

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

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Unconsolidated Financial Report

As at and for the Year Ended

31 December 2009

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

With Independent Auditors Report Thereon

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UNCONSOLIDATED FINANCIAL REPORT
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2009

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The unconsolidated financial report as and for the year ended 31 December 2009, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- INFORMATION RELATED TO THE ACCOUNTING POLICIES APPLIED BY THE BANK
- INFORMATION RELATED TO THE FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITORS REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, 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 financial statements are presented in thousands of Turkish Lira (TL).

18 February 2010

Yusuf BEYAZIT Board of Directors Chairman	Ragıp DOĞU Board Member Audit Committee Member	Sabahattin B RDAL Board Member Audit Committee Member	Bilal KARAMAN General Manager and Executive Director of the Board
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Dr. Metin Recep ZAFER
Executive Vice President

. Mehmet BOZ
Director of Accounting and
Financial Affairs

The authorized contact person for questions on this financial report

Name/Surname/Title	A. Sonat EN /Manager	S. Burcu SÜRÜEL /Assistant Manager
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Unconsolidated Financial Report and
For the Year Ended 31 December 2009
(Currency:Thousands of Turkish Lira("TL"))

SECTION ONE

General Information

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

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı ("the Bank") was established to operate as stated in the disclosure V of this section, under the authorization of a special law numbered 6219, called "the law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı", on 11 January 1954 within the framework of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime Ministry ("The General Directorate of the Foundations"). The Bank's statute has not been changed since its establishment.

II. 7KH %DQN¶V VKDUHKROGHU VWUXFWXUH PDQDJHPHQW
shareholders, change in shareholder structure during the year and information on
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The shareholder having direct or indirect control over shares of the Bank is The General Directorate of the Foundations.

As at 31 December 2009 and 2008, the Bank's paid-in capital is TL 2,500,000, divided into 2.500.000.000 shares with each has a nominal value of Turkish Lira

The Bank's shareholder structure as at 31 December 2009 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
Vakıfbank Memur ve Hizmetlileri Emekli ve Sa lık Yardım Sandığı Vakfı (Group C)	402.552.666	402,553	16.10
Foundations (Group B)	387.726.106	387,726	15.51
Other Foundations (Group B)	3.179.731	3,180	0.13
Individuals and legal entities (Group C)	1.862.042	1,862	0.08
Publicly traded (Group D)	629.620.815	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				
Yusuf BEYAZIT	Chairman	21 March 2003	Master	13 years
Ragıp DO U (1)	Deputy Chairman	6 April 2005	University	36 years
Bilal KARAMAN	Member– General Manager	22 June 2004	University	32 years
Hasan ÖZER	Member	7 February 2004	University	25 years
Serdar TUNÇB LEK	Member	24 July 2007	University	26 years
Sabahattin B RDAL	Member	21 March 2008	University	25 years
smail ALPTEK N (2)	Member	3 April 2009	University	11 years
Ramazan GÜNDÜZ (2)	Member	3 April 2009	University	31 years
Halim KANATÇI (3)	Member	28 April 2009	University	36 years
Audit Committee				
Ragıp DO U (1)	Member	7 April 2009	University	36 years
Sabahattin B RDAL	Member	21 August 2008	University	25 years
Auditors				
Aydın EÇK N (4)	Auditor	25 December 2008	Master	2 years
Faruk ERO LU	Auditor	21 March 2003	University	10 years
Executive Vice Presidents				
Tanju YÜKSEL	International Relations and Investor Relations	1 May 2000	University	25 years
ahin U UR	Support Services	9 August 2004	University	24 years
Feyzi ÖZCAN	Retail Banking, Pension Fund, Directorates of the Regions, Distribution Channels, Consumer Loans	20 September 2000	University	20 years
Dr. Metin Recep ZAFER	Accounting and Financial Affairs, Planning and Performance, Human Resources, Investment Banking and Subsidiaries	13 June 2004	PHD	14 years
Birgül DENL	Treasury	15 June 2006	Master	16 years
hsan ÇAKIR	Commercial Banking, Corporate Banking, Corporate Communication, Corporate Salary Payments and Commercial Centers	30 November 2007	University	14 years
Dr. M. Kür ad DEM RKOL	Software Development, Treasury and Foreign Operations, Banking Support, Ebis Operations, Ebis Support and Work Analysis, Alternative Distribution Channels Operations	3 December 2004	PHD	9 years
Mehmet CANTEK N	Loans Followup	28 December 2008	Master	17 years
Ömer ELMAS (5)	Legal Services	5 January 2004	Master	8 years

(1) As per the 7 April 2009 dated resolution of the Board of Directors, Ragıp Do u, the deputy chairman of the Board of Directors has also been appointed as a member of the Audit Committee of the Bank.

(2) As per the resolution of 55th Annual General Assembly held on 3 April 2009, Smail Alptekin and Ramazan Gündüz have been appointed as the member of the Bank's Board of Directors and have taken up their duties on the same date.

(3) Halim Kanatçı has been appointed as the member of the Board of Directors representing The General Directorate of the Foundations (A Group Shareholder) as per the article 15 of the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı and has taken up his duty on 28 April 2009.

(4) Ahmet Tanyolaç, who had been appointed as a member of Audit Committee representing Group (A) as per the resolution of 55th Annual General Assembly held on 3 April 2009, resigned on 25 December 2009 and Aydın Seçkin, who had been an associate member of Audit Committee as per the same resolution of the General Assembly, has taken up his duty as member of Audit Committee.

(5) As per the 20 November 2008 dated resolution of the Board of Directors, Ömer Elmas has been appointed as Executive Vice President in charge of Legal Services and has taken up his duty on 5 January 2009.

Doğan Pençe, who had been the Executive Vice President in charge of Corporate Loans and Directorates of Information, has resigned on 10 December 2009 and after his resignation the responsibilities of Corporate Loans and Directorates of Information has been temporarily taken up by the General Manager of the Bank.

Cem Demira, who was also the member of Audit Committee of the Bank, Erkan Topal, and Mehmet Çekinmez have completed their Board membership period.

Hasan Özer, the member of the Bank's Board of Directors, holds a C group non-admissioned share of the Bank amounting to TL 0.60. The remaining members of the top management listed above do not hold any unquoted shares of the Bank.

IV. Information on people and entities who have qualified share in the Bank

The shareholder holding direct or indirect control over the Bank is The General Directorate of the Foundations having 49.0% of the Bank's outstanding shares. Another organization holding qualified share in the Bank is Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı, having 16.10% of outstanding shares of the Bank.

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

The Bank was established under the authority of special law numbered 6219, called "the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı", on 11 January 1954 within the framework of the 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 against,
- 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 December 2009 the Bank has 543 domestic, 2 foreign, in total 545 branches (31 December 2008: 523 domestic, 2 foreign, in total 525 branches). As at 31 December 2009 the Bank has 10,153 employees (31 December 2008: 9,567 employees).

SECTION TWO – FINANCIAL STATEMENTS
 Translation of Financial Statement
 and Related Disclosures and Footnotes
 Originally Issued in Turkish, See Section 3 Note I

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 Unconsolidated Balance Sheet (Statement of Financial Position)
 At 31 December 2009
 (Currency: Thousands of Turkish Lira (“TL”))

ASSETS		Notes	Audited Current Year 31 December 2009			Audited Prior Year 31 December 2008		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	V-I-1	1,656,694	1,392,941	3,049,635	825,741	1,279,045	2,104,786
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	V-I-2	698	38,123	38,821	6,901	40,146	47,047
2.1	Financial assets held for trading purpose		698	38,123	38,821	6,901	40,146	47,047
2.1.1	Debt securities issued by the governments		-	17,297	17,297	-	15,634	15,634
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading purpose	V-I-2	698	20,826	21,524	6,901	24,512	31,413
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	245,530	2,493,028	2,738,558	2,648	2,554,652	2,557,300
IV.	RECEIVABLES FROM INTERBANK MONEY MARKETS		3,400,614	-	3,400,614	3,201,333	-	3,201,333
4.1	Interbank money market placements		3,400,614	-	3,400,614	3,201,333	-	3,201,333
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	12,753,102	2,212,777	14,965,879	6,397,648	1,583,997	7,981,645
5.1	Equity securities		-	10,750	10,750	9,181	10,750	19,931
5.2	Debt securities issued by the governments		12,753,102	2,175,301	14,928,403	6,388,467	1,566,288	7,954,755
5.3	Other securities		-	26,726	26,726	-	6,959	6,959
VI.	LOANS AND RECEIVABLES	V-I-5	23,761,896	10,810,759	34,572,655	19,512,373	10,989,926	30,502,299
6.1	Performing loans and receivables		23,627,978	10,810,759	34,438,737	19,427,288	10,989,926	30,417,211
6.1.1	Loans provided to the Bank's risk group	V-VII-1	440,589	148,790	589,379	74,388	60,510	134,898
6.1.2	Debt securities issued by the governments		-	-	-	-	-	-
6.1.3	Others		23,187,389	10,661,969	33,849,358	19,352,897	10,929,416	30,282,313
6.2	Loans under followup		2,118,967	-	2,118,967	1,455,822	-	1,455,822
6.3	Specific provisions-}		1,985,049	-	1,985,049	1,370,734	-	1,370,734
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD-TO-MATURITY INVESTMENT SECURITIES (Net)	V-I-6	2,075,831	1,422,642	3,498,473	1,915,921	1,555,417	3,471,338
8.1	Debt securities issued by the governments		2,075,831	1,386,876	3,462,707	1,915,921	1,520,332	3,436,253
8.2	Other securities		-	35,766	35,766	-	35,085	35,085
IX.	INVESTMENTS IN ASSOCIATES (Net)	V-I-7	142,008	-	142,008	56,780	-	56,780
9.1	Associates, consolidated per equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		142,008	-	142,008	56,780	-	56,780
9.2.1	Financial associates		134,414	-	134,414	49,186	-	49,186
9.2.2	Non-Financial associates		7,594	-	7,594	7,594	-	7,594
X.	INVESTMENTS IN SUBSIDIARIES (Net)	V-I-8	446,091	100,158	546,249	382,431	100,158	482,589
10.1	Unconsolidated financial subsidiaries		301,369	100,158	401,527	235,100	100,158	335,258
10.2	Unconsolidated non-financial subsidiaries		144,722	-	144,722	147,331	-	147,331
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)	V-I-12	1,082,464	655	1,083,119	983,954	716	984,670
XV.	INTANGIBLE ASSETS (Net)	V-I-13	43,549	-	43,549	30,774	-	30,774
15.1	Goodwill		-	-	-	-	-	-
15.2	Other intangibles		43,549	-	43,549	30,774	-	30,774
XVI.	INVESTMENT PROPERTIES (Net)	V-I-14	-	-	-	-	-	-
XVII.	TAX ASSETS		79,899	-	79,899	86,057	-	86,057
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets	V-I-15	79,899	-	79,899	86,057	-	86,057
XVIII.	ASSETS HELD FOR SALE AND ASSETS RELATED TO THE DISCONTINUED OPERATIONS (Net)	V-I-16	-	-	-	-	-	-
18.1	Assets held for sale		-	-	-	-	-	-
18.2	Assets related to the discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	V-I-17	450,926	187,257	638,183	372,956	313,919	686,875
TOTAL ASSETS			46,139,302	18,658,340	64,797,642	33,775,517	18,417,976	52,193,493

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

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 Unconsolidated Balance Sheet (Statement of Financial Position) and Related Disclosures and Footnotes
 At 31 December 2009
 Originally Issued in Turkish, See Section 3 Note I
 (Currency: Thousands of Turkish Lira ("TL"))

		Audited Current Year 31 December 2009			Audited Prior Year 31 December 2008		
		TL	FC	Total	TL	FC	Total
EQUITY							
I.	DEPOSITS						
1.1	Deposits of the bank's risk group	31,720,631	12,931,092	44,651,723	25,420,833	11,699,444	37,120,277
1.2	Other deposits	1,484,393	112,275	1,596,668	1,325,732	123,825	1,449,557
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING						
	PURPOSE	9,549	30,259	39,808	5,551	21,576	27,127
III.	FUNDS BORROWED						
IV.	INTERBANK MONEY MARKET						
4.1	Interbank money market takings	4,640,653	1,502,724	6,143,377	1,023,695	663,407	1,687,102
4.2	Istanbul Stock Exchange money market takings	-	-	-	-	-	-
4.3	Obligations under repurchase agreements	4,640,653	1,502,724	6,143,377	1,023,695	663,407	1,687,102
V.	SECURITIES ISSUED (Net)						
5.1	Bills	-	-	-	-	-	-
5.2	Asset backed securities	-	-	-	-	-	-
5.3	Bonds	-	-	-	-	-	-
VI.	FUNDS	83,383	-	83,383	99,056	-	99,056
6.1	Funds against borrower's note	-	-	-	-	-	-
6.2	Others	83,383	-	83,383	99,056	-	99,056
VII.	MISCELLANEOUS PAYABLES	808,982	50,503	859,485	525,088	71,150	596,238
VIII.	OTHER EXTERNAL RESOURCES PAYABLE	152,235	148,149	300,384	116,652	234,306	350,958
IX.	FACTORING PAYABLES	-	-	-	-	-	-
X.	LEASE PAYABLES	-	-	-	-	16,427	16,427
10.1	Finance lease payables	-	6	6	-	16,947	16,947
10.2	Operational lease payables	-	-	-	-	-	-
10.3	Others	-	-	-	-	-	-
10.4	Deferred finance leasing expenses (-)	-	6	6	-	520	520
XI.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK						
	MANAGEMENT PURPOSE						
11.1	Fair value hedges	-	-	-	-	-	-
11.2	Cash flow hedges	-	-	-	-	-	-
11.3	Hedges of net investment in foreign operations	-	-	-	-	-	-
XII.	PROVISIONS	787,429	20,926	808,355	653,999	20,508	674,507
12.1	General provisions	319,100	3,889	322,989	253,982	4,925	258,907
12.2	Restructuring reserves	-	-	-	-	-	-
12.3	Reserve for employee benefits	295,632	-	295,632	261,621	-	261,621
12.4	Insurance technical provisions (Net)	-	-	-	-	-	-
12.5	Other provisions	172,697	17,037	189,734	138,396	15,583	153,979
XIII.	TAX LIABILITIES	160,238	3,833	164,071	177,913	2,495	180,408
13.1	Current tax liabilities	160,238	3,833	164,071	177,913	2,495	180,408
13.2	Deferred tax liabilities	-	-	-	-	-	-
XIV.	PAYABLES FOR ASSETS HELD FOR SALE AND ASSETS						
	RELATED TO DISCONTINUED OPERATIONS (Net)						
14.1	Payables related to the assets held for sale	-	-	-	-	-	-
14.2	Payables related to the discontinued operations	-	-	-	-	-	-
XV.	SUBORDINATED LOANS	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	7,226,323	154,618	7,380,941	5,683,305	(12,306)	5,671,000
16.1	Paid-in capital	2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2	Capital reserves	1,202,442	154,618	1,357,060	909,517	(12,306)	897,211
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	410,856	154,618	565,474	120,115	(12,306)	107,809
16.2.4	Revaluation surplus on tangible assets	1,138	-	1,138	25	-	25
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	65,459	-	65,459
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	2,272,673	-	2,272,673	1,520,590	-	1,520,590
16.3.1	Legal reserves	353,012	-	353,012	279,893	-	279,893
16.3.2	Status reserves	-	-	-	-	-	-
16.3.3	Extraordinary reserves	1,713,233	-	1,713,233	1,056,276	-	1,056,276
16.3.4	Other profit reserves	206,430	-	206,430	184,421	-	184,421
16.4	Profit or loss	1,251,200	-	1,251,200	753,198	-	753,198
16.4.1	Prior years' profit/loss	-	-	-	-	-	-
16.4.2	Current year's profit/loss	1,251,200	-	1,251,200	753,198	-	753,198
		45,633,303	19,164,333	64,797,636	33,780,811	18,412,682	52,193,493

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

7•UNL\H 9DNÖIODU %DQNDVÖ 7•UN \$QRQLP 2UWdVdÖÖÖ Translation of Financial Statement
 Unconsolidated Off-Balance Sheet and Related Disclosures and Footnotes
 At 31 December 2009
 (Currency: Thousands of Turkish Lira ("TL"))

