

**TÜRK EKONOMİ BANKASI
ANONİM ŞİRKETİ**

**INDEPENDENT ACCOUNTANTS'
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
SEPTEMBER 30, 2009**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Türk Ekonomi Bankası A.Ş.
Istanbul

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD JANUARY 1, 2009 –SEPTEMBER 30, 2009**

We have reviewed the accompanying balance sheet of Türk Ekonomi Bankası A.Ş. ("The Bank") as at September 30, 2009 and the related statements of income, changes in shareholders' equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants, our responsibility is to issue a report based on the review performed on these financial statements.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Bank for the period ended September 30, 2009 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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

Member of **DELOITTE TOUCHE TOHMATSU**

Hasan Kılıç
Partner

Istanbul, November 2 , 2009

**THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2009**

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The unconsolidated financial report for the nine months designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures for the nine months, unless otherwise indicated, are prepared **in thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently reviewed and presented as attached.

November 2, 2009

Yavuz Canevi	Patrick	Dr. Akın			
President of the	Rene Pitton	Akbaygil	Varol Civil	M. Aşkın Dolaştır	B. Ilgaz Doğan
Board of	Chairman	Vice Chairman	General Manager	Assistant General	Manager
Directors	of the Audit	of the Audit		Manager Responsible of	Responsible of
	Committee	Committee		Financial Reporting	Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname / Title: Çiğdem Başaran / Investor Relations Director

Telephone Number: (0212) 251 21 21
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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status, if any

Türk Ekonomi Bankası Anonim Şirketi (“the Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to Istanbul.

II. Explanation on the Bank’s Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

As of September 30, 2009 and December 31, 2008 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	Current Period		Previous Period	
	Paid in capital	%	Paid in capital	%
TEB Mali Yatırımlar A.Ş.	926,796	84.25	926,796	84.25
Publicly Traded	171,966	15.63	171,966	15.63
Other Shareholders	1,238	0.12	1,238	0.12
	1,100,000	100.00	1,100,000	100.00

As of September 30, 2009, Bank’s paid-in-capital consists of 1,100,000,000 shares of TRY 1.00 (full TRY) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>
Board of Directors;	
Yavuz Canevi	Chairman of the Board of Directors
Dr.Akın Akbaygil	Member of the Board of Directors, Vice Chairman of the Audit Committee and Vice Chairman of the Board of Directors
Patrick Rene Pitton	Member of the Board of Directors , Chairman of the Audit Committee
Jean-Jacques Marie Santini	Member of the Board of Directors and Vice Chairman of the Board of Directors
Metin Toğay	Member of the Board of Directors
Yves Paul Henri Martrenchar(*)	Member of the Board of Directors
Refael Taranto	Member of the Board of Directors
Varol Civil	Member of the Board of Directors and General Manager
Musa Erden	Member of the Board of Directors
Assistant General Managers;	
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Reporting
Izzet Cemal Kışmır	Assistant General Manager Responsible from Consumer Banking and Business Banking
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking and Financial Institutions
Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources
Nuri Tuncalı	Assistant General Manager Responsible from Corporate and Commercial Loans
Saniye Telci	Assistant General Manager Responsible from Banking Operations
Turgut Boz	Assistant General Manager Responsible from Commercial Banking and SME Banking
Turgut Güney	Assistant General Manager Responsible from Information Technologies
Ümit Leblebici	Assistant General Manager Responsible from Treasury
Ünsal Aysun	Assistant General Manager Responsible from Project Financing and Cash Management
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Private Banking (Vicarious)
Melis Coşan Baban	Assistant General Manager Responsible from Legal Affairs and Secretary of the Board of Directors
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans
Inspection Committee and Statutory Auditors;	
Hakan Tıraşın	Chairman of the Inspection Committee
Ayşe Aşardağ	Statutory Auditor
Cihat Madanoğlu	Statutory Auditor

(*) Christophe Philippe Marie Vallée left from his position as a member of the Board of Directors as of June 17, 2009, and Yves Paul Henri Martrenchar was appointed as the new member of the Board of Directors.

Shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible.

IV. Information about the persons and institutions that have qualified shares:

Name / Commercial Name	Share Amount	Share Ratio	Paid up Shares	Unpaid Shares
TEB Mali Yatırımlar A.Ş.	926,796	84.25%	926,796	-

The directly or indirectly authorized group that has the qualified shares in the Bank's capital is TEB Mali Yatırımlar A.Ş. TEB Mali Yatırımlar A.Ş. is a member of Çolakoğlu and BNP Paribas Group. 50% of the shares of TEB Mali Yatırımlar A.Ş. is controlled by BNP Paribas, while the remaining 50% is controlled by Çolakoğlu Group.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. Summary on the Bank's Functions and Areas of Activity

The Bank's operating areas include corporate, retail and private banking as well as project finance, fund management and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Yatırım Menkul Değerler A.Ş. and Zurich Sigorta A.Ş (formerly TEB Sigorta A.Ş. prior to the title change on August 18, 2008 due to the sale of the entity). As of September 30, 2009, the Bank has 330 local branches and 4 foreign branches (December 31, 2008 - 332 local branches, 4 foreign branches).

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
- II. Statement of Off Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

		Reviewed Current Period 30.09.2009			Audited Prior Period 31.12.2008			
	Note Ref.	TRY	FC	Total	TRY	FC	Total	
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	439,633	1,188,611	1,628,244	536,070	1,563,427	2,099,497
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	278,651	28,393	307,044	49,118	41,524	90,642
2.1	Financial assets held for trading		278,651	28,393	307,044	49,118	41,524	90,642
2.1.1	Public sector debt securities		249,443	3,555	252,998	11,183	1,239	12,422
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		29,208	24,838	54,046	37,935	40,285	78,220
2.1.4	Other marketable securities		-	-	-	-	-	-
2.2	Financial assets classified at fair value through profit and loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	43,691	331,380	375,071	24,673	487,626	512,299
IV.	MONEY MARKET PLACEMENTS		50,010	2,954	52,964	700,292	56,394	756,686
4.1	Interbank money market placements		50,010	2,954	52,964	700,292	56,394	756,686
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1,273,924	60,545	1,334,469	1,067,250	128,198	1,195,448
5.1	Share certificates		9	2,041	2,050	9	1,554	1,563
5.2	Public sector debt securities		1,273,915	58,504	1,332,419	1,067,241	126,644	1,193,885
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	(5)	6,362,929	1,769,372	8,132,301	6,372,198	2,178,336	8,550,534
6.1	Loans and receivables		6,180,189	1,769,372	7,949,561	6,276,765	2,178,336	8,455,101
6.1.1	Loans to Risk Group of the Bank		33,051	13,210	46,261	9,361	978	10,339
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		6,147,138	1,756,162	7,903,300	6,267,404	2,177,358	8,444,762
6.2	Non-performing loans		407,865	-	407,865	201,525	-	201,525
6.3	Specific provisions (-)		(225,125)	-	(225,125)	(106,092)	-	(106,092)
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	812,560	-	812,560	797,771	-	797,771
8.1	Public sector debt securities		812,560	-	812,560	797,771	-	797,771
8.2	Other marketable securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	1	-	1	-	-	-
9.1	Accounted for under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		1	-	1	-	-	-
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		1	-	1	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	92,667	61,254	153,921	92,667	61,254	153,921
10.1	Unconsolidated financial subsidiaries		92,667	61,254	153,921	92,667	61,254	153,921
10.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated under equity method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial subsidiaries		-	-	-	-	-	-
11.2.2	Non-financial subsidiaries		-	-	-	-	-	-
XII.	FINANCE LEASE RECEIVABLES	(10)	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	28,233	515	28,748	54,210	2,214	56,424
13.1	Fair value hedge		28,233	515	28,748	54,210	2,214	56,424
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	157,300	-	157,300	167,123	-	167,123
XV.	INTANGIBLE ASSETS (Net)	(13)	8,761	-	8,761	9,857	-	9,857
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		8,761	-	8,761	9,857	-	9,857
XVI.	INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET	(15)	8,606	-	8,606	23,683	-	23,683
17.1	Current tax asset		-	-	-	10,710	-	10,710
17.2	Deferred tax asset		8,606	-	8,606	12,973	-	12,973
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	407,915	28,984	436,899	268,207	53,963	322,170
TOTAL ASSETS			9,964,881	3,472,008	13,436,889	10,163,119	4,572,936	14,736,055

