(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish, See Section 3 Note I)

7•UNL\H 9DNÕIODU %DQNDVÕ 7•U

Unconsolidated Interim Financial Report
As at and for the Three Month Period Ended
31 March 2010
With Independent Auditors' Review Report Thereon

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13 May 2010

This report contains "Independent Auditors' Review Report" comprising 1 page and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 62 pages.

Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish (See Section 3 Note I)

To the Board of Directors of 7 • U N L \ H 9 D N Õ I O D U % D Q N D V Õ 7 • U N $ Q R Q L P 2 U W

: H K D Y H U H Y L H Z H G W K H X Q F R Q V R O I G D W H G E D O D Q F H V K H H W
2 U W D N Õ Q ¶ V (the Bank) as at 31 March 2010 and the related unconsolidated statement of income, changes in shareholder¶s Hity and cash flows for the three-month period then ended. These financial V W D W H P H Q W V D U H W K H U H V S R Q V L E L O L W \ R I W K H % D Q N ¶ V
auditors, is to issue a report on these financial statements based on our review

We conducted our review in accordance with the uniform chart of accounts, accounting and audit standards in conformity with the (Turkish) Banking Law No 5411. These standards require that we plan and perform the review to obtain reasonable assurance whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not present fairly the financial position of U T N L \ H 9 D N Õ I O D
Ban N D V Õ 7 • U N $ Q R Q L P 31 March 2010, and of the results of its operations and its cash flows for the three-month period then ended in accordance with the accounting principles and standards that are based on the current regulations as described in Article 37 of the (Turkish) Banking Law No 5411;
D Q G R W K H U F R P P X Q L T X p V G L V F O R V X U H V D Q G G L U H F W L Y H V
Supervision Agency on accounting and financial reporting principles

østanbul,
13 May 2010

$ N L V % D ÷ Õ P V Õ] ' H Q H W L P
6 H U E H V W 0 X K D V H E H F L 0 D O
$ Q R Q L P ù L U N H W L

g] N D Q * H Q o
Partner
Certified Public Accountant

Additional paragraph for convenience translation to English:

As explained in Section 3 Note I, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

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UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

Address	$ W D W • U N: 2 0 7 X O Y D U Õ 1 R . D Y D N O Ö Ç H U H / Ankara
Telephone	: 0312 455 75 75
Fax	: 0312 455 76 92
Electronic web site	: www.vakifbank.com.tr
Electronic mail address	: posta@vakifbank.com.tr

The unconsolidated interim financial report as at and for the three-month period ended 31 March 2010 S U H S D U H G L Q D F F R U G D Q F H Z L W K W K H F R P P X Q L T X p R I) L Q D Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDI 7 2 5 6 ¶ 5 (9 , (: 5 (3 2 5 7

The unconsolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated interim financial report is presented in thousands of Turkish Lira (TL), and has been subjected to limited review.

13 May 2010

Hasan SEZER	6 D E D K D W W L Q % ø 6 H] H U	$ / G D U 7 8 1 d % ø / (	. • O H \ P D Q . $ / . $ 1
Board of Directors Chairman	Board Member and Audit Committee Member	Board Member and Audit Committee Member	General Manager and Board Member

Dr. Metin Recep ZAFER Executive Vice President	Mitat ù $ + ø 1 Director of Accounting and Financial Affairs

The authorized contact person for questions on this financial report

Name-Surname/Title	$ 6 R Q D W Manager	6 % X ÷ U D L Assistant Manager
Phone no	: 0312 455 75 66	0312 455 75 70
Fax no	: 0312 455 76 92	0312 455 76 92

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Unconsolidated Interim Financial Reports and

For the Three-Month Period Ended 31 March 2010

(Currency: Thousands of Turkish Lira³ 7 /)

SECTION ONE

General Information

I. History of the Bank including its incorporation date, initial legal status, amendments to legal status

7•UNL\H 9DNÕIODU %DQNDVÕ 7•UN $QRQLP 2UWDNOÕ÷Õ ³WK the disclosure V of this section, under the authorization of a special law numbered 6 F DOOHG ³W LDZ RI 7•UNL\H 9DNÕIODU %DQNDVÕ 7•UN $QRQLP 2UWDNOÕ÷ of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime 0LQLVWU\ ³7KH *HQHUDO GLUHFWRUDWH RI WKH)RXQGDWLRQV RI WKH since its establishment

II. 7KH %DQN¶V structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on %DQN¶V group

The shareholder having direct or indirect control over the shares of the Bank is the General Directorate of the Foundations.

As at 31 March 2010 and 31 December 2009 7KH %DQN¶V paid-in capital is TL 2,500,000, divided into 2.500.000.000 shares with each has a nominal value of 1 Turkish Lira.

7KH %DQN¶V shareholders structure as at 31 March 2010 is stated below:

Shareholders	Number of Shares	Nominal Value of the Shares ± Thousands of TL	Share Percentage (%)
The General Directorate of the Foundations (Group A)	1.075.058.640	1,075,059	43.00
9DNÕIEDQN 0HPXU YH +L] 6D÷OÕN <DUGÕP 6DQGÕ	402.552.666	402,553	16.10
Foundations (Group B)	387.719.473	387,720	15.51
Other Foundations (Group B)	3.186.364	3,186	0.13
Individuals and legal entities (Group C)	1.862.048	1,862	0.08
Publicly traded (Group D)	629.620.809	629,620	25.18
Total	2.500.000.000	2,500,000	100.00

III. ,QIRUPDWLRQ RQ WKH %DQN¶V ERDUG RI GLUHFWRUV F members, chief executive officer, executive vice presidents and their shareholdings in the Bank

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking
Board of Directors				
Hasan SEZER	Chairman	19 March 2010	University	27 years
Ahmet CANDAN	Deputy Chairman	19 March 2010	University	23 years
6•OH\PDQ .$/.$1	Member ±General Manager	19 March 2010	University	27 years
6HUGDU 781d%ø/	Member	24 July 2007	University	27 years
6DEDKDWWLQ %ø	Member	21 August 2008	University	26 years
øVPDLO $/37(.ø1	Member	3 April 2009	University	12 years
5DPD]DQ *h1'h=	Member	3 April 2009	University	32 years
HDOLP .$1$7d,	Member	28 April 2009	University	37 years
Selahattin TORAMAN	Member	19 March 2010	University	33 years
Audit Committee				
6DEDKDWWLQ %ø	Member	21 August 2008	University	26 years
6HUGDU 781d%ø/	Member	24 July 2007	University	27 years
Auditors				
0HKPHW +$/7$ù	Auditor	19 March 2010	University	33 years
Yunus ARINCI	Auditor	19 March 2010	Master	13 years
Executive Vice Presidents				
Tanju <h.6(/	International Relations and Investor Relations, Commercial Banking, Commercial Centers and Cash Management Operations	1 May 2000	University	25 years
ùDK8LüQ85	Support Services	9 August 2004	University	24 years
Feyzi g=&$1	Retail Banking, Pension Fund Directorates of the Regions, Distribution Channels, Consumer Loans	20 September 200	University	20 years
Dr. Metin Recep ZAFER	Accounting and Financial Affairs, Planning and Performance, Human Resources, Investment Banking and Subsidiaries	13 June 2006	PHD	14 years
%LU'J(•7ø	Treasury	15 June 2006	Master	16 years
'U 0 .•U(úDøG5.2/	Software Development, Treasury and Foreign Operations, Ebis Operations, Ebis Support and Work Analysis, Alternative Distribution Channels	3 December 2007	PHD	10 years
Mehmet &$17(.ø1	Loans Follow-up	28 December 2007	Master	18 years
gPHEUMAS	Legal Services	5 January 2009	Master	8 years

As stated in the 18 March 2010 dated announcement of Ministry of State and Deputy Prime Ministry, the resignation of Bilal Karamanlı WKH %DQN¶V *HQHUDO &RXQVHO &RPPLWWHH on 17 March DQG 6•OH\PDQ 2QDQ has been appointed as the General Manager by the Prime Ministry 6•OH\PDQ Kalkan has taken up his position on 19 March 2010.

As per the 19 March 2010 dated resolution of the General Assembly of the shareholders, Hasan Sezer and Ahmet Candan representing Group (A), Sabahattin Birdal representing Group (B), Selahattin 7RUDPDQ UHSUHVHQWLQJ *URXS &DQ øVPDLO $OSWHNL independent members were appointed as members of the Board of Directors of the Bank in accordance with the 48th article of the $UWLFOHV RI $VVRFLDWLRQ. RI 7 9DNÕI

As per the 19 March 2010 dated resolution of Board of Directors, Hasan Sezer was appointed as Chairman and Ahmet Candan was appointed as Vice Chairman of the Board in accordance with 52th DUWLFOH RI $UWLFOHV RI $VVRFLDWLRQ RI 7 9DNÕIODU %D

øKVDQ, Assistant General Manager in charge of commercial banking, corporate banking, corporate salary payments, corporate communication, commercial centers and cash management operations, resigned on 25 March 2010. After his resignation, corporate salary payments and his other duties were DVVLJQHG WR)H\]L g]F, respectively 7DQMX <•NVHO

IV. Information on the Bank¶V TXDOLILHG VKDUHKROGHUV

The shareholder holding direct or indirect control over the Bank is The General Directorate of the Foundations having 43.00 RI WKH %DQN¶V RXWVWDQGLQJ VKDUHV $QRV VKDUH LQ WKH %DQN LV 9DNÕIEDQN 0HPXU YH +L]PHWOLOHU pension fund of the employees of the Bank), having 16.10% of outstanding shares of the Bank

V. Information about the services and nature of activities of the Bank

7KH %DQN ZDV HVWDEOLVKHG XQGHU WKH DXWKRULW]DWLRQ 7•UNL\H 9DNÕIODU %DQNDVÕ 7•UN $QRQLP 2UWDNOÕ÷Õ´ RQ authority granted to The General Directorate of the Foundations. Operational activities of the Bank as stated at its Articles of Association are as follows:

- Lending loans by granting securities and real estates as collateral,
- Establishing or participating in all kinds of insurance corporations already established,
- Trading real estates,
- Servicing all banking operations and services,
- Operating real estates and participating in industrial sectors for corporations handed over by foundations and General Directorate of the Foundations in line with conditions stipulated by agreements if signed.
- The Bank is established to render banking services to the foundations and carry out cashier transactions of the General Directorate of Foundations in compliance with the agreements signed by General Directorate of the Foundations.

As at 31 March 2010, the Bank has 545 domestic, 2 foreign, in total 547 branches (31 December 2009: 543 domestic, 2 foreign, in total 545 branches). As at 31 March 2010, the Bank has 10,378 employees (31 December 2009: 10,153 employees).

Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I

			Reviewed Current Period 31 March 2010			Audited Prior Period 31 December 2009		
	ASSETS	Notes	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,492,759	1,449,414	2,942,173	1,656,694	1,392,941	3,049,635
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	507	38,667	39,174	698	38,123	38,821
2.1	Financial assets held for trading purpose		507	38,667	39,174	698	38,123	38,821
2.1.1	Debt securities issued by the governments		-	17,193	17,193	-	17,297	17,297
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading purpose	V-I-2	507	21,474	21,981	698	20,826	21,524
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Debt securities issued by the governments		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Other securities		-	-	-	-	-	-
2.2.4	Loans		-	-	-	-	-	-
III.	BANKS	V-I-3	35,315	2,725,942	2,761,257	245,530	2,493,028	2,738,558
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		2,800,638	-	2,800,638	3,400,614	-	3,400,614
4.1	Interbank money market placements		2,800,638	-	2,800,638	3,400,614	-	3,400,614
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	V-I-4	16,059,014	2,461,898	18,520,912	12,753,102	2,212,777	14,965,879
5.1	Equity securities		-	10,750	10,750	-	10,750	10,750
5.2	Debt securities issued by the governments		16,059,014	2,423,220	18,482,234	12,753,102	2,175,301	14,928,403
5.3	Other securities		-	27,928	27,928	-	26,726	26,726
VI.	LOANS AND RECEIVABLES	V-I-5	25,032,483	11,507,365	36,539,848	23,761,896	10,810,759	34,572,655
6.1	Performing loans and receivables		24,765,397	11,507,365	36,272,762	23,627,978	10,810,759	34,438,737
6.1.1	Loans provided to risk group	V-V-1	615,565	211,214	826,779	440,589	148,790	589,379
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		24,149,832	11,296,151	35,445,983	23,187,389	10,661,969	33,849,358
6.2	Loans under follow-up		2,329,233	-	2,329,233	2,118,967	-	2,118,967
6.3	Specific provisions (-)		2,062,147	-	2,062,147	1,985,049	-	1,985,049
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	1,974,174	1,386,354	3,360,528	2,075,831	1,422,642	3,498,473
8.1	Debt securities issued by the governments		1,974,174	1,349,869	3,324,043	2,075,831	1,386,876	3,462,707
8.2	Other securities		-	36,485	36,485	-	35,766	35,766
IX.	INVESTMENTS IN ASSOCIATES (Net)	V-I-7	162,694	-	162,694	142,008	-	142,008
9.1	Associates, consolidated per equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		162,694	-	162,694	142,008	-	142,008
9.2.1	Financial associates		155,100	-	155,100	134,414	-	134,414
9.2.2	Non-Financial associates		7,594	-	7,594	7,594	-	7,594
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	487,314	100,158	587,472	446,091	100,158	546,249
10.1	Unconsolidated financial subsidiaries		357,016	100,158	457,174	301,369	100,158	401,527
10.2	Unconsolidated non-financial subsidiaries		130,298	-	130,298	144,722	-	144,722
XI.	INVESTMENTS IN JOINT-VENTURES (Net)	V-I-9	-	-	-	-	-	-
11.1	Joint-ventures, consolidated per equity method		-	-	-	-	-	-
11.2	Unconsolidated joint-ventures		-	-	-	-	-	-
11.2.1	Financial joint-ventures		-	-	-	-	-	-
11.2.2	Non-Financial joint-ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES	V-I-10	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT PURPOSE	V-I-11	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges of net investment in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1,076,629	689	1,077,318	1,082,464	655	1,083,119
XV.	INTANGIBLE ASSETS (Net)		45,211	-	45,211	43,549	-	43,549
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		45,211	-	45,211	43,549	-	43,549
XVI.	INVESTMENT PROPERTIES (Net)	V-I-12	-	-	-	-	-	-
XVII.	TAX ASSETS		75,907	-	75,907	79,899	-	79,899
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset	V-I-13	75,907	-	75,907	79,899	-	79,899
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-14	-	-	-	-	-	-
18.1	Assets held for sale		-	-	-	-	-	-
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	V-I-15	506,057	162,600	668,657	450,926	187,257	638,183
	TOTAL ASSETS		49,748,702	19,833,087	69,581,789	46,139,302	18,658,340	64,797,642

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

Unconsolidated Balance Sheet (Statement of Financial Position)
At 31 March 2010
(Thousands of Turkish Lira (TL))