	Notes	Audited Current Year 31 December 2009			Audited Prior Year 31 December 2008		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		13,306,53	6,813,58	20,120,12	9,670,27	7,131,59	16,801,87
I. GUARANTEES AND SURETIES	V-III-2-4	4,294,50	4,799,72	9,094,23	3,449,40	4,561,67	8,011,07
1.1 Letters of guarantee		4,287,29	1,818,27	6,105,57	3,449,40	2,063,29	5,512,69
1.1.1 Guarantees subject to State Tender Law		856,65	555,65	1,412,30	553,62	767,02	1,320,64
1.1.2 Guarantees given for foreign trade operations		161,15	-	161,15	183,90	158	184,06
1.1.3 Other letters of guarantee		3,269,48	1,262,62	4,532,11	2,711,87	1,296,10	4,007,98
1.2 Bank acceptances		-	436,82	436,82	-	513,16	513,16
1.2.1 Import letter of acceptance		-	45,76	45,76	-	192,40	192,40
1.2.2 Other bank acceptances		-	391,06	391,06	-	320,75	320,75
1.3 Letters of credit		4,130	2,522,04	2,526,17	-	1,970,89	1,970,89
1.3.1 Documentary letters of credit		4,130	2,522,04	2,526,17	-	1,970,89	1,970,89
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed financings		-	18,35	18,35	-	13,24	13,24
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		-	1,06	1,06	-	1,08	1,08
1.9 Other sureties		3,07	3,16	6,24	-	-	-
II. COMMITMENTS		7,825,44	237,38	8,062,82	6,060,13	219,16	6,279,29
2.1 Irrevocable commitments		7,817,76	237,38	8,055,14	6,052,39	218,94	6,271,34
2.1.1 Asset purchase commitments	V-III-1	61,29	237,38	298,67	75,06	218,70	293,76
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitments to associates and subsidiaries	V-III-1	2,00	-	2,00	-	-	-
2.1.4 Loan granting commitments	V-III-1	2,839,12	-	2,839,12	1,273,20	-	1,273,20
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		-	-	-	-	-	-
2.1.8 Tax and fund obligations on export commitments	V-III-1	735,83	-	735,83	1,456,56	-	1,456,56
2.1.9 Commitments for credit card limits	V-III-1	4,043,91	-	4,043,91	3,050,41	-	3,050,41
2.1.10 Commitments for credit card and banking operations promotions		135,59	-	135,59	197,14	-	197,14
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	-	243	243
2.2 Revocable commitments		7,682	-	7,682	7,73	215	7,95
2.2.1 Revocable loan granting commitments		7,682	-	7,682	7,73	215	7,95
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	V-III-5	1,186,58	1,776,47	2,963,06	160,74	2,350,76	2,511,50
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cashflow hedges		-	-	-	-	-	-
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		1,186,58	1,776,47	2,963,06	160,74	2,350,76	2,511,50
3.2.1 Forward foreign currency purchases/sales		66,09	197,74	263,83	12,52	12,01	24,54
3.2.1.1 Forward foreign currency purchases		33,05	98,88	131,93	6,26	6,00	12,27
3.2.2.2 Forward foreign currency sales		33,03	98,85	131,89	6,26	6,00	12,27
3.2.2 Currency and interest rate swaps		924,06	1,351,80	2,275,86	148,21	2,277,94	2,426,15
3.2.2.1 Currency swap purchases		-	721,14	721,14	-	855,11	855,11
3.2.2.2 Currency swap sales		447,00	277,48	724,48	-	868,06	868,06
3.2.2.3 Interest rate swap purchases		180,95	238,39	419,34	72,05	285,64	357,70
3.2.2.4 Interest rate swap sales		296,10	114,78	410,88	76,15	269,12	345,27
3.2.3 Currency, interest rate and security options		196,43	212,03	408,46	-	-	-
3.2.3.1 Currency call options		98,21	106,01	204,23	-	-	-
3.2.3.2 Currency put options		98,21	106,01	204,23	-	-	-
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 future purchases		-	-	-	-	-	-
3.2.4.2 Currency future sales		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate future purchases		-	-	-	-	-	-
3.2.5.2 Interest rate future sales		-	-	-	-	-	-
3.2.6 Others		-	14,90	14,90	-	60,80	60,80
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		71,982,78	22,062,56	94,045,34	59,877,90	19,836,06	79,713,96
IV. ITEMS HELD IN CUSTODY		15,481,97	408,45	15,890,42	15,408,11	370,23	15,778,35
4.1 Customers' securities held		-	14,49	14,49	-	14,78	14,78
4.2 Investment securities held in custody		13,710,32	3,53	13,713,85	14,312,85	3,60	14,316,45
4.3 Checks received for collection		1,068,03	141,37	1,209,41	522,36	101,00	623,36
4.4 Commercial notes received for collection		270,92	66,38	337,30	213,04	107,36	320,41
4.5 Other assets received for collection		2,15	60	2,21	4,99	86	5,85
4.6 Assets received through public offering		-	4,70	4,70	-	4,79	4,79
4.7 Other items under custody		233,15	57,53	290,69	214,69	29,94	244,63
4.8 Custodians		197,37	120,36	317,73	140,17	107,87	248,04
V. PLEDGED ITEMS		56,500,81	21,654,11	78,154,92	44,469,78	19,465,83	63,935,61
5.1 Securities		981,86	56,79	1,038,65	1,215,49	55,49	1,270,99
5.2 Guarantee notes		261,06	92,76	353,83	748,07	306,29	1,054,36
5.3 Commodities		9,234,98	45,37	9,280,36	7,885,06	30,40	7,915,46
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		41,580,52	18,625,22	60,205,74	31,640,88	17,194,56	48,835,44
5.6 Other pledged items		3,897,51	2,677,27	6,574,79	2,626,74	1,815,28	4,442,02
5.7 Pledged items depository		544,86	156,67	701,53	353,52	63,80	417,32
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF -BALANCE SHEET ITEMS (A+B)		85,289,31	28,876,15	114,165,46	69,548,18	26,967,65	96,515,83

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

7•UNL\H 9DNÖIODU %DQNDVÖ 7•UN \$QRQLP 2UWÖNÖÖÖ Translation of Financial Statement
Unconsolidated Statement of Income and Related Disclosures and Footnotes
For the Year Ended 31 December 2009 Originally Issued in Turkish, See Section 3 Note I
(Currency: Thousands of Turkish Lira (“TL”))

	Notes	Audited Current Year 31 December 2009	Audited Prior Year 31 December 2008
I. INTEREST INCOME		6,403,054	6,413,658
1.1 Interest income from loans	V-IV-1	4,478,413	4,345,633
1.2 Interest income from reserve deposits		112,716	183,970
1.3 Interest income from banks	V-IV-1	10,348	85,422
1.4 Interest income from money market transactions		92,504	82,206
1.5 Interest income from securities portfolio	V-IV-1	1,690,885	1,695,839
1.5.1 Trading financial assets		3,212	22,646
1.5.2 Financial assets at fair value through profit or loss		-	-
1.5.3 Available-for-sale financial assets		1,255,380	1,316,295
1.5.4 Held-to-maturity investments		432,293	356,898
1.6 Finance lease income		-	-
1.7 Other interest income		18,188	20,588
II. INTEREST EXPENSE		3,325,629	4,438,967
2.1 Interest expense on deposits	V-IV-2	2,890,805	3,906,897
2.2 Interest expense on funds borrowed	V-IV-2	146,709	232,082
2.3 Interest expense on money market transactions		261,784	227,615
2.4 Interest expense on securities issued	V-IV-2	-	-
2.5 Other interest expenses		26,331	72,373
III. NET INTEREST INCOME (I -II)		3,077,425	1,974,691
IV. NET FEES AND COMMISSIONS INCOME		465,547	466,215
4.1 Fees and commissions received		594,295	633,819
4.1.1 Non-cash loans		71,514	63,026
4.1.2 Others		522,781	570,793
4.2 Fees and commissions paid		128,748	167,604
4.2.1 Non-cash loans		15	10
4.2.2 Others		128,733	167,594
V. DIVIDEND INCOME	V-IV-3	24,265	25,499
VI. TRADING INCOME/LOSSES (Net)	V-IV-4	177,766	89,720
6.1 Trading account income/losses	V-IV-4	123,501	58,962
6.2 Income/losses from derivative financial instruments	V-IV-4	(6,439)	(7,608)
6.3 Foreign exchange gains/losses	V-IV-4	60,704	38,366
VII. OTHER OPERATING INCOME	V-IV-5	311,216	312,704
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		4,056,219	2,868,829
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	V-IV-6	981,325	624,319
X. OTHER OPERATING EXPENSES (-)	V-IV-7	1,532,720	1,319,172
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1,542,174	925,338
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)		1,542,174	925,338
XVI. CONTINUING OPERATIONS PROVISION FOR TAXES	V-IV-11	(290,968)	(172,140)
16.1 Current tax charges		(311,128)	(194,149)
16.2 Deferred tax credits		20,160	22,009
XVII. NET INCOME/LOSS AFTER TAXES FROM CONTINUING OPERATIONS (XV -XVI)	V-IV-12	1,251,206	753,198
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 (XVIII -XIX)		-	-
XXI. DISCONTINUED OPERATIONS PROVISION FOR TAXES		-	-
21.1 Current tax charge		-	-
21.2 Deferred tax charge		-	-
XXII. NET INCOME/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	V-IV-12	1,251,206	753,198
Earnings per share (full TL)	III -XXII	0.5005	0.3013

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

7 • UNL\H 9DNÖIODU\$QBQNDVÖW DUNNÖ ÷ Ö
 Unconsolidated Statement of Gains and Losses
 Recognized in Shareholders' Equity
 For the Year Ended 31 December 2009
 (Currency: Thousands of Turkish Lira ("TL"))

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

	Notes	Audited Current Year 31 December 2009	Audited Prior Year 31 December 2008
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I. VALUATION DIFFERENCES OF AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNIZED IN VALUATION DIFFERENCES OF MARKETABLE SECURITIES	V-V-1	400,004	(113,245)
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		125,202	(69,246)
IX. DEFERRED TAXES DUE TO VALUATION DIFFERENCES	V-V-1	(66,470)	16,210
X. NET GAINS/LOSSES RECOGNIZED DIRECTLY IN EQUITY		458,736	(166,281)
XI. CURRENT YEAR ¶ 6 3 5 2) , 7 / 2 6 6		1,251,206	753,198
11.1 Change in fair value of securities (transfers to the statement of income)	V-V-1	(9,873)	44,324
11.2 Gains/Losses recognized in the statement of income due to reclassification of cash flow hec		-	-
11.3 Gains/Losses recognized in the statement of income due to reclassification of net foreign in hedges		-	-
11.4 Others		1,261,079	708,874
XII. TOTAL GAINS AND LOSSES RECOGNIZED DURING THE YEAR		1,709,942	586,917

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

	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 Year Net Profit/(Loss)	Prior Year Net Profit/(Loss)	Valuation Differences of the Marketable Securities	Revaluation Surpl. on Tangible Assets and Investment Property	Bonus Shares of Associates Subsidiaries and Joint Ventures	Hedging Reserves	Revaluation Surp. On Assets of Equity before Minority Interest	Minority Interest	Total Shareholders Equity	
Prior Year 31 December 2008																			
I.	Balances at the beginning of the year	2,500,000	-	723,918	-	179,631	-	296,122	148,451	1,030,700	7,886	275,430	25	64,119	-	-	5,226,282	-	5,226,282
II.	Corrections made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances (I-II) Changes during the year	2,500,000	-	723,918	-	179,631	-	296,122	148,451	1,030,700	7,886	275,430	25	64,119	-	-	5,226,282	-	5,226,282
IV.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	(167,621)	-	-	-	-	(167,621)	-	(167,621)
VI.	Hedges for risk management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net foreign investment hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares of associates, subsidiaries and joint-ventures	-	-	-	-	-	-	-	-	-	-	-	-	1,340	-	-	1,340	-	1,340
X.	Translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassifications of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on the % D Q N ¶ V H T X L W \	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current year ¶ V Q H W S U R I L W O R V V	-	-	-	-	-	-	-	-	753,198	-	-	-	-	-	-	753,198	-	753,198
XX.	Profit distribution	-	-	-	-	100,262	-	760,154	35,970	(1,030,700)	(7,886)	-	-	-	-	-	(142,200)	-	(142,200)
20.1	Dividends	-	-	-	-	-	-	-	-	(142,200)	-	-	-	-	-	-	(142,200)	-	(142,200)
20.2	Transferred to reserves	-	-	-	-	100,262	-	760,154	35,970	(888,500)	(7,886)	-	-	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the year		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
Current Year 31 December 2009																			
I.	Balances at the beginning of the year	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
II.	Changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.1	Associates, Subsidiaries and "Available-for-sale" securities	-	-	-	-	-	-	-	-	-	-	457,665	-	-	-	-	457,665	-	457,665
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	-	-	-	-	-	-	-	-	-	-	-	-	1,071	-	-	1,071	-	1,071
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 % D Q N ¶ V H T X L W \	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 year ¶ V Q H W S U R I L W O R V V	-	-	-	-	-	-	-	-	1,251,206	-	-	-	-	-	-	1,251,206	-	1,251,206
XVIII.	Profit distribution	-	-	-	-	73,119	-	656,957	22,009	(753,198)	-	-	1,113	-	-	-	-	-	-
18.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transferred to reserves	-	-	-	-	73,119	-	656,957	22,009	(753,198)	-	-	1,113	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the year		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

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

7 • UNL\H 9DNÖIODU % DQZNDWÖNTOÖ NÖŞ QRQLP
 Unconsolidated Statement of Cash Flows
 For the Year Ended 31 December 2009
 (Currency: Thousands of Turkish Lira (“TL”))

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

	Notes	Audited Current Year 31 December 2009	Audited Prior Year 31 December 2008
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		2,895,248	258,184
1.1.1		6,738,087	6,310,344
1.1.2		(3,388,246)	(4,450,924)
1.1.3		11,208	18,235
1.1.4		465,547	466,215
1.1.5		(193,937)	117,604
1.1.6	V-I-5	447,995	107,328
1.1.7		(1,143,261)	(1,247,094)
1.1.8		(315,655)	(232,473)
1.1.9	V-VI-1	273,510	(831,051)
1.2		5,398,417	1,684,287
1.2.1		229	222,214
1.2.2		-	-
1.2.3		(12,872)	(314,309)
1.2.4		(5,428,919)	(7,262,391)
1.2.5		48,787	(176,084)
1.2.6		706,487	723,216
1.2.7		6,893,492	7,524,723
1.2.8		(1,384,302)	1,086,143
1.2.9		-	-
1.2.10	V-VI-1	4,575,515	(119,225)
I.		8,293,665	1,942,471
B. CASH FLOWS FROM INVESTING ACTIVITIES			
VII.		(6,933,449)	(204,034)
2.1	V-I-7,V-I-8	(2,000)	(1,794)
2.2	V-I-8	2,140	-
2.3		(64,983)	(140,098)
2.4		49,060	37,448
2.5		(11,843,047)	(4,443,967)
2.6		4,431,703	4,240,695
2.7		(467,189)	(803,484)
2.8		981,147	928,203
2.9		(20,280)	(21,037)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		(16,427)	(150,479)
3.1		-	-
3.2		-	-
3.3		-	-
3.4		-	(142,200)
3.5		(16,427)	(8,279)
3.6		-	-
IV.	V-VI-1	5,304	4,219
V.		1,349,093	1,592,177
VI.	V-VI-4	6,831,038	5,238,861
VII.	V-VI-4	8,180,131	6,831,038

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

7•UNL\H 9DNÕIODU %DQNDVÕ 7•UN \$QRQLP 2UW DÖVÖñie Translation of Financial Statement
 Unconsolidated Statement of Profit Distribution and Related Disclosures and Footnotes
 For the Year Ended 31 December 2009 Originally Issued in Turkish, See Section 3 Note I
 (Currency:Thousands of Turkish Lira ("TL"))

	Notes	Current Year 31 December 2009	Prior Year 31 December 2008
I. DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1		1,542,174	925,338
1.2		(290,968)	(172,140)
1.2.1	V-IV-11	(311,128)	(194,149)
1.2.2		-	-
1.2.3	V-IV-11	20,160	22,009
A.		1,251,206	753,198
1.3	V-IV-11	(20,160)	(22,009)
B.		1,231,046	731,189
1.4		-	-
1.5	V-V-5	(61,553)	(36,560)
1.6	V-V-5	(61,552)	(36,559)
C.		1,107,941	658,070
1.7		-	-
1.7.1		-	-
1.7.2		-	-
1.7.3		-	-
1.7.4		-	-
1.7.5		-	-
1.8		-	-
1.9		-	-
1.10		-	-
1.10.1		-	-
1.10.2		-	-
1.10.3		-	-
1.10.4		-	-
1.10.5		-	-
1.11		-	-
1.12		-	-
1.13	V-V-5	-	(656,957)
1.14		-	-
1.15	V-V-5	-	(1,113)
II. DISTRIBUTION FROM RESERVES			
2.1		-	-
2.2		-	-
2.3		-	-
2.3.1		-	-
2.3.2		-	-
2.3.3		-	-
2.3.4		-	-
2.3.5		-	-
2.4		-	-
2.5		-	-
III. EARNINGS PER SHARE			
3.1		0.5005	0.3013
3.2		50.05	30.13
3.3		-	-
3.4		-	-
IV. DIVIDEND PER SHARE			
4.1		-	-
4.2		-	-
4.3		-	-
4.4		-	-

(¹) As at and for the year ended 31 December 2009 dividends to the personnel amounting to TL 79,200 (31 December 2008 TL 68,600) has been accounted for in the income statement through recording the current year's profits/losses in accordance with IAS 19 – Employee Benefits

SECTION THREE

Accounting Policies

I. Basis of presentation

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

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 purpose, available-for-sale financial assets and investments in associates and subsidiaries that are quoted on the stock exchanges and assets available for sale, which are presented on a fair value basis.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraph and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying consolidated 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 Bank's core operations are based on retail banking, corporate banking, private banking, foreign exchange operations, money market operations, investment security transactions, and international banking. As a result of the nature of its operations, the Bank intensively 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 and 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 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' equity.

