

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

Türkiye Garanti Bankası Anonim Şirketi

And Its Financial Affiliates

Consolidated Financial Statements

As of and For the Nine-Month Period Ended

30 September 2011

*(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 November 2011

*This report contains "Independent Accountants'
Limited Review Report" comprising 2 pages and;
"Consolidated Financial Statements and Related
Disclosures and Footnotes" comprising 86 pages.*

To the Board of Directors of
Türkiye Garanti Bankası AŞ
İstanbul

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL AFFILIATES

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY 2011 –30 SEPTEMBER 2011

We have reviewed the accompanying consolidated balance sheet of Türkiye Garanti Bankası A.Ş. ("the Bank") and its consolidated financial affiliates as at 30 September 2011 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

As of the balance sheet date, the accompanying consolidated financial statements include a general reserve amounting to TL 450,000 thousands, TL 90,000 thousands of which was charged to the income statement as expense in the current period, 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.

Based on our review, except for the effect of the matter referred to in the preceding paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank and its consolidated financial affiliates as of and for the period ended 30 September 2011 in accordance with the prevailing accounting principles and standards set out as per the Article No. 37 and 38 of the Banking Act No. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

Istanbul, 3 November 2011

**Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Interim Financial Report
as of and for the Nine-Month Period Ended 30 September 2011**

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The consolidated interim financial report for the nine-month period ended 30 September 2011 prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

The consolidated subsidiaries and special purpose entities in the scope of this consolidated financial report are the followings:

Subsidiaries

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

Special Purpose Entities

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

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

Ferit F. Şahenk	M. Cüneyt Sezgin	Manuel Pedro Galatas Sanchez - Harguindey	S. Ergun Özen	Aydın Şenel	Aylin Aktürk
Board of Directors Chairman	Audit Committee Member	Audit Committee Member	General Manager	Executive Vice President Responsible of Financial Reporting	Coordinator

The authorized contact person for questions on this financial report:

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1 General Information

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

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 901 domestic branches, six foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

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

As of 30 September 2011, group of companies under Doğuş Holding AŞ that currently owns 24.23% shares of the Bank, is named 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, this time 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 thousands each to Doğuş Holding AŞ, representing 4.65% of the issued share capital. Number of shares representing 20.85% ownership of GE Araştırma ve Müşavirlik Limited Şti increased to 87,571,249,898 subsequent to the capital increase through issuance of bonus shares. The company sold 83,371,249,899 shares at a total nominal value of TL 833,712 thousands representing 19.85% ownership in Türkiye Garanti Bankası AŞ, to GE Capital Corporation on 29 December 2010.

On 22 March 2011, Banco Bilbao Vizcaya Argentaria SA (“BBVA”) acquired;

- 78.120.000.000 shares of the Bank owned by GE Capital Corporation at a total nominal value of TL 781,200 thousands representing 18.60% ownership, and
- 26.418.840.000 shares of the Bank owned by Doğuş Holding AŞ at a total nominal value of TL 264,188 thousands representing 6.29% ownership.

BBVA, holding 24.89% shares of the Bank, had joint control on the Bank’s management together with Doğuş Group.

On 7 April 2011, BBVA acquired 503.160.000 shares at a nominal value of TL 5,032 thousands and increased its ownership in the Bank’s share capital to 25.01%. As per the agreement between Doğuş Holding AŞ and BBVA, if any of the parties acquires additional shares during the next five years, it is required to offer half of the acquired shares to other party, in case that other party does not accept to purchase the offered shares, usufruct rights shall be established on the voting rights of such shares in favour of other party. Accordingly, although BBVA has acquired additional shares in April, this does not affect their joint control on the Bank’s management.

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 about 30 thousands employees.

The major worldwide joint ventures of the Group are; 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 Bank SA, Garanti Finansal Kiralama AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Doğuş Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

BBVA Group

BBVA is operating for more than 150 years, providing variety of wide spread financial and non-financial services to over 47 million retail and commercial customers.

The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.

The Group owns a bank being the largest financial institution in Mexico, the market leader in South America, and one of the largest 15 commercial banks in United States. BBVA is among the few international groups that operate in China and Turkey, and operates in more than 30 countries with more than 100 thousand employees.

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	21 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	29 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	23 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	37 years
Manuel Castro Aladro	Member	22.03.2011	Master	19 years
Manuel Pedro Galatas Sanchez Harguindey	Member of BOD and Audit Committee	05.05.2011	University	27 years
Carlos Torres Vila	Member	22.03.2011	Master	20 years
Angel Cano Fernandez	Member	22.03.2011	University	26 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	24 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	24 years
Adnan Memiş	EVP-Support Services	03.06.1991	Master	33 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	PhD	19 years
Ali Temel	EVP-Loans	21.10.1999	University	21 years
Gökhan Erun	EVP-Human Resources & Investment Banking	01.09.2005	Master	17 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	29 years
Halil Hüsni Erel	EVP-Operational Services	16.06.1997	University	26 years
Uruz Ersözoğlu	EVP-Treasury	05.04.2006	University	20 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	19 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	26 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	30 years
Zekeriya Öztürk	EVP- International Business Development	06.03.2006	Master	16 years
Avni Aydın Düren	EVP-Legal Services	01.02.2009	Master	17 years
Betül Ebru Edin	EVP-Project Finance	25.11.2009	University	17 years
Murat Mergin	Head of Strategic Planning	01.01.2002	University	17 years

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

1.4 Information on parent bank’s qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	857,315	20.4123%	857,315	-
Banco Bilbao Vizcaya Argentaria SA	1,050,420	25.0100%	1,050,420	-

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

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

1.5 Summary information on parent bank's activities and services

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

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits 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 Consolidated Interim Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Balance Sheet (Statement of Financial Position)

At 30 September 2011

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2011			PRIOR PERIOD 31 December 2010		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	6.669.147	5.984.539	12.653.686	3.163.501	4.381.548	7.545.049
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	905.035	2.204.872	3.109.907	854.044	295.471	1.149.515
2.1 Financial assets held for trading			905.035	2.204.872	3.109.907	854.044	295.471	1.149.515
2.1.1 Government securities			408.601	1.651.938	2.060.539	621.557	15.929	637.486
2.1.2 Equity securities			32.338	2.471	34.809	30.148	-	30.148
2.1.3 Derivative financial assets held for trading			420.190	535.341	955.531	194.337	279.542	473.879
2.1.4 Other securities			43.906	15.122	59.028	8.002	-	8.002
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	2.268.350	10.279.816	12.548.166	3.218.609	6.351.863	9.570.472
IV. INTERBANK MONEY MARKETS			387.618	10.476	398.094	2.036	-	2.036
4.1 Interbank money market placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements			86.235	-	86.235	-	-	-
4.3 Receivables from reverse repurchase agreements			301.383	10.476	311.859	2.036	-	2.036
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	28.989.530	3.730.309	32.719.839	29.938.274	4.529.536	34.467.810
5.1 Equity securities			20.734	1.190	21.924	25.041	70.726	95.767
5.2 Government securities			27.942.970	285.928	28.228.898	28.811.271	1.115.961	29.927.232
5.3 Other securities			1.025.826	3.443.191	4.469.017	1.101.962	3.342.849	4.444.811
VI. LOANS		5.1.5	48.788.869	39.698.149	88.487.018	37.661.647	32.495.895	70.157.542
6.1 Loans			48.519.341	39.621.995	88.141.336	37.310.087	32.418.519	69.728.606
6.1.1 Loans to bank's risk group		5.7	64.300	201.902	266.202	104.507	186.607	291.114
6.1.2 Government securities			-	-	-	-	-	-
6.1.3 Other			48.455.041	39.420.093	87.875.134	37.205.580	32.231.912	69.437.492
6.2 Loans under follow-up			1.496.990	338.668	1.835.658	1.939.109	294.002	2.233.111
6.3 Specific provisions (-)			1.227.462	262.514	1.489.976	1.587.549	216.626	1.804.175
VII. FACTORING RECEIVABLES		5.1.6	773.270	184.571	957.841	1.162.592	288.992	1.451.584
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	3.081.111	1.555.897	4.637.008	4.580.741	1.313.190	5.893.931
8.1 Government securities			3.075.218	1.555.897	4.631.115	4.576.594	1.313.190	5.889.784
8.2 Other securities			5.893	-	5.893	4.147	-	4.147
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	20.145	-	20.145	78.754	-	78.754
9.1 Associates consolidated under equity accounting			-	-	-	60.244	-	60.244
9.2 Unconsolidated associates			20.145	-	20.145	18.510	-	18.510
9.2.1 Financial investments in associates			18.168	-	18.168	16.533	-	16.533
9.2.2 Non-financial investments in associates			1.977	-	1.977	-	-	1.977
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	122.411	611	123.022	35.751	662	36.413
10.1 Unconsolidated financial investments in subsidiaries			-	611	611	-	662	662
10.2 Unconsolidated non-financial investments in subsidiaries			122.411	-	122.411	35.751	-	35.751
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	593.900	1.918.912	2.512.812	406.153	1.320.583	1.726.736
12.1 Financial lease receivables			694.758	2.168.149	2.862.907	476.883	1.501.521	1.978.404
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			100.858	249.237	350.095	70.730	180.938	251.668
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	-	128.930	128.930	-	-	-
13.1 Fair value hedges			-	128.930	128.930	-	-	-
13.2 Cash flow hedges			-	-	-	-	-	-
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	1.213.696	155.918	1.369.614	1.229.963	143.458	1.373.421
XV. INTANGIBLE ASSETS (Net)		5.1.14	55.166	7.539	62.705	49.608	6.197	55.805
15.1 Goodwill			6.388	-	6.388	6.388	-	6.388
15.2 Other intangibles			48.778	7.539	56.317	43.220	6.197	49.417
XVI. INVESTMENT PROPERTY (Net)		5.1.15	-	-	-	-	-	-
XVII. TAX ASSET			151.452	42.855	194.307	192.860	18.725	211.585
17.1 Current tax asset			77.154	2.161	79.315	37.018	2.742	39.760
17.2 Deferred tax asset		5.1.16	74.298	40.694	114.992	155.842	15.983	171.825
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		5.1.17	82.259	5.866	88.125	99.087	4.946	104.033
18.1 Asset held for resale			82.259	5.866	88.125	99.087	4.946	104.033
18.2 Assets of discontinued operations			-	-	-	-	-	-
XIX. OTHER ASSETS		5.1.18	3.916.389	190.501	4.106.890	2.847.499	122.748	2.970.247
TOTAL ASSETS			98.018.348	66.099.761	164.118.109	85.521.119	51.273.814	136.794.933

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet (Statement of Financial Position)
At 30 September 2011

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 September 2011			31 December 2010		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1		44.832.132	43.804.457	88.636.589	44.055.568	35.014.673	79.070.241
1.1 Deposits from bank's risk group	5.7		201.719	1.751.202	1.952.921	218.941	438.949	657.890
1.2 Other			44.630.413	42.053.255	86.683.668	43.836.627	34.575.724	78.412.351
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2		797.991	562.278	1.360.269	246.780	285.744	532.524
III. FUNDS BORROWED	5.2.3		5.959.637	18.502.910	24.462.547	6.625.511	13.204.872	19.830.383
IV. INTERBANK MONEY MARKETS			11.056.650	4.820.966	15.877.616	10.370.745	1.398.103	11.768.848
4.1 Interbank money market takings			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings			-	-	-	33.506	-	33.506
4.3 Obligations under repurchase agreements	5.2.4		11.056.650	4.820.966	15.877.616	10.337.239	1.398.103	11.735.342
V. SECURITIES ISSUED (Net)	5.2.4		2.088.740	1.585.378	3.674.118	-	-	-
5.1 Bills			2.088.740	-	2.088.740	-	-	-
5.2 Asset backed securities			-	-	-	-	-	-
5.3 Bonds			-	1.585.378	1.585.378	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Borrower funds			-	-	-	-	-	-
6.2 Other			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			5.694.461	221.808	5.916.269	4.737.807	125.185	4.862.992
VIII. OTHER EXTERNAL FUNDINGS PAYABLE			1.262.879	2.083.772	3.346.651	773.944	275.134	1.049.078
IX. FACTORING PAYABLES	5.2.5		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6		-	2.159	2.159	-	2.396	2.396
10.1 Financial lease payables			-	2.203	2.203	-	2.396	2.396
10.2 Operational lease payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred expenses (-)			-	44	44	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7		-	1.205	1.205	-	2.347	2.347
11.1 Fair value hedges			-	-	-	-	-	-
11.2 Cash flow hedges			-	1.205	1.205	-	2.347	2.347
11.3 Net foreign investment hedges			-	-	-	-	-	-
XII. PROVISIONS	5.2.8		1.933.059	102.792	2.035.851	1.512.601	81.094	1.593.695
12.1 General provisions			902.340	85.746	988.086	593.530	66.937	660.467
12.2 Restructuring reserves			-	-	-	-	-	-
12.3 Reserve for employee benefits			280.710	4.371	285.081	290.149	3.454	293.603
12.4 Insurance technical provisions (Net)			158.380	-	158.380	140.788	-	140.788
12.5 Other provisions			591.629	12.675	604.304	488.134	10.703	498.837
XIII. TAX LIABILITY	5.2.9		246.284	8.149	254.433	373.892	54.534	428.426
13.1 Current tax liability			244.512	8.149	252.661	373.892	54.143	428.035
13.2 Deferred tax liability			1.772	-	1.772	-	391	391
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10		-	-	-	-	-	-
14.1 Asset held for sale			-	-	-	-	-	-
14.2 Assets of discontinued operations			-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11		-	1.082.196	1.082.196	-	978.585	978.585
XVI. SHAREHOLDERS' EQUITY	5.2.12		17.414.310	53.896	17.468.206	16.505.674	169.744	16.675.418
16.1 Paid-in capital			4.198.240	-	4.198.240	4.200.000	-	4.200.000
16.2 Capital reserves			1.864.513	8.116	1.872.629	2.800.816	153.961	2.954.777
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			535.556	8.776	544.332	1.472.063	155.443	1.627.506
16.2.4 Revaluation surplus on tangible assets			598.953	-	598.953	598.187	-	598.187
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			947	-	947	1.509	-	1.509
16.2.8 Hedging reserves (effective portion)			(55.377)	(660)	(56.037)	(55.377)	(1.482)	(56.859)
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			8.785.970	45.780	8.831.750	6.043.630	15.783	6.059.413
16.3.1 Legal reserves			747.670	7.001	754.671	544.489	4.283	548.772
16.3.2 Status reserves			-	-	-	-	-	-
16.3.3 Extraordinary reserves			8.012.175	-	8.012.175	5.443.579	-	5.443.579
16.3.4 Other profit reserves			26.125	38.779	64.904	55.562	11.500	67.062
16.4 Profit or loss			2.454.461	-	2.454.461	3.363.845	-	3.363.845
16.4.1 Prior periods profit/loss			-	-	-	-	-	-
16.4.2 Current period net profit/loss			2.454.461	-	2.454.461	3.363.845	-	3.363.845
16.5 Minority interest			111.126	-	111.126	97.383	-	97.383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			91.286.143	72.831.966	164.118.109	85.202.522	51.592.411	136.794.933