			Reviewed Current Period 31 March 2010			Audited Prior Period 31 December 2009		
	LIABILITIES AND EQUITY	Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-1	34,391,917	14,027,855	48,419,772	31,720,631	12,931,092	44,651,723
1.1	Deposits of the risk group	V-V-1	1,436,189	172,925	1,609,114	1,484,393	112,275	1,596,668
1.2	Other deposits		32,955,728	13,854,930	46,810,658	30,236,238	12,818,817	43,055,055
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING PURPOSE	V-II-2	14,323	30,980	45,303	9,549	30,259	39,808
III.	**FUNDS BORROWED**	V-II-3	40,598	5,670,002	5,710,600	43,875	4,322,235	4,366,110
IV.	**INTERBANK MONEY MARKET**		4,283,292	1,116,763	5,400,055	4,640,658	1,502,724	6,143,382
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Obligations under repurchase agreements		4,283,292	1,116,763	5,400,055	4,640,658	1,502,724	6,143,382
V.	**SECURITIES ISSUED (Net)**		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	**FUNDS**		75,910	-	75,910	83,383	-	83,383
6.1	Funds against borrower's note		-	-	-	-	-	-
6.2	Others		75,910	-	75,910	83,383	-	83,383
VII.	**MISCELLANEOUS PAYABLES**		1,011,078	49,261	1,060,339	808,982	50,503	859,485
VIII.	**OTHER EXTERNAL RESOURCES PAYABLE**	V-II-4	133,649	122,484	256,133	152,235	148,149	300,384
IX.	**FACTORING PAYABLES**		-	-	-	-	-	-
X.	**LEASE PAYABLES**	V-II-5	-	-	-	-	-	-
10.1	Finance lease payables		-	5	5	-	6	6
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)		-	5	5	-	6	6
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT PURPOSE	V-II-6	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges of net investment in foreign operation		-	-	-	-	-	-
XII.	**PROVISIONS**	V-II-7	744,023	21,743	765,766	787,429	20,926	808,355
12.1	General provisions		326,109	3,968	330,077	319,100	3,889	322,989
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		238,278	-	238,278	295,632	-	295,632
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions	V-II-7	179,636	17,775	197,411	172,697	17,037	189,734
XIII.	**TAX LIABILITIES**	V-II-8	183,778	3,927	187,705	160,238	3,833	164,071
13.1	Current tax liabilities		183,778	3,927	187,705	160,238	3,833	164,071
13.2	Deferred tax liabilities	V-I-13	-	-	-	-	-	-
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS	V-II-9	-	-	-	-	-	-
14.1	Payables related to these assets held for sale		-	-	-	-	-	-
14.2	Payables related to the discontinued operations		-	-	-	-	-	-
XV.	**SUBORDINATED LOANS**	V-II-10	-	-	-	-	-	-
XVI.	**EQUITY**		7,501,738	158,468	7,660,206	7,226,323	154,618	7,380,941
16.1	**Paid-in capital**	V-II-11	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	**Capital reserves**		1,297,405	158,468	1,455,873	1,202,442	154,618	1,357,060
16.2.1	Share premium		723,918	-	723,918	723,918	-	723,918
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Valuation differences of the marketable securities	V-II-11	501,924	158,468	660,392	410,856	154,618	565,474
16.2.4	Revaluation surplus on tangible assets		5,033	-	5,033	1,138	-	1,138
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment properties		-	-		-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		66,530	-	66,530	66,530	-	66,530
16.2.8	Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets related to the discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	**Profit reserves**		3,399,221	-	3,399,221	2,272,675	-	2,272,675
16.3.1	Legal reserves		476,116	-	476,116	353,012	-	353,012
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3.	Extraordinary reserves		2,696,515	-	2,696,515	1,713,233	-	1,713,233
16.3.4.	Other profit reserves		226,590	-	226,590	206,430	-	206,430
16.4	**Profit or loss**		305,112	-	305,112	1,251,206	-	1,251,206
16.4.1	Prior years' profit/loss		-	-	-	-	-	-
16.4.2	Current period's profit/loss		305,112	-	305,112	1,251,206	-	1,251,206
	TOTAL LIABILITIES AND EQUITY		48,380,306	21,201,483	69,581,789	45,633,303	19,164,339	64,797,642

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

Unconsolidated Off-Balance Sheet
At 31 March 2010
(Thousands of Turkish Lira (TL))

Unconsolidated Financial Statement
and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3 Note I

			Reviewed Current Period 31 March 2010			Audited Prior Period 31 December 2009		
		Notes	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		14,919,47	7,590,46	22,509,93	13,306,53	6,813,58	20,120,12
I.	GUARANTEES AND SURETIES	V-III-2-4	4,564,37	4,372,58	8,936,95	4,294,50	4,799,72	9,094,23
1.1	Letters of guarantee	V-III-1	4,559,42	1,792,76	6,352,19	4,287,299	1,818,27	6,105,57
1.1.1	Guarantees subject to State Tender Law		869,21	479,65	1,348,86	856,65	555,65	1,412,30
1.1.2	Guarantees given for foreign trade operations		208,81	-	208,81	161,15	-	161,15
1.1.3	Other letters of guarantee		3,481,46	1,313,10	4,794,51	3,269,48	1,262,62	4,532,11
1.2	Bank acceptances		-	192,61	192,61	-	436,82	436,82
1.2.1	Import letter of acceptance		-	36,581	36,581	-	45,760	45,760
1.2.2	Other bank acceptances		-	156,03	156,03	-	391,06	391,06
1.3	Letters of credit		4,946	2,378,30	2,383,24	4,130	2,522,04	2,526,17
1.3.1	Documentary letters of credit		4,946	2,378,30	2,383,24	4,130	2,522,04	2,526,17
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Guaranteed prefinancings		-	7,815	7,815	-	18,355	18,355
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Marketable securities underwriting commitments		-	-	-	-	-	-
1.7	Factoring related guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	1,082	1,082	-	1,061	1,061
1.9	Other sureties		-	-	-	3,078	3,168	6,246
II.	COMMITMENTS		8,550,27	624,540	9,174,81	7,825,44	237,385	8,062,82
2.1	Irrevocable commitments		8,542,59	624,540	9,167,13	7,817,75	237,385	8,055,14
2.1.1	Asset purchase commitments	V-III-1	345,926	624,540	970,466	61,292	237,385	298,677
2.1.2	Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries	V-III-1	2,000	-	2,000	2,000	-	2,000
2.1.4	Loan granting commitments	V-III-1	2,971,854	-	2,971,854	2,839,123	-	2,839,123
2.1.5	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments	V-III-1	698,915	-	698,915	735,839	-	735,839
2.1.8	Tax and fund obligations on export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card limits	V-III-1	4,388,979	-	4,388,979	4,043,910	-	4,043,910
2.1.10	Commitments for credit card and banking operations promotion		134,912	-	134,912	135,591	-	135,591
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		4	-	4	4	-	4
2.2	Revocable commitments		7,683	-	7,683	7,683	-	7,683
2.2.1	Revocable loan granting commitments		7,683	-	7,683	7,683	-	7,683
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1,804,82	2,593,34	4,398,167	1,186,58	1,776,479	2,963,065
3.1	Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		-	-	-	-	-	-
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Trading derivatives		1,804,82	2,593,34	4,398,167	1,186,58	1,776,479	2,963,065
3.2.1	Forward foreign currency purchases/sales		14,583	263,867	278,450	66,090	197,743	263,833
3.2.1.1	Forward foreign currency purchases		7,294	131,957	139,251	33,051	98,888	131,939
3.2.2.2	Forward foreign currency sales		7,289	131,910	139,199	33,039	98,853	131,892
3.2.2	Currency and interest rate swaps		1,374,36	1,883,73	3,258,093	924,063	1,351,804	2,275,867
3.2.2.1	Currency swaps-purchases		-	727,460	727,460	-	721,146	721,146
3.2.2.2	Currency swaps-sales		412,896	320,397	733,293	447,000	277,484	724,484
3.2.2.3	Interest rate swaps-purchases		175,409	728,946	904,355	180,959	238,390	419,349
3.2.2.4	Interest rate swaps-sales		786,055	106,930	892,985	296,104	114,784	410,888
3.2.3	Currency, interest rate and security options		340,134	354,540	694,674	196,433	212,034	408,467
3.2.3.1	Currency call options		170,067	177,270	347,337	98,216	106,017	204,233
3.2.3.2	Currency put options		170,067	177,270	347,337	98,217	106,017	204,234
3.2.3.3	Interest rate call options		-	-	-	-	-	-
3.2.3.4	Interest rate put options		-	-	-	-	-	-
3.2.3.5	Security call options		-	-	-	-	-	-
3.2.3.6	Security put options		-	-	-	-	-	-
3.2.4	Currency futures		-	-	-	-	-	-
3.2.4.1	Currency futures-purchases		-	-	-	-	-	-
3.2.4.2	Currency futures-sales		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sales		-	-	-	-	-	-
3.2.6	Others		75,750	91,200	166,950	-	14,900	14,900
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		74,706,49	23,521,66	98,228,15	71,982,78	22,062,56	94,045,34
IV.	ITEMS HELD IN CUSTODY		15,725,89	501,045	16,226,93	15,481,97	408,451	15,890,42
4.1	Customers' securities held		-	14,785	14,785	-	14,493	14,493
4.2	Investment securities held in custody		13,722,82	6,642	13,729,46	13,710,32	3,531	13,713,85
4.3	Checks received for collection		1,164,78	154,484	1,319,267	1,068,039	141,378	1,209,417
4.4	Commercial notes received for collection		390,400	92,300	482,700	270,923	66,382	337,305
4.5	Other assets received for collection		2,152	61	2,213	2,152	60	2,212
4.6	Assets received through public offering		-	4,784	4,784	-	4,709	4,709
4.7	Other items under custody		233,159	63,500	296,659	233,158	57,537	290,695
4.8	Custodians		212,576	164,489	377,065	197,376	120,361	317,737
V.	PLEDGED ITEMS		58,980,59	23,020,62	82,001,22	56,500,81	21,654,11	78,154,92
5.1	Securities		928,099	56,140	984,239	981,862	56,793	1,038,655
5.2	Guarantee notes		270,042	110,539	380,577	261,065	92,769	353,834
5.3	Commodities		9,489,17	54,991	9,544,163	9,234,980	45,375	9,280,36
5.4	Warranties		-	-	-	-	-	-
5.5	Real estates		43,453,03	19,442,770	62,895,80	41,580,52	18,625,22	60,205,74
5.6	Other pledged items		4,153,590	3,184,225	7,337,815	3,897,51	2,677,275	6,574,792
5.7	Pledged items-depository		686,658	171,960	858,618	544,860	156,678	701,538
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		89,625,96	31,112,12	120,738,09	85,289,31	28,876,15	114,165,46

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

Unconsolidated Statement of Income
For the Three Month Period Ended 31 March 2010
(Thousands of Turkish Lira (TL))

		Notes	Reviewed Current Period 31 March 2010	Reviewed Current Period 31 March 2009
I.	**INTEREST INCOME**		1,504,756	1,710,080
1.1	Interest income from loans	V-IV-1	1,013,799	1,181,595
1.2	Interest income from reserve deposits		20,478	33,714
1.3	Interest income from banks	V-IV-1	1,581	3,695
1.4	Interest income from money market transactions		33,197	35,396
1.5	Interest income from securities portfolio		413,226	440,626
1.5.1	Trading financial assets		313	341
1.5.2	Financial assets at fair value through profit or loss		-	-
1.5.3	Available-for-sale financial assets		332,382	318,102
1.5.4	Held-to-maturity investments		80,531	122,183
1.6	Finance lease income		-	-
1.7	Other interest income		22,475	15,054
II.	**INTEREST EXPENSE**		797,628	938,052
2.1	Interest expense on deposits		649,314	824,613
2.2	Interest expense on funds borrowed	V-IV-2	18,333	55,865
2.3	Interest expense on money market transactions		99,712	51,763
2.4	Interest expense on securities issued		-	-
2.5	Other interest expenses		30,269	5,811
III.	**NET INTEREST INCOME (I – II)**		707,128	772,028
IV.	**NET FEES AND COMMISSIONS INCOME**		102,792	100,683
4.1	Fees and commissions received		125,226	139,817
4.1.1	Non-cash loans		16,023	19,468
4.1.2	Others		109,203	120,349
4.2	Fees and commissions paid		22,434	39,134
4.2.1	Non-cash loans		2	4
4.2.2	Others		22,432	39,130
V.	**DIVIDEND INCOME**		13,669	11,208
VI.	**TRADING INCOME/LOSSES (Net)**	V-IV-3	49,517	37,550
6.1	Trading account income/losses	V-IV-3	37,111	18,313
6.2	Income/losses from derivative financial instruments	V-IV-3	2,882	3,328
6.3	Foreign exchange gains/losses	V-IV-3	9,524	15,909
VII.	**OTHER OPERATING INCOME**	V-IV-4	106,448	35,041
VIII.	**TOTAL OPERATING PROFIT (III+IV+V+VI+VII)**		979,554	956,510
IX.	**PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)**	V-IV-5	207,371	186,665
X.	**OTHER OPERATING EXPENSES (-)**	V-IV-6	390,954	402,438
XI.	**NET OPERATING PROFIT/LOSS (VIII-IX-X)**		381,229	367,407
XII.	**INCOME RESULTED FROM MERGERS**		-	-
XIII.	**INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		-	-
XIV.	**GAIN/LOSS ON NET MONETARY POSITION**		-	-
XV.	**INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)**		381,229	367,407
XVI.	**CONTINUING OPERATIONS PROVISION FOR TAXES**	V-IV-7	(76,117)	(73,193)
16.1	Current tax charges	V-IV-7	(78,065)	(86,180)
16.2	Deferred tax credits	V-IV-7	1,948	12,987
XVII.	**NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV-XVI)**	V-IV-8	305,112	294,214
XVIII.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
18.1	Income from investment properties		-	-
18.2	Income from sales of subsidiaries, affiliates and joint-ventures		-	-
18.3	Other income from discontinued activities		-	-
XIX.	**EXPENSES FROM DISCONTINUED OPERATIONS**		-	-
19.1	Investment property expenses		-	-
19.2	Losses from sales of subsidiaries, affiliates and joint ventures		-	-
19.3	Other expenses from discontinued activities		-	-
XX.	**INCOME/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXES**		-	-
XXI.	**DISCONTINUED OPERATIONS PROVISION FOR TAXES**		-	-
21.1	Current tax charge		-	-
21.2	Deferred tax charge		-	-
XXII.	**NET INCOME/LOSS AFRET TAXES FROM DISCONTINUED OPERATIONS**		-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	V-IV-8	305,112	294,214
	Earnings per share (full TL)		0.1220	0.1177

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

Unconsolidated Statement of Gains and Losses
Recognized in Equity
For the Three-Month Period Ended 31 March 2010
(Thousands of Turkish Lira (TL))

	GAINS AND LOSSES RECOGNIZED IN EQUITY	Reviewed Current Period 31 March 2010	Reviewed Prior Period 31 March 2009
I.	VALUATION DIFFERRENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABEL SECURITIES	30,973	67,166
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	CURRENCY TRANSLATION DIFFERENCES	-	-
V.	GAINS/(LOSSES) FROM CASH FLOW HEDGES (Effective Portion of Fair Value Changes)	-	-
VI.	GAINS/(LOSSES) FROM NET FOREIGN INVESTMENT HEDGES (Effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ERRORS	-	-
VIII.	OTHER GAINS AND LOSSES RECOGNIZED IN EQUITY IN ACCORDANCE WITH TAS	75,442	(16,754)
IX.	DEFERRED TAXES DUE TO VALUATION DIFFERENCES	(11,497)	(8,949)
X.	NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY	94,918	41,463
XI.	CURRENT PERIOD ¶6 352),7 /266	305,112	294,214
11.1	Change in fair value of securities (transfers to the statement of income)	30,887	(6,200)
11.2	Gains/Losses recognized in the statement of income due to classification of cash flow hedges	-	-
11.3	Gains/Losses recognized in the statement of income due to reclassification of foreign investment hedges	-	-
11.4	Others	274,225	300,414
XII.	TOTAL GAINS AND LOSSES RECOGNIZED DURING THE PERIOD	400,030	335,677

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

Unconsolidated Statement of Changes in Equity
For the Three-Month Period Ended 31 March 2010
(Thousands of Turkish Lira (TL))