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
BALANCE SHEET AS OF SEPTEMBER 30, 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

	Note Ref.	Reviewed Current Period 30.09.2009			Audited Prior Period 31.12.2008		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	5,279,127	3,434,318	8,713,445	5,571,990	3,699,757	9,271,747
1.1 Deposits from Risk Group of the Bank		155,130	260,821	415,951	246,379	238,169	484,548
1.2 Other		5,123,997	3,173,497	8,297,494	5,325,611	3,461,588	8,787,199
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	43,157	19,033	62,190	98,047	79,104	177,151
III. FUNDS BORROWED	(3)	629,169	745,444	1,374,613	1,692,963	751,640	2,444,603
IV. MONEY MARKET BALANCES		323,030	-	323,030	201,744	-	201,744
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		323,030	-	323,030	201,744	-	201,744
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		244,578	27,628	272,206	238,765	4,639	243,404
VIII. OTHER LIABILITIES	(4)	323,483	1,747	325,230	223,896	3,726	227,622
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(5)	-	33	33	-	117	117
10.1 Finance lease payables		-	49	49	-	141	141
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	(16)	(16)	-	(24)	(24)
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	73,797	1	73,798	67,611	-	67,611
11.1 Fair value hedge		73,797	1	73,798	67,611	-	67,611
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	97,990	11,233	109,223	118,207	17,771	135,978
12.1 General loan loss provision		56,893	11,233	68,126	56,927	17,771	74,698
12.2 Restructuring reserve		-	-	-	-	-	-
12.3 Reserve for employee benefits		15,820	-	15,820	13,133	-	13,133
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		25,277	-	25,277	48,147	-	48,147
XIII. TAX LIABILITY	(8)	59,299	-	59,299	47,404	-	47,404
13.1 Current tax liability		59,299	-	59,299	47,404	-	47,404
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	489,920	489,920	-	495,055	495,055
XVI. SHAREHOLDERS' EQUITY	(11)	1,630,130	3,772	1,633,902	1,426,011	(2,392)	1,423,619
16.1 Paid-in capital		1,100,000	-	1,100,000	1,100,000	-	1,100,000
16.2 Supplementary capital		28,512	3,772	32,284	11,358	(2,392)	8,966
16.2.1 Share premium		2,158	-	2,158	2,158	-	2,158
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences		25,428	3,772	29,200	8,274	(2,392)	5,882
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment properties revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (Joint Vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		926	-	926	926	-	926
16.3 Profit reserves		314,653	-	314,653	150,455	-	150,455
16.3.1 Legal reserves		34,959	-	34,959	26,750	-	26,750
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		279,694	-	279,694	123,705	-	123,705
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		186,965	-	186,965	164,198	-	164,198
16.4.1 Prior years' income/ (loss)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		186,965	-	186,965	164,198	-	164,198
16.5 Minority shares	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		8,703,760	4,733,129	13,436,889	9,686,638	5,049,417	14,736,055

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS
AS OF SEPTEMBER 30, 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Reviewed Current Period 30.09.2009			Audited Prior Period 31.12.2008		
	Note Ref.	TRY	FC	TOTAL	TRY	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	7,039,077	7,597,333	14,636,410	5,977,960	7,473,375	13,451,335
I.	GUARANTEES	(1), (3)	1,401,323	1,849,982	3,251,305	1,348,770	1,968,620
1.1	Letters of guarantee	1,267,386	1,215,501	2,482,887	1,262,496	1,255,178	2,517,674
1.1.1	Guarantees subject to State Tender Law	70,539	21,101	91,640	60,852	23,317	84,169
1.1.2	Guarantees given for foreign trade operations	117,485	38,410	155,895	126,643	53,026	179,669
1.1.3	Other letters of guarantee	1,079,362	1,155,990	2,235,352	1,075,001	1,178,835	2,253,836
1.2	Bank loans	871	43,303	44,174	-	51,320	51,320
1.2.1	Import letter of acceptance	871	40,842	41,713	-	47,272	47,272
1.2.2	Other bank acceptances	-	2,461	2,461	-	4,048	4,048
1.3	Letters of credit	220	478,269	478,489	238	530,725	530,963
1.3.1	Documentary letters of credit	220	388,610	388,830	238	438,537	438,775
1.3.2	Other letters of credit	-	89,659	89,659	-	92,188	92,188
1.4	Pre-financing given as guarantee	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2	Other endorsements	-	-	-	-	-	-
1.6	Securities issue purchase guarantees	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	130,793	70,552	201,345	85,517	99,511	185,028
1.9	Other collaterals	2,053	42,357	44,410	519	31,886	32,405
II.	COMMITMENTS	(1), (3)	2,806,139	1,092,855	3,898,994	2,178,550	186,014
2.1	Irrevocable commitments	2,806,139	1,092,855	3,898,994	2,178,550	186,014	2,364,564
2.1.1	Forward asset purchase commitments	34,859	745,990	780,849	-	182,115	182,115
2.1.2	Forward deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4	Loan granting commitments	1,003,020	-	1,003,020	843,376	-	843,376
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements	355,160	343,081	698,241	-	-	-
2.1.7	Payment commitment for checks	576,659	-	576,659	560,682	-	560,682
2.1.8	Tax and fund liabilities from export commitments	16,832	-	16,832	12,449	-	12,449
2.1.9	Commitments for credit card expenditure limits	817,577	-	817,577	759,651	-	759,651
2.1.10	Commitments for promotions related with credit cards and banking activities	1,921	-	1,921	2,281	-	2,281
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	111	3,784	3,895	111	3,899	4,010
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	2,831,615	4,654,496	7,486,111	2,450,640	5,318,741
3.1	Derivative financial instruments for hedging purposes	499,415	319,032	818,447	582,448	420,017	1,002,465
3.1.1	Fair value hedge	499,415	319,032	818,447	582,448	420,017	1,002,465
3.1.2	Cash flow hedge	-	-	-	-	-	-
3.1.3	Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2	Held for trading transactions	2,332,200	4,335,464	6,667,664	1,868,192	4,898,724	6,766,916
3.2.1	Forward foreign currency buy/sell transactions	584,438	1,294,915	1,879,353	485,927	2,249,719	2,735,646
3.2.1.1	Forward foreign currency transactions-buy	377,523	579,556	957,079	261,915	1,104,139	1,366,054
3.2.1.2	Forward foreign currency transactions-sell	206,915	715,359	922,274	224,012	1,145,580	1,369,592
3.2.2	Swap transactions related to f.c. and interest rates	969,420	1,393,345	2,362,765	1,041,335	1,847,903	2,889,238
3.2.2.1	Foreign currency swap-buy	180,128	920,285	1,100,413	889,289	484,233	1,373,522
3.2.2.2	Foreign currency swap-sell	689,292	411,874	1,101,166	152,046	1,261,594	1,413,640
3.2.2.3	Interest rate swaps-buy	50,000	30,593	80,593	-	51,038	51,038
3.2.2.4	Interest rate swaps-sell	50,000	30,593	80,593	-	51,038	51,038
3.2.3	Foreign currency, interest rate and securities options	778,342	1,190,783	1,969,125	340,930	347,988	688,918
3.2.3.1	Foreign currency options-buy	452,079	517,576	969,655	162,923	182,845	345,768
3.2.3.2	Foreign currency options-sell	326,263	638,941	965,204	178,007	165,143	343,150
3.2.3.3	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5	Securities options-buy	-	17,133	17,133	-	-	-
3.2.3.6	Securities options-sell	-	17,133	17,133	-	-	-
3.2.4	Foreign currency futures	-	456,421	456,421	-	453,114	453,114
3.2.4.1	Foreign currency futures-buy	-	222,910	222,910	-	208,133	208,133
3.2.4.2	Foreign currency futures-sell	-	233,511	233,511	-	244,981	244,981
3.2.5	Interest rate futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	128,439,139	7,476,076	135,915,215	86,475,964	7,640,250	94,116,214
IV.	ITEMS HELD IN CUSTODY	112,373,101	471,182	112,844,283	71,876,949	582,489	72,459,438
4.1	Assets under management	-	-	-	-	-	-
4.2	Investment securities held in custody	109,585,242	108,778	109,694,020	68,836,870	120,664	68,957,534
4.3	Checks received for collection	2,635,926	223,966	2,859,892	2,901,234	287,854	3,189,088
4.4	Commercial notes received for collection	150,680	97,501	248,181	138,746	112,307	251,053
4.5	Other assets received for collection	1,154	40,937	42,091	-	61,664	61,664
4.6	Assets received for public offering	-	-	-	-	-	-
4.7	Other items under custody	99	-	99	99	-	99
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	16,045,664	7,002,691	23,048,355	14,578,043	7,056,852	21,634,895
5.1	Marketable securities	202,675	8,162	210,837	273,479	12,963	286,442
5.2	Guarantee notes	8,294,297	5,349,619	13,643,916	7,430,760	5,491,782	12,922,542
5.3	Commodity	7,515	184,570	192,085	8,466	126,818	135,284
5.4	Warranty	-	-	-	-	-	-
5.5	Properties	6,410,500	1,004,292	7,414,792	5,615,167	1,048,994	6,664,161
5.6	Other pledged items	1,130,677	456,048	1,586,725	1,250,171	376,295	1,626,466
5.7	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	20,374	2,203	22,577	20,972	909	21,881
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		135,478,216	15,073,409	150,551,625	92,453,924	15,113,625	107,567,549