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Off-Balance Sheet Items

At 30 September 2011

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 September 2011			PRIOR PERIOD 31 December 2010		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		65.577.243	97.044.278	162.621.521	42.786.829	68.088.418	110.875.247
I. GUARANTEES AND SURETIES	5.3.1	5.776.500	14.674.704	20.451.204	4.958.878	11.506.526	16.465.404
1.1 Letters of guarantee		5.767.329	8.904.833	14.672.162	4.951.728	7.358.370	12.310.098
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		415.786	463.215	879.001	350.400	406.434	756.834
1.1.3 Other letters of guarantee		5.351.543	8.441.618	13.793.161	4.601.328	6.951.936	11.553.264
1.2 Bank acceptances		120	345.314	345.434	-	164.105	164.105
1.2.1 Import letter of acceptance		-	345.314	345.314	-	164.105	164.105
1.2.2 Other bank acceptances		120	-	120	-	-	-
1.3 Letters of credit		9.051	5.355.976	5.365.027	7.150	3.927.305	3.934.455
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		9.051	5.355.976	5.365.027	7.150	3.927.305	3.934.455
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		-	68.581	68.581	-	56.746	56.746
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		23.580.470	9.903.877	33.484.347	20.379.416	6.347.384	26.726.800
2.1 Irrevocable commitments		23.580.470	9.351.055	32.931.525	20.379.416	5.909.078	26.288.494
2.1.1 Asset purchase and sale commitments		2.471.268	3.336.729	5.807.997	676.818	2.054.602	2.731.420
2.1.2 Deposit purchase and sale commitments		-	-	-	-	24.450	24.450
2.1.3 Share capital commitments to associates and subsidiaries		1.000	11.033	12.033	2.000	9.373	11.373
2.1.4 Loan granting commitments		4.410.112	4.655.929	9.066.041	4.037.979	2.535.204	6.573.183
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		2.177.505	-	2.177.505	1.910.031	-	1.910.031
2.1.8 Tax and fund obligations on export commitments		16.211	-	16.211	21.447	-	21.447
2.1.9 Commitments for credit card limits		13.240.164	119.870	13.360.034	12.466.931	87.161	12.554.092
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	1.227.494	2.491.704	1.264.210	1.198.288	2.462.498
2.2 Revocable commitments		-	552.822	552.822	-	438.306	438.306
2.2.1 Revocable loan granting commitments		-	552.118	552.118	-	437.649	437.649
2.2.2 Other revocable commitments		-	704	704	-	657	657
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	36.220.273	72.465.697	108.685.970	17.448.535	50.234.508	67.683.043
3.1 Derivative financial instruments held for risk management		-	1.945.125	1.945.125	-	167.200	167.200
3.1.1 Fair value hedges		-	1.820.000	1.820.000	-	-	-
3.1.2 Cash flow hedges		-	125.125	125.125	-	167.200	167.200
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivative		36.220.273	70.520.572	106.740.845	17.448.535	50.067.308	67.515.843
3.2.1 Forward foreign currency purchases/sales		4.486.895	6.258.641	10.745.536	2.089.965	4.099.693	6.189.658
3.2.1.1 Forward foreign currency purchases		1.243.334	4.187.326	5.430.660	631.875	2.477.903	3.109.778
3.2.1.2 Forward foreign currency sales		3.243.561	2.071.315	5.314.876	1.458.090	1.621.790	3.079.880
3.2.2 Currency and interest rate swaps		16.738.772	44.760.537	61.499.305	8.617.535	32.388.338	41.005.873
3.2.2.1 Currency swaps-purchases		7.553.099	14.213.335	21.766.434	6.070.444	8.590.269	14.660.713
3.2.2.2 Currency swaps-sales		5.738.218	16.309.822	22.048.040	2.419.691	12.344.301	14.763.992
3.2.2.3 Interest rate swaps-purchases		1.703.200	7.139.893	8.843.093	63.700	5.726.125	5.789.825
3.2.2.4 Interest rate swaps-sales		1.744.255	7.097.487	8.841.742	63.700	5.727.643	5.791.343
3.2.3 Currency, interest rate and security options		14.526.985	18.484.023	33.011.012	6.623.791	12.217.689	18.841.480
3.2.3.1 Currency call options		6.195.828	9.722.169	15.917.997	2.760.413	4.661.817	7.422.230
3.2.3.2 Currency put options		8.236.961	7.831.582	16.068.543	3.347.967	4.126.004	7.473.971
3.2.3.3 Interest rate call options		-	873.113	873.113	-	1.630.000	1.630.000
3.2.3.4 Interest rate put options		-	-	-	-	1.630.000	1.630.000
3.2.3.5 Security call options		94.200	32.609	126.809	115.016	138.134	253.150
3.2.3.6 Security put options		-	24.550	24.550	400.395	31.734	432.129
3.2.4 Currency futures		381.957	404.582	786.539	15.446	30.150	45.596
3.2.4.1 Currency futures-purchases		172.673	229.676	402.349	1.875	14.739	16.614
3.2.4.2 Currency futures-sales		209.284	174.906	384.190	13.571	15.411	28.982
3.2.5 Interest rate futures		3.614	-	3.614	-	91.200	91.200
3.2.5.1 Interest rate futures-purchases		1.807	-	1.807	-	91.200	91.200
3.2.5.2 Interest rate futures-sales		1.807	-	1.807	-	-	-
3.2.6 Others		82.046	612.789	694.835	101.798	1.240.238	1.342.036
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		319.703.811	204.616.859	524.320.670	265.251.655	151.720.812	416.972.467
IV. ITEMS HELD IN CUSTODY		85.174.604	19.114.833	104.289.437	79.642.450	15.478.137	95.120.587
4.1 Customers' securities held		54.500.848	1.199	54.502.047	57.239.310	1.000	57.240.310
4.2 Investment securities held in custody		20.417.820	6.073.118	26.490.938	14.621.951	3.934.713	18.556.664
4.3 Checks received for collection		7.588.361	1.342.349	8.930.710	5.401.620	948.107	6.349.727
4.4 Commercial notes received for collection		2.604.544	1.107.834	3.712.378	2.302.357	1.777.910	4.080.267
4.5 Other assets received for collection		39.409	9.279.712	9.319.121	30.771	7.895.502	7.926.273
4.6 Assets received through public offering		-	45.070	45.070	-	37.530	37.530
4.7 Other items under custody		23.622	1.265.551	1.289.173	46.441	883.375	929.816
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		234.529.207	185.502.026	420.031.233	185.609.205	136.242.675	321.851.880
5.1 Securities		1.448.613	137.864	1.586.477	1.379.977	114.410	1.494.387
5.2 Guarantee notes		32.450.093	10.031.079	42.481.172	26.249.041	7.740.382	33.989.423
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	923.875	923.875	-	372.444	372.444
5.5 Real estates		46.138.570	51.977.769	98.116.339	36.472.372	38.791.780	75.264.152
5.6 Other pledged items		154.491.761	122.431.040	276.922.801	121.507.645	89.223.212	210.730.857
5.7 Pledged items-depository		170	399	569	170	447	617
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		385.281.054	301.661.137	686.942.191	308.038.484	219.809.230	527.847.714

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
At 30 September 2011

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		1 January 2011- 30 September 2011	1 January 2010- 30 September 2010	1 July 2011- 30 September 2011	1 July 2010- 30 September 2010
I. INTEREST INCOME	5.4.1	7.941.336	7.442.717	2.842.261	2.266.800
1.1 Interest income on loans		5.088.426	4.152.829	1.899.799	1.404.807
1.2 Interest income on reserve deposits		84	82.797	84	29.068
1.3 Interest income on banks		208.192	221.482	78.168	73.821
1.4 Interest income on money market transactions		3.257	3.121	1.260	286
1.5 Interest income on securities portfolio		2.430.973	2.768.741	791.593	690.170
1.5.1 Trading financial assets		23.525	46.987	9.972	18.926
1.5.2 Financial assets valued at fair value through profit or loss		-	-	-	-
1.5.3 Financial assets available-for-sale		1.979.160	2.066.072	634.770	429.009
1.5.4 Investments held-to-maturity		428.288	655.682	146.851	242.235
1.6 Financial lease income		132.069	112.917	49.859	38.652
1.7 Other interest income		78.335	100.830	21.498	29.996
II. INTEREST EXPENSE	5.4.2	4.406.778	3.669.855	1.644.787	1.279.881
2.1 Interest on deposits		2.985.270	2.761.121	1.101.147	989.669
2.2 Interest on funds borrowed		783.800	610.113	286.624	218.291
2.3 Interest on money market transactions		513.891	292.388	189.691	70.808
2.4 Interest on securities issued		110.875	996	59.000	322
2.5 Other interest expenses		12.942	5.237	8.325	791
III. NET INTEREST INCOME (I - II)		3.534.558	3.772.862	1.197.474	986.919
IV. NET FEES AND COMMISSIONS INCOME		1.629.667	1.453.492	556.103	486.821
4.1 Fees and commissions received		1.913.721	1.684.871	659.882	569.874
4.1.1 Non-cash loans		146.526	134.436	49.693	40.977
4.1.2 Others		1.767.195	1.550.435	610.189	528.897
4.2 Fees and commissions paid		284.054	231.379	103.779	83.053
4.2.1 Non-cash loans		941	936	340	352
4.2.2 Others		283.113	230.443	103.439	82.701
V. DIVIDEND INCOME	5.4.3	4.812	1.801	575	214
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	265.155	372.818	(69.390)	111.901
6.1 Trading account income/losses (Net)		333.215	250.166	85.417	87.239
6.2 Income/losses from derivative financial instruments (Net)		60.969	(58.162)	(61.606)	(18.551)
6.3 Foreign exchange gains/losses (Net)		(129.029)	180.814	(93.201)	43.213
VII. OTHER OPERATING INCOME	5.4.5	910.048	708.749	86.446	227.131
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6.344.240	6.309.722	1.771.208	1.812.986
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	5.4.6	656.586	524.355	192.422	213.881
X. OTHER OPERATING EXPENSES (-)	5.4.7	2.540.038	2.440.604	875.579	824.312
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3.147.616	3.344.763	703.207	774.793
XII. INCOME RESULTED FROM MERGERS		-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		6.261	9.405	-	2.149
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	5.4.8	3.153.877	3.354.168	703.207	776.942
XVI. PROVISION FOR TAXES (±)	5.4.9	686.040	689.368	164.299	166.873
16.1 Current tax charge		391.802	788.766	116.086	175.612
16.2 Deferred tax charge/(credit)		294.238	(99.398)	48.213	(8.739)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	5.4.10	2.467.837	2.664.800	538.908	610.069
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from assets held for sale		-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expenses on assets held for sale		-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)	5.4.8	-	-	-	-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	5.4.9	-	-	-	-
21.1 Current tax charge		-	-	-	-
21.2 Deferred tax charge/(credit)		-	-	-	-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)	5.4.10	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	5.4.11	2.467.837	2.664.800	538.908	610.069
23.1 Equity holders of the bank		2.454.461	2.648.898	533.331	602.542
23.2 Minority interest		13.376	15.902	5.577	7.527
Earnings per Share		0,584	0,631	0,127	0,143

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Income/Expense Items Accounted for under Shareholders' Equity
At 30 September 2011

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2011 - 30 September 2011	PRIOR PERIOD 1 January 2010 - 30 September 2010
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	(1.336.890)	136.068
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	233
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	(20.742)	(29.552)
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	1.028	448
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(562)	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	253.877	(9.884)
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	(1.103.289)	97.313
XI.	CURRENT PERIOD PROFIT/LOSSES	2.467.837	2.664.800
1.1	Net changes in fair value of securities (transferred to income statement)	367.661	216.671
1.2	Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-	-
1.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
1.4	Others	2.100.176	2.448.129
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	1.364.548	2.762.113