	CHANGES IN EQUITY	Notes	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 Net Profit/ (Loss)	Valuation Differences of the Marketable Securities	Revaluation Surplus on Tangible, Intangible Assets and Investment Property	Bonus Shares of Associates Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Asset Held for Sale and Assets of Discount. Op.s	6KDUHKROGHUV Equity before Minority Interest	Minority Interest	Total 6KDUHKROGHUV Equity
	PRIOR PERIOD ±31 March 2009																			
I.	Balances at the beginning of the period		2,500,000		723,918	-	279,893	-	1,056,276	184,421	753,198	-	107,809	25	65,459	-	-	5,670,999	-	5,670,999
	Changes during the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedges for risk management		2,500,000		723,918	-	279,893	-	1,056,276	184,421	753,198	-	107,809	25	65,459	-	-	5,670,999	-	5,670,999
4.1	Net cash flow hedges																			
4.2	Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-		-	-		-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	41,463	-	-	-	-	41,463	-	41,463
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes resulted from disposal of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassifications of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on the %DQN¶V HTXLW\		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current period ¶V QHW SURILW OR		-	-	-	-	-	-	-	-	294,214	-	-	-	-	-	-	294,214	-	294,214
XVIII.	Profit distribution		-	-	-	-	-	-	-	-	(753,198)	753,198	-	-	-	-	-	-	-	-
18.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transferred to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Others		-	-	-	-	-	-	-	-	(753,198)	753,198	-	-	-	-	-	-	-	-
	Balances at the end of the period		2,500,000		723,918	-	279,893	-	1,056,276	184,421	294,214	753,198	149,272	25	65,459	-	-	6,006,676	-	6,006,676
	CURRENT PERIOD ±31 March 2010																			
I.	Balances at the beginning of the period		2,500,000	-	723,918	-	353,012	-	1,713,233	206,430	1,251,206	-	565,474	1,138	66,530	-	-	7,380,941	-	7,380,941
	Changes during the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Associates, Subsidiaries and "Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	94,918	-	-	-	-	94,918	-	94,918
IV.	Hedges for risk management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
IX.	Changes resulted from disposal of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassifications of the assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of change in equities of associates on the %DQN¶V HTXLW\		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current period ¶V QHW SURILW OR		-	-	-	-	-	-	-	-	305,112	-	-	-	-	-	-	305,112	-	305,112
XVIII.	Profit distribution		-	-	-	-	123,104	-	983,282	20,160	(1,251,206)	-	-	3,895	-	-	-	(120,765)	-	(120,765)
18.1	Dividends	VI-1	-	-	-	-	-	-	-	-	(120,765)	-	-	-	-	-	-	(120,765)	-	(120,765)
18.2	Transferred to reserves	VI-1	-	-	-	-	123,104	-	983,282	20,160	(1,130,441)	-	-	3,895	-	-	-	-	-	-
18.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period		2,500,000	-	723,918	-	476,116	-	2,696,515	226,590	305,112	-	660,392	5,033	66,530	-	-	7,660,206	-	7,660,206

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

Unconsolidated Statement of Cash Flows
For the Three Month Period Ended 31 March 2010
(Thousands of Turkish Lira (TL))

		Reviewed Current Period 31 March 2010	Reviewed Prior Period 31 March 2009
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities	567,865	620,736
1.1.1	Interests received	1,461,673	1,866,870
1.1.2	Interests paid	(703,495)	(940,590)
1.1.3	Dividends received	1,851	847
1.1.4	Fee and commissions received	102,792	100,683
1.1.5	Other income	37,476	28,127
1.1.6	Collections from previously written off loans and other receivables	114,008	66,800
1.1.7	Payments to personnel and service suppliers	(432,776)	(363,905)
1.1.8	Taxes paid	(82,626)	(47,102)
1.1.9	Others	68,962	(90,994)
1.2	Changes in operating assets and liabilities	2,045,187	2,515,941
1.2.1	Net (increase) decrease in financial assets held for trading purpose	-	(949)
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	(74,143)	9,464
1.2.4	Net (increase) decrease in loans	(2,182,679)	(1,056,325)
1.2.5	Net (increase) decrease in other assets	(19,134)	38,454
1.2.6	Net increase (decrease) in bank deposits	751,107	(71,362)
1.2.7	Net increase (decrease) in other deposits	2,946,473	2,488,387
1.2.8	Net increase (decrease) in funds borrowed	1,344,761	407,104
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	(721,198)	701,168
I.	Net cash flow from banking operations	2,613,052	3,136,677
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash flow from investing activities	(3,378,701)	(1,357,795)
2.1	Cash paid for purchase of associates, subsidiaries and joint ventures	-	-
2.2	Proceeds from disposal of associates, subsidiaries and joint ventures	-	-
2.3	Purchases of tangible assets	(11,064)	(11,856)
2.4	Proceeds from disposal of tangible assets	8,837	2,219
2.5	Cash paid for purchase of available-for-sale financial assets	(5,712,067)	(1,863,974)
2.6	Proceeds from disposal of available-for-sale financial assets	2,191,784	464,884
2.7	Cash paid for purchase of held-to-maturity investments	(35,910)	(63,271)
2.8	Proceeds from disposal of held-to-maturity investments	183,134	116,777
2.9	Others	(3,415)	(2,574)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash flow from financing activities	-	(7,325)
3.1	Cash obtained from funds borrowed and securities issued	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Repayments for finance leases	-	(7,325)
3.6	Others	-	-
IV.	Effect of change in foreign exchange rates on cash and cash equivalents	7,270	3,050
V.	Net (decrease) increase in cash and cash equivalents	(758,379)	1,774,607
VI.	Cash and cash equivalents at the beginning of the period	8,191,635	6,847,846
VII.	Cash and cash equivalents at the end of the period	7,433,256	8,622,453

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

SECTION THREE

Accounting Policies

I. Basis of presentation

$V SHU WKH $UWLFOH RI ³$FFRXQWLQJ DQG 5HFRUGLQJ published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its unconsolidated financial statements and the related IRRWQRWHV LQ DFFRUGDQFH ZLWK DFFRXQWLQJ DQG YDO $FFRXQWLQJ $SSOLFDWLRQV IRU %DQNV DQG 6DIHJXDUGLQ 5HJXODWLRQ DQG 6XSHUYLVLRQ $JHQF\ ³%56$´ DQG LQ $FFRXQWLQJ 6WDQGDUGV ³7$6´ 7XUNLVK)LQDQFLDO 5HS VWDWHPHQWV DQG JXLGDQFH FRROHFWLYHO\ ³5HSRUWLQJ 6

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, derivative financial assets and liabilities held for trading purposes, available-for-sale financial assets and investments in associates and subsidiaries whose fair value can be reliably measured, which are presented on a fair value basis in the accompanying unconsolidated financial statements.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed, and QW HUQDWLRQDO)LQDQFLDO 5HSR may have significant influence on the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

II. Strategy for the use of financial instruments and foreign currency transactions

Strategy for the use of financial instruments

The %DQN¶V FRUH RSHUDWLRQV DUH EDVHG RQ UHWDLO EDQ exchange operations, money market operations, investment security transactions, and international banking. As a result of the nature of its operations, the Bank extensively utilizes financial instruments. The Bank funds itself through deposits with different maturities as the main funding resources that are invested in assets earning higher returns.

The most important fund sources of the Bank other than the deposits are its equity, funds borrowed through repurchase agreements in various maturities, medium and long-term borrowings obtained from foreign financial institutions. The Bank pursues an effective asset-liability management strategy by securing balance between funding resources and investments so as to reduce risks and increase returns. Accordingly, the Bank attaches great significance to long-term placements bearing higher interest rates.

It is essential to consider the maturity structure of assets and liabilities in liquidity management. The essence of asset liability management is the keep the liquidity risk, interest rate risk, exchange rate risk, and credit risk within reasonable limits; while enhancing profitability and strengthening the shareholders¶ HTXLW\

Investments in marketable securities and lending loans generate higher return than the average rate of UHWXUQ RI WKH %DQN¶V RSHUDWLQJ DFWLYLWLHV RQ WKH When bank placements are considered, they have short term maturity in terms of liquidity management but earn lower return. The Bank takes position against short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within the limits set by regulations.

The Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities. The Bank also hedges itself against the risk exposed due to net investment in foreign operations by the same manner.

In order to avoid interest rate risk, assets and liabilities having fixed and floating interest rates are kept in balance, taking the maturity structure into consideration.

Information on foreign currency transactions

Transactions are recorded in TL, the functional currency of the Bank. Foreign currency transactions are recorded using the foreign exchange rates effective at the transaction date. At the end of the periods, foreign currency denominated monetary assets and liabilities are measured ZLWK WKH %DQ spot purchase rates and the differences are recognized as foreign exchange gains or losses in the statement of income.

If the net investments in associates and subsidiaries operating in foreign countries are measured at cost, they are reported as translated into TL by using the foreign exchange rate at the date of transaction. If related associates and subsidiaries are measured at fair value, net foreign operations are reported as translated into TL by the rates prevailing at the date of the determination of fair value.

III. Information on forwards, options and other derivative transactions

The derivative transactions mainly consist of currency and interest rate swaps, foreign currency forward contacts and currency options. The Bank has classified its derivative transactions, mentioned above, DV ³WUDGLQ´ JLGHUL QHOHUL´ LOH LOJLOL EDQND WDQÕPODQDFDN ±*Financial Instruments: Recognition and Measurement*.

Derivatives are initially recorded at their purchase costs including the transaction costs.

The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts as stated on the related contracts.

Subsequently, the derivative transactions are measured at their fair values and the changes in fair values are recorded in the EDODQFH VKHHW XQGHU ³HOG for trading purposes´ RU ³GHULYDWLYH IL QDQVDO DQDOLW´ for hedging purposes. Fair values of derivative transactions are recognized in the statement of income.

IV. Information on interest income and expenses

Interest income and expense are recognized according to effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

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

V. Information on fees and commissions

Fee and commissions are recorded based on accrual basis. Financial service fees that are an integral part of the effective yield of an instrument are recognized as an adjustment to the effective interest rate of the instrument. Some fees are related to the execution of a significant act, rather than to the effective interest rate of an associated financial instrument or to a financial service period. Such fees are earned when the related significant act is completed.

VI. Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

Financial assets except for measured at fair value through profit or loss are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets are classified in four categories; as financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments and loans and receivables.

Financial assets at fair value through profit or loss

Such assets are measured at their fair values and gain/loss arising is recorded in the statement of income. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the statement of income. The gains/losses in case of disposal of such securities before their maturities are recorded under trading income/losses in the statement of income.

Held to maturity investments, available-for-sale financial assets and loans and receivables

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

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

Held-to-maturity investments are measured at amortized cost using effective interest method after deducting impairments, if any. Interest earned on held-to-maturity investments is recognized as interest income.

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

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. However, assets that are not traded in an active market are measured by valuation techniques, including recent market transactions in similar financial instruments, adjusted for factors unique to the instrument being valued; or discounted cash flow techniques for the assets which do not have a fixed maturity. Unrecognized gains or losses derived from the difference between their fair value and the discounted value "Valuation differences of the marketable securities" under the shareholders' equity. In case of disposal of such assets, the realized gain or losses are recognized directly in the statement of income.

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

Loans and receivables are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Associates and subsidiaries

Subsidiaries are the entities that the Bank has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. Subsidiaries are accounted in accordance with TAS 39 "*Financial Instruments: Recognition and Measurement*" in the unconsolidated financial statements. Subsidiaries, which are traded in an active market or whose fair value can be reliably measured, recorded at their fair values. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

Associates classified as available-for-sale financial assets in unconsolidated financial statements, which are traded in an active market or whose fair value can be reliably measured, are recorded at their fair values. Associates which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any.

VII. Impairment of financial assets

Financial assets 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 objective evidence that the expected future cash flows of ILQDQFLDO DVVHW RU JURXS RI ILQDQFLDO DVVHWV DUH D 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 26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

VIII. Netting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

IX. Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet. Government bonds and WUHDVXU\ ELOOV VROG WR FXVWRPHUV XQGHU UHSXUFKDVH 5HSXUFKDVH $JUHHPHQWV DQG Treasury bills are recorded on the original portfolio, either at fair value or at amortized cost using the effective interest rate method. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

Securities purchased under resale agreements (VH OH DJUHHPHQWV DUH FODVVLILHG XQG separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

X. Assets held for sale and discontinued operations

The Bank has neither assets held for sale nor discontinued operations.

XI. Goodwill and other intangible assets

7 KH % D Q N Ö Ç Ü Ncolumlu Varlıklar Ve Şerefiye has no goodwill. Intangible assets are initially recorded at their costs in compliance with the 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 amortized based on straight line amortization.

,I WKHUH LV REMHFWLYH HYLGHQFH RI LPSDLUPHQW WKH DV with the TAS 36 – *Impairment of Assets* and if the recoverable amount is less then the carrying value of the related asset, a provision for impairment loss is made.

XII. Tangible assets

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasin 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.

Gains and 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 (Year)	Depreciation Rates (%)
Buildings	50	2
Office equipment, furniture and fixture, and motor vehicles	5-10	10-20
Assets obtained through finance leases	4-5	20-25

,I WKHUH LV DQ REMHFWLYH HYLGHQFH RI LPSDLUPHQW V accordance with the TAS 36 *Impairment of Assets* and if the recoverable amount is less then the carrying value of the related asset, a provision for impairment loss is made

XIII. Leasing activities

Finance leases

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contract VDUH SUHVHQWHG Lease XQGHU 3D\DEOHV´ DFFRXQW LQ WKH financial statements. In the determination of the related asset and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value.

Depreciation for assets obtained through finance lease is calculated in the same manner as tangible assets.

Operational leases

Transactions regarding operational lease agreements are accounted on accrual basis in accordance with the terms of the related contracts

XIV. 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 t incur as at 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 %DQN WR VHWWOH WKH OLDELOLW\ WKH UHODWHG OLDELOL to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in 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. If an inflow of economic benefits has become probable, the Bank discloses the contingent asset

XV. Obligations of the Bank concerning employee rights

Reserve for employee termination benefits

In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at 31 March 2010 is TL 2,427 (full TL) (31 December 2009: TL 2,365 (full TL)).

The Bank reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with TAS 19 – *Employee Benefits*.

As at 31 March 2010 and 31 December 2009, the major statistical assumptions used in the calculation of the total liability are as follows:

	Current Period	Previous Period
Discount Rate	5.92%	5.92%
Expected Rate of Salary/Limit Increase	4.80%	4.80%
Estimated Employee Turnover Rate	0.94%	0.94%

Other benefits to employees

The Bank has provided for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with *TAS 19* in the accompanying unconsolidated financial statements.

Pension fund

7KH HPSOR\HHV RI WKH %DQN\H EH WUDQVIHUUHG WR WKH 3HQVLRQ &RQGXLW &RPPLWWHH (PHNOL YH 6D÷OÕN <DUGÕP 6DQGÕ³ 7•UNL 0HPXU YH +L]PHWOLOHUL (PHNOL YH 6D÷OÕN <DUGÕP 6DQGÕ³ within the Turkish Ministry of Finance and Treasury in 1957 as per the temporary article 20 of the Social Security Law no. 506.

The first paragraph of the temporary article no. 23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law no. 5411, issued in the 1 November 2005 dated and 25983 numbered Official Gazette, was cancelled by WKH &RQVWLWXWLRQDO &RXUW¶V 0DUFK GDWHG &DQG &DQ &RXUW¶V GHFLVLRQ the Constitutional Court was issued on 15 December 2007 in the Official Gazette 26731.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no. 5754 ³WKH 1DZ´ was approved on 17 April 2008. The Law is enacted by the approval of the President of Turkey and issued on the 8 May 2008 dated and 26870 numbered Official Gazette.

In accordance with the temporary article 20 of the Article no. 73 of the Law;

The discounted liability for each fund in terms of the persons transferred at the transfer date, including the contributors left the fund, should be calculated by the assumptions below,

a) The technical interest rate to be used for the actuarial calculation is 9.80%

E ,QFRPH DQG H[SHQGLWXUHV LQ UHVSHFW WR IXQG¶V LQV discounted liability.

Law requires the transfer to be completed in three years beginning from 1 January 2008.

At 19 June 2008, Cumhuriyet Halk Partisi, opposition party, appealed to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. As at the report date, there is no arbitrement of the Constitutional Court published.

The employer of pension fund participants (the Banks) will continue to pay the transferable social rights, which are already disclosed in the article of cessation of the pension fund, to the pension participants and their right owners, even though the salary payment obligation was transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the ³$FWXDULHV 5HJXODWLRQ´ ZKLFK ... 21 of the 5684 numbered Insurance Law.
As per the actuarial report dated February 2010 which is prepared in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against

XVI. Taxation

Corporate tax

Corporate tax rate is 20% in Turkey. This rate is applied to total income of the Bank adjusted for certain disallowable expenses, exempt income and any other allowances.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments made to these institutions, the withholding tax rate on the dividend payments 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 payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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

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

Deferred taxes

According to the TAS 12 ±*Income Taxes*; deferred tax assets and liabilities are recognized, 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.

The deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Bank has legal right to present the net value of current year tax assets and current year tax liabilities and the deferred tax assets and deferred tax liabilities are income taxes of the same taxable entity.

In case where gains/losses resulting from the subsequent measurement of the items are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized directly in the equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

Transfer pricing

In Turkey, the transfer pricing provisions are stated under the Article 13 of Corporate Tax Law with WKH KHDGLQJ RI ³GLVJXLVHG SURILW GLVWULEXWLRQ YLD ... disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

XVII. Funds borrowed

Financial liabilities for trading purposes and derivative financial liabilities are valued at their fair values. All other financial liabilities are carried at amortized cost using effective interest method.