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF INCOME FOR THE PERIOD FROM
JANUARY 1 TO SEPTEMBER 30, 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

III. STATEMENT OF INCOME

		Reviewed Current Period 01.01- 30.09.2009	Reviewed Prior Period 01.01- 30.09.2008	Reviewed Current Period 01.07- 30.09.2009	Reviewed Prior Period 01.07- 30.09.2008	
		Total	Total	Total	Total	
	Note Ref.					
I.	INTEREST INCOME	(1)	1,283,445	1,413,700	386,680	533,070
1.1	Interest on loans		980,820	1,048,018	290,519	385,018
1.2	Interest received from reserve deposits		22,875	31,647	5,455	12,024
1.3	Interest received from banks		10,953	33,820	2,164	12,144
1.4	Interest received from money market placements		25,792	43,758	1,619	13,290
1.5	Interest received from marketable securities portfolio		228,872	233,223	80,561	87,500
1.5.1	Held-for-trading financial assets		10,816	26,672	5,593	6,565
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Available-for-sale financial assets		123,280	206,551	43,934	80,935
1.5.4	Investments held-to-maturity		94,776	-	31,034	-
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		14,133	23,234	6,362	23,094
II.	INTEREST EXPENSE	(2)	675,052	830,364	177,872	304,012
2.1	Interest on deposits		482,747	587,677	131,316	205,837
2.2	Interest on funds borrowed		147,533	171,727	30,370	67,545
2.3	Interest on money market borrowings		28,006	66,212	11,877	27,982
2.4	Interest on securities issued		-	-	-	-
2.5	Other interest expense		16,766	4,748	4,309	2,648
III.	NET INTEREST INCOME (I - II)		608,393	583,336	208,808	229,058
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		178,084	142,482	57,994	50,939
4.1	Fees and commissions received		265,040	215,927	88,810	80,661
4.1.1	Non-cash loans		28,114	27,166	9,361	9,145
4.1.2	Other		236,926	188,761	79,449	71,516
4.2	Fees and commissions paid		86,956	73,445	30,816	29,722
4.2.1	Non-cash loans		1,574	531	526	263
4.2.2	Other		85,382	72,914	30,290	29,459
V.	DIVIDEND INCOME	(3)	11,970	18,775	1	4
VI.	NET TRADING INCOME	(4)	47,389	(26,681)	(942)	(42,399)
6.1	Securities trading gains/ (losses)		62,066	(22,098)	15,574	(8,204)
6.2	Gains/ (losses) from derivative financial instruments		(135,722)	(22,573)	(55,390)	(51,153)
6.3	Foreign exchange gains/ (losses)		121,045	17,990	38,874	16,958
VII.	OTHER OPERATING INCOME	(5)	23,792	72,284	7,066	10,527
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		869,628	790,196	272,927	248,129
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	131,329	86,381	46,997	41,475
X.	OTHER OPERATING EXPENSES (-)	(7)	509,576	514,467	165,247	164,704
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		228,723	189,348	60,683	41,950
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	228,723	189,348	60,683	41,950
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(41,758)	(34,683)	(13,523)	(9,834)
16.1	Current income tax (charge)/benefit		(42,538)	(13,151)	(27,045)	(13,151)
16.2	Deferred tax (charge)/benefit		780	(21,532)	13,522	3,317
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	186,965	154,665	47,160	32,116
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control (Joint vent.)		-	-	-	-
18.3	Income on other discontinued operations		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1	Current income tax (charge)/benefit		-	-	-	-
21.2	Deferred tax (charge)/benefit		-	-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	186,965	154,665	47,160	32,116
23.1	Group's profit/loss		186,965	154,665	47,160	32,116
23.2	Minority shares		-	-	-	-
	Earnings per share		0.1700	0.2035	0.0429	0.0417

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
TABLE OF PROFIT LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed Current Period 01.01-30.09.2009	Reviewed Prior Period 01.01-30.09.2008
I. Additions to marketable securities revaluation differences for available for sale financial assets	85,803	(16,309)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of correction of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to Turkish Accounting Standards	-	-
IX. Deferred tax of valuation differences	(5,736)	2,842
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	80,067	(13,467)
XI. Profit/Loss	(56,749)	2,098
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(56,749)	2,098
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
XII. Total Profit/Loss accounted for the period (X±XI)	23,318	(11,369)

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Note Ref	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Equity Attributable to the Parent	Minority Shares	Total Equity
Prior Period – 01.01.-30.09.2008																				
I	Beginning Balance – 31.12.2007		755,000	926	1,736	-	20,235	-	(66)	-	-	130,286	2,214	-	-	-	-	910,331	-	910,331
II.	Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of correction of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		755,000	926	1,736	-	20,235	-	(66)	-	-	130,286	2,214	-	-	-	-	910,331	-	910,331
IV.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(11,369)	-	-	-	-	(11,369)	-	(11,369)
VI.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control (Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		345,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	345,000	-	345,000
14.1	Cash		345,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	345,000	-	345,000
14.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share premium		-	-	422	-	-	-	-	-	-	-	-	-	-	-	-	-	422	422
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)		-	-	-	-	-	-	-	-	154,665	-	-	-	-	-	-	154,665	-	154,665
XX.	Profit distribution		-	-	-	-	6,515	-	123,771	-	-	(130,286)	-	-	-	-	-	-	-	-
20.1	Dividends distributed		-	-	-	-	6,515	-	123,771	-	-	(130,286)	-	-	-	-	-	-	-	-
20.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 30.09.2008																				
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)																				
			1,100,000	926	2,158	-	26,750	-	123,705	-	154,665	-	(9,155)	-	-	-	-	1,399,049	-	1,399,049