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
At 30 September 2011

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)																	
			Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Revaluation Surplus on Assets Held for Sale and Assets of Discontinued Operations	Shareholders' Equity before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 1 January-30 September 2010																				
I.	Balances at beginning of the period	5.5	4.200.000	772.554	11.880	-	379.275	-	3.187.603	96.562	-	3.085.717	1.361.434	598.194	1.509	(57.967)	-	13.636.761	49.023	13.685.784
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	(25.567)	-	-	-	-	-	(25.567)	-	(25.567)
2.1.	Effect of corrections		-	-	-	-	-	-	-	-	-	(25.567)	-	-	-	-	-	(25.567)	-	(25.567)
2.2.	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances at beginning of the period (I+II)		4.200.000	772.554	11.880	-	379.275	-	3.187.603	96.562	-	3.060.150	1.361.434	598.194	1.509	(57.967)	-	13.611.194	49.023	13.660.217
Changes during the period																				
IV.	Mergers		-	-	-	-	-	-	(228.075)	-	-	-	-	-	-	-	-	(228.075)	-	(228.075)
V.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	126.260	-	-	-	-	126.260	14	126.274
VI.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	781	-	781	-	781
6.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	358	-	358	-	358
6.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	423	-	423	-	423
VII.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	240	-	-	-	240	-	240
VIII.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences		-	-	-	-	(452)	-	-	(29.523)	-	-	-	-	-	-	-	(29.975)	-	(29.975)
XI.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-	(7)	-	(7)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.457	27.457	
XIX.	Current period net profit/loss	-	-	-	-	-	-	-	-	2.648.898	-	-	-	-	-	-	-	2.648.898	15.902	2.664.800
XX.	Profit distribution	-	-	-	-	170.184	-	2.561.716	3.817	-	(3.085.717)	-	-	-	-	-	(350.000)	-	(350.000)	
20.1.	Dividends	-	-	-	-	-	-	-	-	-	(350.000)	-	-	-	-	-	-	-	(350.000)	
20.2.	Transfers to reserves	-	-	-	-	170.184	-	2.561.716	-	-	(2.731.900)	-	-	-	-	-	-	-	-	
20.3.	Others	-	-	-	-	-	-	-	3.817	-	(3.817)	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV+V+.....+XVIII+XIX+XX)			4.200.000	772.554	11.880	-	549.007	-	5.521.244	70.856	2.648.898	(25.567)	1.487.694	598.427	1.509	(57.186)	-	15.779.316	92.396	15.871.712
CURRENT PERIOD - 1 January-30 September 2011																				
I.	Balances at beginning of the period	5.5	4.200.000	772.554	11.880	-	548.772	-	5.443.579	67.062	-	3.363.845	1.627.506	598.187	1.509	(56.859)	-	16.578.035	97.383	16.675.418
Changes during the period																				
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Market value changes of securities		-	-	-	-	-	-	-	-	-	-	(1.083.174)	-	-	-	-	(1.083.174)	367	(1.082.807)
IV.	Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	822	-	822	-	822
4.1.	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	822	-	822	-	822
4.2.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	1.646	-	-	(22.388)	-	-	-	-	(562)	-	-	(562)	-	(562)
IX.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20.742)	-	(20.742)
X.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1.	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2.	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others		(1.760)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.760)	-	(1.760)
XVII.	Current period net profit/loss	-	-	-	-	-	-	-	-	2.454.461	-	-	-	-	-	-	2.454.461	13.376	2.467.837	
XVIII.	Profit distribution	-	-	-	-	204.253	-	2.568.596	20.230	-	(3.363.845)	-	766	-	-	-	(570.000)	-	(570.000)	
18.1.	Dividends	-	-	-	-	-	-	-	-	-	(570.000)	-	-	-	-	-	(570.000)	-	(570.000)	
18.2.	Transfers to reserves	-	-	-	-	204.253	-	2.568.596	-	-	(2.772.849)	-	-	-	-	-	-	-	-	
18.3.	Others	-	-	-	-	-	-	-	20.230	-	(20.996)	-	766	-	-	-	-	-	-	
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)			4.198.240	772.554	11.880	-	754.671	-	8.012.175	64.904	2.454.461	-	544.332	598.953	947	(56.037)	-	17.357.080	111.126	17.468.206

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
At 30 September 2011

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2011 30 September 2011	1 January 2010 30 September 2010
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	1.540.888	3.098.912
1.1.1 Interests received		7.512.574	7.592.904
1.1.2 Interests paid		(4.150.630)	(3.633.378)
1.1.3 Dividend received		4.812	1.801
1.1.4 Fees and commissions received		1.913.721	1.684.871
1.1.5 Other income		499.601	467.114
1.1.6 Collections from previously written-off loans and other receivables		56.747	41.825
1.1.7 Payments to personnel and service suppliers		(2.141.340)	(2.084.690)
1.1.8 Taxes paid		(685.453)	(894.773)
1.1.9 Others		(1.469.144)	(76.762)
1.2 Changes in operating assets and liabilities	5.6	(4.607.199)	(7.319.615)
1.2.1 Net (increase) decrease in financial assets held for trading		(1.455.669)	(842.094)
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(5.589.532)	86.404
1.2.4 Net (increase) decrease in loans		(17.855.431)	(10.803.061)
1.2.5 Net (increase) decrease in other assets		(1.428.975)	(974.144)
1.2.6 Net increase (decrease) in bank deposits		364.740	(567.574)
1.2.7 Net increase (decrease) in other deposits		9.126.028	7.388.817
1.2.8 Net increase (decrease) in funds borrowed		8.808.419	(2.853.962)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		3.423.221	1.245.999
I. Net cash flow from banking operations	5.6	(3.066.311)	(4.220.703)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	1.661.916	148.891
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-	(62)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		171.003	-
2.3 Purchases of tangible assets		(280.678)	(216.895)
2.4 Sales of tangible assets		140.417	57.070
2.5 Cash paid for purchase of financial assets available-for-sale, net		(13.659.585)	(15.398.044)
2.6 Cash obtained from sale of financial assets available-for-sale, net		13.936.503	14.073.952
2.7 Cash paid for purchase of investments held-to-maturity		(5.781)	-
2.8 Cash obtained from sale of investments held-to-maturity		1.360.037	1.632.870
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		2.959.293	(354.338)
3.1 Cash obtained from funds borrowed and securities issued		3.689.763	-
3.2 Cash used for repayment of funds borrowed and securities issued		(160.406)	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(570.000)	(350.000)
3.5 Payments for financial leases		(64)	(4.338)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		1.327.709	(144.294)
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	2.882.607	(4.570.444)
VI. Cash and cash equivalents at beginning of period	5.6	6.895.898	9.294.333
VII. Cash and cash equivalents at end of period (V+VI)	5.6	9.778.505	4.723.889

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

3 Accounting Policies

3.1 Basis of presentation

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

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

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

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

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

3.3 Information on consolidated subsidiaries

As of 30 September 2011, Türkiye Garanti Bankası Anonim Şirketi and the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring) and Garanti Holding BV (Garanti Holding).

In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank's ownership in Garanti Emeklilik decreased to 84.91%. The head office of this company is in Istanbul.

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

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

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

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

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

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

Garanti Holding was established in December 2007 in Amsterdam and as described in note 5.1.9.2, all its shares have been purchased by the Bank from Doğu Holding AŞ in May 2010. As of 27 January 2011 the consolidated subsidiary's legal name changed to Garanti Holding BV from D Netherlands BV.

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

Associate sale

As per the Shareholders' Agreement dated 27 June 2007 between the Bank and Eureka BV, the Bank sold its 20% shares of Eureka Sigorta AŞ with a nominal value of TL 12,000 thousands to Eureka BV for EUR 69,999,999.

3.4 Forwards, options and other derivative transactions

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

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

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

3.5 Interest income and expenses

General

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

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

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

Financial lease operations

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

3.6 Fees and commissions

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

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

The real coupon rates for government bonds indexed to consumer price index are fixed throughout maturities. As per the statements made by the Turkish Treasury on the dates of issuance, such securities are valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

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

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

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

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

3.8 Impairment of financial assets

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

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

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

3.9 Netting of financial instruments

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

3.11 Assets held for sale and discontinued operations and related borrowings

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

Depreciation rates and estimated useful lives are:

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

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

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

3.14 Leasing activities

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

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

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

3.15 Provisions and contingent liabilities

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

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance Indemnities and Short-Term Employee Benefits

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

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

	30 September 2011	31 December 2010	31 December 2009
Discount Rate	4.66%	4.66%	5.92%
Interest Rate	10.00%	10.00%	11.00%
Inflation Rate	5.10%	5.10%	4.80%
Expected Rate of Salary Increase	6.60%	6.60%	6.30%

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

Retirement Benefit Obligations

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

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

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

	30 September 2011	
	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 no.5754 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, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund, the banks and the funds, by using a technical discount rate of 9.80% taking into account the funds' income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008. Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional article 20 of the Social Security Law no.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette no. 27900 dated 9 April 2011 as per the decision of the Council of Ministers, numbered 2011/1559, and as per the letter no. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional article 20 of the Social Security and Public Health Insurance Law no.5510.

On 19 June 2008, Cumhuriyet Halk Partisi (“CHP”) had applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the article 73 and the first paragraph of the provisional Article 20 added to the law no. 5510 are not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

b) Other benefits not transferable to SSF

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

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

3.18 Taxation

3.18.1 Corporate tax

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

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

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

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

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

Tax applications for foreign branches

NORTHERN CYPRUS

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

MALTA

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

LUXEMBOURG

The corporate earnings are subject to a 21% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. An additional 5% of the calculated corporate income tax is paid as a contribution to unemployment insurance fund. 3% of the taxable income is paid as municipality tax in addition to corporate tax. The municipalities have the right to increase this rate up to 200%-350%. The municipality commerce tax, which the Bank's Luxembourg branch subject to currently is applied as 9% of the taxable income. The tax returns do not include any tax payable amounts. The tax calculation is done by the tax office and the amount to be paid is declared to corporate through an official letter called Note. The amounts and the payment dates of prepaid taxes are determined and declared by the tax office at the beginning of the taxation period. The corporations whose head offices are outside Luxembourg, are allowed to transfer the rest of their net income after tax following the allocation of 5% of it for legal reserves, to their head offices.

Tax applications for foreign financial affiliates

HOLLAND

In Holland, corporate income tax is levied at the rate of 20% for tax profits up to EUR 200,000 and 25% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. In general, there is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments. Under the Dutch taxation system, tax losses can be carried forward to offset against future taxable income for nine years. Tax losses can be carried back to the prior year.

Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. The corporate income tax has been calculated using the nominal tax rate of 25% over the Dutch taxable income, 30% over the local taxable income of Germany branch.

RUSSIA

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

ROMANIA

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

3.18.2 Deferred taxes

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

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

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

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

3.18.3 Transfer pricing

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

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

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

3.18.4 Investment allowance

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

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

The expression of "only for the years 2006, 2007 and 2008" in the temporary article no.69 of the Income Tax Law no.193 that was cancelled by the decision no.2009/144 of the Turkish Constitutional Court published in the Official Gazette dated 8 January 2010 is revised by the Article 5 of the Law no.6009 effective with the promulgation on the Official Gazette no.27659 dated 1 August 2010. As per the new regulation, the investment allowances that cannot be benefited and transferred to future periods due to insufficient income level of the relevant year, can be used without any year limitation, however the investment allowance amount to be considered in the determination of taxable income, will not exceed 25% of the income of the relevant year. In addition to this, it is also agreed that the corporate tax rate for the companies to benefit from investment allowance will be the current applicable tax rate (20%) instead of 30%.

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

3.19 Funds borrowed

Funds are generated from domestic and foreign sources whenever required. The funds borrowed from foreign sources are also in the form of syndications and securitizations. Besides, funding through bill and bond issuances in the local and international markets has commenced. The funds borrowed are recorded at their purchase costs and discounted by using the internal rate of return.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 30 September 2011, the Bank or its financial affiliates do not have any government incentives or grants.

3.23 Segment reporting

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

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

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

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

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

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

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,326,222	2,427,429	782,063	803,714	6,339,428
Other	-	-	-	-	-
Total Operating Profit	2,326,222	2,427,429	782,063	803,714	6,339,428
Net Operating Profit	841,656	1,601,768	660,578	45,063	3,149,065
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	4,812	4,812
Net Operating Profit	841,656	1,601,768	660,578	49,875	3,153,877
Provision for Taxes	-	-	-	(686,040)	(686,040)
Net Profit	841,656	1,601,768	660,578	(636,165)	2,467,837
Segment Assets	27,360,571	61,072,798	61,502,673	14,038,900	163,974,942
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	143,167	143,167
Undistributed Items	-	-	-	-	-
Total Assets	27,360,571	61,072,798	61,502,673	14,182,067	164,118,109
Segment Liabilities	50,290,650	34,183,174	46,129,633	16,046,446	146,649,903
Shareholders’ Equity	-	-	-	17,468,206	17,468,206
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders’ Equity	50,290,650	34,183,174	46,129,633	33,514,652	164,118,109
Other Segment Items					
Capital Expenditures	-	-	-	164,702	164,702
Depreciation Expenses	77,893	45,382	3,211	26,966	153,452
Impairment Losses	160,992	177,584	12,337	309,704	660,617
Other Non-Cash Income/Expenses	121,386	217,505	(1,509,194)	(356,409)	(1,526,712)
Restructuring Costs	-	-	-	-	-

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	2,240,083	1,916,045	1,447,911	703,882	6,307,921
Other	-	-	-	-	-
Total Operating Profit	2,240,083	1,916,045	1,447,911	703,882	6,307,921
Net Operating Profit	787,859	971,603	1,353,458	239,447	3,352,367
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	1,801	1,801
Net Operating Profit	787,859	971,603	1,353,458	241,248	3,354,168
Provision for Taxes	-	-	-	(689,368)	(689,368)
Net Profit	787,859	971,603	1,353,458	(448,120)	2,664,800
Segment Assets	22,305,253	47,113,848	54,096,048	13,164,617	136,679,766
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	115,167	115,167
Undistributed Items	-	-	-	-	-
Total Assets	22,305,253	47,113,848	54,096,048	13,279,784	136,794,933
Segment Liabilities	44,596,689	29,963,366	31,745,974	13,813,486	120,119,515
Shareholders' Equity	-	-	-	16,675,418	16,675,418
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	44,596,689	29,963,366	31,745,974	30,488,904	136,794,933
Other Segment Items					
Capital Expenditures	-	-	-	339,101	339,101
Depreciation Expenses	75,375	39,177	2,802	20,808	138,162
Impairment Losses	213,354	242,436	551	70,041	526,382
Other Non-Cash Income/Expenses	(45,176)	(67,774)	(543,621)	55,981	(600,590)
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

3.24.1 Changes regarding prior periods' financial statements

The parent Bank reassessed the accounting treatment applied for the employee termination benefits during the preparation of the current financial statement and adjusted the prior periods' financial statements. Accordingly, the effects of such corrections made to the 2010 accounting records on the consolidated financial statements are as follows:

	<i>Reported</i>		<i>Adjusted</i>
	31 December 2010	Correction	31 December 2010
Total Assets	136,784,224	10,709	136,794,933
Reserve for Employee Termination Benefits	49,551	53,545	103,096
Deferred Tax Assets	161,116	10,709	171,825
Extraordinary Reserves	5,469,146	(25,567)	5,443,579
Current Period Net Profit / Loss	3,401,986	(17,269)	3,384,717

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 15.48% (unconsolidated capital adequacy ratio: 16.88%) as of 30 September 2011.