As at 31 March 2010 and 31 December 2009, there are no convertible bonds or any other securities issued by the Bank.

XVIII. Issuance of equity securities

The shares of the Bank having nominal value of TL 322,000,000, representing the 25.18% of the %DQN¶V RXWVWDQGLQJ VKDUHV ZDV VROG WR SXEOLF RQ 1 December 2005 with TL 5.45 for each share having a nominal value of TL 1 on November 2005, and TL ... ZDV UHFRUGHG DV ³6KDUH SUHPLXP´ in shareholders' equity. TL 448,429 of this amount was utilized in capital increase on 19 December 2006

XIX. 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. As at balance sheet date, there are no acceptances recorded as liability in return for assets

XX. Government incentives

As at 31 March 2010 and 31 December 2009, the Bank does not have any government incentives.

XXI. Segment reporting

2SHUDWLRQDO VHJPHQWV DUH GHWHUPLQHG EDVHG RQ WKH VWUXFWXUH presented in Section 4 Note VII.

XXII. Other disclosures

Earnings per shares

Earning per share is calculated by dividing the net profit for the period to weighted average of outstanding shares. In Turkey, the companies may perform capital increases "Bonus Shares" from retained earnings. In earning per share computation bonus shares are treated as issued shares.

As at and for the three-month period ended 31 March 2010, earning per share is TL 0.1220 (31 March 2009: TL 0.1177).

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - *Related Party Disclosures*. Transactions made with related parties are disclosed in Section 5 Note V.

Cash and cash equivalents

Cash and cash equivalents which is a base for preparation of cash flow statement includes TL cash in cash in FC, cheques, demand deposits for both Central Bank of TXUNH\ ³&%57´ and other banks, money market placements and time deposits at banks and marketable securities whose original maturity is less than 3 months.

SECTION FOUR

Information Related to Financial Position of the Bank

I. Capital adequacy ratio

7KH %DQN¶V XQFRQVROLGDWHG 14.92% (31 December 2009: 16.42%) XDF\ UDWLR

Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope RI WKH ³5HJXODWLRQ RQ WKH $VVHVVPHQW RI &DSLWDO $GHTXDF\ 5DWLRV RI %DQNV´ SX 26333 dated 1 1RYHPEHU ³5HJXODWLRQ IRU DQ $PHQGPHQW IRU WK Assessment of Capital Adequacy 5DWLRV RI %DQNV´ SXEOLVKHG 26824 dated 22 2IILFLD 0DUFK DQG ³5HJXODWLRQ RQ WKH (TXLW\ RI %DQNV´

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. In calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific SURYLVLRQV WKDW DUH FODVVLILHG XQGHU OLDELOLWLHV D of and Provision against Non-3HUIRUPLQJ /RDQV DQG 2WKHU 5HFHLYDEO amounts are then PXOWLSOLHG E\ WKH UDWHV VWDWHG LQ WKH $UWLFOH RI RI &DSLWDO $GHTXDF\ 5DWLRV RI %DQNV´

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted and classified according to the related risk groups after being multiplied by the rates stated in WKH $UWLFOH RI ³5HJXODWLRQ UHJDUGLQJ 0HDVXUHPHQW the %DQNV´

Unconsolidated capital adequacy ratio

	31 March 2010 Risk Weights						
Value at credit risk	0%	10%	20%	50%	100%	150%	200%
Balance sheet items (Net)	9,457,106	-	2,901,210	10,110,398	27,945,085	40,161	2,196
Cash and cash equivalents	482,754	-	3	-	-	-	-
Matured securities	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,516,571	-	-	-	-	-	-
Domestic and foreign Banks, foreign head offices and branches	111,357	-	2,506,775	-	143,070	-	-
Interbank money market placements	2,800,000	-	-	-	-	-	-
Receivables from reverse repurchase agreements	-	-	-	-	-	-	-
Reserve deposits at CBT	922,367	-	-	-	-	-	-
Loans	193,456	-	295,361	10,000,806	25,348,060	40,161	2,196
Loans under follow-up (Net)	-	-	-	-	267,086	-	-
Receivables from leasing activities	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-
Held-to-maturity investment securities	3,210,618	-	36,480	-	-	-	-
Receivables from term sale of assets	-	-	-	-	120,627	-	-
Miscellaneous receivables	18	-	57,738	-	160,622	-	-
Interest and other income accruals	136,664	-	4,853	109,592	290,101	-	-
Investments in associates, subsidiaries and joint-ventures (Net)	-	-	-	-	750,166	-	-
Tangible assets (Net)	-	-	-	-	826,958	-	-
Other assets	83,301	-	-	-	38,395	-	-
Off-balance sheet items	88,030	-	608,012	419,309	5,569,532	-	-
Non-cash loans and commitments	88,030	-	575,689	419,309	5,562,230	-	-
Derivative financial instruments	-	-	32,323	-	7,302	-	-
Non-risk weighted accounts	-	-	-	-	-	-	-
Total risk weighted assets	9,545,136	-	3,509,222	10,529,707	33,514,617	40,161	2,196

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Value at credit risk (VaCR)	39,545,948	37,706,171
Value at market risk (VaMR)	1,970,550	1,889,513
Value at operational risk (VaOR) (*)	5,795,900	4,756,200
Equity	7,059,451	6,837,925
Equity/ (VaCR+VaMR+VaOR)*100	14.92%	15.42%

(*) In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 31 December 2009 was measured by taking value at operational risk calculated based on average of gross incomes for the years ended 31 December 2008, 2007 and 2006 into consideration. For the year 2010, value at operational risk is being calculated based on average of gross incomes for the years ended 31 December 2009, 2008 and 2007.

Components of equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,500,000	2,500,000
Nominal Capital	2,500,000	2,500,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	723,918	723,918
Share Cancellation Profits	-	-
Legal Reserves	476,116	353,012
I. Legal Reserve (Turkish Commercial Code 466/1)	238,058	176,506
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Reserves allocated as per Special Legislations	238,058	176,506
Status Reserves	-	-
Extraordinary Reserves	2,923,105	1,919,663
Reserve allocated as per the Decision held by the General Assembly	2,696,515	1,713,233
Retained Earnings	226,590	206,430
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	305,112	1,251,206
Current Period's Profit	305,112	1,251,206
Prior Years' Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	-	-
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	5,033	1,138
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Loss excess of Reserves (-)	-	-
Current Year's Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements (-) (*)	75,409	79,082
Prepaid Expenses (-) (*)	272,045	255,027
Intangible Assets (-) (*)	45,211	43,549
Deferred Tax Asset excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	6,540,619	6,371,279
SUPPLEMENTARY CAPITAL		
General Provisions	330,077	322,989
45% of Revaluation Surplus on Immovables	-	-
Bonus shares of Associates, Subsidiaries and Joint-Ventures	66,530	66,530
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	-	-
45% of Valuation Differences of Marketable Securities	297,176	254,463
Associates and Subsidiaries	138,704	106,228
Available for Sale Investment Securities	158,472	148,235
Other Profit Reserves	-	-
Total Supplementary Capital	693,783	643,982
TIER III CAPITAL	-	
CAPITAL	7,234,402	7,015,261
DEDUCTIONS FROM CAPITAL	174,951	177,336
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors exceeding 10% of ownership	-	-
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years	174,951	177,336
Others	-	-
TOTAL EQUITY	7,059,451	6,837,925

II. Market risk

The Bank has defined its risk management procedures and has taken necessary precaution in order to DYRLG PDUNHW ULVN LQ FRPSOLDQFH ZLWK ³5HJXODWLRQ 6\VWHPV´ DQG ³5HJXODWLRQ RQ 0HDVXUHPHQW DQG $VVHV published in Official Gazette no. 26333 dated 1 November 2006.

The market risk is defined as the potential risk of loss due to changes in interest rates, foreign exchange rates and equity prices on balance sheet and off-balance sheet positions of the banks.

The capital need for general market risk and specific risks is calculated using the standard method GHILQHG E\ WKH ³5HJXODWLRQ RQ 0HDVXUHPHQW DQG $VVH and reported monthly.

In addition to the standard method, the Bank also uses internal models like Historical and Monte Carlo Simulations in measuring market risk. The Bank also performs daily back-testing in order to measure the reliability of the models. Besides, scenario analyses are implemented in order to support the Standard Method and internal models. In order to monitor the maturity structure of the asset and OLDELOLW\ DFFRXQWV OLTXLGLW\ DQDO\VLV DUH SHUIRUPH is calculated.

The market risk analysis of the Bank is reported monthly and sent to the related regulatory institutions

Value at market risk

	Amount
(I) Capital Obligation against General Market Risks-Standard Method	135,781
(II) Capital Obligation against Specific Risks-Standard Method	9,822
(III) Capital Obligation against Currency Risk-Standard Method	11,548
(IV) Capital Obligation against Stocks Risks-Standard Method	-
(V) Capital Obligation against Exchange Risks-Standard Method	-
(VI) Capital Obligation against Market Risks of Options-Standard Method	493
(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)	157,644
(IX) Value-At-Market Risk (12.5xVIII) or (12 .5xVII)	1,970,550

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of the changes in the levels of equity indices and the value of individual stocks.

The effect on equity as a result of change in the fair value of equity instruments quoted on VWRFN ([FKDQJH ³,6(´ KHOG DV DYDLODEOH IRU VDOH ILQD reasonably possible change in equity indices, with all other variables held constant, is as follows

		31 March 2010	31 March 2009
	Change in index	Equity	Equity
ISE ±100 (IMKB - 100)	10%	26,250	25,973

III. Operational risk

The Bank calculated the value at operational risk in accordance with the fourth section published in the Official Gazette date 1 June 2007 related to the ³&RPSXWDWLRQ RI 9DOXH RI 2SHUDWLRQDO circular, ³5HJXODWLRQ 5HJDUGLQJ 0HDVXUHPHQW DQG $VVHVVPH published in the Official Gazette numbered 26333 and dated 1 November 2006.

The amount calculated as TL 463,672 (31 December 2009: TL 380,496) from gross income for the years ended 31 December 2007, 2008 and 2009 and used for the calculation of capital adequacy ratio as at 31 March 2010, represents the operational risk that the Bank may expose and the amount of minimum capital requirement to eliminate this risk. Value at operational risk amounting TL to 5,795,900 (31 December 2009: TL 4,756,200) presented in the table included in Note I of this section is calculated as 12.5 times of the operational risk.

IV. Foreign currency exchange risk

Foreign exchange risk that the Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Bank for the positions being monitored on a daily basis

The Standard Method which is also used in the legal reporting is used in measuring the currency risk of the Bank.

All of the foreign currency assets and liabilities and the forward foreign currency transactions are taken into consideration in calculating the capital obligation for currency risk. The net long and short positions are calculated in Turkish Lira equivalent of the each currency. The position with the biggest absolute value is determined as the base amount for the capital obligation. The capital obligation is calculated at that amount.

The magnitude of hedging foreign currency debt instruments and net investment in foreign operations by using derivatives

As at 31 March 2010, the Bank does not have derivate financial instruments held for risk management purpose.

Foreign exchange risk management policy

Risk policy of the Bank is based on the transactions within the limits and keeping the currency position well-balanced.

In the light of the national legislations and international applications, the Bank has established a foreign currency risk management policy that enables the Bank to take position between lower and upper limits determined in respect of the current equity profile. Speculative position is not held by the Bank.

7KH %DQN¶V IRUHLJQ FXUUHQFF\ SXUFKDVH [Balance sheet date and for the last five working days of the period announced by the Bank] TL are as follows:

	US Dollar	Euro
7KH %DQN¶V IRUHLJQ FXUUHQFF\ SXUFKDVH	1.5200	2.0555
Foreign currency rates for the days before balance sheet date;		
Day 1	1.4900	2.0103
Day 2	1.5000	2.0154
Day 3	1.5000	2.0013
Day 4	1.5200	2.0233
Day 5	1.5100	2.0275

	US Dollar	Euro
Last 30-days arithmetical average rate	1.4817	2.0188

Information on currency risk

Current Period	Euro	US Dollar	Japanese Yen	Other FCs	Total
Assets					
Cash and balances with the Central Bank of Turkey	270,895	1,170,348	199	7,972	1,449,414
Banks	1,714,398	971,516	1,203	38,825	2,725,942
Financial assets at fair value through profit or loss(*)	2,109	36,514	-	7	38,630
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	533,967	1,927,931	-	-	2,461,898
Loans and receivables(**)	3,903,341	7,809,124	992	54,187	11,767,644
Associates, subsidiaries and joint ventures	100,158	-	-	-	100,158
Held-to-maturity investments	196,905	1,189,449	-	-	1,386,354
Derivative financial assets held for risk management purpose	-	-	-	-	-
Tangible assets	-	689	-	-	689
Intangible assets	-	-	-	-	-
Other assets(***)	12,092	130,955	-	172	143,219
Total assets	6,733,865	13,236,526	2,394	101,163	20,073,948
Liabilities:					
Bank deposits	110,896	518,528	-	439	629,863
Foreign currency deposits	3,789,353	9,564,015	522	44,102	13,397,992
Interbank money market takings	-	1,116,763	-	-	1,116,763
Other funding	2,912,475	2,715,372	-	42,155	5,670,002
Securities issued	-	-	-	-	-
Miscellaneous payables	8,410	40,695	1	155	49,261
Derivative financial liabilities held for risk management purpose	-	-	-	-	-
Other liabilities (*) (****)	50,203	90,846	1,095	16,085	158,229
Total liabilities	6,871,337	14,046,219	1,618	102,936	21,022,110
Net on balance sheet position	(137,472)	(809,693)	776	(1,773)	(948,162)
Net off-balance sheet position	249,343	705,223	(1,470)	30	953,126
Derivative assets	364,088	1,378,257	-	23,288	1,765,633
Derivative liabilities	114,745	673,034	1,470	23,258	812,507
Non-cash loans(*****)	1,733,120	2,504,705	20,782	113,975	4,372,582

Prior Period	Euro	US Dollar	Japanese Yen	Other FCs	Total
Total assets	6,155,145	12,466,656	6,054	95,757	18,723,612
Total liabilities	6,262,014	12,635,008	1,764	88,999	18,987,785
Net on balance sheet position	(106,869)	(168,352)	4,290	6,758	(264,173)
Net off-balance sheet position	216,208	354,125	(3,063)	33	567,303
Derivative assets	306,330	827,026	-	31,085	1,164,441
Derivative liabilities	90,122	472,901	3,063	31,052	597,138
Non-cash loans (*****)	2,014,042	2,642,661	11,538	131,484	4,799,725

(*) Derivative financial assets and liabilities resulting from changes in foreign exchange rates are not included.

(**) Foreign currency indexed loans amounting to TL 260,219 (31 December 2009: TL 84,536) which are presented in TL column in the balance sheet are included in the table above.

(***) Prepaid expenses amounting to TL 19,381 are not included.

(****) Unearned revenues amounting to TL 10,872 are not included

(*****) Non-cash loans are not taken into consideration in the calculation of net 'off-balance sheet position'.

Exposure to currency risk

10 percent devaluation of the TL against the following currencies as at and for the three-month period ended 31 March 2010 and 2009 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 March 2010		31 March 2009	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(20,606)	(11,708)	689	(3,274)
EUR	(187)	1,149	3,578	1,309
Other currencies	(244)	(244)	1,326	1,326
Total, net	(21,037)	(10,803)	5,593	(639)

(*) Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

10 percent revaluation of the TL against the following currencies as at and for the three-month period ended 31 March 2010 and 2009 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	31 March 2010		31 March 2009	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	25,002	16,104	9,966	13,929
Euro	254	(1,082)	(2,133)	136
Other currencies	1,007	1,007	(559)	(559)
Total, net	26,263	16,029	7,274	13,506

(*) Equity effect also includes profit or loss effect of 10% revaluation of TL against related currencies.

In accordance with agreements signed before 5 October 2009 with borrowers, these borrowers have to compensate for the losses of the Bank due to decline in foreign exchange rates for foreign currency indexed loans. However, for the agreements signed with the borrowers on and after 5 October 2009, the Bank compensates the losses due to decline in foreign exchange rates. Accordingly, as at March 31 2010, foreign currency indexed loans granted before 5 October 2009 amounting to TL 52,278 results foreign currency exposure for the Bank when foreign exchange rates increase. However, foreign currency indexed loans granted after 5 October 2009 amounting to TL 208,001 results foreign currency exposure for the Bank, not only for increases of foreign exchange rates but also for decreases.