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Note Ref	Effect of Inflation Accounting on Capital and Other		Share Premium	Share Certificate Cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Equity Attributable to the Parent	Minority Shares	Total Equity	
			Paid-in Capital	Capital Reserves																	
I	Current Period – 01.01-30.09.2009																				
	Beginning balance – 31.12.2008		1,100,000	926	2,158	-	26,750	-	123,705	-	-	164,198	5,882	-	-	-	-	- 1,423,619	-	- 1,423,619	
	Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	23,318	-	-	-	-	-	23,318	-	23,318
IV.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control (Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)		-	-	-	-	-	-	-	186,965	-	-	-	-	-	-	-	-	-	186,965	186,965
XVIII.	Profit distribution		-	-	-	-	8,209	-	155,989	-	-	(164,198)	-	-	-	-	-	-	-	-	-
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves		-	-	-	-	8,209	-	155,989	-	-	(164,198)	-	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance 30.09.2009																				
	(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)		1,100,000	926	2,158	-	34,959	-	279,694	-	186,965	-	29,200	-	-	-	-	- 1,633,902	-	- 1,633,902	

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE PERIOD FROM
JANUARY 1 TO SEPTEMBER 30, 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 01.01-30.09.2009	Reviewed Prior Period 01.01-30.09.2008
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	388,568	310,693
1.1.1 Interest received	1,421,606	1,470,855
1.1.2 Interest paid	(863,705)	(861,224)
1.1.3 Dividend received	11,970	18,775
1.1.4 Fees and commissions received	265,040	215,927
1.1.5 Other income	245,800	90,274
1.1.6 Collections from previously written off loans	98,253	121,081
1.1.7 Payments to personnel and service suppliers	(258,464)	(261,755)
1.1.8 Taxes paid	(15,493)	(8,991)
1.1.9 Others	(516,439)	(474,249)
	(1)	
1.2 Changes in operating assets and liabilities	(1,425,247)	226,533
1.2.1 Net (increase) decrease in financial assets held for trading	(218,784)	222,228
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss	-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions	(14,846)	718
1.2.4 Net (increase) decrease in loans	155,305	(2,306,650)
1.2.5 Net (increase) decrease in other assets	(22,104)	25,334
1.2.6 Net increase (decrease) in bank deposits	104,010	(124,130)
1.2.7 Net increase (decrease) in other deposits	(504,739)	2,504,893
1.2.8 Net increase (decrease) in funds borrowed	(1,022,318)	141,735
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	98,229	(237,595)
	(1)	
I. Net cash provided from / (used in) banking operations	(1,036,679)	537,226
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(183,081)	(344,306)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries	(1)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries	-	-
2.3 Fixed asset purchases	(13,178)	(39,421)
2.4 Fixed asset sales	4,367	5,095
2.5 Cash paid for purchase of financial assets available for sale	(2,421,011)	(678,691)
2.6 Cash obtained from sale of financial assets available for sale	2,309,541	374,022
2.7 Cash paid for purchase of investment securities	(59,380)	-
2.8 Cash obtained from sale of investment securities	-	-
2.9 Others	(3,419)	(5,311)
	(1)	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from/ (used in) financing activities	(92)	334,478
3.1 Cash obtained from funds borrowed and securities issued	-	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Capital increase	-	345,422
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(92)	(10,944)
3.6 Other	-	-
	(1)	
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(46,453)	85,776
	(1)	
V. Net increase / (decrease) in cash and cash equivalents	(1,266,305)	613,174
VI. Cash and cash equivalents at beginning of the period	3,061,796	2,112,720
VII. Cash and cash equivalents at end of the period	1,795,491	2,725,894

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER, 30 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

The prior period financial statements are presented in line with the principles of TAS No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on January 16, 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. Certain reclassifications have taken place in the prior year financial statements in order to comply with the current year presentation whenever required. The reclassifications in the prior year financial statements are presented in the table below:

<u>ASSETS</u>	<u>31.12.2008</u>	
	<u>TRY</u>	<u>FC</u>
Loans and receivables	45,757	-
Loans to Risk Group of the Bank	-	-
Public sector debt securities	-	-
Other	45,757	-
Derivative financial assets for hedging purposes	(45,757)	-
Fair value hedge	(45,757)	-
<u>INCOME STATEMENT</u>	<u>30.06.2009</u>	<u>30.09.2008</u>
Other interest income (Increase / (Decrease))	(2,044)	23,089
Other interest expenses (Increase / (Decrease))	(29,940)	(17,087)
Gains from derivative financial instruments (Increase / (Decrease))	2,044	(23,089)
Losses from derivative financial instruments (Increase / (Decrease))	29,940	17,087

In accordance with Law No: 5083 "Monetary Unit of the Turkish Republic" (Law No: 5083), the name of the monetary and sub-currency unit of Turkish Republic is changed to the New Turkish Lira and the New Turkish Cent, respectively. However, in accordance with the additional resolution of the Council of Ministers in regards to the order on the Removal of the phrase "New" in the New Turkish Lira and the New Turkish Cent and Its Application Principles, the phrase "New" used in the Turkish Republic's monetary unit is removed both from New Turkish Lira and the New Turkish Cent as of January 1, 2009.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs. Thus, the Bank uses 33% on average of its resources on liquid assets, as well as intending for the highest possible yield with effective maturity management.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER, 30 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions (continued)

As a component of risk management strategy of the Bank, risk bearing short positions of currency, interest or price movements is performed only by the Treasury Asset-Liability Management using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Bank's hedging activities for the currency risk due to foreign currency available-for-sale equity instruments are described under the Currency Risk section; and the Bank's hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank's Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the Bank's balance sheet structure.

III. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date with the prevailing current market rates. The resulting gain or loss is reflected to the income statement.

In the assessment of fair value of interest rate swap instruments, interest amounts to be paid or to be received due to/from the fixed rate on the derivative contract are discounted to the balance sheet date with the current applicable fixed rate in the market that is prevailing between the balance sheet date and the interest payment date, whereas interest amounts to be paid or to be received due to/from the floating rate on the derivative contract are recalculated with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date and are discounted to the balance sheet date again with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date. The differences between the fixed rate interest amounts and floating rate interest amounts to be received/paid are recorded in the profit/loss accounts in the current period.

The fair value of call and put option agreements are measured at the valuation date by using the current premium values of all option agreements, and the differences between the contractual premiums received/paid and the current premiums measured at valuation date are recognized in the statement of income.

Futures transactions are valued on a daily basis by the primary market prices and related unrealized gains or losses are reflected in the income statement.

The valuation of CDS transactions are based on the differences between the existing and recalculated payment plans discounted to the valuation date with current CDS interest rates.

As of July 1, 2008, the Bank has adopted fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching a portion of its swap portfolio with its loan portfolio.

While the Bank recognizes the fair value changes of the hedged items in the "other interest income" and "other interest expenses" accounts, it recognizes the fair value changes of the hedging instruments related to the same period in the "gains/(losses) from derivative financial instruments" account.