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

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

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

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

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

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

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

4.1.2 Consolidated capital adequacy ratio

	Risk Weightings						
	Parent Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	27,781,729	-	3,087,576	18,325,004	63,361,311	1,096,139	1,268,577
Cash on Hand	951,606	-	2,244	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	7,277,782	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	6,024,567	-	1,346,313	-	4,032,563	-	-
Interbank Money Market Placements	86,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	300,000	-	-	-	-	-	-
Reserve Deposits	4,370,987	-	-	-	-	-	-
Loans	4,403,137	-	396,641	18,048,010	54,396,347	1,096,139	1,268,577
Loans under Follow-Up (Net)	-	-	-	-	269,528	-	-
Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	3,539,371	-	937,282	-	5,781	-	-
Receivables from Term Sale of Assets	-	-	-	-	7,971	-	-
Miscellaneous Receivables	48,772	-	-	-	208,228	-	-
Accrued Interest and Income	134,143	-	22,827	276,994	918,305	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	2,093,008	-	-
Tangible Assets (Net)	-	-	-	-	1,110,811	-	-
Other Assets	645,364	-	382,269	-	318,769	-	-
Off-Balance Sheet Items	1,190,438	-	1,985,648	765,263	15,947,996	-	-
Non-Cash Loans and Commitments	1,190,438	-	1,030,079	765,263	15,628,735	-	-
Derivative Financial Instruments	-	-	955,569	-	319,261	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	28,972,167	-	5,073,224	19,090,267	79,309,307	1,096,139	1,268,577

	Risk Weightings						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	28,579,373	-	6,423,549	19,885,794	70,503,031	1,107,046	1,323,953
Cash on Hand	1,002,673	-	2,244	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	7,277,782	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	6,323,547	-	2,674,830	-	3,506,598	-	-
Interbank Money Market Placements	86,000	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	301,190	-	10,477	-	-	-	-
Reserve Deposits	4,370,987	-	-	-	-	-	-
Loans	4,703,076	-	2,378,749	19,336,134	59,025,512	1,107,046	1,323,953
Loans under Follow-Up (Net)	-	-	-	-	345,682	-	-
Lease Receivables	6,804	-	1,553	265,135	2,223,355	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	3,539,371	-	937,282	-	5,781	-	-
Receivables from Term Sale of Assets	-	-	-	-	7,971	-	-
Miscellaneous Receivables	48,772	-	-	-	2,612,848	-	-
Accrued Interest and Income	134,717	-	36,145	284,525	940,159	-	-
Investments in Associates, Subsidiaries and Joint-Ventures (Business Partnership) (Net)	-	-	-	-	140,604	-	-
Tangible Assets (Net)	-	-	-	-	1,279,563	-	-
Other Assets	784,454	-	382,269	-	414,958	-	-
Off-Balance Sheet Items	1,327,567	-	2,819,274	968,197	16,368,333	-	-
Non-Cash Loans and Commitments	1,327,567	-	1,693,639	968,197	15,958,200	-	-
Derivative Financial Instruments	-	-	1,125,635	-	410,133	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Risk-Weighted Assets	29,906,940	-	9,242,823	20,853,991	86,871,364	1,107,046	1,323,953

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	94,050,448	72,072,246
Value at Market Risk (VaMR)	5,263,413	3,553,288
Value at Operational Risk (VaOR)	11,970,584	10,184,205
Shareholders' Equity	18,782,925	16,839,261
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	16.88%	19.62%

	Consolidated	
	Current Period	Prior Period
Value at Credit Risk (VaCR)	103,455,400	78,722,539
Value at Market Risk (VaMR)	8,508,325	5,605,375
Value at Operational Risk (VaOR)	12,981,944	11,028,669
Shareholders' Equity	19,342,592	17,228,399
Shareholders' Equity / (VaCR+VaMR+VaOR) * 100	15.48%	18.07%

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital that Comes Last in Terms of Receivable Rights in Case of Liquidation	4,198,240	4,200,000
Nominal Capital	4,198,240	4,200,000
Capital Commitments (-)	-	-
Paid-in Capital that Comes Last in Terms of Receivable Rights in Case of Liquidation	772,554	772,554
Share Premium	11,880	11,880
Share Cancellation Profits	-	-
Legal Reserves	754,671	548,772
I. Legal Reserve (Turkish Commercial Code 466/1)	675,958	504,369
II. Legal Reserve (Turkish Commercial Code 466/2)	78,713	44,403
Reserves Allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	8,012,175	5,469,146
Reserve Allocated as per the Decision Held by the General Assembly	8,012,175	5,469,146
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,454,461	3,381,114
Current Period Profit	2,454,461	3,381,114
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	450,000	360,000
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	596,813	596,047
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Minority Interest	110,937	97,330
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	140,909	152,511
Prepaid Expenses (-) ^(*)	-	248,019
Intangible Assets (-)	56,317	49,417
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	6,388	6,388
Total Core Capital	17,158,117	14,980,508
SUPPLEMENTARY CAPITAL		
General Provisions	988,086	660,467
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	963	963
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	947	1,509
Primary Subordinated Debt Excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,060,643	948,860
45% of Securities Value Increase Fund ^(**)	211,761	732,110
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	211,761	732,110
Minority Interest	189	53
Other Reserves	8,867	10,203
Total Supplementary Capital	2,271,456	2,354,165
CAPITAL	19,429,573	17,334,673

(*) Prepaid expenses are not deducted from the core capital according to the Article 1 of the Regulation for amending the Regulation on Equities of Banks" published in the Official Gazette no. 27870 dated 10 March 2011.

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

DEDUCTIONS FROM CAPITAL	86,981	106,274
Unconsolidated Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors	2,563	2,461
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the Form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Banks and Financial Institutions' Assets and Liabilities That are not Fully Consolidated but Included Using Equity Accounting	-	60,244
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	37,267	43,569
Deducting Securitization Positions from Equity Instead of Risk Weighting by 1250% Under Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks as per the 45th Article of the Banking Law	-	-
Others	47,151	-
TOTAL SHAREHOLDERS' EQUITY	19,342,592	17,228,399

4.2 Consolidated credit risk

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

4.3 Consolidated market risk

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

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

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

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

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

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

4.3.1 Value at market risk on a consolidated basis

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	279,990
(II) Capital Obligation against Specific Risks - Standard Method	69,861
(III) Capital Obligation against Currency Risk - Standard Method	189,174
(IV) Capital Obligation against Stocks Risks - Standard Method	1,584
(V) Capital Obligation against Exchange Risks – Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	140,057
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	680,666
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	8,508,325

4.3.2 Average values at market risk

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

4.4 Consolidated operational risk

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

4.5 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2011, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to TL 3,951,780 thousands (31 December 2010: a long position of TL 1,994,151 thousands), net ‘off-balance sheet’ foreign currency long position amounts to TL 3,121,552 thousands (31 December 2010: a short position of TL 2,595,424 thousands), while net foreign currency short open position amounts to TL 830,228 thousands (31 December 2010: TL 601,273 thousands).

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

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

	USD	EUR	JPY (100)	GBP
The Bank's foreign currency purchase rate at balance sheet date	1.8200	2.4429	2.3630	2.8352
<u>Foreign currency rates for the days before balance sheet date:</u>				
Day 1	1.8300	2.4937	2.3822	2.8721
Day 2	1.8200	2.4765	2.3796	2.8498
Day 3	1.8200	2.4790	2.3737	2.8553
Day 4	1.8350	2.4801	2.4037	2.8530
Day 5	1.8100	2.4444	2.3606	2.8012
Last 30-days arithmetical average rate	1.7718	2.4390	2.3051	2.7988

The Bank's consolidated currency risk:

	EUR	USD	JPY	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	128,793	5,733,461	755	121,530	5,984,539
Banks	3,422,016	4,635,341	26,078	2,196,381	10,279,816
Financial Assets at Fair Value through Profit/Loss	1,733,466	186,086	6	9,512	1,929,070
Interbank Money Market Placements	-	10,476	-	-	10,476
Financial Assets Available-for-Sale	1,527,031	2,008,833	-	194,445	3,730,309
Loans (*)	13,431,064	27,306,074	19,983	1,604,375	42,361,496
Investments in Associates, Subsidiaries and Joint-Ventures	609	-	-	2	611
Investments Held-to-Maturity	-	1,555,897	-	-	1,555,897
Derivative Financial Assets Held for Risk Management	-	128,930	-	-	128,930
Tangible Assets	49,915	1,755	-	81,575	133,245
Intangible Assets	2,566	-	-	4,973	7,539
Other Assets (**)	1,145,872	1,181,301	12,662	10,624	2,350,459
Total Assets	21,441,332	42,748,154	59,484	4,223,417	68,472,387
Liabilities					
Bank Deposits	605,704	1,998,717	22,087	220,893	2,847,401
Foreign Currency Deposits	16,550,477	20,535,161	55,919	1,394,866	38,536,423
Interbank Money Market Takings	1,737,405	2,935,070	-	148,491	4,820,966
Other Fundings	7,788,879	11,795,836	-	391	19,585,106
Securities Issued	-	1,585,378	-	-	1,585,378
Miscellaneous Payables	110,700	100,083	158	10,867	221,808
Derivative Financial Liabilities Held for Risk Management	-	1,205	-	-	1,205
Other Liabilities (***)	1,840,061	496,507	443	2,488,869	4,825,880
Total Liabilities	28,633,226	39,447,957	78,607	4,264,377	72,424,167
Net 'On Balance Sheet' Position	(7,191,894)	3,300,197	(19,123)	(40,960)	(3,951,780)
Net 'Off-Balance Sheet' Position	6,428,063	(3,742,837)	(44,967)	481,293	3,121,552
Derivative Assets	11,084,911	17,594,556	239,641	2,206,444	31,125,552
Derivative Liabilities	(4,656,848)	(21,337,393)	(284,608)	(1,725,151)	(28,004,000)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	18,045,231	33,339,021	54,724	1,795,469	53,234,445
Total Liabilities	20,106,054	29,310,081	63,980	1,760,179	51,240,294
Net 'On Balance Sheet' Position	(2,060,823)	4,028,940	(9,256)	35,290	1,994,151
Net 'Off-Balance Sheet' Position	1,701,148	(4,670,283)	8,474	365,237	(2,595,424)
Derivative Assets	6,168,271	9,061,475	350,966	1,957,689	17,538,401
Derivative Liabilities	(4,467,123)	(13,731,758)	(342,492)	(1,592,452)	(20,133,825)
Non-Cash Loans	-	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 2,663,347 thousands included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(**) The foreign currency indexed factoring receivables amounting TL 83,800 thousands included under TL assets in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(***) Other liabilities also include gold deposits of TL 2,420,633 thousands.