V. Interest rate risk

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.

% D Q N ¶ V Vt rate risk is measured by the standard method.

Measurements for standard method are carried out monthly using the maturity ladder table.

Interest rate sensitivity of assets, liabilities and off balance sheet items based on re-pricing 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 and balances with CBT	1,075,386	-	-	-	-	1,866,787	2,942,173
Banks	2,434,875	73,912	-	-	-	252,470	2,761,257
Financial assets at fair value through profit/loss	1,974	10,985	26	4,262	21,927	-	39,174
Interbank money market placements	2,800,638	-	-	-	-	-	2,800,638
Available-for-sale financial assets	4,396,787	1,336,795	8,259,452	2,961,247	1,555,881	10,750	18,520,912
Loans and receivables	11,644,940	9,433,408	6,653,223	6,293,583	2,247,608	267,086	36,539,848
Held-to-maturity investments	822,892	293,811	735,382	423,004	1,085,439	-	3,360,528
Other assets(*)	5,784	12,192	40,874	110,134	-	2,448,275	2,617,259
Total assets	23,183,276	11,161,103	15,688,957	9,792,230	4,910,855	4,845,368	69,581,789
Liabilities:							
Bank deposits	2,811,086	122,856	-	-	-	7,789	2,941,731
Other deposits	28,733,930	9,463,213	1,240,929	123,101	-	5,916,868	45,478,041
Interbank money market takings	1,236,031	3,862,769	255,152	46,103	-	-	5,400,055
Miscellaneous payables	-	33,336	6,852	-	-	1,020,151	1,060,339
Securities issued	-	-	-	-	-	-	-
Funds borrowed	420,303	3,373,054	1,906,881	10,362	-	-	5,710,600
Other liabilities (**)	3,584	21,373	5,332	58,664	2,968	8,899,102	8,991,023
Total liabilities	33,204,934	16,876,601	3,415,146	238,230	2,968	15,843,910	69,581,789
On balance sheet long position	-	-	12,273,811	9,554,000	4,907,887	-	26,735,698
On balance sheet short position	(10,021,658)	(5,715,498)	-	-	-	(10,998,542)	(26,735,698)
Off-balance sheet long position	158,000	638,254	55,409	52,692	-	-	904,355
Off-balance sheet short position	-	(37,224)	(73,593)	(782,168)	-	-	(892,985)
Position, Net	(9,863,658)	(5,114,468)	12,255,627	8,824,524	4,907,887	(10,998,542)	11,370

(*) Subsidiaries, associates and tangible and intangible assets are included in non-interest bearing column.

(**) Equity is included in non-interest bearing column in other liabilities line.

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 and balances with CBT	1,148,099	-	-	-	-	1,901,536	3,049,635
Banks	2,529,243	-	-	-	-	209,315	2,738,558
Financial assets at fair value through profit/loss	1,193	1,690	1,488	17,153	17,297	-	38,821
Interbank money market placements	3,400,614	-	-	-	-	-	3,400,614
Available-for-sale financial assets	3,040,317	3,377,542	4,199,480	2,993,905	1,343,885	10,750	14,965,879
Loans and receivables	10,079,977	9,901,076	6,340,535	5,971,447	2,145,702	133,918	34,572,655
Held-to-maturity investments	525,309	638,690	742,634	366,453	1,225,387	-	3,498,473
Other assets (*)	3,146	6,046	38,703	111,860	-	2,373,252	2,533,007
Total assets	20,727,898	13,925,044	11,322,840	9,460,818	4,732,271	4,628,771	64,797,642
Liabilities:							
Bank deposits	1,673,063	450,325	56,144	-	-	9,711	2,189,243
Other deposits	25,776,035	9,165,320	1,601,838	386	-	5,918,901	42,462,480
Interbank money market takings	730,767	3,934,522	1,403,218	74,875	-	-	6,143,382
Miscellaneous payables	-	9,497	32,677	-	-	817,311	859,485
Securities issued	-	-	-	-	-	-	-
Fund borrowed	98,440	3,587,911	679,759	-	-	-	4,366,110
Other liabilities (**)	24,146	15,369	26,144	29,096	11,561	8,670,626	8,776,942
Total liabilities	28,302,451	17,162,944	3,799,780	104,357	11,561	15,416,549	64,797,642
On balance sheet long position	-	-	7,523,060	9,356,461	4,720,710	-	21,600,231
On balance sheet short position	(7,574,553	(3,237,900	-	-	-	(10,787,778	(21,600,231
Off-balance sheet long position	180,959	184,045	-	54,345	-	-	419,349
Off-balance sheet short position	(68,838)	(9,496)	(40,453)	(292,101)	-	-	(410,888
Position, Net	(7,462,432	(3,063,351)	7,482,607	9,118,705	4,720,710	(10,787,778	8,461

(*) Subsidiaries, associates and tangible and intangible assets are stated in non-interest bearing column.

(**) Equity is included in non-interest bearing column in other liabilities line.

Average interest rates applied to monetary financial instruments

Current Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets				
Cash and balance with CBT	-	-	-	5.20
Banks	0.31	0.33	-	7.00
Financial assets at fair value through profit/loss	-	11.88	-	-
Interbank money market placements	-	-	-	6.50
Available-for-sale financial assets	5.28	6.24	-	8.87
Loans and receivables	4.39	4.46	6.25	15.58
Held-to-maturity investments	6.61	7.44	-	10.99
Liabilities:				
Bank deposits	2.01	1.29	-	7.98
Other deposits	2.44	2.73	-	8.35
Interbank money market takings	-	1.31	-	9.34
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	1.88	1.49	-	8.94

Prior Period	Euro %	US Dollar %	Japanese Yen %	TL %
Assets				
Cash and balance with CBT	-	-	-	5.20
Banks	0.28	0.34	-	6.90
Financial assets at fair value through profit/loss	-	11.88	-	-
Interbank money market placements	-	-	-	6.50
Available-for-sale financial assets	5.37	6.68	-	9.82
Loans and receivables	4.60	4.93	6.79	15.62
Held-to-maturity investments	6.97	7.44	-	11.93
Liabilities:				
Bank deposits	2.25	0.81	-	8.69
Other deposits	2.62	2.75	-	8.73
Interbank money market takings	1.00	1.30	-	9.04
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds borrowed	1.81	1.53	-	10.09

Interest sensitivity

Interest rate sensitivity of the statement of income is the three-month effect of the assumed changes in interest rates on the fair values of financial assets at fair value through profit or loss held as at 31 March 2010 and on net interest income of floating rate non-trading financial assets and financial liabilities held at 31 March 2010.

Interest rate sensitivity of equity is calculated by taking the effects of the assumed changes in interest rates on the fair value of fixed rate available-for-sale financial assets as at 31 March 2010 into account.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

This analysis is performed on the same basis for 31 March 2009.

	Profit or loss		Equity (*)	
31 March 2010	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets at fair value through profit or loss	(6,982)	7,712	(6,982)	7,712
Available-for-sale financial assets	28,184	(28,373)	(211,174)	223,409
Floating rate financial assets	57,919	(57,919)	57,919	(57,919)
Floating rate financial liabilities	(16,928)	16,928	(16,928)	16,928
Total, net	62,193	(61,652)	(177,165)	190,130

	Profit or loss		Equity (*)	
31 March 2009	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets at fair value through profit or loss	(5,461)	6,146	(5,461)	6,146
Available-for-sale financial assets	18,970	(19,065)	(86,834)	91,769
Floating rate financial assets	53,836	(53,836)	53,836	(53,836)
Floating rate financial liabilities	(16,264)	16,264	(16,264)	16,264
Total, net	51,081	(50,491)	(54,723)	60,343

(*) Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

VI. Liquidity risk

In order to avoid the liquidity risk, the Bank diverts 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.

:KLOH WKH %DQN¶V Liquidity needs is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndications and securitization transactions. There are no significant idle liquidity resources.

Maturity analysis of assets and liabilities according to remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Assets								
Cash and balance with CBT	2,942,173	-	-	-	-	-	-	2,942,173
Banks	363,827	2,323,518	73,912	-	-	-	-	2,761,257
Financial assets at fair value through profit/loss	-	1,974	69	22	14,106	23,003	-	39,174
Interbank money market placements	-	2,800,638	-	-	-	-	-	2,800,638
Available-for-sale financial assets	-	550,529	667,540	6,164,119	8,175,681	2,952,293	10,750	18,520,912
Loans and receivables	-	6,220,283	3,111,505	7,301,945	16,401,525	3,237,504	267,086	36,539,848
Held-to-maturity investments	-	135,996	190,002	673,574	1,275,517	1,085,439	-	3,360,528
Other assets	-	124,350	12,192	52,692	186,041	-	2,241,984	2,617,259
Total assets	3,306,000	12,157,288	4,055,220	14,192,352	26,052,870	7,298,239	2,519,820	69,581,789
Liabilities:								
Bank deposits	7,789	2,811,086	122,856	-	-	-	-	2,941,731
Other deposits	5,916,868	28,733,930	9,463,213	1,240,929	123,101	-	-	45,478,041
Funds borrowed	-	139,342	128,280	2,745,941	1,560,973	1,136,064	-	5,710,600
Interbank money market takings	-	1,236,032	3,862,768	255,152	46,103	-	-	5,400,055
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	835,933	20,461	-	40,188	-	163,757	1,060,339
Other liabilities	-	174,073	85,568	10,476	78,373	2,968	8,639,565	8,991,023
Total liabilities	5,924,657	33,930,396	13,683,146	4,252,498	1,848,738	1,139,032	8,803,322	69,581,789
Liquidity gap	(2,618,657)	(21,773,108)	(9,627,926)	9,939,854	24,204,132	6,159,207	(6,283,502)	-

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Total assets	4,285,460	11,863,819	3,307,344	11,673,779	25,146,308	6,202,329	2,318,603	64,797,642
Total liabilities	5,928,612	29,145,258	13,706,697	4,552,289	1,694,357	1,295,388	8,475,041	64,797,642
Liquidity gap	(1,643,152)	(17,281,439)	(10,399,353)	7,121,490	23,451,951	4,906,941	(6,156,438)	-

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash on short period such as tangible assets, intangible assets, associates, subsidiaries, miscellaneous receivables and

Residual contractual maturities of the financial liabilities

31 March 2010	Carrying amount	Gross nominal outflow	Demand	Less than one month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Bank deposits	2,941,731	2,945,996	7,789	2,814,666	123,541	-	-	-
Other deposits	45,478,041	45,690,994	5,916,868	28,888,601	9,514,152	1,247,609	123,764	-
Funds borrowed	5,710,600	5,912,983	-	139,424	128,671	2,807,952	1,596,121	1,240,815
Money market takings	5,400,055	5,404,997	-	1,236,379	3,863,368	256,689	48,561	-
Miscellaneous payables	1,060,339	1,060,339	163,757	835,933	20,461	-	40,188	-
Other liabilities(*)	298,707	298,707	134,954	70,555	1,382	10,476	78,372	2,968
Total	60,889,473	61,314,016	6,223,368	33,985,558	13,651,575	4,322,726	1,887,006	1,243,783
Non-Cash Loans	8,936,957	8,936,957	5,175,539	232,934	534,724	1,931,126	989,131	73,503

31 December 2009	Carrying amount	Gross nominal outflow	Demand	Less than one month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Bank deposits	2,189,243	2,198,410	9,711	1,675,723	455,531	57,445	-	-
Other deposits	42,462,480	42,654,665	5,918,901	25,911,593	9,213,521	1,610,262	388	-
Funds borrowed	4,366,110	4,700,907	-	56,615	97,487	1,494,478	1,625,489	1,426,838
Money market takings	6,143,382	6,151,417	-	730,933	3,889,087	1,408,969	122,428	-
Miscellaneous payables	859,485	859,485	55,360	740,477	21,473	-	42,175	-
Other liabilities(*)	338,684	338,684	145,494	87,486	2,448	25,420	60,151	17,685
Total	56,359,384	56,903,568	6,129,466	29,202,827	13,679,547	4,596,574	1,850,631	1,444,523
Non-Cash Loans	9,094,232	9,094,232	4,751,809	53,817	154,574	1,291,543	2,633,322	209,167

(*) Unearned revenues, vacation pay liabilities, general provisions and similar provisions and sharehol... are not thought to generate cash outflows in their expected maturities have not been included.

This table shows the undiscounted cash flows on the Bank's earliest possible contractual maturity. Therefore, the gross nominal outflows in the table above vary from the carrying amounts of the relevant financial liabilities reflected in the financial statements.

VI. Segment reporting

The Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; time and demand deposit, accumulating account, 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, cheques, safety boxes, bill payments, tax collections, payment orders.

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 was built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

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.

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Operating profit	217,784	95,390	369,522	128,923	811,619
Undistributed expenses	-	-	-	(444,059)	(444,059)
Operating profit	217,784	95,390	369,522	(315,136)	367,560
Income from associates	-	-	-	-	13,669
Income before taxes	-	-	-	-	381,229
Provision for taxes	-	-	-	-	(76,117)
Net profit	-		-	-	305,112
Segment assets	10,692,546	28,306,718	27,660,892	-	66,660,156
Investments in associates and subsidiaries	-	-	750,166	-	750,166
Undistributed assets	-	-	-	2,171,467	2,171,467
Total assets	10,692,546	28,306,718	28,411,058	2,171,467	69,581,789
Segment liabilities	13,972,822	34,446,951	11,272,056	-	59,691,829
Equity	-	-	-	7,660,206	7,660,206
Undistributed liabilities	-	-	-	2,229,754	2,229,754
Total Liabilities and Equity	13,972,822	34,446,951	11,272,056	9,889,960	69,581,789

SECTION FIVE

Disclosure and Footnotes on Unconsolidated Financial Statements

I. Information and disclosures related to assets

1. Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	417,373	64,645	508,595	82,486
Central Bank of Turkey(*)	1,075,386	1,384,030	1,148,099	1,309,753
Others	-	739	-	702
Total	1,492,759	1,449,414	1,656,694	1,392,941

(*) TL 922,367 (31 December 2009: TL 872,785) of the foreign currency deposit at Central Bank of Turkey is comprised of foreign currency reserve. TL 20,478 (31 December 2009: TL 21,013) of Turkish Lira balances is comprised of interest income accruals from unrestricted portion of the deposit at Central Bank of Turkey held as reserve requirement.

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banks operating in Turkey should provide a reserve amounting 5% (31 December 2009: 5%) of the liabilities in Turkish Lira and 9% (31 December 2009: 9%) of the liabilities in foreign currencies.

In accordance with the press announcement of CBT regarding reserve requirements, dated 5 December 2008 and numbered 2008/63, the foreign currency reserve requirement ratio of the banks which was 11% was decreased by 2 points to 9%, aiming to diminish the negative effects of the global credit crisis and sustain foreign currency liquidity to the banks. Accordingly, foreign currency reserve requirement rate is increased by 0.5 point from 9% to 9.5% in accordance with the press announcement of CBT regarding reserve requirements, dated 26 April 2010 and numbered 2010/20.

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numbered 2009/51, Turkish Lira reserve requirement rate was decreased by 1 point from 6% to 5% in order to diminish the negative effects of the global credit crisis and sustain TL liquidity to the banks.

As at 31 March 2010, interest rate given by CBT is 5.2% for TL reserve deposits and interest rate is nil for foreign currency reserve deposits (31 December 2009: TL 5.2%, FC nil).

Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,054,908	461,663	1,127,086	436,968
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Deposits	20,478	922,367	21,013	872,785
Total	1,075,386	1,384,030	1,148,099	1,309,753

2. Further information on financial assets at fair value through profit/loss

Financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral or blocked

None.

Trading securities subject to repurchase agreements

None.