Additionally, the difference between the fair value and carrying value of the hedged items as of the application date of hedge accounting is amortized based on their maturities and recognized in "other interest income" and "other interest expenses" accounts.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER, 30 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. Explanations on Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V. Explanations on Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income on cash and non-cash loans is recorded as income by using effective interest rate in the related period.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses by using effective interest rate and are expensed on the related periods.

The dividend income is reflected to the financial statements on a cash basis when the profit distribution is realized by the associates and subsidiaries.

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. The Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are described below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book value of these assets approximates their fair values.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

Held to Maturity Investments and Financial Assets Available for Sale

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability other than loans and receivables.

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

Marketable securities are initially recognized at cost including the transaction costs.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Valuation Differences" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair value of these securities is determined using the prices declared in the Official Gazette or other valuation methods stated in TAS.

After initial recognition, held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to "tainting" rule.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER, 30 2009
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Loans and Provisions for Impairment

Loans are financial assets those generated by lending money and exclude those that are held with the intention of trading or selling in the near future.

The Bank initially records loans and receivables at cost. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The provisioning criteria for non-performing loans are determined by the Bank's management for compensating the probable losses of the current loan portfolio, by evaluating the quality of loan portfolio, risk factors and considering the economical conditions, other facts and related regulations.

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006 which was amended with the communiqué published in the Official Gazette No. 27119 dated January 23, 2009. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense". The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are reversed from the "Provision for Loans and Other Receivables" account in the income statement, and related interest income is credited to the "Interest Received from Non-performing Loans" account.

Releases of loan loss provisions are reversed from the "Provision and Impairment Expenses - Special Provision Expense" account.

In addition to specific loan loss provision, within the framework of the regulation and principles referred to above; the Bank records general loan loss provision for loans and other receivables. The Bank calculated the general loan provision as 0.5% for cash loans and other receivables, and 0.1% for non-cash loans until November 1, 2006. Subsequent to the change in the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006; Bank started to book general loan loss provision of 1% for cash loans and other receivables; and 0.2% for non-cash loans on the increase in the cash and non-cash loan portfolio as compared to their October 31, 2006 balances whereas allocating 0.5% general loan loss provision for cash loans and other receivables, and 0.1% for non-cash loans for the balances as of October 31, 2006. Together with the change in the same regulation made on February 6, 2008, the Bank started to book general loan loss provision of 2% for cash loans under watch-list and 0.4% for non-cash loans under watch-list.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss or not. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (or nonoccurrence) of one or more than one event (“loss event”) after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability, the expected losses caused by the future events are not journalized.

VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in, and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of September 30, 2009, the Bank does not have any reverse repo transactions (December 31, 2008 - None).

As of September 30, 2009, the Bank does not have any marketable securities lending transaction (December 31, 2008 - None).

X. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Assets held for sale are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Bank does not have any assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER, 30 2009

(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Intangible assets are accounted for at restated cost until December 31, 2004 in accordance with inflation accounting and are amortized with straight-line method, after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly softwares. The requirements of the Turkish Tax Procedural Code are taken into consideration in determining the useful lives and no other specific criteria are used. Useful lives of such assets acquired prior to 2004 are determined as 5 years and for the year 2004 and forthcoming years as 3 years. Softwares used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized. Software is purchased only in emergency cases and for special projects.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

XII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until December 31, 2004; after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years. Leasehold improvements are depreciated over the lease period by straight-line method.

Other tangible fixed assets are accounted for at their restated costs until December 31, 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	<u>%</u>
Buildings	2
Motor vehicles	20
Furniture, fixtures and office equipment and others	3 – 50

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There are no purchase commitments related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

The Bank employs independent appraisers in determining the current fair values of its real estates at year ends. As of September 30, 2009, there is a provision for impairment loss amounting to TRY 510 for real estates held for resale as per the appraisals performed at the year end (December 31, 2008 – TRY 1,544).

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XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist of only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" by taking the useful lives into account.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

The Bank does not have any leasing transactions as lessor.

XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are reviewed annually. The carrying value of provision for employee termination benefits as of September 30, 2009 is TRY 15,820 (December 31, 2008 - TRY 13,133).

Defined Contribution Plans

The Bank pays contributions to Social Security Funds on a mandatory basis. There are no other liabilities related to employee benefits to be provisioned.

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XVI. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated June 21, 2006, the corporate tax rate is 20%.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset from the final tax liability for the year.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

Tax provision related with items that are credited or charged directly to equity are charged or credited to equity. As at September 30, 2009 TRY 7,016 (December 31, 2008 - TRY 1,280) deferred tax which is related with items recorded in the equity was net off under equity in "Marketable Securities Valuation Differences".

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax Liability / Asset

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

As of September 30, 2009 and December 31, 2008, in accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the changes in the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculated deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are shown in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax benefit of TRY 780 (September 30, 2008 – TRY 21,532 deferred tax charge) is stated under the tax provision in the income statement. The deferred tax of TRY 7,016 (December 31, 2008 - TRY 1,280) resulting from differences related to items that are debited or charged directly to equity is netted with these accounts.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

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XVIII. Explanations on Exported Share Certificates

None.

XIX. Explanations on Acceptances

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Reporting According to Segmentation

The Bank mainly operates in retail and corporate banking segments.

Current Period	Retail	Corporate	Other	Total
Net interest income	84,274	356,767	167,352	608,393
Net fees and commissions income and other operating income	59,434	135,516	6,926	201,876
Trading profit / loss	1,948	13,756	31,685	47,389
Dividend income	-	-	11,970	11,970
Impairment provision for loans and other receivables (-)	33,749	84,124	13,456	131,329
Other operating expenses (-)	112,630	210,194	186,752	509,576
Profit before tax	(723)	211,721	17,725	228,723
Taxation	-	-	(41,758)	(41,758)
Net profit for the period	(723)	211,721	(24,033)	186,965

Current Period	Retail	Corporate	Other	Total
Segment assets	1,155,658	6,327,128	5,800,181	13,282,967
Investments in associates and subsidiaries	-	-	153,922	153,922
Total Assets	1,155,658	6,327,128	5,954,103	13,436,889
Segment liabilities	4,844,128	4,028,092	2,930,767	11,802,987
Shareholders' equity	-	-	1,633,902	1,633,902
Total Liabilities	4,844,128	4,028,092	4,564,669	13,436,889

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XXI. Explanations on Reporting According to Segmentation (continued)

Prior Period	Retail	Corporate	Other	Total
Net interest income	111,157	349,101	123,078	583,336
Net fees and commissions income and other operating income	58,150	107,188	49,428	214,766
Trading profit / loss	11,029	30,949	(68,659)	(26,681)
Dividend income	-	-	18,775	18,775
Impairment provision for loans and other receivables (-)	10,107	45,086	31,188	86,381
Other operating expenses (-)	72,730	163,535	278,202	514,467
Profit before tax	97,499	278,617	(186,768)	189,348
Taxation	-	-	(34,683)	(34,683)
Net profit for the period	97,499	278,617	(221,451)	154,665

Prior Period (*)	Retail	Corporate	Other	Total
Segment assets	1,003,523	6,602,587	6,976,024	14,582,134
Investments in associates and subsidiaries	-	-	153,921	153,921
Total Assets	1,003,523	6,602,587	7,129,945	14,736,055
Segment liabilities	5,259,887	4,086,278	3,966,271	13,312,436
Shareholders' equity	-	-	1,423,619	1,423,619
Total Liabilities	5,259,887	4,086,278	5,389,890	14,736,055

(*) Information related to December 31, 2008.