4.6 Consolidated interest rate risk

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	12,653,686	12,653,686
Banks	3,101,692	413,027	287,663	2,478,756	2,916,870	3,350,158	12,548,166
Financial Assets at Fair Value through Profit/Loss	42,268	262,206	213,343	484,966	1,253,518	853,606	3,109,907
Interbank Money Market Placements	372,667	25,000	-	-	-	427	398,094
Financial Assets Available-for-Sale	14,219,223	1,820,594	5,580,018	8,418,708	464,935	2,216,361	32,719,839
Loans	15,746,208	13,091,645	17,205,472	25,307,701	15,450,368	1,685,624	88,487,018
Investments Held-to-Maturity	910,865	-	2,032,154	152,038	1,387,376	154,575	4,637,008
Other Assets	455,497	660,385	773,414	1,204,593	244,075	6,226,427	9,564,391
Total Assets	34,848,420	16,272,857	26,092,064	38,046,762	21,717,142	27,140,864	164,118,109
Liabilities							
Bank Deposits	1,603,408	1,295,887	192,250	-	-	92,737	3,184,282
Other Deposits	51,559,244	9,313,144	7,102,480	1,169,277	167,892	16,140,270	85,452,307
Interbank Money Market Takings	12,618,013	686,077	1,381,925	1,161,160	-	30,441	15,877,616
Miscellaneous Payables	-	-	-	-	-	5,916,269	5,916,269
Securities Issued	1,200,007	681,406	753,328	-	895,725	143,652	3,674,118
Other Fundings	11,556,393	2,493,303	3,283,721	4,038,729	3,883,122	289,475	25,544,743
Other Liabilities	1,623,307	-	-	-	-	22,845,467	24,468,774
Total Liabilities	80,160,372	14,469,817	12,713,704	6,369,166	4,946,739	45,458,311	164,118,109
On Balance Sheet Long Position	-	1,803,040	13,378,360	31,677,596	16,770,403	-	63,629,399
On Balance Sheet Short Position	(45,311,952)	-	-	-	-	(18,317,447)	(63,629,399)
Off-Balance Sheet Long Position	1,501,774	1,909,782	1,503,934	3,427,370	2,345,909	-	10,688,769
Off-Balance Sheet Short Position	(1,872,814)	(747,063)	(1,253,252)	(4,585,382)	(1,355,794)	-	(9,814,305)
Total Position	(45,682,992)	2,965,759	13,629,042	30,519,584	17,760,518	(18,317,447)	874,464

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

Average interest rates on monetary financial instruments (%):

Current Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.79-6.10	0.03-4.40	-	3.00-11.50
Financial Assets at Fair Value through Profit/Loss	5.11	6.32-11.88	-	5.59-20.80
Interbank Money Market Placements	-	-	-	7.87
Financial Assets Available-for-Sale	3.00-8.00	5.00-11.88	-	7.00-10.00
Loans	2.22-10.75	1.26-11.00	2.00-5.49	8.19-20.88
Investments Held-to-Maturity	-	7.22	-	7.68-13.88
Liabilities				
Bank Deposits	0.80-4.15	0.65-5.19	-	2.50-6.67
Other Deposits	0.10-8.00	0.05-7.00	0.16	7.35
Interbank Money Market Takings	0.96-1.94	0.90-1.98	-	5-5.81
Miscellaneous Payables	-	-	-	-
Securities Issued	-	5.64	-	7.50-8.75
Other Fundings	1.50-3.98	2.20-5.40	-	10.19-10.79

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,658,719	-	-	-	-	4,886,330	7,545,049
Banks	3,415,596	2,200,873	1,134,230	896,908	-	1,922,865	9,570,472
Financial Assets at Fair Value through Profit/Loss	270,705	143,615	89,544	118,824	17,430	509,397	1,149,515
Interbank Money Market Placements	2,030	-	-	-	-	6	2,036
Financial Assets Available-for-Sale	12,413,615	5,603,354	8,360,209	3,476,408	1,109,734	3,504,490	34,467,810
Loans	16,467,176	10,055,669	12,725,661	19,570,217	10,090,303	1,248,516	70,157,542
Investments Held-to-Maturity	2,265,714	-	4,143	2,026,372	1,286,672	311,030	5,893,931
Other Assets	611,703	895,388	696,531	662,483	126,020	5,016,453	8,008,578
Total Assets	38,105,258	18,898,899	23,010,318	26,751,212	12,630,159	17,399,087	136,794,933
Liabilities							
Bank Deposits	1,797,975	122,607	44,766	47,966	-	761,183	2,774,497
Other Deposits	49,724,504	9,145,204	4,307,678	872,926	141,906	12,103,526	76,295,744
Interbank Money Market Takings	10,649,889	833,473	260,062	-	-	25,424	11,768,848
Miscellaneous Payables	-	-	-	-	-	4,862,992	4,862,992
Securities Issued	-	-	-	-	-	-	-
Other Fundings	9,033,922	1,093,524	3,357,880	3,852,742	3,197,693	273,207	20,808,968
Other Liabilities	6,812	-	-	-	-	20,277,072	20,283,884
Total Liabilities	71,213,102	11,194,808	7,970,386	4,773,634	3,339,599	38,303,404	136,794,933
On Balance Sheet Long Position	-	7,704,091	15,039,932	21,977,578	9,290,560	-	54,012,161
On Balance Sheet Short Position	(33,107,844)	-	-	-	-	(20,904,317)	(54,012,161)
Off-Balance Sheet Long Position	1,084,623	744,587	2,626,573	1,953,702	1,093,941	-	7,503,426
Off-Balance Sheet Short Position	(1,148,245)	(760,728)	(2,609,958)	(2,003,026)	(982,987)	-	(7,504,944)
Total Position	(33,171,466)	7,687,950	15,056,547	21,928,254	9,401,514	(20,904,317)	(1,518)

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

Average interest rates on monetary financial instruments (%):

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks (*)	0.36-5.00	0.03-5.19	-	3.83-9.50
Financial Assets at Fair Value through Profit/Loss	5.13	6.32	-	6.49-20.80
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	1.14-7.38	5.00-11.88	-	5.79-16.50
Loans	1.45-14.00	1.50-11.00	2.50-4.52	6.05-23.95
Investments Held-to-Maturity	-	7.22	-	15.43
Liabilities				
Bank Deposits	0.45-4.62	1.22-5.19	-	3.75-7.00
Other Deposits	0.75-8.00	0.03-6.50	0.55	7.28
Interbank Money Market Takings	1.32-1.40	0.65-2.25	-	6.85
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	1.00-3.84	1.17-3.25	3.00	7.35-10.73

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

4.7 Consolidated liquidity risk

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

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

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Bank's liquidity ratios for the first nine-month of 2011 and the year of 2010 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	132.24	152.05	90.97	110.64

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	123.99	203.09	89.16	129.40

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	8,282,699	4,370,987	-	-	-	-	-	12,653,686
Banks	3,840,374	2,512,286	449,145	842,834	1,986,657	2,916,870	-	12,548,166
Financial Assets at Fair Value through Profit/Loss	13,642	188,364	525,810	296,585	695,975	1,389,531	-	3,109,907
Interbank Money Market Placements	-	373,088	25,006	-	-	-	-	398,094
Financial Assets Available-for-Sale	21,924	847,966	206,784	952,015	24,785,688	5,905,462	-	32,719,839
Loans	62,675	12,722,759	8,915,784	14,442,700	31,711,673	20,285,745	345,682	88,487,018
Investments Held-to-Maturity	-	-	-	2,162,954	1,070,195	1,403,859	-	4,637,008
Other Assets	964,679	643,273	3,015,918	838,737	1,347,049	305,726	2,449,009	9,564,391
Total Assets	13,185,993	21,658,723	13,138,447	19,535,825	61,597,237	32,207,193	2,794,691	164,118,109
Liabilities								
Bank Deposits	486,166	1,253,168	1,130,790	294,860	19,298	-	-	3,184,282
Other Deposits	18,425,521	49,989,793	9,203,259	6,121,999	1,508,589	203,146	-	85,452,307
Other Fundings	650	1,633,331	3,288,552	7,129,480	8,835,248	4,657,482	-	25,544,743
Interbank Money Market Takings	-	12,624,266	687,825	1,394,323	1,171,202	-	-	15,877,616
Securities Issued	-	654,007	681,406	753,327	549,041	1,036,337	-	3,674,118
Miscellaneous Payables	209,948	3,411,245	-	2,295,076	-	-	-	5,916,269
Other Liabilities (**)	1,193,493	1,986,287	422,477	378,543	344,898	190,156	19,952,920	24,468,774
Total Liabilities	20,315,778	71,552,097	15,414,309	18,367,608	12,428,276	6,087,121	19,952,920	164,118,109
Liquidity Gap	(7,129,785)	(49,893,374)	(2,275,862)	1,168,217	49,168,961	26,120,072	(17,158,229)	-
Prior Period								
Total Assets	7,346,378	18,837,568	12,041,939	19,216,367	50,676,454	25,856,828	2,819,399	136,794,933
Total Liabilities	16,022,174	65,451,244	11,064,176	12,332,716	8,315,980	4,760,833	18,847,810	136,794,933
Liquidity Gap	(8,675,796)	(46,613,676)	977,763	6,883,651	42,360,474	21,095,995	(16,028,411)	-

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

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

4.8 Fair values of financial assets and liabilities

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

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

None.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	596,367	334,959	500,567	413,770
Central Bank of Turkey	6,072,780	5,575,989	2,662,934	3,886,095
Others	-	73,591	-	81,683
Total	6,669,147	5,984,539	3,163,501	4,381,548

Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	6,072,780	1,205,002	2,662,934	1,055,761
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	4,370,987	-	2,830,334
Total	6,072,780	5,575,989	2,662,934	3,886,095

The banks operating in Turkey keep reserve deposits for Turkish Lira and foreign currency liabilities in TL and USD or EUR as per the Communique no. 2005/1 "Reserve Deposits" of the Central Bank of Turkey.

5.1.2 Financial assets at fair value through profit/loss

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	3,644	211,544	98	-
Assets Subject to Repurchase Agreements	2,111	1,417,626	-	-
Total	5,755	1,629,170	98	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	140,976	25,371	28,433	29,966
Swap Transactions	65,990	379,260	95,815	193,015
Futures	278	4,054	11	1,491
Options	212,946	126,540	70,078	54,978
Others	-	116	-	92
Total	420,190	535,341	194,337	279,542

5.1.3 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	266,618	871,236	775,901	1,210,801
Foreign banks	2,001,732	9,408,580	2,442,708	5,141,062
Foreign headoffices and branches	-	-	-	-
Total	2,268,350	10,279,816	3,218,609	6,351,863

The placements at foreign banks include blocked accounts amounting TL 9,346,990 thousands of which TL 213,481 thousands, TL 200,770 thousands and TL 27,249 thousands are kept at the central banks of Luxembourg, Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits and TL 8,905,490 thousands as collateral against funds borrowed at various banks. Furthermore, there are restricted deposits at various domestic banks amounting TL 68,735 thousands as required for insurance activities.

Due from foreign banks:

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

5.1.4 Financial assets available-for-sale

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

Collateralized financial assets available-for-sale in TL consist of government bonds. Total carrying value of such securities with total face value of TL 6,508,603 thousands (31 December 2010: TL 2,609,350 thousands) is TL 6,731,943 thousands (31 December 2010: TL 2,571,988 thousands). The related accrued interests amount to TL 613,421 thousands (31 December 2010: TL 140,204 thousands). The related impairment losses on these securities amount to TL 24,481 thousands (31 December 2010: nil). Collateralized financial assets available-for-sale in foreign currencies consist of eurobonds, foreign governments bonds and corporate bonds. Carrying values of such securities with total face value of USD 18,298,000, EUR 265,205,161 and RUB 148,000,000 (31 December 2010: USD 24,328,000, EUR 225,932,846 and RUB 148,000,000), are USD 19,520,243 EUR 269,850,118 and RUB 147,112,000 (31 December 2010: USD 26,496,517, EUR 233,587,332 and RUB 148,009,030). The related accrued interest income amount to USD 1,971,446, EUR 2,238,769 and RUB 251,600 respectively (31 December 2010: USD 3,306,888, EUR 5,302,110 and RUB 3,133,010), and the impairment losses to USD 337,513 and EUR 4,626,784 respectively (31 December 2010: USD 468,364 and EUR 894,635).

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Assets	7,320,883	699,529	2,712,192	536,393
Assets subject to Repurchase Agreements	12,770,376	1,543,193	9,760,434	1,207,858
Total	20,091,259	2,242,722	12,472,626	1,744,251

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	30,642,256	30,978,569
Quoted at Stock Exchange	27,942,413	27,945,762
Unquoted at Stock Exchange	2,699,843	3,032,807
Common Shares/Investment Fund	18,741	28,625
Quoted at Stock Exchange	5,082	13,213
Unquoted at Stock Exchange	13,659	15,412
Value Increase/Impairment Losses (-)	2,058,842	3,460,616
Total	32,719,839	34,467,810

As of 30 September 2011, the Bank and its consolidated financial affiliates' "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 428,333,333 (31 December 2010: USD 730,555,556) and a total carrying value of TL 783,454 thousands (31 December 2010: TL 1,124,270 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	-	31,215	14	4,831
Corporates	-	31,215	14	4,831
Individuals	-	-	-	-
Indirect Lendings to Shareholders	265,180	595,305	265,353	419,398
Loans to Employees	147,368	-	135,343	-
Total	412,548	626,520	400,710	424,229

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	85,896,782	58,006	1,278,213	908,335
Discounted Bills	503,197	-	825	-
Export Loans	5,455,936	-	29,867	9,764
Import Loans	401	-	-	-
Loans to Financial Sector	2,466,998	-	1,323	-
Foreign Loans	5,033,258	29,098	29,806	-
Consumer Loans	18,416,021	28,908	181,075	70,351
Credit Cards	9,173,759	-	62,422	140,829
Precious Metal Loans	374,649	-	7,029	96
Others	44,472,563	-	965,866	687,295
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	85,896,782	58,006	1,278,213	908,335

Collaterals received for loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	23,686	1,063	-	24,749
Loans Collateralized by Mortgages	706,228	123,510	-	829,738
Loans Collateralized by Pledged Assets	319,852	12,427	-	332,279
Loans Collateralized by Cheques and Notes	106,808	68,973	-	175,781
Loans Collateralized by Other Collaterals	464,225	13,246	-	477,471
Unsecured Loans	111,072	32,207	203,251	346,530
Total	1,731,871	251,426	203,251	2,186,548

Delinquency periods of loans under follow-up

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
30-60 days	38,097	79,949	48,008	166,054
61-90 days	52,313	43,850	13,550	109,713
Other	1,641,461	127,627	141,693	1,910,781
Total	1,731,871	251,426	203,251	2,186,548

Loans with extended maturities

No. of Extension	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1-5 Years	Total
1	171,243	149,998	257,166	492,714	750,398	1,821,519
2	2,128	15,518	7,243	3,802	51,789	80,480
Total	173,371	165,516	264,409	496,516	802,187	1,901,999

5.1.5.3 Maturity analysis of cash loans

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”.

