None.

5.2.11.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	60,414	220,901	63,768	181,780
Valuation difference	28,097	220,901	31,088	181,780
Exchange rate difference	32,317	-	32,680	-
Securities Available-for-Sale	1,142,753	101,727	1,249,912	115,686
Valuation difference	1,142,753	101,727	1,249,912	115,686
Exchange rate difference	-	-	-	-
Total	1,203,167	322,628	1,313,680	297,466

5.2.11.9 Revaluation surplus

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

5.2.11.10 Bonus shares of associates, subsidiaries and joint-ventures

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

5.2.11.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	489,339	341,742
II. Legal Reserve	39,290	25,290
Special Reserves	-	-

5.2.11.12 Extraordinary reserves

	Current Period	Prior Period
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	5,294,076	2,847,764
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-

5.2.12 Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	226,472	72,107	154,150	52,033
Funds Borrowed	111,222	50,710	188,772	54,197
Interbank Money Markets	59,068	389	53,020	6,077
Other Accruals	27,515	779	18,754	537
Total	424,277	123,985	414,696	112,844

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has asset purchase and sale commitments of TL 1,972,561 thousands (31 December 2009: TL 1,440,378 thousands), commitments for cheque payments of TL 1,661,358 thousands (31 December 2009: TL 1,513,300 thousands) and commitments for credit card limits of TL 10,908,630 thousands (31 December 2009: TL 9,057,598 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	7,166,766	7,451,475
Letters of Guarantee in TL	4,819,044	4,513,454
Letters of Credit	3,078,837	2,592,529
Bills of Exchange and Acceptances	140,458	125,841
Others	-	-
Total	15,205,105	14,683,299

A specific provision of TL 52,023 thousands (31 December 2009: TL 56,105 thousands) is made for unliquidated non-cash loans of TL 94,607 thousands (31 December 2009: TL 103,115 thousands) recorded under the off-balance sheet items in the accompanying financial statements.

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

As of 30 June 2010, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 775,000,000 (31 December 2009: USD 925,000,000).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	902,902	897,123
With Original Maturity of 1 Year or Less	17,209	13,519
With Original Maturity of More Than 1 Year	885,693	883,604
Other Non-Cash Loans	14,302,203	13,786,176
Total	15,205,105	14,683,299

5.3.1.4 Sectoral risk concentration of non-cash loans

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

5.3.1.5 Non-cash loans classified under Group I and II

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

5.3.2 Financial derivative instruments

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

5.3.3 Contingent liabilities and assets

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

5.3.4 Services rendered on behalf of third parties

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

5.4 Income Statement

5.4.1 Interest Income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	981,455	70,887	1,410,115	134,490
Medium and long-term loans	1,000,713	529,819	999,748	635,009
Loans under follow-up	27,947	-	18,630	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	2,010,115	600,706	2,428,493	769,499

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	2,166	150	4,226	394
Domestic Banks	1,502	249	7,416	384
Foreign Banks	84,312	26,467	39,677	43,416
Foreign Head Offices and Branches	-	-	-	-
Total	87,980	26,866	51,319	44,194

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	23,652	285	9,639	1,521
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	1,517,332	70,411	1,309,865	77,098
Investments Held-to-Maturity	356,039	51,565	479,365	62,560
Total	1,897,023	122,261	1,798,869	141,179

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from Investments in Associates and Subsidiaries	17,687	28,596

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	204,452	101,835	162,789	142,005
Central Bank of Turkey	-	-	-	-
Domestic Banks	6,855	2,348	19,571	3,439
Foreign Banks	197,597	99,487	143,218	138,566
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	30,954	-	29,574
Total	204,452	132,789	162,789	171,579

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest paid to Investments in Associates and Subsidiaries	13,869	12,390

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	971	10,110	-	-	-	-	-	11,081
Saving Deposits	367	285,801	569,324	17,540	5,643	3,645	-	882,320
Public Sector Deposits	2	396	3,317	78	1	4	-	3,798
Commercial Deposits	1,328	185,457	310,224	16,534	1,607	6,799	-	521,949
Other	1,180	1,666	15,406	10,723	5	12	-	28,992
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	3,848	483,430	898,271	44,875	7,256	10,460	-	1,448,140
Foreign Currency								
Foreign Currency Deposits	1,150	89,042	125,338	5,084	17,359	17,807	870	256,650
Bank Deposits	-	1,757	-	-	-	-	-	1,757
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1	-	51	-	-	52
Total FC	1,150	90,799	125,339	5,084	17,410	17,807	870	258,459
Grand Total	4,998	574,229	1,023,610	49,959	24,666	28,267	870	1,706,599

5.4.2.5 Interest expense on repurchase agreements

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

5.4.2.6 Financial lease expenses

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

5.4.4 Trading income/losses (Net)

	Current Period	Prior Period
Income	32,186,482	33,798,994
Trading Account Income	166,043	316,518
Gains from Derivative Financial Instruments	1,586,055	1,757,881
Foreign Exchange Gains	30,434,384	31,724,595
Losses (-)	31,940,038	33,076,601
Trading Account Losses	12,360	13,008
Losses from Derivative Financial Instruments	1,616,951	1,373,700
Foreign Exchange Losses	30,310,727	31,689,893
Total	246,444	722,393

TL 410,252 thousands (30 June 2009: TL 855,499 thousands) of foreign exchange gains and TL 1,015,070 thousands (30 June 2009: TL 2,293,142 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