Trading purpose derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	174	1,121	456	920
Swap Transactions	-	19,912	-	19,205
Futures	-	-	-	-
Options	333	441	242	701
Others	-	-	-	-
Total	507	21,474	698	20,826

3. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	35,315	2,725,942	245,530	2,493,028
Domestic	15,311	632,713	245,530	206,938
Foreign	20,004	2,093,229	-	2,286,090
Foreign Head Offices and Branches	-	-	-	-
Total	35,315	2,725,942	245,530	2,493,028

4. Information on available-for-sale financial assets

Available-for-sale financial assets given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securit	2,897,854	285,660	2,905,370	289,422
Others	-	-	-	-
Total	2,897,854	285,660	2,905,370	289,422

Available-for-sale financial assets given as collateral against repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	2,975,203	-	3,958,401	-
Treasury Bills	553,089	-	205,312	-
Other Debt Securities	-	648,320	-	823,038
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Total	3,528,292	648,320	4,163,713	823,038

Information on available-for-sale financial assets

	Current Period	Prior Period
Debt securities	18,530,217	14,977,439
Quoted	18,530,217	14,977,439
Unquoted	-	-
Equity securities	10,750	10,750
Quoted	-	-
Unquoted	10,750	10,750
Provision for impairment on available-for-sale financial assets (-)	20,055	22,310
Total	18,520,912	14,965,879

5. Information on loans

Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans provided to the shareholders	-	513	-	549
Legal entities	-	513	-	549
Real persons	-	-	-	-
Indirect loans provided to the shareholders	-	-	-	-
Loans provided to the employees	44,749	-	39,808	-
Total	44,749	513	39,808	549

Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled

	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
Cash Loans	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	34,496,295	-	1,098,034	616,186
Discounted bills	245	-	-	16
Exporting loans	2,162,400	-	55,461	132,960
Importing loans	-	-	-	75
Loans to the financial sectors	2,501,347	-	878	-
Overseas loans	42,212	-	1,602	-
Consumer loans	9,203,283	-	125,985	214,158
Credit cards	1,047,974	-	44,011	4,387
Precious metal loans	-	-	-	-
Others	19,538,834	-	870,097	264,590
Specialization loans	62,247	-	-	-
Other receivables	-	-	-	-
Total	34,558,542	-	1,098,034	616,186

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans ±TL	262,494	8,639,882	8,902,376
Housing Loans	4,029	4,251,166	4,255,195
Automobile Loans	2,391	133,256	135,647
General Purpose Loans	75,545	3,355,907	3,431,452
Other	180,529	899,553	1,080,082
Consumer Loans ±FC indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans ±FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Retail Credit Cards ±TL	1,054,690	2,179	1,056,869
With Installment	327,349	2,179	329,528
Without Installment	727,341	-	727,341
Retail Credit Cards ±FC	997	-	997
With Installment	-	-	-
Without Installment	997	-	997
Personnel Loans ±TL	512	26,653	27,165
Housing Loan	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	512	26,653	27,165
Other	-	-	-
Personnel Loans ±FC indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans ±FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards ±TL	17,520	17	17,537
With Installment	6,299	-	6,299
Without Installment	11,221	17	11,238
Personnel Credit Cards ±FC	47	-	47
With Installment	-	-	-
Without Installment	47	-	47
Overdraft Checking Accounts ±TL (Real persons)	613,885	-	613,885
Overdraft Checking Accounts ±FC (Real persons)	-	-	-
Total	1,950,145	8,668,731	10,618,876

Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans±TL	181,982	4,860,882	5,042,864
Real Estate Loans	37	85,905	85,942
Automobile Loans	14,473	286,356	300,829
General Purpose Loans	167,472	4,488,621	4,656,093
Other	-	-	-
Installment-based Commercial Loans±FC indexed	-	13,256	13,256
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	13,256	13,256
Other	-	-	-
Installment-based Commercial Loans±FC	113	102,097	102,210
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	113	102,097	102,210
Corporate Credit Cards ±TL	20,657	68	20,725
With Installment	1,325	68	1,393
Without Installment	19,332	-	19,332
Corporate Credit Cards ±FC	197	-	197
With Installment	-	-	-
Without Installment	197	-	197
Overdraft Checking Accounts ±TL (Corporate)	95,608	-	95,608
Overdraft Checking Accounts ±FC (Corporate)	-	-	-
Total	298,557	4,976,303	5,274,860

Allocation of domestic and overseas loans

	Current Period	Prior Period
Domestic Loans	36,226,414	34,387,759
Overseas Loans	46,348	50,978
Total	36,272,762	34,438,737

Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Loans Provided to the Subsidiaries and Associates	817,526	579,792
Indirect Loans Provided to the Subsidiaries and Associates	-	-
Total	817,526	579,792

Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	117,222	82,483
Loans and Receivables with Doubtful Collectibility	277,271	338,637
Uncollectible Loans and Receivables	1,667,654	1,563,929
Total	2,062,147	1,985,049

Information on non-performing loans (NPLs) (Net)

Information on non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period	22,539	34,875	127,144
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	22,539	34,875	127,144
Prior period			
(Gross amounts before the specific reserves)	7,438	46,766	115,357
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	7,438	46,766	115,357

Movements in non-performing loan groups:

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balance at the beginning of the period	216,401	338,637	1,563,929
Additions (+)	339,067	3,532	4,677
Transfers from other categories of loans under follow-up (+)	-	222,780	146,048
Transfers to other categories of loans under follow-up (-)	136,080	255,750	-
Collections (-)	35,080	31,928	47,000
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balance at the end of the period	384,308	277,271	1,667,654
Specific provision (-)	117,222	277,271	1,667,654
Balance, net	267,086	-	-

Uncollectible loans and receivables are collected by liquidation of collaterals and legal follow-up.

Information on non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Balance at the end of the period	17,877	7,321	280,990
Specific provision (-)	3,575	7,321	280,990
Net balance on balance sheet	14,302	-	-
Prior Period			
Balance at the end of the period	10,693	11,933	273,605
Specific provision (-)	2,139	11,933	273,605
Net balance on balance sheet	8,554	-	-

Non-performing foreign currency denominated loans are followed in TL accounts.

Loan customer concentration of non-performing loans:

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	267,086	-	-
Consumer and Commercial Loans (Gross)	382,560	274,590	1,637,410
Specific Provision (-)	116,872	274,590	1,637,410
Consumer and Commercial Loans (Net)	265,688	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,748	2,681	28,693
Specific Provision (-)	350	2,681	28,693
Other Loans and Receivables (Net)	1,398	-	-
Prior Period (Net)	133,918	-	-
Consumer and Commercial Loans (Gross)	214,619	336,847	1,535,060
Specific Provision (-)	82,127	336,847	1,535,060
Consumer and Commercial Loans (Net)	132,492	-	-
Banks (Gross)	-	-	1,551
Specific Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,782	1,790	27,318
Specific Provision (-)	356	1,790	27,318
Other Loans and Receivables (Net)	1,426	-	-

6. Information on held-to-maturity investments

Held-to-maturity debt securities issued by the governments

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,974,174	-	2,075,831	-
Treasury Bills	-	-	-	-
Other Securities Issued by the Governments	-	1,349,869	-	1,386,876
Total	1,974,174	1,349,869	2,075,831	1,386,876

Information on held-to-maturity investment securities

	Current Period	Prior Period
Debt Securities	3,383,524	3,521,096
Quoted at Stock Exchange	3,347,039	3,485,330
Unquoted at Stock Exchange	36,485	35,766
Impairment Losses (-)	22,996	22,623
Total	3,360,528	3,498,473

The movement table of the held-to-maturity investments

	Current Period	Prior Period
Balances at the beginning of the period	3,498,473	3,471,338
Foreign currency differences on monetary assets	29,306	(19,550)
Purchases during the period	35,910	1,474,427
Disposals through sales/redemptions	(183,134)	(1,372,734)
Impairment losses	(7,188)	(20,419)
Change in amortized costs of the securities (*)	(12,839)	(34,589)
Balances at the end of the period	3,360,528	3,498,473

(*) Differences in the amortized costs of the marketable securities are included in this column.

The Bank reclassified certain investment securities that were previously classified in financial assets at fair value through profit or loss to its held-to-maturity investment securities portfolio. These investment securities were included in held-to-maturity investment securities portfolio with their values as at the reclassification dates. These reclassifications are presented in "purchases during the year" line in the movement table of held-to-maturity investment.

Date of reclassification	Foreign currencies	Face value (FC)	Fair value as at reclassification date (FC)
31 October 2008	US Dollar	99,386	145,760
		99,386	145,760
31 October 2008	Euro	40,066	45,867
		40,066	45,867

The Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL 675,000 to its held-to-maturity investment securities portfolio at their fair values of TL 610,161 as at their reclassification dates, in 2009. These reclassifications are presented in "purchases during the period" in the held-to-maturity investment table of securities. The value increases of such securities amounting to TL 1,118 are recorded under equity and will be amortized through the statement of income until their maturities.

Information about held-to-maturity investments

Current Period	Cost TL	Cost FC	Carrying Value TL	Carrying Value FC
Collateralized/blocked investment securities	668,258	36,480	689,926	36,485
Investments subject to repurchase agreements	816,857	741,532	869,291	749,850
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	405,285	601,682	414,957	600,019
Total	1,890,400	1,379,694	1,974,174	1,386,354

Prior Period	Cost TL	Cost FC	Carrying Value TL	Carrying Value FC
Collateralized/blocked investment securities	668,259	35,760	694,386	35,766
Investments subject to repurchase agreements	645,938	1,001,983	685,565	1,017,238
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Others (*)	680,170	362,717	695,880	369,638
Total	1,994,367	1,400,460	2,075,831	1,422,642

(*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the "Others" line.

7. Investments in associates

Information on investments in associates

	Associate	Address (City/ Country)	%DQN¶V ±If Different, Voting Rights (%)	%DQN¶V Group Share (%)
1	.ÕEUÕV 9DNÕIODU %DQNDVÕ /WG (*)	Lefkosa/NCTR	15.00	15.00
2	9DNÕI 0HQNXO .Õ\PHWOHU <DW (*)	øVWDQEXO/Turkey	11.75	21.77
3	9DNÕI *D\ULPHQNXO <DWÕUÕP (*)	øVWDQEXO/Turkey	27.63	29.47
4	5RNHWVDQ 5RNHW 6DQD\L YH 7 (*)	Ankara/Turkey	10.00	10.00
5	7•UNL\H 6ÕQDL .DONÕQPD %DQ (*)	øVWDQEXO	8.38	8.38
6	%DQNDODUDUDVÕ (*) .DUW 0HUNH]	øVWDQEXO/Turkey	9.70	9.70
7	.UHGL .D\ÕW (*) %•URVX $ù	øVWDQEXO/Turkey	9.09	9.09
8	*•oELUOL÷L (*) +ROGLQJ $ù	øzmir/Turkey	0.07	0.07
9	ø]PLU (QWHUQDV\RQHO 2WHOFLO	øVWDQEXO/Turkey	5.00	5.00
10	ø0.% 7DNDV YH 6DNODPD %DQN (*)	øVWDQEXO/Turkey	4.86	5.28
11	.UHGL *DUDQWL)RQX $ù (*)	Ankara/Turkey	1.67	1.67

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	&RPSD(Fair Value
1	658,046	50,239	4,785	86,506	1,259	10,261	5,699	-
2	15,074	14,617	42	82	530	297	45	10,924
3	77,834	77,693	36,841	1,129	3,600	6,879	8,113	76,299
4	645,920	160,768	206,291	5,573	2	14,153	10,207	-
5	7,270,042	1,140,609	239,071	240,743	277,435	260,898	116,464	1,366,384
6	18,207	14,400	6,478	912	-	1,067	1,533	-
7	27,034	23,226	2,249	2,086	19	9,289	6,523	-
8	112,252	27,508	3,160	212	-	(8,289)	(12,947)	-
9	108,148	48,547	102,751	-	-	(806)	(7,196)	-
10	1,491,020	279,891	11,349	39,407	13,348	37,528	45,208	-
11	130,842	127,966	466	7,101	-	3,713	9,318	-

(*) The financial statements as at and for the year ended 31 December 2009 are presented

Movement table of investments in associates

	Current Period	Prior Period
Balance at the beginning of the period	142,008	56,780
Movements during the period	20,686	85,228
Transfers	-	9,181
Acquisitions and capital increases	-	2,000
Bonus shares received	-	9,691
Income/loss from investments under equity accounting	-	-
Sales and liquidations	-	-
Fair value changes	20,686	64,356
Impairment losses	-	-
Balance at the end of the period	162,694	142,008
Capital commitments	2,000	2,000
Share percentage at the end of the period (%)	-	-

In accordance with the directives of BRSA, the shares of ø0.% 7DNDV YH 6DNODPD %DQNDVÕ SUHYLRXVO\ SUHVHQWHG DV ³(TXLW\ VHFXULWLHV DYDLODEOH IRU VDOH´ with carrying value of TL 9,181 were reclassified as "Investments in DVVRFLDWHV´ in 2009.

The Bank UHFODVVLILHG øúPXD .øúOXOøúDODUÕ $ù VKDUHV DV ³8QU
5HFHLYDEOHV´ ZKLFK ZHUH³QRW SUHVHQWHG LQ ILQDQFLDO VWDWHPHQWV´
TL 0.

As per the resolution no. 77232 of the Board of Directors of the Bank on 3 April 2008, it was decided to work on disposal process of Roketsan Roket Sanayi AŞ ("Roketsan"), that the Bank owns 10% shares representing TL 14,600 nominal shares of its capital of TL 146,000 to the third parties or other shareholders of Roketsan.

Sectoral distribution of investments in associates

	Current Period	Prior Period
Banks	127,703	103,627
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other associates	27,397	30,787
Total	155,100	134,414

Quoted associates

	Current Period	Prior Period
Quoted at domestic stock exchanges	136,868	116,183
Quoted at international stock exchanges	-	-
Total	136,868	116,183

Investments in associates disposed during the period

There is not any associate disposed in the current period

Investments in associates acquired during the period

As per the 11 June 2009 dated resolution of the Board of Directors of the Bank, it was decided to LQYHVW LQ .UHGL *DUDQWL &RPSDQLHV &RUSRUDWH &RPSDQLHV established in order to provide guarantee and ease credit conditions for Small and Medium size entities. Based on this resolution, the Bank SXUFKDVHG RQH VKDUH RI Kredi Garanti Kurumsal Şirketleri (formerly known as Turkish Union of Chambers and Commodity Exchanges on 9 September 2009. As per the 9 September 2009 GDWHG UHVROXWLRQ RI WKH ([WUDRUGLQDU\ *HQHUDO &RXQFLO Board of Directors decided to increase share capital of Kredi Garanti Fonu A.Ş. from TL 50,000 to TL 69,110 through TL 19,110 from internal sources and TL 800,000 by cash injection of the shareholders. Accordingly, the Bank made a commitment of TL 4,000 of which TL 2,000 was paid on 15 October 2009. The remaining balance, TL 2,000 is presented in the balance sheet commitments and contingencies, to be paid upon the request of Board of Directors of the Company within three years.

In 2009, 7•UNL\H 6ÕQDL .DONÕQPD %DQNDVÕ $ù DQ-ID Capital increased from TL 500,000 to TL 600,000. The share of the Bank amounting to TL 8,377 is presented in the movement table of investments in associates as bonus shares received.

,Q .ÕEUÕV 9DNÕIODU %DQNDVÕ /WG DQ Capital increased from TL 20,000 to TL 26,000. The share of the Bank amounting to TL 900 is presented in the movement table of investments in associates as bonus shares received.

In 2009, subsequent to the approval of the decision to increase the paid-in capital of *D\UL PHQNXO <DWÕUÕP &RPSDQLHV &RUSRUDWH &RPSDQLHV, from TL 19,300 to TL 20,800 by the General Assembly of the Company, the share of the Bank amounting to TL 414 is presented in the movement table of investments in associates as bonus shares received.