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	368,337	16,065,858	16,434,195
Housing Loans	14,624	8,425,919	8,440,543
Automobile Loans	16,131	958,533	974,664
General Purpose Loans	28,236	591,406	619,642
Others	309,346	6,090,000	6,399,346
Consumer Loans – FC-indexed	-	433,078	433,078
Housing Loans	-	410,471	410,471
Automobile Loans	-	2,328	2,328
General Purpose Loans	-	9,264	9,264
Others	-	11,015	11,015
Consumer Loans – FC	211,214	1,106,599	1,317,813
Housing Loans	9,537	481,518	491,055
Automobile Loans	7	9,027	9,034
General Purpose Loans	30,681	42,724	73,405
Others	170,989	573,330	744,319
Retail Credit Cards – TL	8,736,237	107,873	8,844,110
With Installment	4,060,517	107,873	4,168,390
Without Installment	4,675,720	-	4,675,720
Retail Credit Cards – FC	63,074	44,255	107,329
With Installment	8,020	-	8,020
Without Installment	55,054	44,255	99,309
Personnel Loans – TL	26,213	15,713	41,926
Housing Loan	-	1,150	1,150
Automobile Loans	-	115	115
General Purpose Loans	1,182	886	2,068
Others	25,031	13,562	38,593
Personnel Loans – FC-indexed	1,427	6,500	7,927
Housing Loans	1,427	6,500	7,927
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	963	52,755	53,718
Housing Loans	-	16,031	16,031
Automobile Loans	-	89	89
General Purpose Loans	53	67	120
Others	910	36,568	37,478
Personnel Credit Cards – TL	33,909	351	34,260
With Installment	26,105	351	26,456
Without Installment	7,804	-	7,804
Personnel Credit Cards – FC	632	1,574	2,206
With Installment	42	-	42
Without Installment	590	1,574	2,164
Deposit Accounts– TL (real persons)	407,698	-	407,698
Deposit Accounts– FC (real persons)	-	-	-
Total	9,849,704	17,834,556	27,684,260

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	724,366	7,171,047	7,895,413
Real Estate Loans	1,448	537,485	538,933
Automobile Loans	49,860	1,361,853	1,411,713
General Purpose Loans	673,048	5,268,097	5,941,145
Others	10	3,612	3,622
Installment-based Commercial Loans - FC-indexed	91,656	700,711	792,367
Real Estate Loans	-	52,440	52,440
Automobile Loans	4,886	208,459	213,345
General Purpose Loans	86,770	439,812	526,582
Others	-	-	-
Installment-based Commercial Loans – FC	589,412	703,239	1,292,651
Real Estate Loans	-	1,198	1,198
Automobile Loans	-	5,197	5,197
General Purpose Loans	498	5,055	5,553
Others	588,914	691,789	1,280,703
Corporate Credit Cards – TL	382,716	783	383,499
With Installment	192,823	783	193,606
Without Installment	189,893	-	189,893
Corporate Credit Cards – FC	5,606	-	5,606
With Installment	-	-	-
Without Installment	5,606	-	5,606
Deposit Accounts– TL (corporates)	562,208	-	562,208
Deposit Accounts– FC (corporates)	-	-	-
Total	2,355,964	8,575,780	10,931,744

5.1.5.6 Allocation of loans by customers

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

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	82,353,154	64,742,509
Foreign Loans	5,788,182	4,986,097
Total	88,141,336	69,728,606

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	1,022	25,747
Indirect Lending	-	-
Total	1,022	25,747

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	20,995	21,413
Doubtful Loans and Receivables	80,962	102,679
Uncollectible Loans and Receivables	1,388,019	1,680,083
Total	1,489,976	1,804,175

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	10,756	22,006	171,323
Rescheduled Loans and Receivables	-	-	-
Total	10,756	22,006	171,323
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	10,777	14,723	248,832
Rescheduled Loans and Receivables	-	-	-
Total	10,777	14,723	248,832

Movements in non-performing loan groups:

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Balances at Beginning of Period	69,719	138,127	2,025,265
Additions (+)	216,988	6,742	130,721
Transfer from Other NPL Categories (+)	-	189,706	166,739
Transfer to Other NPL Categories (-)	190,212	169,899	188,599
Collections during the Period (-)	34,547	45,765	264,426
Write-offs (-) (*)	-	-	214,901
Corporate and Commercial Loans	-	-	29,842
Retail Loans	-	-	105,598
Credit Cards	-	-	79,461
Other	-	-	-
Balances at End of Period	61,948	118,911	1,654,799
Specific Provisions (-)	20,995	80,962	1,388,019
Net Balance on Balance Sheet	40,953	37,949	266,780

(*) TL 210,795 thousands of this amount is due to sale of non-performing loans.

Movements in specific loan provisions

	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Balances at End of Prior Period	646,712	512,810	644,653	1,804,175
Additions during the Period (+)	97,177	75,454	103,301	275,932
Restructured/Rescheduled Loans (-)	136,706	179	-	136,885
Collections during the Period (-)	45,802	90,930	101,757	238,489
Write-Offs (-)	29,759	105,537	79,461	214,757
Balances at End of Period	531,622	391,618	566,736	1,489,976

Non-performing loans in foreign currencies

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	945	16,544	580,018
Specific Provisions (-)	49	2,645	470,721
Net Balance at Balance Sheet	896	13,899	109,297
Prior Period			
Balance at End of Period	2,781	3,264	616,792
Specific Provisions (-)	105	456	475,291
Net Balance at Balance Sheet	2,676	2,808	141,501

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

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
Current Period (Net)	40,953	37,949	266,780
Loans to Individuals and Corporates (Gross)	61,948	118,911	1,647,755
Specific Provision (-)	20,995	80,962	1,380,975
Loans to Individuals and Corporates (Net)	40,953	37,949	266,780
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,733
Specific Provision (-)	-	-	6,733
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	48,306	35,448	345,182
Loans to Individuals and Corporates (Gross)	69,719	138,127	2,018,150
Specific Provision (-)	21,413	102,679	1,672,968
Loans to Individuals and Corporates (Net)	48,306	35,448	345,182
Banks (Gross)	-	-	311
Specific Provision (-)	-	-	311
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	6,804
Specific Provision (-)	-	-	6,804
Other Loans and Receivables (Net)	-	-	-

Collaterals received for non-performing loans

	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	583	207	-	790
Loans Collateralized by Mortgages	299,898	69,270	-	369,168
Loans Collateralized by Pledged Assets	117,890	35,093	-	152,983
Loans Collateralized by Cheques and Notes	128,264	117,503	-	245,767
Loans Collateralized by Other Collaterals	125,057	9,505	-	134,562
Unsecured Loans	114,810	233,693	583,885	932,388
Total	786,502	465,271	583,885	1,835,658

5.1.5.11 *Liquidation policy for uncollectible loans and receivables*

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

5.1.5.12 *Write-off policy*

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

5.1.6 *Factoring receivables*

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

5.1.7 *Investments held-to-maturity*

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Collateralised/Blocked Investments	1,921,004	467,252	2,904,701	406,444
Investments subject to Repurchase Agreements	1,113,084	-	908,463	409,643
Total	3,034,088	467,252	3,813,164	816,087

5.1.7.2 *Government securities held-to-maturity*

	Current Period	Prior Period
Government Bonds	3,075,218	4,576,594
Treasury Bills	-	-
Other Government Securities	1,555,897	1,313,190
Total	4,631,115	5,889,784

5.1.7.3 *Investments held-to-maturity*

	Current Period	Prior Period
Debt Securities	4,483,639	5,583,946
Quoted at Stock Exchange	4,477,858	5,579,803
Unquoted at Stock Exchange	5,781	4,143
Valuation Increase / (Decrease)	153,369	309,985
Total	4,637,008	5,893,931

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	5,893,931	7,467,825
Foreign Currency Differences on Monetary Assets	253,948	19,353
Purchases during the Period	5,781	4,143
Disposals through Sales/Redemptions	(1,360,037)	(1,661,549)
Valuation Effect	(156,615)	64,159
Balances at End of Period	4,637,008	5,893,931

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	7,283	6,182	464	272	-	1,083	647	-
2	21,526	17,174	6,364	430	-	1,309	1,105	-
3	510,979	64,117	1,467	12,295	543	4,690	3,205	-
4	1,734,538	288,509	10,797	15,202	1,806	15,837	92,469	-
5	55,833	50,325	5,262	1,881	29	938	36,207	-
6	38,784	27,914	2,552	2,033	4	12,265	-	-
7	427	425	-	12	-	(5)	345	-
8	154,509	12,108	245	32	4,137	3,099	12,060	-
9	207,899	201,048	2,904	3,979	-	7,672	7,632	-

⁽¹⁾ Financial information is as of 30 June 2011.

⁽²⁾ Financial information is as of 31 December 2010.

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

^(**) The paid-in capital of Yatırım Finansman Menkul Değerler AŞ was increased from TL 45,500 thousands to TL 53,500 thousands during its ordinary general assembly meeting held on 23 March 2011.

^(***) The Bank has paid TL 2,000 thousands of its capital commitment of TL 4,000 thousands on 15 October 2009 and TL 1,000 thousands on 29 July 2011 arising from the capital increase of Kredi Garanti Fonu AŞ dated 11 September 2009.

^(****) The paid-in capital of Bankalararası Kart Merkezi AŞ was increased from TL 6,000 thousands to TL 14,000 thousands during its ordinary general assembly meeting held on 30 March 2011.

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

None.

5.1.8.2 Consolidated investments in associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	31,970	31,773	271	91	(223)	868	136	16,800

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

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

5.1.8.3 Movement of consolidated investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	60,244	50,579
Movements during the Period	(60,208)	9,665
Acquisitions and Capital Increases	-	-
Bonus Shares Received	-	-
Allocation from Current Period Profit	6,261	9,974
Sales/Liquidations (-)	(66,448)	-
Reclassifications	-	-
Increase/Decrease in Fair Values	(21)	(309)
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at End of Period	36	60,244
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

As per the Shareholders' Agreement dated 21 June 2007 between the Bank and Eureka BV, the Bank sold its 20% shares of Eureka Sigorta AŞ with a nominal value of TL 12,000 thousands to Eureka BV for EUR 69,999,999.

Valuation methods of consolidated investments in associates

Associates	Current Period	Prior Period
Valued at Cost	-	-
Valued at Fair Value	36	50
Valued by Equity Method of Accounting	-	60,194

Sectoral distribution of consolidated investments and associates

Associates	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	60,194
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	36	50
Other Associates	-	-

Quoted consolidated investments in associates

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	36	50
Quoted at International Stock Exchanges	-	-

Investments in associates sold during the current period

Disclosed above.

Investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. T. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Garanti Hizmet Yönetimi AŞ	Istanbul/Turkey	93.40	96.40
4	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
5	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
6	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
7	United Custodian ⁽¹⁾	Amsterdam/Holland	-	100.00
8	Golden Clover Stichting Custody ⁽¹⁾	Amsterdam/Holland	-	100.00
9	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	30,893	20,729	695	-	630	4,356	(90,924)	-
2	29,245	13,475	1,793	-	860	1,794	11,103	-
3	1,031	716	20	-	27	(154)	457	-
4	843	203	34	-	2	(1)	(141)	-
5	1,241	1,106	1	-	10	(39)	375	-
6	126	105	111	-	-	(21)	(3)	-
7	290	290	-	-	-	-	-	-
8	295	290	-	-	-	-	-	-
9	227,197	18,326	188,183	9	-	1,944	6,382	-

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

(1) Financial information is as of 30 June 2011.

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

As of 30 September 2011, the investments in Trifoi Real Estate Company, United Custodian and Golden Clover Stichting Custody classified as financial subsidiaries are not consolidated in the context of materiality concept, instead they are valued at cost.

The liquidations of Trifoi Investment SRL and Garanti Broker Asigurari BRL were completed in May and September 2011, respectively, therefore these companies are not listed above.

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

5.1.9.2 Movement of consolidated investments in subsidiarie

	Current Period	Prior Period
Balance at Beginning of Period	1,646,532	997,754
Movements during the Period	333,724	648,778
Acquisitions and Capital Increases(*)	-	578,446
Bonus Shares Received(**)	-	953
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	(4,227)
Reclassifications	-	-
Increase/Decrease in Market Values	154,340	55,858
Currency Differences on Foreign Subsidiaries	179,384	17,748
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balance at End of Period	1,980,256	1,646,532
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 RUB 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 Garanti Holding BV, established in Holland, presenting 100% ownership at a price of EUR 53.5 millions from Doğu Holding AŞ, and subsequent to this share purchase, the paid-in capital of Garanti Holding BV was increased by EUR 118.4 millions. Garanti Holding BV is the shareholder of G Netherlands BV directly, and Garanti Bank SA (formerly GE Garanti Bank SA), Motoractive IFN SA, Ralfi IFN SA and Domenia Credit IFN SA, all resident in Romania, indirectly through G Netherlands BV.

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

As per the decision made at the board of directors' meeting of the Bank held on 8 December 2010, the existing capital of Garanti Holding BV was increased by EUR 82,000,000. Following this capital increase, as per the decisions made at the board of directors' meeting of Garanti Holding BV held on 16 December 2010;

- 1) Leasemart Holding BV, the Netherlands-based company, was acquired by Garanti Holding BV from GE Capital Corporation for a consideration of EUR 46.4 millions.
- 2) Following the above mentioned share purchase transaction, the percentage of shares owned indirectly by the Bank was increased from 73.27% to 100% in the Romania-based subsidiaries which are Garanti Bank SA, Motoractive IFN SA, Domenica Credit IFN SA and Ralfi IFN SA.
- 3) The remaining amount of the increased share capital of Garanti Holding BV was utilized to increase the share capital of Garanti Bank SA by EUR 35 millions through G Netherlands BV.