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Bank's operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity terms of liquidity management but earn lower return. The Bank takes position against foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified 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 including 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 with the Bank 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 the fair value.

III. Information on forwards, options and other derivative transactions

The derivative transactions may consist of foreign currency, interest rate swaps, foreign currency forward contracts and foreign currency options. The Bank has classified its derivative transactions, mentioned above, as “trading derivatives” in accordance with the TAS 39 – 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 the 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 changes in fair values are recorded in the balance sheet under “derivative financial assets held for trading purpose” or “derivative financial liabilities held for trading purpose”. The subsequent fair value changes 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 the 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 nonperforming 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 specific service period. Such fees are earned when the related significant act has been completed

VI. Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contract that receives 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 financial assets 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 predetermined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables.

There are no financial assets that were previously classified as held-to-maturity investments and are not allowed to be reclassified as such for two years 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 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 values and discounted values are recorded in “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.

Loan and receivables

Loan 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 are traded 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, are recorded at fair value. 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, recorded at fair value. 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 financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will 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 Nonperforming Loans and Other Receivables published on the Official Gazette no. 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 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 liabilities simultaneously

IX. Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet. Government bonds and treasury bills sold to customers under repurchase agreements are classified as “Securities Subject to Repurchase Agreements” and measured based on their 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 are classified under “Interbank Money Markets” separately. An income accrual is accounted for the positive difference between purchase and resale prices earned during the period

X. Assets and liabilities arising from assets held for sale and discontinued operations

The Bank has no assets held for sale and discontinued operations.

XI. Goodwill and other intangible assets

The Bank's intangible assets consist of software

Goodwill and other intangible assets are recorded at cost in compliance with the TAS 36- Intangible Assets

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing date 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.

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

XII. Tangible assets

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after that 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 (years)	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

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

XIII. Leasing activities

Finance leases

The maximum period of the lease contracts is 4 years. Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations from finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs from leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of these 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 financial lease is calculated in the same manner as tangible assets.

Operational leases

Transactions regarding operational lease agreements are accounted on an 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 to 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 Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes 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 December 2009 is TL 2,365 (full TL) (31 December 2008: TL 2,173 (full TL)).

The Bank calculated and reserved for employee severance indemnities using actuarial method in compliance with the TAS 19 Employee Benefits

As at 31 December 2009 and 2008, the major statistical assumptions used in the calculation of the total liability are as follows:

	Current Year	Previous Year
Discount Rate	5.92%	6.26%
Expected Rate of Salary/Limit Increase	4.80%	5.40%
Estimated Employee Turnover Rate	0.94%	0.84%

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

The employees of the Bank are members of “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı” (“the Fund”) established on 15 May 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 has been cancelled by the Constitutional Court’s 22 March 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on 15 December 2007 in the Official Gazette no.26731.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no.5754 (“the Law”) has been 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 funds should be calculated by the assumptions below

- The technical interest rate to be used for the actuarial calculation is 9.80%
- Income and expenditures in respect to funds insurance division are considered in the calculation of 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 Bank) continue to pay the non-transferable social rights, which are already disclosed in the article of association of the pension fund, to the pension participants and their right owners, even though the salary payment obligation has been transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the the “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated February 20 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 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, 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 tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may assess amounts 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. 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 valuation differences resulting from the subsequent measurement of the items are recognized in the statement of income, then the related current and deferred tax effects are also recognized in the statement of income. On the other hand, valuation differences are recognized in shareholders equity, then the related current or deferred tax effects are also recognized directly in the holders equity.

Transfer Pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on 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 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 fair value. All other financial liabilities are carried at amortized cost using effective interest method.

As at 31 December 2009 and 2008, 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 (full TL), representing the 25.18% of the Bank's outstanding shares, was publicly offered at a price between TL 5.135.40 for each share having a nominal value of TL 1 on November 2005, and TL 1,172,347 was recorded as “Share Premiums” in shareholders' equity. TL 448,429 of this amount has been 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 of the balance sheet date, there are no acceptances recorded as liability in return for assets

XX. Government incentives

As at 31 December 2009 and 2008, the Bank does not have any government incentives.

XXI. Segment reporting

Operational segments are determined based on the structure of the Bank's risks and benefits and presented in the disclosure of the fourth section.

XXII. Other disclosures

Earnings per shares

Earning per share is calculated by dividing the profit for the year to weighted average of outstanding shares. In Turkey the company may perform capital increase (“Bonus Shares”) from retained earnings. Earning per share computation bonus shares are treated as issued shares.

As at and for the year ended 31 December 2009, earnings per share is TL 0.5005 (31 December 2008: TL 0.3013).

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 related party personally, with their families and companies according to SAS 24- Related Party Disclosures Standard. Transactions made with related parties are disclosed in Section 5 Note V.

Cash and cash equivalents

Cash and cash equivalents which is used for preparation of cash flow statement includes cash in TL, cash in FC, cheques, demand deposits for both Central Bank of Turkey (“CBT”) 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

The Bank s unconsolidated capital adequacy ratio is 15.42% (31 December 2008 14.30%).

Risk measurement methods in calculation of capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the “Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006, “Regulation for an Amendment for the Regulation on the Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26824 dated 22 March 2008 and “Regulation on the Equity of Banks”.

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 provisions are considered as deduction items.

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

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

Information related to unconsolidated capital adequacy ratio

	31 December 2009						
	Risk Weights						
	0%	10%	20%	50%	100%	150%	200%
Balance sheet items (Net)	11,225,026	-	1,905,074	9,642,540	26,433,837	41,326	438
Cash on hand	591,719	-	64	-	-	-	-
Matured securities	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey Domestic and foreign Banks, foreign he offices and branches	1,564,054	-	-	-	-	-	-
Interbank money market placements	3,400,000	-	-	-	-	-	-
Receivables from reverse repurchase agreements	-	-	-	-	-	-	-
Reserve deposits	872,785	-	-	-	-	-	-
Loans	199,640	-	255,980	9,531,084	24,012,680	41,326	438
Loans under followup (Net)	-	-	-	-	133,918	-	-
Receivables from leasing activities	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-
Held-to-maturity investment securities	3,336,444	-	35,760	-	-	-	-
Receivables from term sale of assets	-	-	-	-	125,323	-	-
Miscellaneous receivables	-	-	-	-	216,689	-	-
Interest and other income accruals	150,242	-	11,786	111,456	282,341	-	-
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	-	688,257	-	-
Tangible assets (Net)	-	-	-	-	826,701	-	-
Other assets	83,632	-	-	-	37,411	-	-
Off-balance sheet items	105,896	-	291,563	422,394	5,737,675	-	-
Non-cash loans and commitments	105,896	-	273,492	422,394	5,732,335	-	-
Derivative financial instruments	-	-	18,071	-	5,340	-	-
Non risk weighted accounts	-	-	-	-	-	-	-
Total risk weighted assets	11,330,922	-	2,196,637	10,064,934	32,171,512	41,326	438

Summary information related to unconsolidated capital adequacy ratio

	Current Year	Prior Year
Value at Credit Risk (VaCR)	37,706,171	32,796,049
Value at Market Risk (VaMR)	1,889,513	755,100
Value at Operational Risk (VaOR)	4,756,200	4,130,525
Shareholders Equity	6,837,925	5,389,879
6 K D U H K R O G H U V ¶ (T X L W \ 9 D & 5 9 D 0 5 9 D 2 5	15.42%	14.30%

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

& R P S R Q H Q W V R I V K D U H K R O G H U V ¶ H T X L W \ L W H P V

	Current Year	Prior Year
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 Capital	-	-
Share Premium	723,918	723,918
Share Cancellation Profits	-	-
Legal Reserves	353,012	279,893
I. Legal Reserve (Turkish Commercial Code 466/1)	176,506	139,946
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Reserves allocated as per Special Legislations	176,506	139,947
Status Reserves	-	-
Extraordinary Reserves	1,919,663	1,240,697
Reserve allocated as per the Decision held by the General Assembly	1,713,233	1,056,276
Retained Earnings	206,430	184,421
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	1,251,206	753,198
Current Year's Profit	1,251,206	753,198
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	1,138	25
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Loss excess of Reserves (-	-
Current Year's Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements ^(*)	79,082	-
Prepaid Expenses ^(*)	255,027	285,053
Intangible Assets ^(*)	43,549	30,774
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	6,371,279	5,497,731
SUPPLEMENTARY CAPITAL		
General Provisions	322,989	258,907
45% of Revaluation Surplus on Immovables	-	-
Bonus shares of Associates, Subsidiaries and Ventures	66,530	65,459
Primary Subordinated Debt excluding Portion included in Core Capital	-	-
Secondary Subordinated Debt	-	-
45% of Valuation Differences of Marketable Securities	254,463	48,514
Associates and Subsidiaries	106,228	53,411
Available for Sale Investment Securities	148,235	(4,897)
Other Profit Reserves	-	-
Total Supplementary Capital	643,982	372,880
TIER III CAPITAL		
CAPITAL	7,015,261	5,870,611
DEDUCTIONS FROM CAPITAL	177,336	480,732
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors exceeding 10% of ownership	-	1,281
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 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	177,336	163,624
Others	-	-
TOTAL EQUITY	6,837,925	5,389,879

(*) In accordance with the Temporary Article 1, explaining adaptation period of “Regulation on Equities of the Banks”, published in Official Gazette no. 26333 dated 1 November 2006, leasehold improvements, prepaid expenses and intangible assets had been considered as “deductions from capital” till 1 January 2009, although they were presented within “core capital”. By the end of the adaptation period, these items have started to be deducted from “core capital”.

II. Credit risk

Credit risk is defined as the counterparty's possibility of failing to fulfil its obligations on the terms set by the agreement. Credit risk means risks ~~losses~~ that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. It covers the possible risks arising from futures and option agreements and ~~other~~ ~~agreements~~ ~~alike~~ and the credit risks arising from credit transactions that have been defined by the Banking Law.

In compliance with the articles 51 and 54 set forth in Banking Law and ancillary regulation, credit limits are set by the Bank for the financial position and credit requirements of customers within the authorization limits assigned for ~~branches, regional directorates, lending departments, assistant general manager responsible of lending, general manager, credit committee and board of directors~~ and credits are given regarding these limits order to limit credit risk in lending facilities

Credit limits are determined separately for the individual customer, company, group of companies, groups on a product basis. In accordance with the related Lending Policy, several criteria are used in the course of determining these credit limits. Customers should have a ~~long~~ ~~standing~~ and a successful business past, a high commercial morality, possess a good financial ~~position~~ ~~high~~ ~~morality~~, the nature of their business should be appropriate to use the credit, possess their commercial operations in an affirmative and a balanced manner, have experience ~~specialization~~ in their profession, be able to adopt themselves to the economic conditions, to be accredited on the market, have sufficient equity capital, possess the ability to create funds with their operations and finance their ~~plants~~ ~~assets~~. Also the sector and the geographical position of customers, where they ~~operate~~ ~~and~~ other factors that may effect their operations are considered in the evaluation process of ~~loans~~. from ordinary intelligence operations, the financial position of the customer is mainly analysed based on the balance sheets and the income ~~statements~~ for the six months periods (June and December) provided by the loan customer, the documents received in accordance with the related regulation for their state of accounts and other related documents. Credit limits are subject to revision regarding overall economic developments and the changes in the financial information and operations of the customers.

Collaterals for the credit limits are determined on ~~customer~~ ~~basis~~ in order to ensure bank placements and their liquidity. The amount and type of the collateral are determined regarding the ~~creditworthiness~~ of the credit users. The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and ~~de~~ ~~guarant~~

The Bank has risk control limits to derivative transactions (futures, options, etc.) positions, which effects credit risk and market risk.

For credit risk management purposes, Risk Management Department operates in

- the determination of credit risk policies in coordination with the Bank's other units,
- the determination and monitoring of the distribution of concentration limits with respect to sector, geography and credit type,
- the contribution to the formation of rating and scoring systems,
- the submitting to the Board of Directors and the senior management of not only credit risk management reports about credit portfolio's distribution (borrower, sector, geographical region), credit quality (impaired loans, credit risk ratings) and credit concentration, but also scenario analysis reports, stress tests and other analyses
- the studies regarding the formation of advanced credit risk measurement approaches.

Credit risk is defined and managed for all cash and non-cash agreements and transactions, which carry a counterparty risk. Loans with renegotiated terms are followed in accordance with Bank's credit risk management and follow-up principles. The financial position and trading operations of related customers are continuously analyzed and principal and interest payments, scheduled in renegotiation agreement, are strictly controlled by related departments. In the framework of Bank's risk management concept, long term commitments are accepted more risky than short term commitments. Consequently risk limits defined for long term commitments and collateral that should be taken against long term commitments are handled in a wider range compared to short term commitments.

Banking operations and lending activities carried in foreign countries are not exposed to material credit risks, due to related countries' financial conditions, customers and their operations.

The Bank's largest 200 cash loan customers comprise 44.87% of the total cash loan portfolio.

The Bank's largest 200 non-cash loan customers comprise 75.74% of the total non-cash loan portfolio.

The Bank's largest 200 cash loan customers compose 2.85% of total assets of the Bank and the Bank's largest 200 non-cash loan customers compose 35.14% of total off-balance sheet items.

The general provision for credit risk amounts to 322,989 (31 December 2009) TL 258,907.

Sectoral and geographical concentration of the credit risk

	Personal and Commercial Loans		Banks and Other Financial Institution		Marketable Securities ^(*)		Other Loans ^(**)	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Sectoral Concentration								
Private Sector	20,222,611	18,515,581	2,325,861	1,196,011	10,581	6,959	3,036,631	3,368,291
Public Sector	1,765,011	2,129,821	-	-	18,408,401	11,406,641	686,291	126,821
Banks	-	-	8,613,381	7,430,781	51,911	35,085	232,754	210,067
Consumers	10,242,791	8,653,871	-	-	-	-	1,629	23,585
Equity Securities	-	-	-	-	10,750	19,931	688,257	539,361
	32,230,421	29,299,271	10,939,251	8,626,791	18,481,641	11,468,611	4,645,561	4,268,141
Geographical Concentration								
Domestic	32,187,451	29,277,741	8,645,151	6,116,601	18,418,981	11,422,781	3,514,541	2,965,581
EU Countries	-	-	1,152,711	920,214	16,145	-	586,311	723,741
OECD Countries ^(***)	-	-	4,137	21,594	-	-	163,661	46,241
Off-Shore Banking Region:	-	-	94	10,032	-	-	-	-
USA, Canada	42,968	21,538	1,129,441	1,556,491	46,516	45,835	34,551	80,285
Other Countries	-	-	7,710	1,853	-	-	346,471	452,281
Total	32,230,421	29,299,271	10,939,251	8,626,791	18,481,641	11,468,611	4,645,561	4,268,141

(*) Includes financial assets designated at fair value through profit or loss, financial assets available for sale, and investment securities held-to-maturity.