8. Investments in subsidiaries

Information on investments in subsidiaries

	Subsidiary	Address (City / Country)	% D Q N ¶ V ±6 k Different, Voting Rights (%)	% D Q N ¶ V Group Share (%)
1	*•QHú 6LJRUWD $ù (*)	ø V W DQEXO/Turkey	36.35	36.35
2	9DNÕI (PHNOLOLN $ù (*)	ø V W DQEXO/Turkey	53.90	75.30
3	9DNÕI (QHUML YH 0DGHQFLOLN (*)	Ankara/Turkey	65.50	84.92
4	7DNVLP 2WRPRELO $ù (*)	ø V W DQEXO/Turkey	51.00	51.52
5	9DNÕI)LQDQV)DNW RULQJ $ù (*) +L]PH	ø V W DQEXO/Turkey	78.39	86.97
6	9DNÕI)LQDQVDO .LUDODPD $ù (*)	ø V W DQEXO/Turkey	58.71	64.40
7	9DNÕI 3D]DUODPD YH 7LFDUHW	ø V W DQEXO/Turkey	68.55	73.95
8	9DNÕI <DWÕUÕP 0HQNXO 'H÷HUOHUL (*)	ø V W DQEXO/Turkey	99.00	99.44
9	9DNÕI 6LVWHP 3D]D]<D]ÕOÕP 6HUYLV (*)	Ankara/Turkey	73.00	79.85
10	9DNÕI *D\ULPHQNXO 'H÷HUOHPH	Ankara/Turkey	54.29	58.54
11	9DNÕIEDQN ,QW HUQDWLRQDO $* (*)	Vienna/Austria	90.00	90.00
12	:RUOG 9DNÕI 8%% /WG	Lefkosa/NCTR	82.00	85.24
13	9DNÕI |3 <ÖQHWLPL $ù	ø V W DQEXO/Turkey	99.99	99.99

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	& R P S D Q Fair Value
1	664,477	204,661	79,377	2,985	18,062	(34,640)	9,547	328,793
2	1,007,621	124,310	34,794	7,224	58,836	17,690	16,416	135,850
3	8,878	8,731	1,063	462	3	(351)	(5,164)	12,500
4	216,986	212,746	94,220	9,443	42	(1,916)	20,041	-
5	572,781	67,696	501	32,061	-	13,878	10,013	70,000
6	345,736	67,869	6,681	20,333	16	30,395	4,313	78,203
7	56,837	5,577	177	1,393	-	564	1,551	-
8	80,961	55,391	418	6,631	1,301	5,818	5,338	55,298
9	14,197	7,512	331	184	16	548	519	12,000
10	11,543	7,972	189	215	7	1,216	873	32,000
11	968,205	97,991	1,215	33,941	8,715	(10,491)	9,065	111,287
12	5,222	(21,677)	-	3	-	(480)	(267)	-
13	6,281	4,798	14	138	-	375	361	19,621

(*) The financial statements as at and for the year ended 31 December 2009 are presented.

Movement table of investments in subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	546,249	482,589
Movements during the period	41,223	63,660
Transfers	-	-
Acquisitions and capital increases	-	-
Bonus shares received	-	4,436
Dividends from current year profit	-	-
Sales and liquidations	-	(2,701)
Fair value changes	55,767	61,925
Impairment losses	(14,544)	-
Balance at the end of the period	587,472	546,249
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

As per the resolution of the Board of Directors of the Bank on 22 August 2006, it is decided to merge 9DNÕI 'HQL])LQDQVDO .LUDODPD $ù DQG 9DNÕI)LQDQVDO ³5HJXODWLRQ RQ (VWDEOLVKPHQW DQG 2SHUDWLRQV RI / temporary 1st clause and 4th VXEFODXVH SHUPLVVLRQ IRU RSHUDWLRQV R was revoked on 25 June 2009. The application for the merger of 9DNÕI)LQDQVDO .LUDOD Vak Õ I 'HQL])LQDQVDO not approved by Capital Market Board. As a result, activities regarding the merger were stopped. 7KHUHXSRQ WKH UHJLVWHUHG QDPH RI 9 $ù was FKDQJHG DV 9DNÕI 3D]DUODPD YH 7LFDUHW $ù RQ 6HS

The name of World VDNÕI 2II 6KRUH a subsidiary of the Bank, was changed as World 9DNÕI 8%% /WG RQ)HEUXDU\

Methods to measure investments in subsidiaries

	Current Period	Prior Period
Measured at cost	98,371	133,021
Measured at fair value	489,101	413,228
Equity method of accounting	-	-
Total	587,472	546,249

Sectoral distribution of investments in subsidiaries

	Current Period	Prior Period
Banks	100,158	100,158
Insurance companies	192,739	188,268
Factoring companies	50,368	33,708
Leasing companies	45,913	39,058
Finance companies	-	-
Other financial subsidiaries	67,996	40,335
Total	457,174	401,527

Quoted subsidiaries

	Current Period	Prior Period
Quoted at domestic stock exchanges	165,429	154,103
Quoted at international stock exchanges	-	-
Total	165,429	154,103

Investments in subsidiaries disposed during the period

As per the 4 September 2009 dated resolution of the Board of Directors, it was decided to sale the VKDUHV RI 9DNÕI *LULúLP 6HUPD\HVL <DWÕUÕP 2UWDNOÕ÷Õ FRPSDQ\¶V VKDUHV RI 9DNÕI 5HHDVXUDQV 2UWDNOXN 3URMH *HOLúWLUPH øQ accordance with sales agreement signed on August 25, 2009. The application to Capital Market Board ³&0%´ GDWHG 6HSWHPEHU UHJDUGLQJ WKH VDOH RI W Bulletin dated 13 November 2009 and numbered 2009/49. In order for the Bank and the counter party to obtain economic benefits expected from the transfer of the shares, it was decided to apply to the CMB for the permission for operations of the Company as a venture-capital trust to be extended for one-year starting from 31 December 2009. Following the approval RI WKH VDOH RI 9DNÕI 6HUPD\HVL <DWÕUÕP 2UWDNOÕ÷Õ FRPSDQ\¶V VKDUHV RI 9DNÕI 6HUPD\HVL <DWÕUÕP 2UWDNOÕ÷Õ %DQNDVÕ¶Vn from the sales amounting to TL 2,140 was received in cash. As a result of this sales transaction, the Bank recorded gain on sale of subsidiaries amounting to TL 1,592.

7KH VKDUHV RI $WDN|\ 0D÷D]DFÕOÕN YH 7LFDUHW $ù QR SHUVRQ that is in liquidation process and the carrying value of TL 0, were written off as at 30 April 2009.

Investments in subsidiaries acquired during the period

There is not any subsidiary purchased in the current period.

, Q 9 D N Õ I) L Q D Q V D O . L U D O D P D $ ù D V X E V L G L D U L H V L Q F U H D V H G I U R P 7 L O ı &D Q G D U L Q W K H
20,000 to TL 25,000. The share of the Bank amounting to TL 2,936 is presented in the movement table of investments in subsidiaries as bonus shares received.

, Q 9 D N Õ I 3 R U W I | \ < | Q H W L P L $ ù D V X E V L G L D U L H V L Q F U H D V H G I U R P 7 L O ı &D Q G D U L Q W K H %
1,500 to TL 3,000. The share of the Bank amounting to TL 1,500 is presented in the movement table of investments in subsidiaries as bonus shares received.

9. Investments in joint-ventures

None.

10. Information on finance lease receivables (net)

None.

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on investment properties

None.

13. Information on deferred tax assets

As at 31 March 2010 and 31 December 2009, items generating deferred tax assets or liabilities are listed below:

	Current period	Prior Period
Deferred tax assets:	109,840	108,678
Provision for employee termination benefits and unused vacations	37,821	36,406
Valuation difference for associates and subsidiaries	23,456	20,749
BRSA - Tax Code depreciation differences	18,419	18,176
Other provisions	14,818	15,234
Valuation differences of financial assets and liabilities	13,712	16,353
Others	1,614	1,760
Deferred tax liabilities:	(33,933)	(28,779
Valuation differences of financial assets and liabilities	(19,229)	(17,665
Valuation difference for associates and subsidiaries	(14,387)	(11,114
Others	(317)	-
Deferred tax assets, net	75,907	79,899

14. Information on assets held for sale and assets related to the discontinued operations

None.

15. Information on other assets

As at 31 March 2010 and 31 December 2009, other assets are as follows:

	Current period	Prior Period
Prepaid expenses	272,045	255,027
Receivables from term sale of assets	120,627	125,323
Receivables from credit card payments	111,863	113,010
Receivables from derivative financial instruments	57,756	56,006
Receivables from lawsuit expenses	43,113	41,426
Others	63,253	47,391
Total	668,657	638,183

The Bank recorded specific provision amounting TL 40,360 (31 December 2009: TL 39,203) for lawsuit and court expenses amounting to TL 43,113 (31 December 2010: TL 41,426) that was undertaken due to non-performing loans and receivables.

II. Information and disclosures related to liabilities

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,121,448	-	1,156,110	7,357,240	213,759	20,075	33,451	-	9,902,083
Foreign Currency Deposits	935,971	-	2,292,404	7,922,022	1,245,522	115,178	886,895	-	13,397,992
Residents in Turkey	913,636	-	2,192,264	7,824,470	1,235,952	114,181	883,879	-	13,164,382
Residents in Abroad	22,335	-	100,140	97,552	9,570	997	3,016	-	233,610
Public Sector Deposits	1,493,200	-	997,576	3,236,422	542,047	467	3,636	-	6,273,348
Commercial Deposits	953,614	-	2,352,379	6,945,396	287,457	128	1,337	-	10,540,311
Others	1,412,635	-	704,462	2,884,167	348,304	3,220	11,519	-	5,364,307
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	7,789	-	1,743,807	892,924	239,847	57,364	-	-	2,941,731
Central Bank	187	-	-	-	-	-	-	-	187
Domestic Banks	827	-	1,422,850	437,381	239,847	5	-	-	2,100,910
Foreign Banks	4,684	-	320,957	455,543	-	57,359	-	-	838,543
Participation Banks	2,091	-	-	-	-	-	-	-	2,091
Others	-	-	-	-	-	-	-	-	-
Total	5,924,657	-	9,246,738	29,238,171	2,876,936	196,432	936,838	-	48,419,772

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	1,044,253	-	799,491	6,689,074	177,812	21,785	32,249	-	8,764,664
Foreign Currency Deposits	1,042,653	-	2,289,739	7,583,717	619,453	133,408	786,158	-	12,455,128
Residents in Turkey	1,011,051	-	2,231,727	7,477,890	617,095	133,113	784,674	-	12,255,550
Residents in Abroad	31,602	-	58,012	105,827	2,358	295	1,484	-	199,578
Public Sector Deposits	1,431,736	-	1,238,093	2,915,113	123,913	249	3,217	-	5,712,321
Commercial Deposits	960,333	-	2,029,203	6,703,428	646,249	227	1,315	-	10,340,755
Others	1,439,926	-	800,573	2,696,795	238,527	2,171	11,620	-	5,189,612
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	9,711	-	872,100	1,037,591	194,955	56,144	18,742	-	2,189,243
Central Bank	49	-	-	-	-	-	-	-	49
Domestic Banks	869	-	758,934	497,421	82,411	4	-	-	1,339,639
Foreign Banks	5,336	-	113,166	540,170	112,544	56,140	18,742	-	846,098
Participation Banks	3,457	-	-	-	-	-	-	-	3,457
Others	-	-	-	-	-	-	-	-	-
Total	5,928,612	-	8,029,199	27,625,718	2,000,909	213,984	853,301	-	44,651,723

Information on saving deposits insured by Saving Deposit Insurance Fund and the total amounts of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,973,838	4,726,338	4,928,245	4,038,326
Foreign Currency Saving Deposits	1,382,887	1,397,224	2,684,278	3,006,765
Other Saving Deposits	-	-	-	-
)RUHLJQ EUDQFKHV¶ Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	6,356,725	6,123,562	7,612,523	7,045,091

Saving deposits out of insurance coverage limits

	Current Period	Prior Period
Deposits and other accounts at foreign branches	628	1,715
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	2,946	3,852
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	-	-

2. Information on derivative financial liabilities held for trading purpose

Negative differences related to the derivative financial liabilities held for trading purpose

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	160	1,069	424	882
SwapTransactions	13,071	29,056	8,868	28,628
Futures	-	-	-	-
Options	1,092	855	257	749
Others	-	-	-	-
Total	14,323	30,980	9,549	30,259

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Bank and Institutions	40,598	238,753	43,875	294,290
Foreign Banks, Institutions and Funds	-	5,431,249	-	4,027,945
Total	40,598	5,670,002	43,875	4,322,235

Maturity information of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short-term (*)	40,083	2,858,883	43,362	1,399,956
Medium and Long term (*)	515	2,811,119	513	2,922,279
Total	40,598	5,670,002	43,875	4,322,235

(*) Maturity profile of funds borrowed is prepared in accordance to their original maturities.

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 9.22% (31 December 2009: 7.6 RI WKH %DQN¶V OLDELOLW concentration on funding sources of the Bank.

On 24 March 2010, the Bank obtained a syndication loan at the amount of US Dollar 170 million and Euro 566.5 million with interest rates of US Libor + 1.50% and Euribor + 1.50%, with the participation of 33 banks under the coordinatorship of West LB AG.

4. Components of ³ R W K H U H [W H U Q D O U H V R X U F H V S D \ D E O H ´ L Q W K H I of the account, if the account exceeds 10% of total liabilities and equity excluding off-balance sheet commitments

Other external resources payable in the financials do not exceed 10% of total liabilities and equity.

5. Information on lease payables (net)

Obligations under finance leases

None.

6. Information on derivative financial liabilities held for risk management purpose

Negative differences related to the derivative financial liabilities held for risk management purpse

None.

7. Information on provisions

Information on general provisions

	Current Period	Prior period
Provisions for loans and receivables in Group I	269,565	238,772
Provisions for loans and receivables in Group II	31,344	56,869
Provisions for non-cash loans	28,789	27,151
Others	379	197
Total	330,077	322,989

Provision for currency exchange loss on foreign currency indexed loans

	& D U L ' |	g Q F H N L '
Provision for currency exchange gain/loss on foreign currency indexed loan	1,385	209

The Bank recorded provision for foreign exchange losses on principal amounts of foreign currency indexed loans amounting to TL 1,385 (31 December 2009: TL 209) and reflected the related foreign exchange loss amount in the financial statements by offsetting from related loans

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

	Current Period	Prior Period
Non-cash loans with limited collectibility	641	1,215
Non-cash loans with doubtful collectibility	3,221	7,646
Uncollectible non-cash loans	94,508	93,868
Total	**98,370**	102,729

Information on other provisions

The Bank does not have general reserves for possible losses.

Information on other provisions exceeding 10% of total provisions

	Current Period	Prior period
Specific provisions for non-cash loans	98,370	102,729
3 U R Y L V L R Q I R U : R U O G 9 D N Õ I 8 % % / W G Z	17,775	17,037
Provisions for lawsuits against the Bank	15,171	15,171
Provisions for credit card promotions	8,071	8,246
Other provisions	58,024	46,551
Total	197,411	189,734

8. Taxation

Current Taxes

Tax provision

As at 31 March 2010, corporate taxes payable was amounted to TL 84,187 (31 December 2009: TL 83,161).

Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	84,187	83,161
Taxation on securities	52,135	44,532
Capital gains tax on property	923	704
Banking and insurance transaction tax (BITT)	19,044	20,661
Taxes on foreign exchange transactions	-	-
Value added tax payable	910	905
Others	29,121	13,166
Total	186,320	163,129

Information on premiums payable

	Current Period	Prior Period
Social security premiums - employee share	-	-
Social security premiums - employer share	-	-
Bank pension fund premium - employee share	-	-
Bank pension fund premium - employer share	-	-
Pension fund membership fees and provisions - employee share	-	-
Pension fund membership fees and provisions - employer share	-	-
Unemployment insurance - employee share	461	312
Unemployment insurance - employer share	923	625
Others	1	5
Total	1,385	942

Information on deferred tax liabilities

Disclosed in Note 13 of information and disclosures related to assets.

9. Information on payables for assets held for resale and tangible assets related to discounted activities

None.

10. Information on subordinated loans

None.

11. , Q I R U P D W L R Q R Q V K D U H K R O G H U V ¶ H T X L W \

Paid-in capital

	Current Period	Prior Period
Common Stock	2,500,000	2,500,000
Preferred Stock	-	-

Paid-in capital of the Bank amounted to TL 2,500,000 is divided into groups comprised of 43.0% Group (A), 15.6% Group (B), 16.2% Group (C) and 25.2% Group (D).

Board R I ' L U H F W R U V ¶ P H P E H U V R Q H P H P E H U D S S R L Q W H G E \ W The General Directorate of the Foundations (Group A), three members representing Group (A), one member representing Group (B), and two members representing Group (C); among the nominees shown by the majority of each group, and one member among the nominees offered by the shareholders at the General Assembly are selected. Preference of Group (D) is primarily taken into account in the selection of the last mentioned member.

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Registered capital system	2,500,000	5,000,000

The registered capital ceiling was increased from TL 1,300,000 to TL 5,000,000 as per the resolution no. 74202 dated 16 February 2006 by the Board of Directors.

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

There is no share capital increase in the current and prior period.

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following period

None.

Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators

None.

Information on the privileges given to stocks representing the capital

None.