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

Valuation methods of consolidated investments in subsidiaries

	Current Period	Prior Period
Valued at Cost	210,587	210,587
Valued at Fair Value	1,769,669	1,435,945
Valued by Equity Method of Accounting	-	-

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	Prior Period
Banks	1,026,263	783,622
Insurance Companies	56,545	56,545
Factoring Companies	48,053	73,533
Leasing Companies	85,381	85,381
Finance Companies	764,014	647,451
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	48,053	73,533
Quoted at International Stock Exchanges	-	-

Other information on consolidated investments in subsidiaries

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	2,522,126	472,060	17,604	121,205	-	52,987	320,659	-
2	992,741	58,374	2,587	66,483	178	8,350	25,282	86,730
3	71,435	63,948	6,356	637	1,121	4,230	13,331	-
4	17,456	14,578	2,575	454	212	161	1,239	-
5	2,922,271	416,980	13,090	27,640	4,083	85,335	251,700	-
6	9,236,442	833,183	54,261	207,213	59,485	85,939	346,838	861,599
7	710,337	141,005	42,924	16,200	11,920	10,236	72,196	164,759
8	695,100	695,088	-	39	-	(149)	(118,323)	695,354
9	761,252	633,762	-	-	-	(6,204)	(9,755)	-
10	3,473,491	412,452	56,768	145,781	30,183	4,759	(62,995)	-
11	218,184	31,762	7,170	16,171	-	2,339	4,377	-
12	164,895	17,640	1,455	35,992	-	4,254	5,749	-
13	304,253	30,672	667	14,718	-	3,423	3,263	-

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

(**) As of 27 January 2011, D Netherlands Holding BV's name changed to Garanti Holding BV and Doğuş GE BV's name changed to G Netherlands BV.

(***) As of 2 August 2011, Leasemart Holding BV was merged under Garanti Holding BV.

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

None.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	1,032,463	907,974	851,236	732,334
Between 1-5 Years	1,620,917	1,421,311	996,099	873,899
Longer than 5 Years	209,527	183,527	131,069	120,503
Total	2,862,907	2,512,812	1,978,404	1,726,736

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	2,862,907	1,978,404
Unearned Income on Financial Lease Receivables (-)	(350,095)	(251,668)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	2,512,812	1,726,736

5.1.11.3 Financial lease agreements

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

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

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

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

The followings are monitored for the financial lease agreements signed:

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

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

5.1.12 Derivative financial assets held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	128,930	-	-
Cash Flow Hedges	-	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	128,930	-	-

The Bank hedged its fixed rate eurobonds with 10 years maturity issued on 20 April 2011 for the amount of USD 500 millions under various fair value hedges.

5.1.13 Tangible assets

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”.

5.1.14 Intangible assets

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”.

5.1.15 Investment property

None.

5.1.16 Deferred tax asset

As of 30 September 2011, on a consolidated basis the Bank has a deferred tax asset of TL 114,992 thousands (31 December 2010: TL 171,825 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

There is no deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2011. However, there is a deferred tax asset of TL 246,905 thousands (31 December 2010: TL 247,838 thousands) and deferred tax liability of TL 131,913 thousands (31 December 2010: TL 76,013 thousands) presented as net in the accompanying consolidated financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

As per the annulment decision of the Turkish Constitutional Court as explained in Note 3.18.4, Garanti Finansal Kiralama, a consolidated subsidiary of the Bank, is subject to investment allowance ruling and can use its available allowances to reduce its taxable corporate income without any time limitations. Accordingly, a deferred tax asset amounting TL 11,959 thousands is recorded in the accompanying consolidated financial statements as of 31 December 2010 considering the fact that Garanti Finansal Kiralama may use its right of deducting investment allowances from its corporate income in the future. In the accompanying consolidated financial statements as of 30 September 2011, a deferred tax asset amounting TL 2,849 thousands is included in this respect.

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

5.1.17 Assets held for sale and assets of discontinued operations

	Current Period	Prior Period
End of Prior Period		
Cost	105,679	82,336
Accumulated Depreciation (-)	(1,646)	(1,144)
Net Book Value	104,033	81,192
End of Current Period		
Additions	49,938	80,899
Disposals (Cost)	(61,433)	(54,819)
Disposals (Accumulated Depreciation)	566	483
Reversal of Impairment / Impairment Losses (-)	(4,031)	(2,737)
Depreciation Expense for Current Period (-)	(948)	(985)
Currency Translation Differences on Foreign Operations	-	-
Cost	90,153	105,679
Accumulated Depreciation (-)	(2,028)	(1,646)
Net Book Value	88,125	104,033

As of balance sheet date, the net book values of assets held for sale on which rights of repurchase exist amounting to TL 452 thousands (31 December 2010: TL 6,293 thousands).

5.1.18 Other Assets

5.1.18.1 Receivables from term sale of assets

	Current Period	Prior Period
Sale of Investments in Associates, Subsidiaries and Joint – Ventures	5,000	4,249
Sale of Real Estates	-	45
Sale of Other Assets	2,971	2,920
Total	7,971	7,214

5.1.18.2 Prepaid expenses

	Current Period	Prior Period
Prepaid Expenses	301,173	248,019

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	2,909,371	-	4,333,656	19,846,951	993,212	302,348	272,193	1,211	28,658,942
Foreign Currency Deposits	8,882,162	-	4,359,087	15,273,851	2,530,611	3,003,935	4,398,000	88,777	38,536,423
Residents in Turkey	5,505,290	-	4,076,617	14,071,975	1,834,505	487,006	1,299,196	87,162	27,361,751
Residents in Abroad	3,376,872	-	282,470	1,201,876	696,106	2,516,929	3,098,804	1,615	11,174,672
Public Sector Deposits	826,949	-	1,722	106,095	1,704	21	-	-	936,491
Commercial Deposits	3,333,494	-	2,662,099	5,935,161	1,661,547	476,478	256,374	-	14,325,153
Others	61,757	-	33,902	335,530	141,156	1,932	388	-	574,665
Precious Metal Deposits	2,411,788	-	3,288	-	-	4,603	954	-	2,420,633
Bank Deposits	486,166	-	748,198	671,831	233,564	1,020,147	24,376	-	3,184,282
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	230	-	54,392	5,548	-	5,288	877	-	66,335
Foreign Banks	249,636	-	693,633	660,431	233,564	1,014,859	23,499	-	2,875,622
Special Financial Institutions	236,300	-	173	5,852	-	-	-	-	242,325
Others	-	-	-	-	-	-	-	-	-
Total	18,911,687	-	12,141,952	42,169,419	5,561,794	4,809,464	4,952,285	89,988	88,636,589

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	2,434,150	-	6,612,117	16,505,046	946,670	223,924	138,640	770	26,861,317
Foreign Currency Deposits	7,733,909	-	7,391,591	11,899,800	1,142,408	2,589,329	2,329,614	87,013	33,173,664
Residents in Turkey	5,046,573	-	6,918,206	10,919,299	949,652	689,760	919,787	85,730	25,529,007
Residents in Abroad	2,687,336	-	473,385	980,501	192,756	1,899,569	1,409,827	1,283	7,644,657
Public Sector Deposits	520,469	-	2,154	23,302	355	1,985	-	-	548,265
Commercial Deposits	3,094,867	-	3,408,367	6,913,286	926,017	270,943	136,774	-	14,750,254
Others	58,853	-	20,830	292,764	115,900	155	5,077	-	493,579
Precious Metal Deposits	464,651	-	4	-	-	4,010	-	-	468,665
Bank Deposits	933,800	-	1,240,683	332,776	161,638	58,136	47,464	-	2,774,497
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	151,885	-	634,245	84,609	92,813	-	716	-	964,268
Foreign Banks	337,571	-	606,438	248,167	68,825	58,136	46,748	-	1,365,885
Special Financial Institutions	444,344	-	-	-	-	-	-	-	444,344
Others	-	-	-	-	-	-	-	-	-
Total	15,240,699	-	18,675,746	35,966,974	3,292,988	3,148,482	2,657,569	87,783	79,070,241

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

5.2.1.1.1 Deposits exceeding insurance limit

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

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	11,446,768	11,539,769	16,970,884	15,141,116
Foreign Currency Saving Deposits	7,585,995	6,533,041	11,699,743	10,275,662
Other Saving Deposits	1,133,462	204,524	1,165,879	243,956
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

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

5.2.1.3 Saving deposits not covered by insurance limits

5.2.1.3.1 Saving deposits of individuals not covered by insurance limits:

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	409,788	375,362
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	286,106	186,298
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

5.2.2 Negative differences on derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	63,098	27,948	30,013	11,083
Swap Transactions	619,254	415,055	168,864	213,387
Futures	-	296	46	1,846
Options	115,497	118,870	47,857	53,272
Others	142	109	-	6,156
Total	797,991	562,278	246,780	285,744

5.2.3 Funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	1,209,670	895,804	1,508,513	608,657
Foreign Banks, Institutions and Funds	4,749,967	17,607,106	5,116,998	12,596,215
Total	5,959,637	18,502,910	6,625,511	13,204,872

5.2.3.1 *Maturities of funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,850,405	8,050,879	2,212,061	5,308,895
Medium and Long-Term	4,109,232	10,452,031	4,413,450	7,895,977
Total	5,959,637	18,502,910	6,625,511	13,204,872

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

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

5.2.4 *Interbank money markets*

5.2.4.1 *Securities issued*

	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	2,600,000	-	-	1,280,000
Cost	2,466,112	-	-	1,272,688
Carrying Value (*)	2,088,740	-	-	1,585,378

(*) The Bank and its financial affiliates repurchased the Bank's own TL securities with total nominal value of TL 480,677 thousands and netted off such securities in the accompanying consolidated financial statement.

5.2.4.2 *Funds provided through repurchase transactions*

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	10,817,306	-	10,180,670	-
Financial Institutions and Organizations	10,767,042	-	10,115,836	-
Other Institutions and Organizations	18,192	-	19,318	-
Individuals	32,072	-	45,516	-
Foreign Transactions	239,344	4,820,966	156,569	1,398,103
Financial Institutions and Organizations	238,978	4,820,966	155,900	1,398,103
Other Institutions and Organizations	270	-	284	-
Individuals	96	-	385	-
Total	11,056,650	4,820,966	10,337,239	1,398,103

5.2.5 *Factoring payables*

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

5.2.6 *Lease payables*

5.2.6.1 *Financial lease payables*

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	901	870	994	994
Between 1-5 Years	1,302	1,289	1,402	1,402
Longer than 5 Years	-	-	-	-
Total	2,203	2,159	2,396	2,396

5.2.6.2 *Operational lease agreements*

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

5.2.7 Derivative financial liabilities held for risk management

Derivative Financial Liabilities Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	1,205	-	2,347
Net Foreign Investment Hedges	-	-	-	-
Total	-	1,205	-	2,347

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	988,086	660,467
Loans and Receivables in Group I	860,730	571,746
Loans and Receivables in Group II	53,446	34,862
Non-Cash Loans	73,910	53,859
Others	-	-

As per the amendment to the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables and Provisions to Be Set Aside dated 28 May 2011, an additional provision of TL 54,861 thousands has been made for the loans and other receivables classified under Group I and II.

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

	Current Period	Prior Period
Short-Term Loans	6,497	4,027
Medium and Long Term Loans	994	7,429
Total	7,491	11,456

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

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

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

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	450,000	360,000

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	285,081	293,603
Insurance Technical Provisions, Net	158,380	140,788
Provision for Promotion Expenses of Credit Cards ^(*)	40,097	46,488
Provision for Lawsuits	11,146	5,357
Other Provisions	48,267	29,705
Total	542,971	515,941

^(*) 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 18 January 2011 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 951,896 thousands at 31 December 2010 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2010 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 18 January 2011 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 504,338 thousands remains as of 31 December 2010 as details are given in the table below.

The Bank’s management, acting prudently, did not consider the health premium surplus amounting TL 266,382 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.

	31 December 2010
Transferable Pension and Medical Benefits:	
Net present value of pension benefits transferable to SSF	(315,823)
Net present value of medical benefits and health premiums transferable to SSF	266,382
General administrative expenses	(19,046)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(68,487)
Fair Value of Plan Assets (2)	1,020,383
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	951,896
Non-Transferable Benefits:	
Other pension benefits	(242,307)
Other medical benefits	(205,251)
Total Non-Transferable Benefits (4)	(447,558)
Asset Surplus over Total Benefits ((3)-(4)=(5))	504,338
Net Present Value of Medical Benefits and Health Premiums Transferable to SSF – but not considered acting prudently (6)	(266,382)
Present Value of Asset Surplus/(Defined Benefit Obligation) ((5)-(6))	237,956

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 2010
	%
Discount Rate	10.00
Inflation Rate	5.10
Future Real Salary Increase Rate	1.5
Medical Cost Trend Rate	24.70-2.80
Future Pension Increase Rates	5.10

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 30 September 2011, the corporate tax liability amounts to TL 113,322 thousands (31 December 2010: TL 297,271 thousands) after offsetting with prepaid taxes.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	113,322	297,271
Taxation on Securities Income	74,866	58,218
Taxation on Real Estates Income	1,904	1,536
Banking Insurance Transaction Tax	40,650	29,704
Foreign Exchange Transaction Tax	23	25
Value Added Tax Payable	1,041	2,758
Others	19,150	36,329
Total	250,956	425,841

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	150	349
Social Security Premiums-Employer	-	255
Bank Pension Fund Premium-Employees	23	34
Bank Pension Fund Premium-Employer	34	17
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	2
Unemployment Insurance-Employees	516	532
Unemployment Insurance-Employer	975	1,001
Others	7	4
Total	1,705	2,194

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements, the Bank had a deferred tax liability of TL 1,772 thousands as of 30 September 2011 (31 December 2010: TL 391 thousands).

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

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

5.2.11 Subordinated debts

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

5.2.12 Shareholders’ equity

5.2.12.1 Paid-in capital

	Current Period	Prior Period
Common shares	4,200,000	4,200,000
Shares repurchased during the period	(1,760)	-
Paid-in common shares	4,198,240	4,200,000
Preference shares	-	-

The Bank’s shares acquired by Garanti Yatırım Ortaklığı AŞ, one the parent Bank’s financial affiliates subject to full consolidation, in the current period are deducted from the paid-in capital in the accompanying consolidated balance sheet.