(**) Includes transactions defined as loans according to the article 48 of Banking Law act no 5411 and transactions classified other than first three columns in Uniform Chart of Accounts. Non-cash loans have been included in other loans column after they have been weighted with relevant rates for conversion to cash loans.

(***) Includes OECD countries other than EU countries, USA and Canada

Geographical Concentration

Current Year	Assets	Liabilities	Non- Cash Loans	Capital Expenditures	Net Profit
Domestic	61,632,748	57,286,922	7,587,024	85,263	1,251,206
EU Countries	1,245,121	6,498,174	610,236	-	-
OECD Countries ^(*)	4,137	52,680	163,688	-	-
Off-Shore	94	51,336	-	-	-
USA, Canada	1,219,575	179,976	47,343	-	-
Other Countries	7,710	728,554	685,941	-	-
Subsidiaries, Affiliates and Joint-Ventures	688,257	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
Total	64,797,642	64,797,642	9,094,232	85,263	1,251,206

Prior Year	Assets	Liabilities	Non- Cash Loans	Capital Expenditures	Net Profit
Domestic	48,898,128	45,006,071	6,160,128	161,135	753,198
EU Countries	1,097,677	6,932,280	731,582	-	-
OECD Countries ^(*)	21,594	54,041	131,878	-	-
Off-Shore	10,032	119,367	-	-	-
USA, Canada	1,624,840	18,597	61,062	-	-
Other Countries	1,853	63,137	926,427	-	-
Subsidiaries/Affiliates and Joint-Ventures	539,369	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
Total	52,193,493	52,193,493	8,011,077	161,135	753,198

(*) Includes OECD countries other than EU countries, USA, and Canada

Sectoral distribution of cash loans

	Current Year				Prior Year			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	153,682	0.65	115,420	1.07	309,429	1.59	171,139	1.56
Farming and Stockbreedin	84,311	0.35	63,927	0.59	266,767	1.37	116,595	1.07
Forestry	60,720	0.26	780	0.01	31,062	0.16	1,541	0.01
Fishery	8,651	0.04	50,713	0.47	11,600	0.06	53,003	0.48
Manufacturing	2,864,469	12.12	4,336,921	40.12	2,364,755	12.17	4,636,245	42.19
Mining	218,766	0.93	226,976	2.10	224,354	1.15	136,273	1.24
Production	2,560,823	10.83	3,640,045	33.67	1,903,600	9.80	4,228,621	38.48
Electricity, Gas, Water	84,880	0.36	469,896	4.35	236,801	1.22	271,354	2.47
Construction	935,361	3.96	888,156	8.21	1,141,875	5.88	927,788	8.44
Services	6,046,345	25.59	4,538,111	41.98	3,744,986	19.28	4,090,754	37.22
Wholesale and Retail Trad	2,929,809	12.40	1,991,782	18.42	1,760,550	9.07	1,630,985	14.85
Hotel, Food and Beverage	140,057	0.59	737,559	6.82	129,019	0.66	727,824	6.62
Services	1,198,213	5.07	877,574	8.12	1,271,162	6.55	805,854	7.33
Telecommunication	1,547,337	6.55	794,892	7.35	365,853	1.88	837,168	7.62
Real Estate and Renting	32,712	0.14	69,843	0.65	57,249	0.29	31,038	0.28
“Self-Employment” Type	-	-	-	-	-	-	-	-
Services	57,087	0.24	11,689	0.11	24,470	0.13	12,439	0.11
Educational Services	141,134	0.60	54,772	0.51	136,683	0.70	45,442	0.41
Health and Social Services	13,628,117	57.68	932,151	8.62	11,866,240	61.08	1,163,997	10.59
Others	13,628,117	57.68	932,151	8.62	11,866,240	61.08	1,163,997	10.59
Total	23,627,978	100.00	10,810,759	100.00	19,427,285	100.00	10,989,926	100.00

Gross and net amounts of impaired loans and receivables by risk grade

31 December 2009	Loans		Other assets ^(*)	
	Gross	Net	Gross	Net
Grade 8 : Individually Impaired	216,401	173,121	41,426	2,223
Grade 9 : Individually Impaired	338,637	-	-	-
Grade 10 : Individually Impaired	1,563,929	-	-	-
Total	2,118,967	173,121	41,426	2,223

31 December 2008	Loans		Other assets	
	Gross	Net	Gross	Net
Grade 8 : Individually Impaired	106,360	85,088	-	-
Grade 9 : Individually Impaired	274,052	-	-	-
Grade 10 : Individually Impaired	1,075,410	-	-	-
Total	1,455,822	85,088	-	-

(*) The Bank has recorded specific provision amounting to TL 39,203 for lawsuit and court expenses amounting to TL 41,426 that has been undertaken to nonperforming loans and receivables as at 31 December 2009

The Bank grades its customers from grade 1 to 10 according to the criteria set in intelligence works. Grades 1 to 7 are used to define performing loans while grades 8 to 10 are used to define non-performing loans. While grading customers, the Bank considers revenues, cash flows, operational performance of the companies, position of the companies in their sector, market intelligence, efficiency of the management, off balance sheet risk, balance sheet analysis, and general economic and market conditions.

The detail of collateral held against performing cash and non-cash loans by the Bank

Cash loans	31 December 2009	31 December 2008
Secured Loans:	23,273,919	22,518,280
Secured by cash collateral	77,695	29,680
Secured by mortgages	9,884,150	9,133,714
Secured by government institutions or government securities	121,945	228,250
Guarantees issued by financial institutions	236,980	148,257
Other collateral (pledge on assets, corporate and personal guarant promissory notes)	12,953,149	12,978,379
Unsecured Loans	11,164,818	7,898,931
Total performing loans	34,438,737	30,417,211

Non-cash loans	31 December 2009	31 December 2008
Secured Loans:	4,002,949	4,242,797
Secured by cash collateral	87,003	249,244
Secured by mortgages	965,319	1,442,796
Secured by government institutions or government securities	-	9,908
Guarantees issued by financial institutions	357,208	310,482
Other collateral (pledge on assets, corporate and personal guarant promissory notes)	2,593,419	2,230,367
Unsecured Loans	5,091,283	3,768,280
Total non-cash loans	9,094,232	8,011,077

Fair value of collateral held against impaired loans

	31 December 2009	31 December 2008
Cash collateral ^(*)	-	-
Mortgage	955,234	634,661
Promissory note ^(*)	-	-
Others ^(**)	1,163,733	821,161
Total	2,118,967	1,455,822

^(*) As a policy, it is aimed to utilize from cash collateral or liquidate promissory note for an impaired loan collateralized by cash collateral or promissory note to cover the credit risk. Hence, cash collateral and promissory note are shown as zero in the table above.

^(**) Sureties obtained from impaired loans are presented in this row, the amount not exceeding total impaired loans

Sectoral and geographical concentration of impaired loans

Sectoral	31 December 2009	31 December 2008
Consumer loans	205,765	104,568
Textile	193,428	116,458
Food	140,261	82,489
Construction	136,064	40,687
Durable consumption	127,825	127,072
Agriculture and stockbreeding	68,538	36,398
Metal and metal products	25,990	28,282
Service sector	21,991	79,708
Financial institutions	2,984	1,541
Others	1,196,121	838,619
Total impaired loans and receivables	2,118,967	1,455,822

Geographical	31 December 2009	31 December 2008
Turkey	2,118,967	1,455,822
Total non-performing loans	2,118,967	1,455,822

Past due but not impaired loans and receivables

	31 December 2009	31 December 2008
Grade 13 : Low risk loans and receivables	193,149	333,793
Grade 45 : Loans and receivables under follow up	155,061	82,042
Total	348,210	415,835

Aging of past due but not impaired loans and receivables

	31 December 2009	31 December 2008
0-30 days	197,309	204,982
30-60 days	133,134	163,620
60-90 days	17,767	47,233
Total	348,210	415,835

Undue and not impaired loans and receivables

	31 December 2009	31 December 2008
Grade 13 : Low risk loans and receivables	31,179,206	28,132,382
Grade 45 : Loans and receivables under follow up	2,626,220	1,602,091
Total	33,805,426	29,734,473
Restructured loans	285,101	266,903
Total	34,090,527	30,001,376

III. Market risk

The Bank has defined its risk management procedures and has taken necessary precaution in order to avoid market risk, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

The 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 standart method defined by the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and reported monthly.

In addition to the standart method, the Bank also uses internal models like Historical and Monte Carlo Simulations in measuring market risk. The Bank also performs daily backtesting 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 liability accounts, liquidity analysis are performed and the duration of the Bank’s assets and liabilities is calculated.

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

Value at market risk

	Amount
(I) Capital Obligation against General Market Risk Standard Method	113,651
(II) Capital Obligation against Specific Risk Standard Method	6,301
(III) Capital Obligation against Currency Risk Standard Method	24,350
(IV) Capital Obligation against Stocks Risk Standard Method	-
(V) Capital Obligation against Exchange Risk Standard Method	-
(VI) Capital Obligation against Market Risks of Options Standard Method	6,859
(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)	151,161
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	1,889,513

Monthly average values at market risk

	Current Year			Prior Year		
	Average	Highest	Lowest	Average	Highest	Lowest
Interest Rate Risk	92,545	132,927	52,901	85,440	111,294	51,558
Common Share Risk	573	1,720	-	-	-	-
Currency Risk	13,975	26,217	5,503	11,628	17,929	3,900
Stock Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	9,107	30,232	-	-	-	-
Total Value at Risk	1,452,515	2,332,100	731,663	1,213,348	1,597,450	755,100

Equity price risk

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

The effect on equity (except for tax effects) as a result of change in the fair value of equity instruments quoted to İstanbul Stock Exchange (“ISE”) held as associates and subsidiaries is the accompanying financial statements, due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	Change in index	31 December 2009	31 December 2008
		Equity	Equity
ISE – 100 (IMKB- 100)	10%	15,853	7,206

IV. 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 “Computation of Value of Operational Risk” of the circular, “Regulation Regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette numbered 26333 and dated 1 November 2006

The amount calculated as TL 380,496 (31 December 2008: TL 330,442) from gross income for the years ended 31 December 2007 and 2008 and used for the calculation of capital adequacy ratio as at 31 December 2009, 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 to TL 4,756,200 (31 December 2008: TL 4,130,525) presented in the table included in this section is calculated as 12.5 times of the operational risk

	31 December 2009	31 December 2008	31 December 2007	31 December 2006
(I) Net Interest Income	3,077,425	1,974,691	1,675,834	1,585,250
(II) Net Fees and Commission Income	465,547	466,215	360,490	288,374
(III) Dividends Income	24,265	25,499	34,718	16,557
(IV) Net Trading Income/(Loss)	177,766	89,720	193,349	43,150
(V) Other Operating Income	311,216	312,704	356,713	343,326
(VI) Income/(Loss) from sale of AFS and HTM Marketable Securities	123,385	58,881	46,155	43,437
(VII) Extraordinary Income	40,390	1,484	2,428	4,281
(VIII) Gross Income (I+II+III+IV+V -VI-VII)	3,892,444	2,808,464	2,572,521	2,228,939
(IX) Capital Requirement (Gross Income x %15)	583,867	421,270	385,878	334,341
(X) Average Operational Risk Capital Requirement	463,672	380,496	-	-
(XI) Value at Operational Risk (X x 12.5)	5,795,900	4,756,200	-	-

V. 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 the currency risk. The net long and short positions are calculated 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 December 2009 the Bank does not have derivate financial instruments held for risk management.

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.

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

	US DOLLAR	EURO
7 KH %DQN¶V IRUHLJQ FX at the Balance Sheet Date	1.4900	2.1368
<u>Foreign currency rates for the days before balance sheet date;</u>		
Day 1	1.4500	2.0789
Day 2	1.4500	2.0850
Day 3	1.4600	2.1005
Day 4	1.4600	2.1002
Day 5	1.4600	2.0958
	US DOLLAR	EURO
Last 30-days arithmetical average rate	1.4528	2.1329

Information on currency risk

Current Year	Euro	USDollar	Japanese Yen	Other FCs	Total
Assets					
Cash and balances with the Central Bank of Turkey	185,993	1,199,808	134	7,006	1,392,941
Banks	1,085,913	1,373,514	2,459	31,142	2,493,028
Financial assets at fair value through profit or loss	2,407	34,742	-	-	37,149
Interbank money market placements	-	-	-	-	-
Available-for-sale financial assets	584,724	1,628,053	-	-	2,212,777
Loans and receivables ^(**)	3,931,067	6,903,166	3,453	57,609	10,895,295
Associates, subsidiaries and joint ventures	100,158	-	-	-	100,158
Held-to-maturity investments	245,453	1,177,189	-	-	1,422,642
Derivative financial assets held for risk management purpose	-	-	-	-	-
Tangible assets	-	655	-	-	655
Intangible assets	-	-	-	-	-
Other assets ^(***)	19,430	149,529	8	-	168,967
Total assets	6,155,145	12,466,656	6,054	95,757	18,723,612
Liabilities:					
Bank deposits	73,318	402,585	-	61	475,964
Foreign currency deposits	4,094,583	8,318,236	689	41,620	12,455,128
Interbank money market takings	83,909	1,418,815	-	-	1,502,724
Funds borrowed	1,900,832	2,376,201	-	45,202	4,322,235
Securities issued	-	-	-	-	-
Miscellaneous payables	10,979	39,360	1	163	50,503
Derivative financial liabilities held for risk management purpose	-	-	-	-	-
Other liabilities ^{(*) (****)}	98,393	79,811	1,074	1,953	181,231
Total liabilities	6,262,014	12,635,008	1,764	88,999	18,987,785
1 H W μ 2 Q % D O D Q F H 6 K H H W ¶ 3 R	(106,869)	(168,352)	4,290	6,758	(264,173)
1 H W -μ 2 D I O D Q F H 6 K H H W ¶ 3 R V L W	216,208	354,125	(3,063)	33	567,303
Derivative Financial Assets	306,330	827,026	-	31,085	1,164,441
Derivative Financial 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
Prior Year					
Total Assets	5,732,637	12,665,126	11,441	113,336	18,522,540
Total Liabilities	6,494,139	11,774,881	2,583	106,829	18,378,432
1 H W μ 2 Q % D O D Q F H 6 K H H W ¶	(761,502)	890,245	8,858	6,507	144,108
1 H W -μ 2 D I O D Q F H 6 K H H W ¶ 3 R V L W	851,207	(841,432)	(6,198)	-	3,577
Derivative Financial Assets	876,987	269,338	-	444	1,146,769
Derivative Financial Liabilities	25,780	1,110,770	6,198	444	1,143,192
Non-Cash Loans ^(*****)	1,857,093	2,537,189	38,146	129,242	4,561,670

(*) Derivative accruals stemming from foreign exchange rates represented under trading purpose derivative financial assets and liabilities have not been included.

(**) Foreign currency indexed loans amounting to TL 84,536 (December 2008: TL 136,530) which are presented as TL in the financial statements have been included

(***) Prepaid expenses amounting to TL 18,290 have not been included

(****) Unearned revenues amounting to TL 21,054 have not been included.

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

Exposure to currency risk

A 10 percent devaluation of TL against the following currencies as at 31 December 2009 and 2008 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

This analysis has been prepared with the assumption that all other variables, in particular interest rates, remain constant.

	31 December 2009		31 December 2008	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	9,582	17,502	6,837	3,806
Euro	(1,011)	918	2,768	(1,045)
Other currencies	802	802	917	917
Total, net	9,373	19,222	10,522	3,678

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

A 10 percent appreciation of TL against the following currencies as at 31 December 2009 and 2008 would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	31 December 2009		31 December 2008	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	(5,463)	(13,383)	4,578	7,609
Euro	1,159	(770)	(1,287)	2,526
Other currencies	(44)	(44)	(160)	(160)
Total, net	(4,348)	(14,197)	3,131	9,975

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

As per the agreement of foreign exchange indexed loans granted before 5 October 2009, foreign exchange losses due to decline in foreign exchange rates have been compensated by the customers. Pursuant to the amendment of the Bank's regulation dated 5 October 2009, foreign exchange losses due to decline in exchange rates are to be carried by the Bank for the foreign exchange indexed loans granted after this amendment date. Therefore the foreign exchange indexed loans granted before 5 October 2009 amounting to TL 50,246 as at 31 December 2009, affect the Bank only when foreign exchange rates increase whereas foreign exchange indexed loans granted after 5 October 2009 amounting to TL 34,290 affect the Bank when foreign exchange rates both decrease and increase.