Valuation differences of the marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	252,101	56,131	179,931	56,131
Fair value differences of available-for-sale securities	249,823	102,337	230,925	98,487
Foreign exchange differences	-	-	-	-
Total	501,924	158,468	410,856	154,618

III. Information and disclosures related to off-balance sheet items

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period	Prior period
Commitments for credit card limits	4,388,979	4,043,910
Loan granting commitments	2,971,854	2,839,123
Asset purchase commitments	970,466	298,677
Commitments for cheque payments	698,915	735,839
Share capital commitments to associates and subsidiaries	2,000	2,000
Total	9,032,214	7,919,549

Type and amount of possible losses from off-balance sheet items including those referred to below

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The Bank provided specific provision amounting to TL 98,370 (31 December 2009: TL 102,729) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 101,806 (31 December 2009: TL 106,264).

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional letters of guarantee	275,156	187,197
Final letters of guarantee	3,212,486	3,210,233
Letters of guarantee for advances	1,125,161	1,186,749
Letters of guarantee given to custom offices	208,813	161,158
Other letters of guarantee	1,530,579	1,360,240
Total	6,352,195	6,105,577

2. Non-cash loans

	Current Period	Prior Period
Non-cash loans given for cash loan risks	287,883	541,145
With original maturity of 1 year or less	136,659	367,311
With original maturity of more than 1 year	151,224	173,834
Other non-cash loans	8,649,074	8,553,087
Total	8,936,957	9,094,232

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	24,554	0.53	101,661	2.32	30,798	0.71	100,974	2.10
Farming and Cattle	21,064	0.46	88,846	2.03	25,451	0.59	87,111	1.81
Forestry	2,824	0.06	-	-	3,995	0.09	-	-
Fishing	666	0.01	12,815	0.29	1,352	0.03	13,863	0.29
Manufacturing	2,097,125	45.95	2,184,365	49.96	1,944,249	45.28	2,190,049	45.63
Mining	38,114	0.84	127,363	2.91	35,457	0.83	129,519	2.70
Production	1,679,545	36.80	1,448,833	33.14	1,614,210	37.59	1,537,794	32.04
Electric, gas and water	379,466	8.31	608,169	13.91	294,582	6.86	522,736	10.89
Construction	570,393	12.50	771,616	17.65	570,644	13.29	851,475	17.74
Services	1,601,271	35.08	704,166	16.10	1,537,852	35.81	910,564	18.97
Wholesale and retail trade	673,844	14.76	253,104	5.79	618,790	14.41	457,975	9.54
Hotel, food and beverage services	41,083	0.90	15,608	0.36	43,000	1.00	10,486	0.22
Transportation and telecommunication	216,916	4.75	401,297	9.17	229,508	5.34	399,311	8.32
Financial institutions	635,664	13.93	20,237	0.46	612,300	14.26	28,339	0.59
Real estate and renting services	2,963	0.06	-	-	2,101	0.05	-	-
Self-employment services	-	-	-	-	-	-	-	-
Education services	2,805	0.06	-	-	2,398	0.06	-	-
Health and social services	27,996	0.62	13,920	0.32	29,755	0.69	14,453	0.30
Others	271,032	5.94	610,774	13.97	210,964	4.91	746,663	15.56
Total	4,564,375	100.00	4,372,582	100.00	4,294,507	100.00	4,799,725	100.00

4. Information on the first and second group of non-cash loans

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	4,447,127	1,655,650	74,064	78,359
Confirmed Bills of exchange and Acceptances	-	180,871	-	8,681
Letters of Credit	4,946	2,375,252	-	1,304
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	8,897	-	-
Non-Cash Loans	4,452,073	4,220,670	74,064	88,344

5. Contingent assets and liabilities

None

6. Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

7 K H % D Q N ¶ V F X V W R G \ V H U Y L F H V D Q G E D Q N L Q J W U D Q V D F customers does not present a material portion.

IV. Information on disclosures related to the statement of income

1. Interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term Loans	306,673	47,826	439,132	73,003
Medium and Long-Term Loans	556,301	79,304	549,849	104,914
Loans Under Follow-Up	23,695	-	14,697	-
Premiums Received from Resource Utilization Support F	-	-	-	-
Total	886,669	127,130	1,003,678	177,917

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	725	251	460	44
Foreign Banks	61	544	713	2,478
Foreign Head Office and Branches	-	-	-	
Total	786	795	1,173	2,522

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	11,492	3,060

2. Interest Expense

Interest expenses on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1,106	16,593	2,593	53,218
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,106	626	2,593	813
Foreign Banks	-	15,967	-	52,405
Foreign Head Offices and Branches			-	-
Other Institutions	-	634	54	-
Total	1,106	17,227	2,647	53,218

Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	6,993	5,101

Interest expense on securities issued

None.

3. Trading income/losses (Net)

	Current Period	Prior Period
Income	196,780	894,105
Income from capital market transactions	37,467	18,700
Income from derivative financial instruments	37,302	13,650
Foreign exchange gains	122,011	861,755
Losses	(147,263)	(856,555)
Losses from capital market transactions	(356)	(387)
Losses from derivative financial instruments	(34,420)	(10,322)
Foreign exchange losses	(112,487)	(845,846)
Trading income/losses, net	49,517	37,550

Net losses arising from changes in foreign exchange rate W K D W U H O D W H G W R W K H Q H W Ü Ç Ü N L Ö H Q D Q ¶ based derivative financial instruments was amounted to TL 7,454 as at and for the three-month period ended 31 March 2010 (31 March 2009: net loss of TL 4,513).

4. Other operating income

	Current Period	Prior Period
Income from reversal of the impairment losses	68,485	6,766
Communication income	18,577	21,166
Gain on sale of assets	3,207	519
Lease income	1,236	1,171
Other income	14,943	5,419
Total	106,448	35,041

5. Provision expenses for losses on loans and other receivables

	Current Period	Prior Period
Specific provisions on loans and other receivables	138,463	98,334
Loans and receivables in Group III	34,738	40,317
Loans and receivables in Group IV	-	23,119
Loans and receivables in Group V	103,725	34,898
Non-performing commissions and other receivables	-	-
General provision expenses	7,008	10,759
Provision for possible losses	-	-
Impairment losses on securities:	7,564	9,048
Trading securities	-	-
Investment securities available-for-sale	7,564	9,048
Other impairment losses:	20,723	10,125
Associates	-	-
Subsidiaries	13,535	-
Joint ventures	-	-
Investment securities held-to-maturity	7,188	10,125
Others(*)	33,613	58,399
Total	207,371	186,665

(*) Other provision expenses amounting to TL 33,613 (31 March 2009: TL 58,399) comprised of provision expenses for dividends to personnel amounting to TL 15,433 (31 March 2009: TL 21,000), provision for non cash loans that are not indemnified or converted into cash amounting to TL 17,785 (31 March 2009: TL 14,179) and other provision expenses amounting to TL 395 (31 March 2009: TL 23,220).

6. Other operating expenses

	Current Period	Prior Period
Personnel Costs	161,983	158,072
Reserve for Employee Termination Benefits	7,071	11,074
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	735	-
Depreciation Expenses on Tangible Assets	27,040	25,223
Impairment Losses on Intangible Assets	-	-
Amortization Expenses on Intangible Assets	1,755	1,239
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	151,646	136,627
Operational lease expenses	*19,276*	*17,273*
Repair and maintenance expenses	*3,358*	*3,209*
Advertisement expenses	*3,354*	*5,040*
Other expenses	*125,658*	*111,105*
Loss on sale of assets	116	422
Others	40,608	69,781
Total	390,954	402,438

7. Provision for taxes on income

Current period taxation benefit or charge and deferred tax benefit or charge

In the current period, the Bank recorded a tax charge of TL 78,065 (31 March 2009: TL 86,180) from the net taxable profit calculated in accordance the laws and regulations in effect. Deferred tax benefit of the Bank is detailed in the below table.

Deferred tax charge arising from temporary differences, tax losses and unused tax credits

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination / (Reversal) of Deductible Temporary Differences	2,045	12,696
Arising from (Origination) / Reversal of Taxable Temporary Differences	(97)	291
Arising from Origination / (Reversal) of Tax Losses	-	-
Arising from tax rate change	-	-
Total	1,948	12,987

8. Net profit and loss

Any further explanation on operating results needed for a proper understanding of the Bank's performance

None.

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

None.

9. Information related to the components of other items in the statement of income exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group

None.

V. ,QIRUPDWLRQ DQG GLVFORVXUHV UHODWHG WR WKH %DQND

1. ,QIRUPDWLRQ RQ WKH YROXPH RI WUDQVDFWLRQV UHODWHG WR ZLWK WKH Derivative and Deposits outstanding at period end and income and expenses in the current period

Current Period	Associates, Subsidiaries and Joint-Ventures		%DQN¶V 'LUH Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	579,792	402,370	-	549	9,587	4,122
Balance at the end of the period	817,526	306,799	-	513	9,253	4,069
Interest and commission income	11,492	89	-	-	130	40

Prior Period	Associates, Subsidiaries and Joint-Ventures		%DQN¶V 'LUH Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables:						
Balance at the beginning of the period	126,461	207,216	-	668	8,437	5,881
Balance at the end of the period	579,792	402,370	-	549	9,587	4,122
Interest and commission income	3,060	174	-	-	231	65

Information on deposits held by the Bank's risk group

%DQN¶V 5LVN *URXS	Associates, Subsidiaries and Joint-Ventures		%DQN¶V 'LUH Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	623,235	263,719	917,223	977,811	56,210	208,027
Balance at the end of the period	674,353	623,235	877,493	917,223	57,268	56,210
Interest on deposits	6,993	5,101	13,051	24,378	139	122

Information on forwards, options and other derivative transactions held by the Bank's risk group

%DQN¶V 5LVN *URXS	Associates, Subsidiaries and Joint-Ventures		%DQN¶V 'LUH Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions held for trading purpose:						
Purchase balance at the beginning of the period	29,800	-	-	-	-	-
Sales balance at the beginning of the period	29,790	-	-	-	-	-
Purchase balance at the end of the period	30,400	29,800	-	-	-	-
Sales balance at the end of the period	30,445	29,790	-	-	-	-
Total Profit/(Loss)	3	-	-	-	-	-

2. 'LVFORVXUHV RI WUDQVDFWLRQV ZLWK WKH %DQN¶V ULVN JU

Relations with entities in the risk group of or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

Pricing policy and other conditions of transactions with the risk group of the Bank, are determined and applied on arm's length basis. The ratio of cash and non-cash loans given to the Bank's risk group to total cash and non-cash loans are 2.26% (31 December 2009: 1.70%) and 3.48% (31 December 2009: 4.48%), respectively.

Current Period	Amount	Compared to financial statement amount (%)
Cash Loans	826,779	2.26
Non-Cash Loans	311,381	3.48
Deposits	1,609,114	3.32
Forward and Option Agreements	60,845	1.38

Prior Period	Amount	Compared to financial statement amount (%)
Cash Loans	589,379	1.70
Non-Cash Loans	407,041	4.48
Deposits	1,596,668	3.58
Forward and Option Agreements	59,590	2.01

Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None

SECTION SIX

Other Disclosures and Footnotes

I. 2WKHU GLVFORVXUHV RQ WKH %DQN¶V DFWLYLW\

- There were monetary losses amounting to TL 379,000 incurred in the 2001 financial year as a result of the inflation accounting applied in compliance with the Temporary article no. 4 added to the Banks Law no. 4389 through the Law no. 4743. The tax returns of 2002, 2003 and 2004 were submitted with a condition stating that such losses should have been deducted and the Bank may appeal to the tax court for the tax return. The Bank appealed to the tax court for the corporate tax return on 22 February 2007. Ankara 5th Tax court decided in favour of the Bank and TL 125,187 was transferred to the %DQN¶V DFFRXQWV RQ 6HSWHPEHU

  ³7KH /DZ RQ WKH &RROHFWLRQ RI 6RPH RI WKH 3XEOLF 5H passed on 20 February 2008 in Parliament and approved on 26 February 2008 by the President of the Turkish RHSXEOLF ,Q DFFRUGDQFH Article 1 of the Law, the Tax authorities would not insist on their claims with the banks which consider 65 percent of these losses in the determination of revenues for the year 2001 as previous years' loss and admit to correct taxable income for the subsequent years and declare that they abnegated from all of the courts related to this matter in one month after this law came into effect. As per the 27 March 2008 dated resolution of the Board of Directors, the Bank management has taken no decision for any reconcilements for the point in dispute stated in the first paragraph above.

  The related tax administration appealed to a higher court and the appeal was partially accepted by the State Council. Based on the decision of the State Council, the exercise of jurisdiction was renewed by the Ankara 5th Tax Court and the related case was partly revoked and partly declined. Consequently, the Bank has filed an appeal against the decision of the Ankara 5th Tax Court which is still in process at the State Council as at the report date. In accordance with the decision of Ankara 5th Tax Court, the Bank paid TL 20,484 accrued by the tax office on 3 December 2009.

- As per the 10 December 2009 dated resolution of Board of Directors, it is decided to make necessary researches to establish a bank in Syria which was estimated and believed to have high future potential during preliminary works for the purpose of Bank's having a share in countries with high future potential.

- Based on the resolution of 56th Annual General Assembly held on 19 March 2010, net profit of the year 2009 is distributed as follows:

Profit Distribution Table of Year 2009	
%DQN¶V Unconsolidated profit in its statutory financial statements in 2009	1,251,266
Deferred tax income	(20,160)
Net profit of the year subject to distribution	1,231,046
Legal reserves	123,104
First Legal Reserves	*61,552*
Reserves allocated, according to banking law and articles of association.	*61,552*
Net profit of the year subject to distribution	1,107,942
Gain on sale of immovables and shares of associates and subsidiaries	3,895
Extraordinary reserves	983,282
Dividends to the shareholders	120,765

II. , Q I R U P D W L R Q R Q W K H % D Q N ¶ V U D W L Q J J L Y H Q E \ L Q W H U Q D W

February 2010 (*)	Standard Poors
Foreign Currency Credit Rating	BB/ positive/ B
Foreign Currency Deposit Rating	BB / positive/ B
National	trAA / -- / trA-1
Continuance Rating	BBB-/--/--

January 2010 (*)	0 R R G \ ¶ V , Q Y H Service
Financial Strength Rating	D+
Local Currency Deposit Rating	Baa3 / P3
Local Currency Outlook	Stable
Foreign Currency Deposit Rating	Ba3 / NP
Foreign Currency Outlook	Stable

December 2009 (*)	Fitch Rating
Long Term Foreign Currency	BB+
Short Term Foreign Currency	B
Foreign Currency Outlook	Stable
Long Term Local Currency	BB+
Short Term Local Currency	B
Local Currency Outlook	Stable
National Long Term	AA+ (tur)
National Outlook	Stable
Individual	C/D
Support	3
Base Support Rating	BB+

February 2010(*)	Capital Intelligence
Financial Strength Rate	BBB-
Short Term Foreign Currency	B
Long Term Foreign Currency	BB-
Support Rating	2
Outlook	Stable

(*) Dates represent the last change dates of credit ratings and outlook.

III . Significant events and matters subsequent to balance sheet date that are not resulted

According to "Press release related to reserve requirements" RCBT, dated 26 April 2010 and numbered 2010-20, to take foreign currency liquidity opportunities gradually back to pre-crisis levels as normalization in global markets become obvious, foreign currency reserve requirement rate for banks is increased by 0.5 point from 9% to 9.5%.

IV . Significant foreign currency exchange rate fluctuations that are subsequent to balance sheet date

None.

SECTION SEVEN

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I. , Q I R U P D W L R Q R Q W K H L Q G H S H Q G H Q W D X G L W R U V ¶ U H Y L H Z U

7 K H % D Q N ¶ V X Q F R Q V R O L G D W H G I L Q D Q F L D O V W D W H P H Q W V D Q G I R R W Q R W H V D W &
ended 31 March 2010, have been reviewed by Akis % D ÷ Õ P V Õ] ' H Q H W L P Y H 6 H U E H V
0 • ú D Y L U (the Turkish member firm of KPMG International). It was noted in the review report
dated 13 May 2010 that nothing material has come to their attention that caused them to believe that
the accompanying unconsolidated interim financial statements do not give a true and fair view of the
% D Q N ¶ V I L Q D Q F L D O 3 R V L W L R Q &
March 2010.