5.2.12.2 Registered share capital system

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

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	535,556	8,776	1,472,063	155,443
Valuation Difference	535,556	8,776	1,472,063	155,443
Exchange Rate Difference	-	-	-	-
Total	535,556	8,776	1,472,063	155,443

5.2.12.9 Revaluation surplus

	Current Period		Prior Period	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	2,140	-	2,140	-
Gain on Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	596,813	-	596,047	-
Revaluation Surplus on Leasehold Improvements	-	-	-	-
Total	598,953	-	598,187	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

Bonus shares resulted from non-cash capital increases from the following investee companies; Doğuş Gayrimenkul Yatırım Ortaklığı AŞ by TL 20 thousands, Garanti Ödeme Sistemleri AŞ by TL 401 thousands, Kredi Kartları Bürosu by TL 481 thousands, Tat Konserve AŞ by TL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by TL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	675,958	504,369
II. Legal Reserve	78,713	44,403
Special Reserves	-	-
Total	754,671	548,772

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	8,012,175	5,443,579
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital	-	-
Total	8,012,175	5,443,579

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	97,383	49,023
Profit Share of Subsidiaries Net Profits	13,376	20,872
Prior Period Dividend	-	-
Increase / (Decrease) in Minority Interest due to Sales	-	-
Others	367	27,488
Balance at End of Period	111,126	97,383

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial affiliates have asset purchase and sale commitments of TL 5,807,997 thousands (31 December 2010: TL 2,731,420 thousands), commitments for cheque payments of TL 2,177,505 thousands (31 December 2010: TL 1,910,031 thousands) and commitments for credit card limits of TL 13,360,034 thousands (31 December 2010: TL 12,554,092 thousands).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	8,904,833	7,358,370
Letters of Guarantee in TL	5,767,329	4,951,728
Letters of Credit	5,365,027	3,934,455
Bills of Exchange and Acceptances	345,434	164,105
Prefinancings	-	-
Other Guarantees	68,581	56,746
Total	20,451,204	16,465,404

A specific provision of TL 54,794 thousands (31 December 2010: TL 57,287 thousands) is made for unliquidated non-cash loans of TL 118,261 thousands (31 December 2010: TL 96,013 thousands) recorded under the off-balance sheet items as of 30 September 2011.

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

As of 30 September 2011, in the Bank and its consolidated financial affiliates’ “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 428,333,333 (31 December 2010: USD 780,555,556).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	1,424,750	932,057
<i>With Original Maturity of 1 Year or Less</i>	345,250	76,642
<i>With Original Maturity of More Than 1 Year</i>	1,079,500	855,415
Other Non-Cash Loans	19,026,454	15,533,347
Total	20,451,204	16,465,404

5.3.1.4 Other information on non-cash loans

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

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

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

5.3.2 Financial derivative instruments

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

5.3.3 Contingent liabilities and assets

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

5.3.4 Services rendered on behalf of third parties

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

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	1,634,671	265,643	1,572,081	229,535
Medium and long-term loans	1,913,209	1,214,653	1,526,683	782,705
Loans under follow-up	56,741	3,509	41,825	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,604,621	1,483,805	3,140,589	1,012,240

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	2,983	150
Domestic Banks	16,311	31,594	12,531	14,232
Foreign Banks	118,685	41,602	145,749	45,837
Foreign Head Offices and Branches	-	-	-	-
Total	134,996	73,196	161,263	60,219

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	18,468	5,057	46,255	732
Financial Assets Valued at Fair Value Through Profit	-	-	-	-
Financial Assets Available-for-Sale	1,794,622	184,538	1,895,958	170,114
Investments Held-to-Maturity	350,168	78,120	581,350	74,332
Total	2,163,258	267,715	2,523,563	245,178

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	560	5,013

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Central Bank of Turkey	-	-	-	-
Domestic Banks	61,169	10,422	53,776	16,315
Foreign Banks	400,503	258,700	316,072	177,494
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	53,006	-	46,456
Total	461,672	322,128	369,848	240,265

(*) Includes also fees and commissions expenses on borrowings

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	6,120	1,981

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	7,190	24,855	4,077	211	170	11,202	-	47,705
Saving Deposits	312	249,019	1,184,506	71,314	14,592	14,895	-	1,534,638
Public Sector Deposits	-	645	1,739	63	2	-	-	2,449
Commercial Deposits	1,397	170,442	358,955	80,468	9,488	11,959	-	632,709
Others	13	1,989	12,877	4,541	10,668	296	-	30,384
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	8,912	446,950	1,562,154	156,597	34,920	38,352	-	2,247,885
Foreign Currency								
Foreign Currency Deposits	11,313	161,904	404,182	53,193	31,319	53,205	1,285	716,401
Bank Deposits	2,063	15,585	1,298	622	495	826	-	20,889
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	87	8	-	95
Total FC	13,376	177,489	405,480	53,815	31,901	54,039	1,285	737,385
Grand Total	22,288	624,439	1,967,634	210,412	66,821	92,391	1,285	2,985,270

5.4.2.5 Interest expense on repurchase agreements

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

5.4.2.6 Financial lease expenses

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	73,859,327	54,746,114
Trading Account Income	411,507	1,370,283
Derivative Financial Instruments	2,958,141	2,525,370
Foreign Exchange Gain	70,489,679	50,850,461
Losses (-)	73,594,172	54,373,296
Trading Account Losses	78,292	1,120,117
Derivative Financial Instruments	2,897,172	2,583,532
Foreign Exchange Losses	70,618,708	50,669,647
Total	265,155	372,818

TL 5,985,559 thousands (30 September 2010: TL 4,044,200 thousands) of foreign exchange gains and TL 5,819,119 thousands (30 September 2010: TL 4,281,144 thousands) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

A part of the Bank’s non-performing loan portfolio amounting to TL 483,876 thousands was sold to a local asset management company at a sale price of TL 53,925 thousands. The sale price is fully recognized as income under “Other Operating Income” as such receivables were fully provided against in the Bank’s financial statements before the sale.

The income from the sale of the Bank’s shares in Visa and Mastercard amounting to TL 79,595 thousands is recognised under “Other Operating Income”.

The income from the sale of the Bank’s shares in Eureka Sigorta AŞ amounting to TL 93,561 thousands is recognised under “Other Operating Income”.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	202,161	361,941
<i>Loans and receivables in Group III</i>	20,641	19,261
<i>Loans and receivables in Group IV</i>	80,283	133,122
<i>Loans and receivables in Group V</i>	101,237	209,558
General Provisions	315,550	142,681
Provision for Possible Losses	100,000	-
Impairment Losses on Financial Assets	2,493	422
<i>Financial assets at fair value through profit or loss</i>	2,426	388
<i>Financial assets available-for-sale</i>	67	34
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint ventures (business partnership)</i>	-	-
<i>Investments held-to-maturity</i>	-	-
Others	36,382	19,311
Total	656,586	524,355

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	979,526	928,784
Reserve for Employee Termination Benefits	16,062	4,240
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	135,393	125,449
Impairment Losses on Intangible Assets	-	-
Goodwill Impairment Losses	-	-
Amortisation Expenses of Intangible Assets	17,111	12,107
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	1,884	2,027
Depreciation Expenses of Assets to be Disposed	948	606
Impairment Losses on Assets Held for Sale and Discontinued Assets	2,147	-
Other Operating Expenses	959,708	853,410
<i>Operational lease related expenses</i>	<i>148,829</i>	<i>120,174</i>
<i>Repair and maintenance expenses</i>	<i>23,293</i>	<i>22,706</i>
<i>Advertisement expenses</i>	<i>65,581</i>	<i>91,634</i>
<i>Other expenses</i>	<i>722,005</i>	<i>618,896</i>
Loss on Sale of Assets	900	1,527
Others (*)	426,359	512,454
Total	2,540,038	2,440,604

(*) In the current period, this item includes a provision amounting TL 97,350 thousands (30 September 2010: TL 151,685 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 communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.9 Information on provision for taxes for continued and discontinued operations

As of 30 September 2011, on a consolidated basis, the Bank recorded a current tax expense of TL 391,802 thousands (30 September 2010: TL 788,766 thousands) and a deferred tax expense of TL 294,238 thousands (30 September 2010: TL 99,398 thousands of deferred tax income).

Deferred tax benefit/charge on timing differences :

Deferred tax benefit/(charge) on timing differences	Current Period	Prior Period
Increase in Tax Deductable Timing Differences (+)	43,901	56,193
Decrease in Tax Deductable Timing Differences (-)	266,687	32,940
Increase in Taxable Timing Differences (-)	82,551	4,617
Decrease in Taxable Timing Differences (+)	11,099	80,762
Total	(294,238)	99,398

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

Deferred tax benefit/(charge) arising on timing differences, tax losses and tax deductions and exemptions	Current Period	Prior Period
Increase/(Decrease) in Tax Deductable Timing Differences (net)	(222,786)	23,253
Increase/(Decrease) in Taxable Timing Differences (net)	(71,452)	76,145
Increase/(Decrease) in Tax Losses (net)	-	-
Increase/(Decrease) in Tax Deductions and Exemptions (net)	-	-
Total	(294,238)	99,398

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 bank’s performance

None.

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

None.

5.4.11.3 Minority interest’s profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	13,376	15,902

5.4.12 Components of other items in income statement

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

5.5 Consolidated statement of changes in shareholders' equity

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

5.6 Consolidated statement of cash flows

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

5.7 Related Party Risks

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

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
Loans and Other Receivables	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Balance at beginning of period	61,551	3,727	14	4,831	300,517	419,398
Balance at end of period	30,127	3,290	-	31,215	336,488	595,305
Interest and Commission Income	1,008	19	3	4	18,149	1,027

Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
Loans and Other Receivables	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Balance at beginning of period	18,332	3,194	2	920	306,087	374,508
Balance at end of period	61,551	3,727	14	4,831	300,517	419,398
Interest and Commission Income	5,209	-	139	7	17,280	2,439

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	
Deposits	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at beginning of period	60,473	3,826	207,008	360,361	390,409	359,037
Balance at end of period	2,936	60,473	1,646,082	207,008	303,903	390,409
Interest Expenses	6,120	1,981	41,723	18,845	11,123	9,295

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss:						
Balance at beginning of period	35,454	4,412	-	-	3,992	3,326
Balance at end of period	12,933	35,454	15,905	-	67,693	3,992
Total Profit/(Loss)	28,810	4,484	299	-	12,224	1,465
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

5.7.2 Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 266,202 thousands (31 December 2010: TL 291,114 thousands) compose 0.30% (31 December 2010: 0.41%) of the Bank's total cash loans and 0.16% (31 December 2010: 0.21%) of the Bank's total assets. The total loans and similar receivables amounting TL 366,615 thousands (31 December 2010: TL 362,082 thousands) compose 0.22% (31 December 2010: 0.26%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 629,810 thousands (31 December 2010: TL 427,956 thousands) compose 3.08% (31 December 2010: 2.60%) of the Bank's total non-cash loans. The deposits of the risk group amounting TL 1,952,921 thousands (31 December 2010: TL 657,890 thousands) compose 2.20% (31 December 2010: 0.83%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set on an arms-length basis.

There is a credit card (POS) payable amounting TL 40,566 thousands (31 December 2010: TL 18,708 thousands) to related parties.

Operating expenses of TL 9,061 thousands (30 September 2010: TL 7,647 thousands) for IT services rendered by related parties and rent income of TL 473 thousands (30 September 2010: TL 211 thousands) for the real estates rented to related parties, are recorded.

The Bank and its consolidated financial affiliates made a total payment of TL 92,582 thousands as of 30 September 2011 (30 September 2010: TL 77,875 thousands) to its top management considered as the key management.

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.8.

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

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

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

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

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

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

None.

5.10 Other Disclosures on Activities of the Bank

5.10.1 Parent bank's latest international risk ratings

MOODY'S (January 2011)*

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

STANDARD AND POORS (January 2011)*

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

FITCH RATINGS (December 2010)*

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

CAPITAL INTELLIGENCE (December 2010)*

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

JCR EURASIA RATINGS (May 2011)*

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

(*) Latest dates in risk ratings or outlooks

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

MOODY'S (July 2011)*

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

(*) Latest date in risk ratings or outlooks.

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

FITCH RATINGS (July 2010)*

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

(*) Latest date in risk ratings or outlooks.

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

FITCH RATINGS (December 2010)*

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

STANDARD AND POORS (January 2011)*

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Positive
Turkish Lira	
Long Term	BB+
Short Term	B
Outlook	Positive

(*) Latest dates in risk ratings or outlooks.

5.10.5 Dividends

At the parent Bank's annual general assembly dated 31 March 2011, it was decided to distribute the profit of the year 2010 as follows:

2010 PROFIT DISTRIBUTION TABLE	
2010 Net Profit	3,145,233
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(157,262)
Undistributable funds	(20,996)
B – First dividend at 5% of the paid-in capital	(210,000)
C – Extraordinary reserves at 5% after above deductions	(137,849)
D – Second dividend to the shareholders	(360,000)
E – Extraordinary reserves	(2,223,126)
F – II. Legal reserve (Turkish Commercial Code 466/2)	(36,000)

Dividend payments to shareholders started on 11 April 2011.

6 Independent Accountants' Limited Review Report

6.1 Disclosure on independent accountants' limited review report

The consolidated financial statements of the Bank and its financial affiliates as of 30 September 2011, have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member of Deloitte Touche Tohmatsu Limited). The independent limited review report dated 3 November 2011 is presented above before the accompanying consolidated financial statements.

6.2 Disclosures and footnotes prepared by independent accountants

None.

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