VI. 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.

The Bank's exposure to interest 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 repricing dates

Current Year	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year 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	-	-	-	-	-	-	-
Funds 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)
Total Position	(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 have been included in non-interest bearing column.

(**) Shareholders' equity has been included in non-interest bearing column of other liabilities.

Prior Year	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non- Interest Bearing	Total
Assets:							
Cash and balances with CBT	849,916	-	-	-	-	1,254,870	2,104,786
Banks	2,225,505	67,382	87,441	-	-	176,972	2,557,300
Financial assets at fair value through profit/loss	7,624	12,180	602	11,007	15,634	-	47,047
Interbank money market placements	3,201,333	-	-	-	-	-	3,201,333
Available-for-sale financial assets	549,340	2,368,501	3,526,420	901,796	615,657	19,931	7,981,645
Loans and receivables	8,836,027	8,953,135	5,637,420	4,741,947	2,248,682	85,088	30,502,299
Held-to-maturity investments	110,734	1,063,486	568,635	476,878	1,251,605	-	3,471,338
Other assets ^(*)	43,686	11,122	37,372	150,644	-	2,084,921	2,327,745
Total assets	15,824,165	12,475,806	9,857,890	6,282,272	4,131,578	3,621,782	52,193,493
Liabilities:							
Bank deposits	1,456,701	16,668	-	-	-	1,796	1,475,165
Other deposits	16,840,523	11,497,626	1,318,720	667,673	-	5,320,570	35,645,112
Interbank money market takings	513,724	70,236	257,464	845,678	-	-	1,687,102
Miscellaneous payables	-	14,153	46,675	-	-	535,410	596,238
Securities issued	-	-	-	-	-	-	-
Funds borrowed	1,121,991	3,262,575	1,198,686	187,142	-	-	5,770,394
Other liabilities ^(**)	12,107	99,380	18,680	12,443	-	6,876,872	7,019,482
Total liabilities	19,945,046	14,960,638	2,840,225	1,712,936	-	12,734,648	52,193,493
On balance sheet long position	-	-	7,017,665	4,569,336	4,131,578	-	15,718,579
On balance sheet short position	(4,120,881)	(2,484,832)	-	-	-	(9,112,866)	(15,718,579)
Off-balance sheet long position	114,619	94,856	76,000	72,227	-	-	357,702
Off-balance sheet short position	(82,992)	(14,153)	(165,231)	(82,897)	-	-	(345,273)
Total Position	(4,089,254)	(2,404,129)	6,928,434	4,558,666	4,131,578	(9,112,866)	12,429

(*) Subsidiaries, associates and tangible and intangible assets have been included in noninterest bearing column.

(**) Shareholders' equity has been included in noninterest bearing column of other liabilities line

Average interest rates applied to monetary financial instruments

	Euro	US Dollar	Japanese Yen	TL
Current Year	%	%	%	%
Assets				
Cash and Central Bank	-	-	-	5.20
Banks	0.28	0.34	-	6.90
Financial Assets at Fair Value through Profit/Lo	-	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
Prior Year				
	Euro	US Dollar	Japanese Yen	TL
	%	%	%	%
Assets				
Cash and Central Bank	-	-	-	12.00
Banks	1.90	2.37	-	19.54
Financial Assets at Fair Value through Profit/Lo	-	11.88	-	-
Interbank Money Market Placements	-	-	-	15.00
Available-for-Sale Financial Assets	6.20	6.45	-	19.29
Loans and Receivables	7.53	6.05	6.77	21.91
Held-to-Maturity Investments	6.70	7.43	-	19.40
Liabilities:				
Bank Deposits	2.70	1.34	-	17.49
Other Deposits	3.37	3.43	-	15.18
Interbank Money Market Takings	5.45	3.71	-	17.73
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed	4.57	3.26	-	16.24

Interest sensitivity

Interest rate sensitivity of the income statement is the effect of the changes in interest rates assumed as follows on the fair values of financial assets at fair value through profit or loss and interest income of floating rate nontrading financial assets and liabilities held as at 31 December 2009.

Interest rate sensitivity of equity is calculated by taking effects of the assumed changes in interest rates on the fair value of fixed rate available-for-sale financial assets as at 31 December 2009 into account.

This analysis has been prepared with the assumption that all other variables, in particular foreign currency rates, remain constant.

This analysis is performed on the same basis for 31 December 2008.

	Profit or loss		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2009				
Financial assets at fair value through profit or loss	(6,639)	7,386	(6,639)	7,386
Available for sale financial assets	22,151	(22,250)	(186,613)	198,091
Floating rate financial assets	220,901	(220,901)	220,901	(220,901)
Floating rate financial liabilities	(57,919)	57,919	(57,919)	57,919
Total, net	178,494	(177,846)	(30,270)	42,495

	Profit or loss		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2008				
Financial assets at fair value through profit or loss	(6,496)	8,299	(6,496)	8,299
Available for sale financial assets	14,559	(14,614)	(68,920)	73,248
Floating rate financial assets	221,418	(221,418)	221,418	(221,418)
Floating rate financial liabilities	(63,306)	63,306	(63,306)	63,306
Total, net	166,175	(164,427)	82,696	(76,565)

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

Residual contractual maturities of the financial liabilities

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	48,573,567	5,918,901	30,086,494	10,698,012	1,869,709	451	-
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 ^(*)	917,641	917,641	560,380	168,396	85,609	25,420	60,151	17,685
Total	56,938,341	63,401,427	6,544,352	33,458,638	15,247,199	4,856,021	1,850,694	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
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31 December 2008	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	1,475,165	1,487,705	1,796	1,466,291	19,618	-	-	-
Other deposits	35,645,112	36,052,785	5,320,570	17,066,922	11,652,196	1,336,448	676,649	-
Funds borrowed	5,770,394	6,749,421	-	52,025	139,534	2,607,494	190,314	3,760,054
Money market takings	1,687,102	1,885,434	-	475,154	13,061	441,390	955,829	-
Miscellaneous payables	596,238	596,238	48,247	462,916	24,247	-	60,828	-
Other liabilities ^(*)	925,661	925,661	535,821	69,162	4,133	212,782	65,930	37,833
Total	46,099,672	47,697,244	5,906,434	19,592,470	11,852,789	4,598,114	1,949,550	3,797,887

Non-Cash Loans	8,011,077	8,011,077	4,152,823	2,412	16,188	1,112,820	2,077,088	649,746
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^(*) Unearned revenues, vacation pay liabilities, general provisions and similar provisions are reholder s equity that are not going to generate cash outflows in their expected maturities and have not been included.

This table shows the undiscounted cash flows on the Bank s financial liabilities on the basis of their 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.

VIII. Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Year	Prior Year	Current Year	Prior Year
Financial Assets				
Receivables from Interbank Money Markets	3,400,614	3,201,333	3,400,614	3,201,333
Banks	2,738,558	2,557,300	2,738,558	2,557,300
Available-for-Sale Financial Assets	14,965,879	7,981,645	14,965,879	7,981,645
Held-to-Maturity Investments	3,498,473	3,471,338	3,699,368	3,403,938
Loans	34,572,655	30,502,299	34,571,071	30,209,902
Financial Liabilities:				
Bank Deposits	2,189,243	1,475,165	2,189,243	1,475,165
Other Deposits	42,462,480	35,645,112	42,462,480	35,645,112
Funds Borrowed	4,366,110	5,770,394	4,366,110	5,770,394
Securities Issued	-	-	-	-
Miscellaneous Payables	859,485	596,238	859,485	596,238

Fair values of available-for-sale financial assets and held-to-maturity investments are derived from market prices or in case of absence of such prices they are derived from prices of other marketable securities, whose interest rate, maturity date and other conditions are similar to securities held.

Fair value of fixed-interest loans are calculated by discounting cashflows with current market interest rates. For the loans with floating interest rate carrying value also represents fair value.

Fair value of other assets and liabilities is calculated by adding accumulated interest to initial price.

Classification of Fair Value Measurement

IFRS 7– Financial Instruments requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or unobservable. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Classification requires using observable market data where possible

Accordingly thethe classification of fair value measurements of financial assets and liabilities measured at fair value as follows:

31 December 2009	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Financial assets held for trading purpose	17,297	21,524	-	38,821
Debt securities	17,297	-	-	17,297
Derivative financial assets held for trading purpose	-	21,524	-	21,524
Available-for-sale financial assets	14,614,884	340,245	-	14,955,129
Debt securities	14,614,884	340,245	-	14,955,129
Investments in associates and subsidiaries	270,286	-	259,125	529,411
Total Financial Assets	14,902,467	361,769	259,125	15,523,360
Financial liabilities at fair value through profit/loss				
Derivative financial liabilities held for trading purpose	-	(39,808)	-	(39,808)
Total Financial Liabilities	-	(39,808)	-	(39,808)

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

The Bank provides buying, selling and custody services and management and advisory services in financial matters for its customers. The Bank is not involved in trust activities.

X. 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 has been 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 Year	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Operating profit	615,978	607,590	1,677,409	329,404	3,230,381
Undistributed expenses	-	-	-	(1,712,472)	(1,712,472)
Operating profit	615,978	607,590	1,677,409	(1,383,068)	1,517,909
Income from associates	-	-	-	-	24,265
Income before taxes	-	-	-	-	1,542,174
Provision for taxes	-	-	-	-	(290,968)
Net profit	-	-	-	-	1,251,206
Segment assets	10,242,796	26,787,711	24,823,674	-	61,854,181
Investments in associates and subsidiaries	-	-	688,257	-	688,257
Undistributed assets	-	-	-	2,255,204	2,255,204
Total assets	10,242,796	26,787,711	25,511,931	2,255,204	64,797,642
Segment liabilities	13,174,220	31,477,503	10,674,866	-	55,326,589
Shareholders equity	-	-	-	7,380,941	7,380,941
Undistributed liabilities	-	-	-	2,090,112	2,090,112
7 RWDO /LDEOLWLHV DQG 6K	13,174,220	31,477,503	10,674,866	9,471,053	64,797,642

SECTION FIVE

Disclosure and Footnotes on Unconsolidated Financial Statements

- I. Information and disclosures related to assets
1. Cash and balances with Central Bank

	Current Year		Prior Year	
	TL	FC	TL	FC
Cash	508,595	82,486	375,190	63,954
Central Bank of Turkey ^(*)	1,148,099	1,309,753	450,536	1,214,603
Others	-	702	15	488
Total	1,656,694	1,392,941	825,741	1,279,045

(*) TL 872,785 (31 December 2008: TL 815,223) of the foreign currency deposit at Central Bank of Turkey is comprised of foreign currency reserve deposits and related interest income accruals; TL 21,013 (31 December 2008: TL 48,601) 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.

In accordance with “Announcement on Reserve Deposits” of CBT numbered 2005/1, all banks operating in Turkey should provide a reserve amounting 5% (31 December 2008: 6%) of liabilities in Turkish Lira and 9% (31 December 2008: 9%) of liabilities in foreign currencies

In accordance with the press announcement of CBT regarding reserve requirements, dated 5 December 2008 and numbered 2008, the foreign currency reserve requirement ratio for the banks which was 11% has been decreased by 2 points to 9%, aiming to diminish the negative effects of the global credit crisis and sustain foreign currency liquidity for the banks

In accordance with Press release related to reserve requirements” of CBT dated 16 October 2009 and numbered 2009-51, Turkish Lira reserve requirement rate has been 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

Interest rate given by CBT is 5.2% for TL reserve deposits and interest rate is nil for foreign currency reserve deposits as at 31 December 2009 (31 December 2008: TL 12.0%, FC nil).

Balances at CBT

	Current Year		Prior Year	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,127,086	436,968	401,935	399,380
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	-	-	-
Total	1,127,086	436,968	401,935	399,380

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

Trading securities blocked/provided as collateral

None.

Trading securities subject to repurchase agreements

None.

Positive fair values of trading purpose derivatives

	Current Year		Prior Year	
	TL	FC	TL	FC
Forward Transactions	456	920	410	-
Swap Transactions	-	19,205	6,491	24,512
Futures	-	-	-	-
Options	242	701	-	-
Others	-	-	-	-
Total	698	20,826	6,901	24,512

3. Information on banks

	Current Year		Prior Year	
	TL	FC	TL	FC
Banks	245,530	2,493,028	2,648	2,554,652
Domestic	245,530	206,938	2,648	50,191
Foreign	-	2,286,090	-	2,504,461
Foreign Head Offices and Branches	-	-	-	-
Total	245,530	2,493,028	2,648	2,554,652

Due from foreign banks

	Unrestricted Balance		Restricted Balances	
	Current Year	Prior Year	Current Year	Prior Year
EU Countries	1,118,529	822,645	34,187	91,842
USA, Canada	1,052,907	1,499,145	68,526	57,350
OECD Countries ^(*)	4,137	21,594	-	-
Off-shore Banking Regions	94	10,032	-	-
Others	7,710	1,853	-	-
Total	2,183,377	2,355,269	102,713	149,192

^(*) OECD countries other than EU countries, USA, and Canada.

Foreign currency demand deposits amounting to TL 36,407 (31 December 2008: TL 55,274) and foreign currency time deposits amounting to TL 66,306 (31 December 2008: TL 93,468) are restricted due to securitization loans and other ordinary banking operations of the Bank

4. Information on available-for-sale financial assets

Available-for-sale financial assets blocked given as collateral

	Current Year		Prior Year	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities	2,905,370	289,422	1,891,942	475,511
Others	-	-	-	-
Total	2,905,370	289,422	1,891,942	475,511

Available-for-sale financial assets subject to repurchase agreements

	Current Year		Prior Year	
	TL	FC	TL	FC
Government Bonds	3,958,401	-	1,125,762	146,155
Treasury Bills	205,312	-	-	-
Other Debt Securities	-	823,038	-	355,576
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Total	4,163,713	823,038	1,125,762	501,731

Information related to available for sale financial assets

	Current Year	Prior Year
Debt instruments	14,977,439	8,038,542
Quoted	14,977,439	8,038,542
Unquoted	-	-
Equity instruments	10,750	19,931
Quoted	-	-
Unquoted	10,750	19,931
Impairment provision (-)	22,310	76,828
Total	14,965,879	7,981,645

5. Information on loans

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

	Current Year		Prior Year	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to the % D Q shareholders	-	549	-	668
Legal entities	-	549	-	668
Real persons	-	-	-	-
Indirect loans granted to the % D Q shareholders	-	-	-	-
Loans granted to the employees	39,808	-	40,488	-
Total	39,808	549	40,488	668

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

	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Cash Loans				
Loans	31,305,385	-	2,781,281	285,101
Discounted Bills	136,336	-	-	21
Export Loans	1,980,570	-	71,994	143,469
Import Loans	-	-	-	88
Loans to Financial Sector	2,342,229	-	-	-
Foreign Loans	42,968	-	-	-
Consumer Loans	8,955,293	-	218,355	18,285
Credit Cards	947,665	-	54,814	1,819
Precious Metal Loans	-	-	-	-
Others	16,900,324	-	2,436,118	121,419
Specialization Loans	66,970	-	-	-
Other Receivables	-	-	-	-
Total	31,372,355	-	2,781,281	285,101

Maturity analysis of cash loans

	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Cash loans				
Short-term Loans and Other Receivables				
Loans	12,198,969	-	1,010,362	206,023
Specialization loans	-	-	-	-
Other Receivables	-	-	-	-
Medium, Long-term Loans and Other Receivables				
Loans	19,173,386	-	1,770,919	79,078
Specialization loans	19,106,416	-	1,770,919	79,078
Other Receivables	66,970	-	-	-
Other Receivables	-	-	-	-

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans ±TL	307,201	8,238,992	8,546,193
Housing Loans	9,760	3,944,890	3,954,650
Automobile Loans	2,386	136,651	139,037
General Purpose Loans	135,176	3,972,403	4,107,579
Others	159,879	185,048	344,927
Consumer Loans ±FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans ±FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Retail Credit Cards ±TL	963,944	392	964,336
With Installment	302,389	-	302,389
Without Installment	661,555	392	661,947
Retail Credit Cards ±FC	517	-	517
With Installment	-	-	-
Without Installment	517	-	517
Personnel Loans ±TL	360	22,490	22,850
Housing Loan	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	360	22,490	22,850
Others	-	-	-
Personnel Loans ±FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans ±FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Credit Cards ±TL	16,921	18	16,939
With Installment	5,349	-	5,349
Without Installment	11,572	18	11,590
Personnel Credit Cards ±FC	19	-	19
With Instalment	-	-	-
Without Installment	19	-	19
Overdraft Checking Accounts ±TL (Real persons)	622,890	-	622,890
Overdraft Checking Accounts ±FC (Real persons)	-	-	-
Total	1,911,852	8,261,892	10,173,744

Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans±TL	178,851	4,737,579	4,916,430
Real Estate Loans	85	83,886	83,971
Automobile Loans	15,181	287,085	302,266
General Purpose Loans	163,585	4,366,608	4,530,193
Others	-	-	-
Installment-based Commercial Loans±FC-indexed	-	-	-
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Installment-based Commercial Loans±FC	158	79,733	79,891
Real Estate Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	158	79,733	79,891
Corporate Credit Cards ±TL	22,351	28	22,379
With Installment	930	28	958
Without Installment	21,421	-	21,421
Corporate Credit Cards ±FC	108	-	108
With Installment	-	-	-
Without Installment	108	-	108
Overdraft Checking Accounts ±TL (Corporate)	84,842	-	84,842
Overdraft Checking Accounts ±FC (Corporate)	-	-	-
Total	286,310	4,817,340	5,103,650

Allocation of loan customers

	Current Year	Prior Year
Public Sector	1,765,015	2,129,820
Private Sector	32,673,722	28,287,391
Total	34,438,737	30,417,211

Allocation of domestic and foreign loans

	Current Year	Prior Year
Domestic Loans	34,387,759	30,391,677
Foreign Loans	50,978	25,534
Total	34,438,737	30,417,211

Loans granted to associates and subsidiaries

	Current Year	Prior Year
Direct Loans granted to Associates and Subsidiaries	579,792	126,461
Indirect Loans granted to Associates and Subsidiaries	-	-
Total	579,792	126,461

Specific provisions for loans

	Current Year	Prior Year
Provisions for Loans and Receivables with Limited Collectibility	82,483	21,272
Provisions for Loans and Receivables with Doubtful Collectibility	338,637	274,052
Provisions for Uncollectible Loans and Receivables	1,563,929	1,075,410
Total	1,985,049	1,370,734

Information on non-performing loans(Net)

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

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current Year	7,438	46,766	115,357
(Gross Amounts Before Specific Provisions)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	7,438	46,766	115,357
Prior Year	-	-	87,748
(Gross Amounts Before Specific Provisions)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	87,748

Movements in non-performing loans

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Prior Year End Balance	106,360	274,052	1,075,410
Additions (+)	1,073,719	8,361	18,055
Transfers from other categories of loans under follow-up(+)	-	791,158	682,562
Transfers to other categories of loans under follow-up(-)	840,691	622,024	-
Collections (-)	122,987	112,910	212,098
Write-offs (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Year End Balance	216,401	338,637	1,563,929
Specific Provision (-)	82,483	338,637	1,563,929
Net Balance on Balance Sheet	133,918	-	-

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

Information on nonperforming loans granted 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 Year			
Period End Balance	10,693	11,933	273,605
Specific Provision (-)	2,139	11,933	273,605
Net Balance on Balance Sheet	8,554	-	-
Prior Year			
Period End Balance	393	58,733	181,654
Specific Provision (-)	79	58,733	181,654
Net Balance on Balance Sheet	314	-	-

Non-performing loans granted in foreign currencies are followed in Turkish Lira accounts.

Write-off policy for uncollectible loans and receivables

The Bank writes off a loan balance (and any related allowances for impairment losses) when the Bank concludes that those loans are uncollectible. This conclusion is given after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, charge off decisions generally are based on a product specific past due status.

Loan customer concentration of nonperforming loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Year (Net)	133,918	-	-
Consumer and Commercial Loans (Gross)	214,619	336,847	1,535,060
Special Provision (-)	82,127	336,847	1,535,060
Consumer and Commercial Loans (Net)	132,492	-	-
Banks (Gross)	-	-	1,551
Special Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	1,782	1,790	27,318
Special Provision (-)	356	1,790	27,318
Other Loans and Receivables (Net)	1,426	-	-
Prior Year (Net)	85,088	-	-
Consumer and Commercial Loans (Gross)	105,650	273,599	1,048,745
Special Provision (-)	21,130	273,599	1,048,745
Consumer and Commercial Loans (Net)	84,520	-	-
Banks (Gross)	-	-	1,551
Special Provision (-)	-	-	1,551
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	710	453	25,114
Special Provision (-)	142	453	25,114
Other Loans and Receivables (Net)	568	-	-

6. Information on held-to-maturity investments

Public sector debt securities classified as held-to-maturity investments

	Current Year		Prior Year	
	TL	FC	TL	FC
Government Bonds	2,075,831	-	1,915,921	45,126
Treasury Bills	-	-	-	-
Other Government Securities	-	1,386,876	-	1,475,206
Total	2,075,831	1,386,876	1,915,921	1,520,332

Information on heldto-maturity investments

	Current Year	Prior Year
Debt Securities	3,521,096	3,476,003
Quoted at Stock Exchange	3,485,330	3,440,918
Unquoted at Stock Exchange	35,766	35,085
Impairment Losses ()	22,623	4,665
Total	3,498,473	3,471,338

The movement of heldto-maturity investments

	Current Year	Prior Year
Balances at the Beginning of the Year	3,471,338	1,476,362
Foreign Currency Differences On Monetary Assets	(19,550)	38,444
Purchases During the Year	1,474,427	2,811,612
Disposals Through Sales/Redemptions	(1,372,734)	(928,203)
Impairment Losses	(20,419)	(4,511)
Change in Amortized Costs ^(*)	(34,589)	77,634
Balances at the End of the Year	3,498,473	3,471,338

(*) Change in amortized costs includes accrual differences on marketable securities.

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 investments securities portfolio in year 2008. These investment securities have been included in held-to-maturity investment securities portfolio with their fair values as at the reclassification date. These reclassifications are presented in the purchases during the year line in the movement table of investments held-to-maturity in prior year column. The details of the related certain investment securities are as follows:

Date of reclassification	Currency	Face value) & ¶	Fair value as at reclassification date) & ¶
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~~ portfolio with total face value of TL675,000to its held-to-maturity investment securities portfolio at their fair values of TL610,161 as at their reclassification dates, in 2009. These reclassifications are presented in “purchases during the year” line in the movement table of held-to-maturity investment securities. The ~~valuation differences of these securities as at their reclassification dates amounting~~ TL 1,118 have been recorded under the shareholders equity and will be amortized through the statement of income until their maturities.

Additionally, the Bank reclassified certain investment securities that were previously classified in available-for-sale portfolio with total face value of TL325,000,000(full TL), US Dollar 610,000,000 (full US Dollar), and EUR75,000,000(full EUR) to its held-to-maturity investment securities portfolio at their fair values of TL1,213,358,500(full TL), US Dollar 590,404,170(full US Dollar), and EUR 68,996,250(full EUR) respectively as at their reclassification dates, in 2008. These reclassifications are presented in “purchases during the year” line in the movement table of held-to-maturity investment securities. The ~~valuation differences of these securities as at their reclassification dates amounting~~ TL (9,529,171)(full TL), US Dollar (13,044,045)(full US Dollar), and EUR (5,325,575)(full EUR) respectively, have been recorded under the shareholders equity and will be amortized through the statement of income until their maturities.

Information about held-to-maturity investments

Current Year	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized/Blocked Investments	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 Market	-	-	-	-
Collateral For Security Borrowing Market	-	-	-	-
Others ^(*)	680,170	362,717	695,880	369,638
Total	1,994,367	1,400,460	2,075,831	1,422,642

Prior Year	Cost		Carrying Value	
	TL	FC	TL	FC
Collateralized / Blocked Investments	1,261,001	80,408	1,368,541	82,312
Investments subject to Repurchase Agreements	58,494	363,118	62,044	374,062
Held for structural position	-	-	-	-
Receivable from Security Borrowing Market	-	-	-	-
Collateral For Security Borrowing Market	-	-	-	-
Others ^(*)	478,586	1,073,538	485,336	1,099,043
Total	1,798,081	1,517,064	1,915,921	1,555,417

^(*) Securities that are not held as collateral/blockage but held as free by the Bank have been presented in the “Other” column.

7. Investments in associates
 Investments in associates

Title	Address (City/ Country)	% D Q N ¶ V ± Voting Rights, If Diff erent (%)	% D Q N ¶ V Group Share (%)
1 Kıbrıs Vakıflar Bankası Ltd. ^(*)	Lefkosa/NCTR	15.00	15.00
2 Vakıf Menkul Kıymetler Yatırım Ortaklı ı A ^(*)	Istanbul/Turkey	11.75	21.77
3 Vakıf Gayrimenkul Yatırım Ortaklı ı A	Istanbul/Turkey	27.63	29.47
4 Roketsan Roket Sanayi ve Ticaret A ^(*)	Ankara/Turkey	10.00	10.00
5 Türkiye Sınai Kalkınma Bankası A ^(*)	Istanbul/Turkey	8.38	8.38
6 Bankalararası Kart Merkezi A ^(*)	stanbul/Turkey	9.70	9.70
7 Kredi Kayıt Bürosu A ^(*)	stanbul/Turkey	9.09	9.09
8 Güçbirli i Holding A ^(*)	zmir/Turkey	0.07	0.07
9 zmir Enternasyonel Otelcilik A ^(*)	stanbul/Turkey	5.00	5.00
10 MKB Takas ve Saklama Bankası A ^(*)	stanbul/Turkey	4.86	5.28
11 Kredi Garanti Fonu A ^(*)	Ankara/Turkey	1.67	1.67

	Total Assets	6 K D U H K F Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year ¶ Profit/Loss	Prior Year V Profit/Loss	Fair Value
1	630,776	50,657	4,795	67,203	963	10,679	7,528	-
2	14,762	13,822	52	325	2,876	2,275	(2,670)	1,098
3	77,834	77,693	36,841	1,128	3,600	6,879	8,113	24,628
4	540,083	140,617	211,565	4,480	-	(5,999)	21,694	-
5	6,858,984	1,037,638	174,244	197,840	202,957	143,796	99,377	75,046
6	15,423	12,797	5,738	725	-	(536)	2,581	-
7	23,128	20,739	2,266	1,634	19	6,802	4,528	-
8	111,134	33,610	3,172	158	-	(2,187)	(4,624)	-
9	108,585	50,264	102,439	-	-	82	(2,980)	-
10	1,453,145	274,930	11,351	31,496	10,434	32,567	34,664	-
11	92,023	91,657	472	5,404	-	7,394	4,186	-

^(*) Financial informations as at and for the ninemonth period ended 30 September 2009 has been presented for these associates

Movement of investments in associates

	Current Year	Prior Year
Balance at the beginning of the year	56,780	90,066
Movements during the year	85,228	(33,286)
Transfers	9,181	2,445
Acquisitions	2,000	294
Bonusshares received	9,691	8,604
Income/Loss from investments under equity accounting	-	-
Sales and liquidations	-	-
Fair value changes	64,356	(44,629)
Impairment losses	-	-
Balance at the end of the year	142,008	56,780
Capital commitments	2,001	-
Share percentage at the end of the year (%)	-	-

In accordance with the directives of BRSA, the shares of MKB Takas ve Saklama Bankası A , previously presented as “Equity securities” under “Available for sale financial assets” with carrying value of TL9,181 have been reclassified as “Investment in associates” in 2009.

In 2009, Türkiye Sınai Kalkınma Bankası A , an associate of the Bank, has increased its paid capital from TL 500,000 to TL 600,000. The share of the Bank amounting to TL 837 has been presented in the movement table of consolidated investments in associates as bonus shares received.

In 2009, Kıbrıs Vakıflar Bankası Ltd, an associate of the Bank has increased its paid capital from TL 20,000 to TL 26,000. The share of the Bank amounting to TL 900 has been presented in the movement table of consolidated investments in associates as bonus shares received.

In 2009, subsequent to the approval of the decision to increase the paid capital of Vakıf Gayrimenkul Yatırım Ortaklı 1 A , an associate of the Bank, from TL 19,300 to TL 20,800, by the General Assembly of the company, the share of the Bank amounting to TL 414 has been presented in the movement table of consolidated investments in associates as bonus shares received.

In 2008, Vakıf Menkul Kıymetler Yatırım Ortaklı 1 A , an associate of the Bank, has increased its paid-in capital by TL 2,500 from TL 5,000 to TL 7,500. The bank has joined paid-in capital increase in line with its share percentage and the cash injected by the Bank amounting to TL 294 has been presented as acquisitions in year 2008 in the movement table of consolidated investments in associates.

In 2008, Vakıf Gayrimenkul Yatırım Ortaklı 1 A has increased its paid capital from TL 18,480 to TL 19,300. The share of the Bank amounting to TL 227 has been presented as bonus shares received in the movement table of consolidated investments in associates.

In 2008, Türkiye Sınai Kalkınma Bankası A has increased its paid capital from TL 400,000 to TL 500,000 by a way of stock split. The share of the Bank amounting to TL 837 has been presented as bonus shares received in the movement table of consolidated investments in associates.

8. Investments in subsidiaries

Investments in subsidiaries

Title	Address (City / Country)	% D Q N ¶ V ±6 Voting Rights, If Different (%)	% D Q N ¶ \ Group Share (%)
1 Güne Sigorta A (*)	Istanbul/Turkey	36.35	36.35
2 Vakıf Emeklilik A (*)	Istanbul/ Turkey	53.90	75.30
3 Vakıf Enerji ve Madencilik A (*)	Ankara/ Turkey	65.50	84.92
4 Taksim Otelcilik A (*)	Istanbul/Turkey	51.00	51.52
5 Vakıf Finans Factoring Hizmetleri A (*)	Istanbul/ Turkey	78.39	86.97
6 Vakıf Finansal Kiralama A	Istanbul/ Turkey	58.71	64.40
7 Vakıf Pazarlama ve Ticaret A (**)	Istanbul/ Turkey	68.55	73.95
8 Vakıf Yatırım Menkul De erler A (*)	Istanbul/ Turkey	99.00	99.44
9 Vakıf Sistem Pazarlama Yazılım Servis ve Ticaret A	Ankara/ Turkey	73.00	79.85
10 Vakıf Gayrimenkul De erleme A (*)	Ankara/ Turkey	54.29	58.54
11 Vakıfbank International AG (*)	Vienna/Austria	90.00	90.00
12 World Vakıf UBB Ltd.	Lefkosa/NCTR	82.00	85.24
13 Vakıf Portföy Yönetimi A (*)	Istanbul/ Turkey	99.99	99.99

	Total Assets	Shareholder ¶ Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year ¶ Profit/(Loss)	Prior Year V Profit/(Loss)	Fair Value
1	596,230	233,338	79,366	683	17,380	(7,239)	25,138	107,630
2	971,059	119,066	35,209	4,985	21,860	11,661	11,181	73,223
3	8,583	8,424	2,639	244	2	(658)	(2,385)	21,722
4	214,023	211,735	94,138	5,230	34	1,843	8,925	
5	232,258	63,828	97	22,339	-	10,010	7,544	33,708
6	345,736	67,869	6,681	20,333	16	30,395	4,313	39,058
7	67,183	5,013	177	7,976	-	6,042	(1,704)	-
8	79,242	53,913	318	5,310	684	4,340	4,422	-
9	13,786	7,761	332	1,212	199	869	2,666	9,188
10	11,998	9,218	224	863	39	3,008	3,677	15,440
11	6,247	(20,072)	-	714	-	(1,660)	(995)	-
12	5,484	(20,776)	-	774	-	(2,231)	(6,291)	-
13	5,502	5,353	19	461	13	1,125	691	-

(*) Financial information as at and for the nine month period ended 30 September 2009 has been presented for these subsidiaries.

(**) According to valuation report of another independent audit firm, Vakıf Pazarlama ve Ticaret s fair value is TL 0.

Movement of investments in subsidiaries

	Current Year	Prior Year
Balance at the beginning of the year	482,589	495,905
Movements during the year	63,660	(13,316)
Transfers	-	586
Acquisitions	-	1,500
Bonus shares received	4,436	-
Dividends from current year profit	-	-
Sales and liquidations	(2,701)	-
Fair value changes	61,925	(15,402)
Impairment losses	-	-
Balance at the end of year	546,249	482,589
Capital commitments	-	-
Share percentage at the end of the year (%)	-	-

As per the resolution of the Board of Directors of the Bank on 22 August 2006, it is decided to merge Vakıf Deniz Finansal Kiralama A . and Vakıf Finansal Kiralama A . In accordance with the “Regulation on Establishment and Operations of Leasing, Factoring and Finance Companies”, temporary 1 clause and 4 subclause, permission for operations of Vakıf Deniz Finansal Kiralama A has been revoked on 25 June 2009. The application for the merger of Finansal Kiralama A with Vakıf Deniz Finansal Kiralama A is not approved by Capital Market Board. As a result, activities regarding the merger has been stopped. Hereupon, the registered name of Vakıf Deniz Finansal Kiralama A has been changed as Vakıf Pazarlama ve Ticaret A on 29 September 2009.