XXII. Explanations on Other Matters:

BNP Paribas, holding 50% of TEB Mali Yatırımlar A.Ş. which holds the controlling shareholding of 84.25% of the Bank, has acquired 75% of the shares of Fortis Bank Belgium being the main shareholder of Fortis Bank A.Ş. with 94.11% shareholding, from the State of Belgium based on the resolutions taken at Fortis Holding General Assembly of Shareholders held in Belgium and Netherlands on April 28 and 29, respectively. The share transfer procedures were completed as of May 13, 2009.

In this respect, as explained also in the Special Disclosure of the Bank dated June 22, 2009, the Bank has signed a confidentiality agreement with Fortis Bank A.Ş. in order to exchange information and assess the options for several corporate structures. These assessments take place solely for consultation purposes and do not intend to make decisions regarding any business transactions.

On September 23, 2009, the BRSA has announced its consent on the indirect acquisition of 70.52% of the total shares of Fortis Bank A.Ş. by BNP Paribas as per the 18th article of the Banking Act No: 5411.

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the financial statements.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks ", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related Communiqué is 18.80% at September 30, 2009. (December 31, 2008 - 17.65%)

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements are used. Additionally, the market risk amount is calculated in accordance with the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" is multiplied by the loan conversion rates presented in the Article 5, the Clause 1 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Receivables from counter parties from derivative foreign currency and interest rate transactions are multiplied by the loan conversion rates presented in the Article 5, the Clause 2 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the capital adequacy ratio:

	Risk Weight						
	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash Loans							
Balance Sheet Items (Net)							
Cash	288,677	-	350	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Due From Central Bank of Turkey	1,097,381	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	341,898	-	32,231	-	-
Interbank Money Market Placements	52,954	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	233,966	-	-	-	-	-	-
Loans	205,927	-	100,976	2,157,255	5,256,441	14,041	99
Non-performing loans (Net)	-	-	-	-	182,740	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	1,257,125	-	-	-	3,189	-	-
Held to Maturity Investments	805,883	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	199,143	-	6,149	-	-
Interest and Income Accruals	86,472	-	940	35,335	184,599	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	-	-	-	-	153,922	-	-
Tangible Assets	-	-	-	-	104,423	-	-
Other Assets	175,997	-	24,587	-	5,753	-	-
Off-Balance Sheet Items							
Guarantees and Commitments	76,625	-	220,265	-	2,060,454	-	-
Derivative Financial Instruments	-	-	94,704	-	32,232	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	4,281,007	-	982,863	2,192,590	8,022,133	14,041	99
Total Risk Weighted Assets	-	-	196,573	1,096,295	8,022,133	21,062	198

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	9,336,261	9,710,054
Amount Subject to Market Risk (ASMR)	278,650	282,863
Amount Subject to Operational Risk (ASOR) (*)	1,323,618	896,330
Shareholders' Equity	2,056,169	1,922,486
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	18.80	17.65

TRWA: Total Risk Weighted Assets

ASMR: Amount Subject to Market Risk

ASOR: Amount Subject to Operational Risk

(*) Operational risk has been calculated by using the Basic Indicator Approach.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	1,100,000	1,100,000
Nominal capital	1,100,000	1,100,000
Capital commitments (-)	-	-
Paid-in capital indexation difference	926	926
Share premium	2,158	2,158
Cancellation profits	-	-
Legal reserves	34,959	26,750
First legal reserve (Turkish Commercial Code 466/1)	29,423	21,214
Second legal reserve (Turkish Commercial Code 466/2)	5,536	5,536
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	279,694	123,705
Reserves allocated by the General Assembly	279,694	123,705
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	186,965	164,198
Current period net profit	186,965	164,198
Prior years' profits	-	-
Provision for possible losses up to 25% of the Core Capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-
Primary subordinated loans up to 15% of the Core Capital	147,700	152,180
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Leasehold improvements (-)	52,877	-
Prepaid expenses (-)	30,977	31,139
Intangible assets (-)	8,761	9,857
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	1,659,787	1,569,917
SUPPLEMENTARY CAPITAL		
General loan loss reserves	68,126	74,698
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	315,116	316,220
45% of Marketable securities value increase fund	13,140	2,647
Associates and subsidiaries	-	-
Available for sale securities	13,140	2,647
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	396,382	393,565
TIER III CAPITAL		
CAPITAL	2,056,169	1,963,482
DEDUCTIONS FROM THE CAPITAL		40,996
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	-	-
Other	-	-
Total Shareholders' Equity	2,056,169	1,922,486

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II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statement of accounts for the loans has been derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of September 30, 2009, the receivables of the Bank from its top 100 cash loan customers amount to TRY 1,612,539 (December 31, 2008 – TRY 1,407,512) with a share of 20.28% in total cash loans (December 31, 2008 – 16.65%).

As of September 30, 2009, the receivables of the Bank from its top 100 non-cash loan customers amount to TRY 1,147,591 (December 31, 2008 – TRY 1,231,677) with a share of 35.30% in total non-cash loans (December 31, 2008 – 37.13%).

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II. Explanations Related to Credit Risk (continued)

As of September 30, 2009, the share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and off-balance sheet assets is 19.74%. (December 31, 2008 – 17.33%).

As of September 30, 2009, the general loan loss provision related with the credit risk taken by the Bank is TRY 68,126 (December 31, 2008 – TRY 74,698).

Credit risk by types of borrowers and geographical concentration:

	Loans to Real Persons and Legal Entities		Loans to Banks and Other Financial Institutions		Marketable Securities*		Other Loans**	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	8,027,248	8,512,115	105,053	38,419	2,400,027	2,005,641	528,993	666,220
Private Sector	6,196,263	6,796,161	56,821	36,978	-	-	92,668	92,667
Public Sector	2,657	15,618	16,742	316	2,397,977	2,004,078	-	-
Banks	-	-	31,490	1,125	-	-	436,325	573,553
Retail	1,828,328	1,700,336	-	-	-	-	-	-
Share Certificates	-	-	-	-	2,050	1,563	-	-
Information according to geographical concentration	8,027,248	8,512,115	105,053	38,419	2,400,027	2,005,641	528,993	666,220
Domestic	7,936,174	8,405,266	73,560	37,487	2,396,916	2,004,155	207,219	343,630
European Union Countries	52,308	17,208	-	-	-	-	213,663	245,010
OECD Countries***	125	148	-	-	-	-	3,462	6,393
Off-shore Banking Regions	5,212	36,834	31,493	932	1,139	-	32,038	25,628
USA, Canada	501	68	-	-	1,972	1,486	72,423	45,124
Other Countries	32,928	52,591	-	-	-	-	188	435
Total	8,027,248	8,512,115	105,053	38,419	2,400,027	2,005,641	528,993	666,220

* Includes marketable securities designated at fair value through profit or loss, available-for-sale and held-to-maturity.

** Includes the on balance sheet transactions classified in the Uniform Chart of Accounts except the ones in the first three categories and the transactions defined as loan in the Article 48 of the Banking Act No: 5411.

*** OECD countries other than European Union countries, USA and Canada.

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II. Explanations Related to Credit Risk (continued)

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income/ Loss
Current Period					
Domestic	12,820,022	9,677,916	3,203,584	-	186,965
European Union Countries	234,830	1,151,926	13,506	-	-
OECD Countries (*)	5,513	31,978	-	-	-
Off-shore Banking Regions	80,443	245,073	19,512	-	-
USA, Canada	109,043	458,796	-	-	-
Other Countries	33,116	237,298	14,703	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	153,922	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	13,282,967	11,802,987	3,251,305	153,922	186,965
Prior Period					
Domestic	14,048,768	9,955,237	3,257,507	-	164,198
European Union Countries	336,301	2,070,691	11,844	-	-
OECD Countries (*)	8,989	57,882	-	-	-
Off-shore Banking Regions	77,541	403,397	10,892	-	-
USA, Canada	57,509	456,325	-	-	-
Other Countries	53,026	368,904	37,147	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	153,921	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	14,582,134	13,312,436	3,317,390	153,921	164,198

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

(**) Assets and liabilities that cannot be allocated on a coherent basis.