5.4.5 Other operating income

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

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	199,587	756,767
<i>Loans and receivables in Group III</i>	30,964	383,403
<i>Loans and receivables in Group IV</i>	141,819	210,392
<i>Loans and receivables in Group V</i>	26,804	162,972
General Provisions	78,428	23,140
Provision for Possible Losses	-	250,000
Impairment Losses on Securities	194	206
<i>Financial assets at fair value through profit or loss</i>	194	206
<i>Financial assets available-for-sale</i>	-	-
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	46
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	46
<i>Joint Ventures</i>	-	-
<i>Investments Held-to-Maturity</i>	-	-
Others	1,540	41,405
Total	279,749	1,071,564

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	543,586	425,383
Reserve for Employee Termination Benefits	2,147	-
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	73,665	83,381
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	3,249	2,194
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	1,381	-
Depreciation Expenses of Assets to be Disposed	321	441
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	548,003	483,972
<i>Operational Lease related Expenses</i>	74,236	63,137
<i>Repair and Maintenance Expenses</i>	11,945	11,575
<i>Advertisement Expenses</i>	57,543	37,466
<i>Other Expenses</i>	404,279	371,794
Loss on Sale of Assets	397	834
Others (*)	244,172	216,779
Total	1,416,921	1,212,984

(*) In the current period, this item includes a provision amounting TL 123,885 thousands (30 June 2009: TL 79,950 thousands) for short-term employee benefits.

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

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

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 30 June 2010, the Bank recorded a tax charge of TL 581,357 thousands (30 June 2009: TL 395,961 thousands) and a deferred tax benefit of TL 107,602 thousands (30 June 2009: a deferred tax expense of TL 10,348 thousands).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	Current Period
Increase in tax deductible timing differences (+)	51,842
Decrease in tax deductible timing differences (-)	20,067
Increase in taxable timing differences (-)	349
Decrease in taxable timing differences (+)	76,176
Total	107,602

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

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	Current Period
Increase/(decrease) in tax deductible timing differences (net)	31,775
Increase/(decrease) in taxable timing differences (net)	75,827
Increase/(decrease) in tax losses (net)	-
Increase/(decrease) in tax deductions and exemptions (net)	-
Total	107,602

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 communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in income statement

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

5.5 Statement of Changes in Shareholders' Equity

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

5.6 Statement of Cash Flows

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

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	1,454,678	23,581	2	920	214,868	299,669
Balance at end of period	2,325,028	27,348	101	3,641	192,769	413,697
Interest and Commission Income	23,479	82	5	6	6,267	1,923

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	1,729,413	122,864	25	1,661	220,662	183,932
Balance at end of period	1,454,678	23,581	2	920	214,868	299,669
Interest and Commission Income	31,989	64	13	1	8,570	936

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	231,523	240,915	359,876	300,582	323,665	183,763
Balance at end of period	283,014	231,523	614,404	359,876	365,009	323,665
Interest Expense	13,869	12,390	11,808	7,437	6,080	6,040

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Balance at beginning of period	303,015	-	-	-	3,326	-
Balance at end of period	360,041	303,015	-	-	8,153	3,326
Total Profit/(Loss)	103,920	26,736	-	-	298	-
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 The Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 779,926 thousands (31 December 2009: TL 551,924 thousands) compose 1.39% (31 December 2009: 1.11%) of the Bank's total cash loans and 0.72% (31 December 2009: 0.52%) of the Bank's total assets. The total loans and similar receivables amounting TL 2,517,898 thousands (31 December 2009: TL 1,669,548 thousands) compose 2.33% (31 December 2009: TL 1.59%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 444,493 thousands (31 December 2009: TL 324,170 thousands) compose 2.92% (31 December 2009: 2.21%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,262,427 thousands (31 December 2009: TL 915,064 thousands) compose 1.87% (31 December 2009: 1.46%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

The Bank has a total lease payable of TL 322 thousands (31 December 2009: TL 4,178 thousands) from the transactions carried out with related parties. As a result of these transactions, a leasing expense of TL 342 thousands (30 June 2009: TL 1,498 thousands) is recorded. Furthermore, there is a credit card (POS) payable amounting TL 40,715 thousands (31 December 2009: TL 37,215 thousands) to related parties.

Operating expenses of TL 2,587 thousands (30 June 2009: TL 4,005 thousands) for IT services rendered by related parties and rent income of TL 854 thousands (30 June 2009: TL 861 thousands) for the real estates rented to related parties, are recorded.

The Bank made a total payment of TL 50,692 thousands to its top management considered as key management as of 30 June 2010 (30 June 2009: TL 41,906 thousands).

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted for under equity method*

Please refer to Note 5.1.8.

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

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

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

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

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

5.9 Significant Events and Matters Arising Subsequent to Balance Sheet Date

None.

5.10 Other Disclosures on Activities of the Bank

5.10.1 The Bank's latest international risk ratings

MOODY'S (May 2010*)

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

STANDARD AND POORS (February 2010*)

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

FITCH RATINGS (April 2010*)

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

CAPITAL INTELLIGENCE (November 2009*)

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

(*) Latest dates in risk ratings or outlooks.

JCR EURASIA RATINGS (May 2010*)

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

(*) Latest dates in risk ratings or outlooks.

5.10.2 Dividends

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

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

Dividend payments to shareholders started on 12 April 2010.

6 Independent Accountants' Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The unconsolidated interim financial statements of the Bank as of 30 June 2010, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu). It was noted in their limited review report dated 3 August 2010 that except for the effect of the matter described in the third paragraph on the financial statements, nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank's financial position and results of its operations as of 30 June 2010.

6.2 Disclosures and footnotes prepared by independent accountants

None.