The title of World Vakıf Off Shore Banking Ltd, a subsidiary of the Bank, has been changed as World Vakıf UBB Ltd as of February 4, 2009.

Since the Bank s share in Vakıf Gayrimenkul De erleme A has increased to 54.29% in 2008, it has been reclassified to “Investment in subsidiaries” which was previously classified as “Investment in associates”.

According to the resolution of the Bank s Board of Directors dated 15 May 2008, it has been decided to sell the shares of consolidated subsidiaries Güne Sigorta A and Vakıf Emeklilik A partially or entirely, however after resolution date, sales transaction of related subsidiaries has been cancelled due to global economic crisis. Therefore, sale oriented operations has been stopped and the process has been ended.

Valuation methods of investments in subsidiaries

	Current Year	Prior Year
Valued at Cost	133,021	133,021
Valued at Fair Value	413,228	349,568
Valued by Equity Method of Accounting	-	-
Total	546,249	482,589

Sectoral distribution of financial investments in subsidiaries

	Current Year	Prior Year
Banks	100,158	100,158
Insurance Companies	188,268	144,922
Factoring Companies	33,708	33,708
Leasing Companies	39,058	14,854
Finance Companies	-	-
Other Financial Subsidiaries	40,335	41,616
Total	401,527	335,258

Quoted subsidiaries

	Current Year	Prior Year
Quoted at Domestic Stock Exchanges	154,103	87,834
Quoted at International Stock Exchanges	-	-
Total	154,103	87,834

Investments in subsidiaries disposed during the current year

As per the 4 September 2009 dated resolution of the Board of Directors, it has been decided to sale the shares of Vakıf Girişim Sermayesi Yatırım Ortaklığı A.Ş. owned by the Bank, comprising 31.0% of the company's share capital to Rhea Gayrimenkul Proje Geliştirme İnşaat Sanayi ve Ticaret A.Ş. in accordance with sales agreement signed on 25 August 2009. Application to Capital Market Board (“CMB”) dated 7 September 2009 regarding the sale of the shares has been approved and stated at the CMB Bulletin dated 3 November 2009 and numbered 2009/149. In order for the Bank and the counterparty to obtain economic benefits expected from the transfer of the shares, it has been 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 3 December 2009. Following the approval of the sale of Vakıf Girişim Sermayesi Yatırım Ortaklığı A.Ş. by CMB, the shares have been transferred on 10 December 2009 and the Bank's share from the sales amounting to TL 2,140 has been received in cash. As a result of this sales transaction, the Bank has recorded a gain from sales of subsidiaries amounting to TL 1,592.

The shares of Ataköy Mağazacılık Ticaret A.Ş., previously presented as “Investment in subsidiaries”, that is in liquidation process and has a carrying value of TL 0, have been written off at 30 April 2009.

Investments in subsidiaries purchased during the current year

There is not any investment in subsidiaries of the Bank purchased in the current year.

In 2009, Vakıf Finansal Kiralama A.Ş., one of the subsidiaries, has increased its paid-in capital from TL 20,000 to TL 25,000. The share of the Bank amounting to TL 2,000 has been presented in the movement table of consolidated investments in subsidiaries as bonus shares received.

In 2009, Vakıf Portföy Yönetimi A.Ş., one of the subsidiaries, has increased its paid-in capital from TL 1,500 to TL 3,000. The share of the Bank amounting to TL 1,500 has been presented in the movement table of consolidated investments in subsidiaries as bonus shares received.

In year 2008, Vakıf Gayrimenkul Değerleme A.Ş. has increased its paid-in capital by TL 1,500 from TL 2,000 to TL 3,500. Increase in the share capital of this subsidiary has been fully paid by the Bank by using its precedence right. Related cash injections have been presented as “acquisitions and capital increases” row in the movement of investments in subsidiaries table.

9. Investments in joint-ventures

None

10. Information on finance lease receivables

None

11. Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management

None.

15. Information on deferred tax asset

Items generating deferred tax asset or liabilities as at 31 December 2009 and 2008 are as follows

	Current Year	Prior Year
Deferred tax assets:	108,678	94,516
Provision for employee termination benefits and unused vacations	36,406	32,894
Valuation differences for associates and subsidiaries	20,749	22,732
Reporting Standards Tax Code depreciation differences	18,176	18,231
Valuation differences of financial assets and liabilities	16,353	10,932
Other provisions	15,234	7,899
Others	1,760	1,828
Deferred tax liabilities:	(28,779)	(8,459)
Valuation differences of financial assets and liabilities	(17,665)	(2,514)
Valuation differences for associates and subsidiaries	(11,114)	(5,945)
Deferred tax assets, net	79,899	86,057

16. Assets held for sale and assets related to the discontinued operations

None.

17. Information on other assets

Details of other assets as at 31 December 2009 and 2008 are as follows

	Current Year	Prior Year
Prepaid expenses	255,027	285,053
Receivables from term sale of assets	125,323	158,266
Receivables from credit cards	113,010	52,416
Receivables from derivative financial instruments	56,006	84,558
Receivables from lawsuit and court expenses	41,426	30,684
Others	47,391	75,898
Total	638,183	686,875

The Bank has recorded specific provision amounting to TL 39,203 for lawsuit and court expenses amounting to TL 41,426 that has been undertaken due to performing loans and receivables as at 31 December 2009.

II. Information and disclosures related to liabilities

1. Information on maturity profile of deposits

Current Year	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
CBT	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

Prior Year	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	839,372	-	732,245	6,924,356	168,677	10,169	28,087	-	8,702,906
Foreign Currency Deposits	1,097,263	-	2,596,993	5,641,389	865,877	277,277	663,353	-	11,142,152
Residents in Turkey	1,079,556	-	2,589,199	5,625,316	864,818	276,759	652,299	-	11,087,947
Residents in Abroad	17,707	-	7,794	16,073	1,059	518	11,054	-	54,205
Public Sector Deposits	1,078,139	-	1,041,733	1,721,947	123,714	71	1,370	-	3,966,974
Commercial Deposits	825,479	-	1,901,295	3,375,304	116,177	40,508	1,261	-	6,260,024
Others	1,480,317	-	525,034	3,420,681	136,301	413	10,310	-	5,573,056
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	1,796	-	1,070,729	402,640	-	-	-	-	1,475,165
CBT	65	-	-	-	-	-	-	-	65
Domestic Banks	115	-	1,023,548	398,603	-	-	-	-	1,422,266
Foreign Banks	1,356	-	47,181	4,037	-	-	-	-	52,574
Participation Banks	260	-	-	-	-	-	-	-	260
Others	-	-	-	-	-	-	-	-	-
Total	5,322,366	-	7,868,029	21,486,317	1,410,746	328,438	704,381	-	37,120,277

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 Year	Prior Year	Current Year	Prior Year
Saving Deposits	4,726,338	4,549,510	4,038,326	4,153,396
Foreign Currency Saving Deposits	1,397,224	1,341,128	3,006,765	2,739,340
Other Saving Deposits	-	-	-	-
Foreign branches Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	6,123,562	5,890,638	7,045,091	6,892,736

4. Components of ³RWKHU H[W³HUQDO UHV³RXFHV SD\DEOH´ LQ WKH 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 financial leases

	Current Year		Prior Year	
	Gross	Net	Gross	Net
Up to 1 year	6	-	13,319	12,876
1-4 Years	-	-	3,628	3,551
More than 4 Years	-	-	-	-
Total	6	-	16,947	16,427

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

Negative fair values of hedging purpose derivatives

None.

7. Information on provisions

Information on general provisions

	Current Year	Prior Year
Provisions for Loans and Receivables in Group I	238,772	202,266
Provisions for Loans and Receivables in Group II	56,869	36,860
Provisions for Non Cash Loans	27,151	19,531
Others	197	250
Total	322,989	258,907

Assets subject to general provision and related provision amounts as per their risk grading

31 December 2009	Balance sheet items		Off balance sheet items	
	Carrying value	Provision	Carrying value	Provision
Grade 13 : Low risk loans and receivable	30,999,103	233,873	16,717,082	25,770
Grade 45 : Loans under follow up	2,886,339	55,586	352,974	1,381
Restructured loans	180,043	1,283	-	-
Other not graded assets	1,247,501	4,899	1,372,048	197
Total	35,312,986	295,641	18,442,104	27,348

31 December 2008	Balance sheet items		Off balance sheet items	
	Carrying value	Provision	Carrying value	Provision
Grade 13 : Low risk loans and receivable	27,973,138	199,506	13,602,667	18,952
Grade 45 : Loans under follow up	1,740,282	35,436	144,692	579
Restructured loans	208,792	1,424	-	-
Other not graded assets	673,284	2,760	1,225,095	250
Total	30,595,496	239,126	14,972,454	19,781

Provision for currency exchange loss on foreign currency indexed loans

	Current Year	Prior Year
Provision for currency exchange gain/loss on foreign currency indexed loans	209	-

The Bank has recorded provision for foreign exchange losses on principal amount of foreign currency indexed loans amounting to TL 209 (31 December 2008 TL 0) and has reflected the related foreign exchange loss amount in the financial statements through offsetting gains.

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

	Current Year	Prior Year
Non-cash Loans with Limited Collectibility	1,215	1,602
Non-cash Loans with Doubtful Collectibility	7,646	7,914
Uncollectible Non-cash Loans	93,868	95,947
Total	102,729	105,463

Information on other provisions

The Bank does not have general reserves for possible losses.

Information on other provisions exceeding 10% of total provisions

	Current Year	Prior Year
Specific provision for non-cash loans that are not indemnified or converted into cash	102,729	105,463
Provisions for World Vakıf UBB Ltd with regard to its negative equity	17,037	15,583
Provisions for lawsuits against the Bank	15,171	12,371
Provisions for credit card promotions	8,246	9,022
Others	46,551	11,540
Total	189,734	153,979

8. Taxation

Current Taxes

Tax provision

As at and for the year ended 31 December 2009, the tax provision was amounted to TL 350,029 (31 December 2008 TL 197,622). As at 31 December 2009, corporate tax liabilities of the Bank was amounted to TL 83,161 (31 December 2008 TL 47,550), after deducting prepaid taxes paid during temporary tax periods amounted to TL 266,868 (31 December 2008 TL 150,072).

Information on taxes payable

	Current Year	Prior Year
Corporate taxes payable	83,161	47,550
Taxation on securities	44,532	91,324
Capital gains tax on property	704	652
Banking and Insurance Transaction Tax (BITT)	20,661	27,975
Taxes on foreign exchange transactions	-	-
Value added tax payable	905	874
Others	13,166	11,276
Total	163,129	179,651

Information on premiums payable

	Current Year	Prior Year
Social security premiums employee share	-	-
Social security premiums employer share	-	-
Bank pension fund premiums employee share	-	-
Bank pension fund premiums employer share	-	-
Pension fund membership fees and provisions employee share	-	-
Pension fund membership fees and provisions employer share	-	-
Unemployment insurance employee share	312	252
Unemployment insurance employer share	625	505
Others	5	-
Total	942	757

Information on deferred tax liability

Disclosed in Note 15 of information and disclosures for assets.

9. Information on payables for assets held for resale and tangible assets related to discounted activities
None.
10. Information on subordinated loans
None.
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Paid-in capital

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

Paid-in capital of the Bank amounted 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 of Directors members; one member appointed by the Prime Minister representing The General Directorate of the Foundation (Group A), three members representing Group (A), one member representing Group (B), and two members representing Group (C) and one nominee 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
Basic 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 2009 of the Board of Directors.

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

There is no share capital increase in the current and previous year.

Information on share capital increases from revaluation funds

None.

Capital commitments for current financial year and following year

None.

Prior year *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 marketable securities

	Current Year		Prior Year	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	179,931	56,131	62,561	56,131
Fair value differences of available-for-sale securities	230,925	98,487	57,554	(68,437)
Foreign exchange differences	-	-	-	-
Total	410,856	154,618	120,115	(12,306)

III. Information and disclosures related to offbalance sheet items

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Year	Prior Year
Commitments for credit card limits	4,043,910	3,050,410
Loan granting commitments	2,839,123	1,273,207
Commitments for cheque payments	735,839	1,456,567
Asset purchase commitments	298,677	293,765
Share capital commitments to associates and subsidiaries	2,001	-
Total	7,919,550	6,073,949

Type and amount of possible losses from offbalance 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 has provided specific provision amounting to 102,729 (31 December 2008 TL 105,463) for unliquidated non-cash loans recorded under offbalance sheet items, amounting to 106,264 (31 December 2008 TL 111,873) as at 31 December 2009.

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Year	Prior Year
Provisional Letters of Guarantee	187,197	102,621
Final Letters of Guarantee	3,210,233	4,112,388
Letters of Guarantee for advances	1,186,749	1,035,225
Letters of Guarantee given to Customs Offices	161,158	182,196
Other Letters of Guarantee	1,360,240	80,267
Total	6,105,577	5,512,697

2. Non-cash Loans

	Current Year	Prior Year
Non-Cash Loans Given for Cash Loan Risks	541,145	405,492
With Original Maturity of 1 Year or Less	367,311	132,743
With Original Maturity of More Than 1 Year	173,834	272,749
Other NonCash Loans	8,553,087	7,605,585
Total	9,094,232	8,011,077

3. Sectoral risk concentrations of noncash loans

	Current Year				Prior Year			
	TL	%	FC	%	TL	%	FC	%
Agricultural	30,798	0.71	100,974	2.10	30,209	0.88	57,063	1.25
Farming and Stockbreedin	25,451	0.59	87,111	1.81	22,881	0.67	37,906	0.83
Forestry	3,995	0.09	-	-	4,980	0.14	3,705	0.08
Fishing	1,352	0.03	13,863	0.29	2,348	0.07	15,452	0.34
Manufacturing	1,944,249	45.28	2,190,049	45.63	1,341,409	38.88	1,827,785	40.06
Mining	35,457	0.83	129,519	2.70	34,613	1.00	119,474	2.62
Production	1,614,210	37.59	1,537,794	32.04	953,207	27.63	1,523,671	33.39
Electric, gas and water	294,582	6.86	522,736	10.89	353,589	10.25	184,640	4.05
Construction	570,644	13.29	851,475	17.74	581,153	16.85	1,083,182	23.75
Services	1,537,852	35.81	910,564	18.97	1,203,401	34.89	841,916	18.46
Wholesale and retail trade	618,790	14.41	457,975	9.54	466,892	13.54	260,919	5.72
Hotel, food and beverage	43,000	1.00	10,486	0.22	32,832	0.95	12,380	0.27
Transportation and	229,508	5.34	399,311	8.32	205,056	5.94	356,090	7.81
telecommunication	612,300	14.26	28,339	0.59	467,148	13.55	192,569	4.22
Financial institutions	2,101	0.05	-	-	4,898	0.14	65	0.00
Real estate and renting	-	-	-	-	-	-	-	-
“Self-employment” type	-	-	-	-	-	-	-	-
services	2,398	0.06	-	-	5,092	0.15	2,293	0.05
Education services	29,755	0.69	14,453	0.30	21,483	0.62	17,600	0.39
Health and social services	210,964	4.91	746,663	15.56	293,235	8.50	751,724	16.48
Others	210,964	4.91	746,663	15.56	293,235	8.50	751,724	16.48
Total	4,294,507	100.00	4,799,725	100.00	3,449,407	100.00	4,561,670	100.00

4. Information on non-cash loansclassified as and IInd group

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	4,139,896	1,750,665	106,714	9,687
Confirmed Bills ofExchange and Acceptances	-	419,052	-	11,306
Letters ofCredit	4,130	2,500,869	-	21,172
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	3,078	21,399	-	-
Non-cash Loans	4,147,104	4,691,985	106,714	42,165