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II. Explanations Related to Credit Risk (continued)

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	211,465	3.42	64,907	3.67	213,242	3.40	77,185	3.54
Farming and Raising Livestock	178,500	2.89	46,547	2.63	178,035	2.84	54,344	2.49
Forestry, Wood and Paper	21,709	0.35	15,780	0.89	23,897	0.38	16,568	0.76
Fishery	11,256	0.18	2,580	0.15	11,310	0.18	6,273	0.29
Manufacturing	2,599,218	42.06	1,381,989	78.11	2,448,699	39.01	1,789,232	82.14
Mining and Quarry	180,750	2.92	66,107	3.74	167,203	2.66	93,152	4.28
Production	2,380,322	38.52	1,296,681	73.28	2,265,710	36.10	1,676,297	76.95
Electricity, Gas and Water	38,146	0.62	19,201	1.09	15,786	0.25	19,783	0.91
Construction	318,984	5.16	48,584	2.75	375,065	5.98	38,098	1.75
Services	1,055,962	17.09	229,282	12.95	1,153,734	18.38	230,472	10.58
Wholesale and Retail Trade	247,934	4.01	32,278	1.82	416,998	6.65	67,980	3.12
Hotel, Tourism, Food and Beverage Services	82,576	1.34	48,292	2.73	89,833	1.43	40,390	1.85
Transportation and Communication	311,900	5.05	64,068	3.62	265,089	4.22	55,815	2.56
Financial Institutions	120,330	1.95	36,532	2.06	103,940	1.66	39,988	1.84
Real Estate and Renting Services	118,013	1.91	34,411	1.94	109,954	1.75	12,656	0.58
Self-Employment Services	80,596	1.30	1,336	0.08	90,533	1.44	1,697	0.08
Education Services	8,194	0.13	-	-	9,931	0.16	-	-
Health and Social Services	86,419	1.40	12,365	0.70	67,456	1.07	11,946	0.55
Other (*)	1,994,560	32.27	44,610	2.52	2,086,025	33.23	43,349	1.99
Total	6,180,189	100.00	1,769,372	100.00	6,276,765	100.00	2,178,336	100.00

(*) Accruals are included in other.

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of Turkey	1,339,217	1,830,494
Due from banks	375,071	512,299
Other money markets	52,964	756,686
Trading financial assets	252,998	12,422
Derivative financial instruments	54,046	78,220
Derivative financial instruments for hedging purposes	28,748	56,424
Financial assets available-for-sale	1,334,469	1,195,448
Held-to-maturity investments	812,560	797,771
Loans	8,132,301	8,550,534
Total	12,382,374	13,790,298
Contingent liabilities	3,251,305	3,317,390
Commitments	3,898,994	2,364,564
Total	7,150,299	5,681,954
Total Credit Risk Exposure	19,532,673	19,472,252

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II. Explanations Related to Credit Risk (continued)

Credit quality per class of financial assets as of September 30, 2009 and December 31, 2008 is as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers			
Corporate lending	3,674,024	192,054	3,866,078
Small business lending	2,016,471	419,836	2,436,307
Consumer lending	1,252,544	73,587	1,326,131
Credit cards	374,749	129,036	503,785
Other	-	-	-
Total	7,317,788	814,513	8,132,301

Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers			
Corporate lending	3,788,900	153,209	3,942,109
Small business lending	2,393,823	467,382	2,861,205
Consumer lending	1,062,249	175,484	1,237,733
Credit cards	408,244	101,243	509,487
Other	-	-	-
Total	7,653,216	897,318	8,550,534

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Loans and advances to customers		
Corporate lending	123,461	3,222
Small business lending	-	-
Consumer lending	-	-
Other	-	-
Total	123,461	3,222

Credit Rating System

The credit risk is assessed through the internal rating system of the Bank, by classifying loans from highest grade to lowest grade according to the probability of default. As of September 30, 2009 consumer loans and small business loans are excluded from the internal rating system of the Bank. Additional scoring methodologies are applied for these loans. The loans that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total %
1st Category	Case where the borrower has a very strong financial structure	30.76
2nd Category	Case where the borrower has a good financial structure	20.81
3rd Category	Case where the borrower has an intermediate level of financial structure	43.70
4th Category	Case where the financial structure of the borrower has to be closely monitored in the medium run	4.73
Total		100.00

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III. Explanations Related to Market Risk

The Bank has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” issued on Official Gazette dated November 1, 2006 numbered 26333.

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarized below) is taken into consideration. Besides the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by three different methods which are historic simulation, Monte Carlo simulation and parametric method, and results are reported daily to the management.

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	15,093
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	171
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	6,806
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	222
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	22,292
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	278,650

b) Average market risk table calculated at month ends during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	15,267	20,898	9,767	10,661	14,062	7,804
Common Stock Risk	228	249	210	186	186	186
Currency Risk	8,478	16,912	4,909	10,446	19,348	5,050
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	4,250	12,122	222	2,794	6,719	931
Total Value Subject to Risk	352,786	456,463	274,263	298,959	406,488	237,225

Other price risks

The Bank is not subject to a significant share price risk due to share certificates.

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IV. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate changes in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions, which are followed up daily. Any possible value changes in the foreign currency transactions in the Bank's positions are also monitored.

As an element of the Bank's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

The Treasury Department of the Bank is responsible for the management of New Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank's Asset-Liability Committee on a weekly basis.

As of September 30, 2009, the Bank's net short position is TRY 65,073 (December 31, 2008 - TRY 62,957 net long) resulting from short position on the balance sheet amounting to TRY 625,177 (December 31, 2008 - TRY 480,641 long) and long position on the off-balance sheet amounting to TRY 560,104 (December 31, 2008 - TRY 417,684 short).

The announced current foreign exchange buying rates of the Bank at September 30, 2009 and the previous five working days in full TRY are as follows:

	23.09.2009	24.09.2009	25.09.2009	28.09.2009	29.09.2009	30.09.2009
USD	1.4732	1.4740	1.4809	1.4859	1.4820	1.4770
CHF	1.4373	1.4375	1.4362	1.4367	1.4272	1.4285
GBP	2.4160	2.3901	2.3696	2.3581	2.3549	2.3734
JPY	1.6143	1.6243	1.6348	1.6569	1.6468	1.6452
EURO	2.1786	2.1768	2.1740	2.1747	2.1603	2.1611

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before September 30, 2009 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.4831
CHF	1.4231
GBP	2.4223
JPY	1.6206
EURO	2.1591