5. Information on derivative transactions

	Current Year	Prior Year
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	2,117,928	1,747,727
Currency Forwards	263,831	24,545
Currency Swaps	1,445,630	1,723,182
Currency Futures	-	-
Currency Options	408,467	-
Interest Rate Derivative Transactions (II)	830,237	702,975
Interest Rate Forwards	-	-
Interest Rate Swaps	830,237	702,975
Interest Rate Futures	-	-
Interest Rate Options	-	-
Other Trading Derivatives (III)	14,900	60,800
A. Total Trading Derivatives (I+II+III)	2,963,065	2,511,502
Hedging Derivatives	-	-
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Hedges for Foreign Currency Investments	-	-
B. Total Hedging Derivatives	-	-
Derivative Transactions (A+B)	2,963,065	2,511,502

	31 December 2009					Total
	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	
Currency swaps:						
Purchase	721,146	-	-	-	-	721,146
Sale	724,484	-	-	-	-	724,484
Currency forwards:						
Purchase	32,719	51,323	47,897	-	-	131,939
Sale	32,713	51,313	47,866	-	-	131,892
Cross currency interest rate swaps:						
Purchase	-	-	8,924	291,350	60,959	361,233
Sale	-	-	7,774	288,330	68,838	364,942
Interest rate swaps:						
Purchase	-	-	-	58,116	-	58,116
Sale	-	-	-	45,946	-	45,946
Options:						
Purchase	160,602	43,631	-	-	-	204,233
Sale	160,722	43,512	-	-	-	204,234
Other trading derivatives:						
Purchase	-	14,900	-	-	-	14,900
Sale	-	-	-	-	-	-
Total purchases	914,467	109,854	56,821	349,466	60,959	1,491,567
Total sales	917,919	94,825	55,640	334,276	68,838	1,471,498
Total	1,832,386	204,679	112,461	683,742	129,797	2,963,065

	31 December 2008					
	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Currency swaps:						
Purchase	853,425	1,693	-	-	-	855,118
Sale	866,389	1,675	-	-	-	868,064
Currency forwards:						
Purchase	6,179	3,943	2,152	-	-	12,274
Sale	6,177	3,941	2,153	-	-	12,271
Cross currency interest rate swaps:						
Purchase	-	-	-	88,112	72,059	160,171
Sale	-	-	-	76,153	82,992	159,145
Interest rate swaps:						
Purchase	-	-	118,560	78,971	-	197,531
Sale	-	-	118,560	67,568	-	186,128
Other trading derivatives:						
Purchase	-	-	-	15,200	-	15,200
Sale	-	-	-	45,600	-	45,600
Total purchases	859,604	5,636	120,712	182,283	72,059	1,240,294
Total sales	872,566	5,616	120,713	189,321	82,992	1,271,208
Total	1,732,170	11,252	241,425	371,604	155,051	2,511,502

6. Contingent assets and liabilities

None.

7. Services rendered on behalf of third parties

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

The Bank's custody services and banking transactions on behalf of individuals and corporate customers does not represent a material portion.

Interest expense on securities issued

None.

Maturity structure of interest expense on deposits

Account Description	Time Deposit						Accumulat ing Deposit Accounts	Total
	Demand Deposits	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	1 Year and Over		
Turkish Lira:								
Bank Deposits	-	74,704	-	-	-	-	-	74,704
Saving Deposits	5,717	101,598	781,326	17,012	1,714	3,906	-	911,273
Public Sector Deposits	1,907	63,126	274,993	13,130	44	311	-	353,511
Commercial Deposits	1,865	80,555	424,253	27,969	1,474	141	-	536,257
Other Deposits	560	177,265	441,933	40,187	803	1,378	-	662,126
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total	10,049	497,248	1,922,505	98,298	4,035	5,736	-	2,537,871
Foreign Currency:								
Foreign Currency Deposits	382	73,492	215,668	25,851	6,648	24,399	-	346,440
Bank Deposits	-	6,494	-	-	-	-	-	6,494
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metals Deposits	-	-	-	-	-	-	-	-
Total	382	79,986	215,668	25,851	6,648	24,399	-	352,934
Grand Total	10,431	577,234	2,138,173	124,149	10,683	30,135	-	2,890,805

3. Dividend Income

	Current Year	Prior Year
Trading Purpose Financial Assets	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	-	1,166
Others	24,265	24,333
Total	24,265	25,499

4. Trading income/losses

	Current Year	Prior Year
Income	2,041,880	1,431,062
Income from capital market transactions	127,315	66,645
Income from derivative financial instruments	64,351	67,000
Foreign exchange gains	1,850,214	1,297,417
Losses	(1,864,114)	(1,341,342)
Losses from capital market transactions	(3,814)	(7,683)
Losses from derivative financial instruments	(70,790)	(74,608)
Foreign exchange losses	(1,789,510)	(1,259,051)
Trading income/losses, net	177,766	89,720

Net loss arising from changes in foreign exchange rate that relate to the Bank's derivative financial instruments based on foreign exchange rate is 4,513 for the year ended 31 December 2009 (3 December 2008: net loss of TL 247).

5. Other operating income

	Current Year	Prior Year
Income from reversal of specific provisions for loans	152,271	171,847
Communication income	85,553	70,513
Gain on sale of assets	40,390	8,554
Rent income	3,811	3,536
Income from reversal of the impairment losses of investment in subsidiaries	1,000	10,554
Other income	28,191	47,700
Total	311,216	312,704

6. Provision expenses for losses on loans and other receivables

	Current Year	Prior Year
Specific Provisions on Loans and Other Receivables	745,872	389,354
Loans and Receivables in Group III	85,927	41,082
Loans and Receivables in Group IV	171,426	153,887
Loans and Receivables in Group V	488,519	194,385
Non-performing commissions and other receivables	-	-
General Provision Expenses	65,358	84,193
Provision for Possible Losses	-	-
Impairment Losses on Financial Assets	11,891	23,931
Financial Assets at Fair Value through Profit or Loss	-	1,979
Available-for-Sale Financial Assets	11,891	21,952
Other Impairment Losses:	20,419	4,511
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	20,419	4,511
Others	137,785	122,330
Total	981,325	624,319

(*) Other provision expenses amounting to TL 137,785 (31 December 2008: TL 122,330) is comprised of provision expenses for dividends to the personnel amounting to TL 79,200 (31 December 2008: TL 68,600), provision on cash loans that are not indemnified converted into cash amounting to TL 29,980 (31 December 2008: TL 33,418), provision expenses for lawsuits against the Bank amounting to TL 2,800 (31 December 2008: TL 3,919) and other provision expenses amounting to TL 25,805 (31 December 2008: TL 16,368)

7. Other operating expenses

	Current Year	Prior Year
Personnel Costs	619,756	557,063
Reserve for Employee Termination Benefits	17,561	29,120
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	9,409	-
Depreciation Expenses on Tangible Assets	103,330	90,097
Impairment Losses on Intangible Assets	-	-
Amortization Expenses on Intangible Assets	5,366	3,753
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	602,096	508,858
Operational lease related expenses	71,456	64,432
Repair and maintenance expenses	13,769	14,615
Advertisement expenses	39,384	45,156
Other expenses	477,487	384,655
Loss on sale of assets	1,026	1,776
Others	174,176	128,505
Total	1,532,720	1,319,172

8. Information on income/loss from discontinued operations

The Bank has no discontinued operations information and detailed tables on profit before tax from continuing operations are presented in disclosure 7 in this section

9. Information on tax provision from discontinued operations

The Bank has no discontinued operations information on provision for taxes on income from continuing operations is presented in disclosure 11 in this section

10. Information on net profit/loss from discontinued operations

The Bank has no discontinued operations information on net profit/loss from continuing operations is presented in disclosure 13 in this section.

11. Provision for taxes on income

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

In the current year, the Bank has recorded current tax provision of TL 311,128 (31 December 2008 TL 194,149) from the operating profit in accordance with the Corporate Tax Law and other laws and regulations.

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

Sources of deferred tax benefit/charge	Current Year	Prior Year
Arising from Origination (Reversal) of Deductible Temporary Differences	20,789	(1,219)
Arising from (Origination)/Reversal of Taxable Temporary Differences	(629)	23,228
Arising from Origination (Reversal) of Tax Losses	-	-
Arising from Change in Tax Rate	-	-
Total	20,160	22,009

12. 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 results

None.

13. Information related to the components of other items in the income statement exceeding 10% of the group total, or 20% of the subaccounts belonging to this group

None.

V. , QIRUPDWLRQ DQG GLVFORVXUHV UHODWHG WYR VWDWH

1. Information on increases of revaluation of available-for-sale investments

Movement table related to revaluation differences of available-for-sale investments where valuation differences arising from the fair value measurement of available-for-sale assets subsidiaries and affiliates are recorded are as follows

Valuation Differences of Marketable Securities	Current Year	Prior Year
Valuation differences at the beginning of the year	(10,882)	87,127
Fair value changes in the current year	390,270	(56,872)
Effect of deferred and corporate taxes	(61,441)	3,187
Valuation differences transferred to the income statement	9,734	(56,373)
Effect of deferred and corporate taxes	1,731	12,049
Valuation differences at the end of the year	329,412	(10,882)

Valuation Difference of the Subsidiaries and Affiliates	Current Year	Prior Year
Valuation differences at the beginning of the year	118,691	188,303
Fair value changes in the current year	125,723	(70,586)
Effect of deferred and corporate taxes	(6,760)	974
Valuation differences transferred to the income statement	(1,592)	-
Effect of deferred and corporate taxes	-	-
Valuation differences at the end of the year	236,062	118,691

2. Information on increases in cash flow hedges

None

3. Reconciliation of the beginning and end of the year balances of foreign exchange differences:

None.

4. , QIRUPDWLRQ RQ GLIIHUHQFH V LQ VKDUHKROGHUV HTXLW

In compliance with BRSA's Circular on 28 April 2005 on ceasing the inflation accounting application, the balances resulted from the inflation accounting application at 31 December 2004 and booked according to the Uniform Chart of Accounts and the related Articles, are transferred to the main accounts that were subject to the inflation accounting adjustments except for “capital reserves from inflation adjustments”. The balance of “capital reserves from inflation adjustments” account is transferred to “other capital reserves” account. In 2006, the Bank has increased paid in capital through “other capital reserves” by TL 605,763

5. Information on profit distribution

As per the resolution of 55th Annual General Assembly held on 3 April 2009, been decided that net profit of the year 2008 subject to distribution after the deduction of deferred tax income amounting to TL 731,189 shall be distributed as legal reserves amounting to TL 73,119, extraordinary reserves amounting to TL 656,957, and other reserves amounting to TL 1,113.

6. Information on increases of revaluation of available-for-sale investments

Valuation differences of available-for-sale financial assets has increased in the current year. Detailed information about this increase is explained above in Note 1.

4. Information on cash and cash equivalents

Information on cash and cash equivalents at the beginning of the year

	Current Year 31 December 2008	Prior Year 31 December 2007
Cash on Hand	439,144	419,071
Cash in TL	375,190	363,150
Cash in Foreign Currency	63,954	55,921
Cash Equivalents	6,391,894	4,819,790
CBT – Unrestricted demand	1,665,139	2,070,245
Banks	2,557,300	2,746,268
Interbank money market placements	3,201,333	715,335
Other	503	886
Loans and advances to banks having maturity of more than 3 m	(1,000)	-
Restricted cash and cash equivalents	(964,415)	(651,920)
Income accruals on cash equivalents	(50,158)	(39,997)
Unrealized foreign exchange rate differences on cash equivalents	(16,808)	(21,027)
Total	6,831,038	5,238,861

Information on cash and cash equivalents at the end of the year

	Current Year 31 December 2009	Prior Year 31 December 2008
Cash on Hand	591,081	439,144
Cash in TL	508,595	375,190
Cash in Foreign Currency	82,486	63,954
Cash Equivalents	7,589,050	6,391,894
CBT – Unrestricted demand	2,457,852	1,665,139
Banks	2,738,558	2,557,300
Interbank money market placements	3,400,614	3,201,333
Other	702	503
Loans and advances to banks having maturity of more than 3 m	-	(1,000)
Restricted cash and cash equivalents	(975,498)	(964,415)
Income accruals on cash equivalents	(21,674)	(50,158)
Unrealized foreign exchange rate differences on cash equivalents	(11,504)	(16,808)
Total	8,180,131	6,831,038

5. Management comment on restricted cash and cash equivalents due to legal requirements or other reasons taking materiality principle into account

Reserve requirements at CBT amounting to TL 872,785 as at 31 December 2009 (31 December 2008: TL 815,223) has not been included in cash and cash equivalents.

Foreign currency demand deposits amounting to TL 36,407 (31 December 2008: TL 55,274) and foreign currency time deposits amounting to TL 66,306 (31 December 2008: TL 93,468) are restricted due to securitization loans and other ordinary banking operations of the Bank.

VII. , QIRUPDWLRQ DQG GLVFORVXUHQJUHODWHG WR WKH %D

1. , QIRUPDWLRQ RQ WKH YROXPH RI WUDQVDFWLRQ VULVW K WH outstanding at year end and income and expenses in the current year

	Associates and Subsidiaries and Joint-Ventures		% D Q N ¶ V ' L U F Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Current Year						
Loans and Other Receivables						
Balance at the Beginning of the Year	126,461	207,216	-	668	8,437	5,881
Balance at the End of the Year	579,792	402,370	-	549	9,587	4,122
Interest and Commission Income Receiv	14,642	791	-	-	829	121
Prior Year						
Loans and Other Receivables						
Balance at the Beginning of the Year	63,102	175,454	-	669	4,119	5,488
Balance at the End of the Year	126,461	207,216	-	668	8,437	5,881
Interest and Commission Income Receiv	10,794	785	-	-	730	190

Information on deposits held by the % D Q N ¶ V U L V N J U R X S

% D Q N ¶ V 5 L V N * U R X S	Associates and Subsidiaries and Joint-Ventures		% D Q N ¶ V ' L U F Indirect Shareholders		Other Components in Risk Group	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Deposits						
Balance at the Beginning of the Year	263,719	270,304	977,811	918,176	208,027	143,867
Balance at the End of the Year	623,235	263,719	917,223	977,811	56,210	208,027
Interest on Deposits	22,515	26,281	93,391	101,600	705	1,210

, QIRUPDWLRQ RQ IRUZDUG DQG RSWLRQ DJUHHPHQWV DQG risk group

% D Q N ¶ V 5 L V N * U R X S	Associates and Subsidiaries and Joint-Ventures		% D Q N ¶ V ' L U Indirect Shareholders		Other Components in Risk Group	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Transactions held for trading purpose:						
Purchase balance at the beginning of the pe	-	-	-	-	-	-
Sales balance at the beginning of the period	-	-	-	-	-	-
Purchase balance at the end of the period	29,800	-	-	-	-	-
Sales balance at the end of the period	29,790	-	-	-	-	-
Total Profit/(Loss)	7	-	-	-	-	-

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 ~~average~~ ^{long} term basis, terms are set according to the market conditions and 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

The pricing of transactions with the risk group companies is set in compliance with the market prices. The ratio of cash and non-cash loans extended to the the risk group to the overall cash and non-cash loans are 1.70% (31 December 2009 0.44%) and 4.48% (31 December 2008 2.67%).

Current Year	Amount	Compared with the 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

Prior Year	Amount	Compared with the Financial Statement Amount %
Cash Loans	134,898	0.44
Non-Cash Loans	213,765	2.67
Deposits	1,449,557	3.91
Forward and Option Agreements	-	-

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 kind capital support), guarantees and promissory notes, and management contracts

None

VIII. Information on domestic, foreign and off-shore branches or investments and foreign representative offices

Domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
Domestic Branches ^(*)	543	10,134			
			<u>Country</u>		
Foreign Representative Offices	-	-	1-		
			2-		
			3-		
				<u>Total Assets</u>	<u>Legal Capital</u>
Foreign Branches	2	19	1- USA	1,514,081	24,585
			2- Bahrain	9,469,371	-
			3-		
Off-shore Branches			1-		
			2-		
			3-		

(*) Free zone branches in Turkey included to domestic branches.

Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

During 2009, 27 new domestic branches have been opened (during 2008: 84) and 7 branches have been closed (during 2008: 27)

II. , QIRUPDWLRQ RQ WKH %DQN¶V Unconsolidated Financial Statement

September 2009 ^(*)	Standard Poors
Foreign Currency Credit Rating	BB- / Stable/ B
Foreign Currency Deposit Rating	BB- / -- / B
National	trA / -- / trA-1
Continuance Rating	BBB-/--/--

January 2010 ^(*)	ORRG\¶V , QY 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+

December 2008 ^(*)	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
 None.

IV . Significant foreign currency exchange rate fluctuations that are subsequent to balance sheet date
 None.