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IV. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	527,411	622,246	110	38,844	1,188,611
Banks	98,890	207,965	277	24,248	331,380
Financial Assets at Fair Value Through Profit and Loss (*****)	1,227	2,786	-	-	4,013
Money Market Placements	-	2,954	-	-	2,954
Available-For-Sale Financial Assets	22,921	37,624	-	-	60,545
Loans (**)	739,832	1,366,683	19,176	270,638	2,396,329
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	61,254	-	-	-	61,254
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	515	-	-	515
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets (***)	1,120	27,524	93	124	28,861
Total Assets	1,452,655	2,268,297	19,656	333,854	4,074,462
Liabilities					
Bank Deposits	17,505	12,731	3	24,427	54,666
Foreign Currency Deposits (*)	1,132,293	2,063,029	2,111	182,219	3,379,652
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	671,736	555,702	-	7,926	1,235,364
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	11,356	3,014	475	12,783	27,628
Derivative Financial Liabilities for Hedging Purposes	-	1	-	-	1
Other Liabilities (***)	972	1,309	-	47	2,328
Total Liabilities	1,833,862	2,635,786	2,589	227,402	4,699,639
Net Balance Sheet Position	(381,207)	(367,489)	17,067	106,452	(625,177)
Net Off-Balance Sheet Position	404,567	298,987	(39,495)	(103,955)	560,104
Financial Derivative Assets (****)	1,136,786	1,475,470	124,832	243,207	2,980,295
Financial Derivative Liabilities (****)	732,219	1,176,483	164,327	347,162	2,420,191
Non-Cash Loans (*****)	703,814	1,102,697	2,394	41,077	1,849,982
Prior Period					
Total Assets	1,850,254	3,233,968	40,201	311,986	5,436,409
Total Liabilities	1,825,664	2,987,721	4,507	137,876	4,955,768
Net Balance Sheet Position	24,590	246,247	35,694	174,110	480,641
Net Off-Balance Sheet Position	61,583	(271,000)	(34,855)	(173,412)	(417,684)
Financial Derivative Assets	771,432	1,635,100	5,579	129,474	2,541,585
Financial Derivative Liabilities	709,849	1,906,100	40,434	302,886	2,959,269
Non-Cash Loans (*****)	743,980	1,174,936	4,922	44,782	1,968,620

(*) Precious metal accounts amounting to TRY 22,639 (December 31, 2008 - TRY 14,791) are included in the foreign currency deposits.

(**) Foreign currency indexed loans amounting to TRY 626,957 (December 31, 2008 - TRY 902,732) are included in the loan portfolio.

(***) TRY 123 (December 31, 2008 - TRY 200) prepaid expenses is deducted from other assets, and TRY 18,485 (December 31, 2008 - TRY 78,270) expense accruals from derivative financial instruments, and TRY 11,233 (December 31, 2008 - TRY 17,771) provision for general loan losses are deducted from other liabilities.

(****) Forward asset and marketable securities purchase-sale commitments of TRY 373,210 (December 31, 2008 - TRY 91,180) are added to derivative financial assets and TRY 372,780 (December 31, 2008 - TRY 90,933) is added to derivative financial liabilities.

(*****) TRY 24,380 (December 31, 2008 - TRY 39,059) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value Through Profit and Loss.

(*****) There is no effect on the net off-balance sheet position.

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IV. Explanations Related to Currency Risk (continued)

Foreign currency sensitivity:

The Bank is mainly exposed to EUR and USD currency risks.

The following table details the Bank's sensitivity to a 10% increase and decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity in the case of short position and a decrease in the case of long position where the TRY strengthens against USD and EUR.

Change in currency rate in %		Effect on profit or loss		Effect on equity (*)	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
USD	10 increase	(6,850)	(2,475)	295	(80)
USD	10 decrease	6,850	2,475	(295)	80
EUR	10 increase	2,336	8,617	82	(159)
EUR	10 decrease	(2,336)	(8,617)	(82)	159

(*) The effect on equity does not include the effect of changes in foreign exchange rate on the income statement.

The Bank's sensitivity to foreign currency rates have not changed significantly during the current period. The positions taken in line with market expectations can increase the foreign currency sensitivity from period to period.

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V. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The first priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

Since the Bank does not allow maturity mismatches or imposes limits on mismatch, no significant interest rate risk exposure is expected.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1,032,554	-	-	-	-	595,690	1,628,244
Banks	112,023	1,039	18,901	-	-	243,108	375,071
Financial Assets at Fair Value Through Profit and Loss	289	1,223	209,655	42,669	2,449	50,759	307,044
Money Market Placements	52,964	-	-	-	-	-	52,964
Available-For-Sale Financial Assets	65,991	5,874	796,012	430,031	34,511	2,050	1,334,469
Loans	3,853,875	466,677	1,396,111	1,941,772	291,126	182,740	8,132,301
Held-To-Maturity Investments	-	-	715,545	97,015	-	-	812,560
Other Assets	-	208	15,010	13,517	13	765,488	794,236
Total Assets	5,117,696	475,021	3,151,234	2,525,004	328,099	1,839,835	13,436,889
Liabilities							
Bank Deposits	39,410	6,194	-	-	-	122,016	167,620
Other Deposits	5,593,514	1,033,461	156,921	10	-	1,761,919	8,545,825
Money Market Borrowings	268,766	54,264	-	-	-	-	323,030
Sundry Creditors	-	-	-	-	-	272,206	272,206
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	681,154	473,600	370,711	7,082	331,986	-	1,864,533
Other Liabilities	15,209	5,444	7,690	48,525	19,083	2,167,724	2,263,675
Total Liabilities	6,598,053	1,572,963	535,322	55,617	351,069	4,323,865	13,436,889
Balance Sheet Long Position	-	-	2,615,912	2,469,387	-	-	5,085,299
Balance Sheet Short Position	(1,480,357)	(1,097,942)	-	-	(22,970)	(2,484,030)	(5,085,299)
Off-Balance Sheet Long Position	73,850	30,282	73,850	352,660	42,833	-	573,475
Off-Balance Sheet Short Position	(82,100)	(30,170)	(58,925)	(344,134)	(46,780)	-	(562,109)
Total Position	(1,488,607)	(1,097,830)	2,630,837	2,477,913	(26,917)	(2,484,030)	11,366

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V. Explanations Related to Interest Rate Risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates) (continued):

The other assets line in the non-interest bearing column consists of tangible assets amounting to TRY 157,300, intangible assets amounting to TRY 8,761, subsidiaries amounting to TRY 153,921, unconsolidated non-financial associates amounting to TRY 1 and the other liabilities line includes the shareholders' equity of TRY 1,633,902.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances With The Central Bank Of Turkey	-	-	-	8.13
Banks	0.43	0.21	-	10.84
Financial Assets At Fair Value Through Profit And Loss	5.69	7.52	-	15.27
Money Market Placements	1.25	0.92	-	11.49
Available-For-Sale Financial Assets	5.26	8.03	-	14.27
Loans	6.56	6.14	5.25	17.45
Held-To-Maturity Investments	-	-	-	14.99
Liabilities				
Bank Deposits	2.28	1.36	0.25	7.82
Other Deposits	3.19	3.07	0.32	11.33
Money Market Borrowings	-	-	-	9.21
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.47	4.88	-	14.69

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V. Explanations Related to Interest Rate Risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates) (continued):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1,400,326	-	-	-	-	699,171	2,099,497
Banks	246,701	1,021	3,372	-	-	261,205	512,299
Financial Assets at Fair Value Through Profit and Loss	36	757	10,885	1,609	362	76,993	90,642
Money Market Placements	756,686	-	-	-	-	-	756,686
Available-For-Sale Financial Assets	259,565	56,891	311,618	526,687	39,124	1,563	1,195,448
Loans	4,256,062	595,093	1,438,428	1,910,013	255,505	95,433	8,550,534
Held-To-Maturity Investments	-	623,972	-	173,799	-	-	797,771
Other Assets	3,163	5,993	1,131	46,086	51	676,754	733,178
Total Assets	6,922,539	1,283,727	1,765,434	2,658,194	295,042	1,811,119	14,736,055
Liabilities							
Bank Deposits	206,239	379	2,122	-	-	49,472	258,212
Other Deposits	6,767,445	707,072	187,299	-	-	1,351,719	9,013,535
Money Market Borrowings	201,744	-	-	-	-	-	201,744
Sundry Creditors	-	-	-	-	-	243,404	243,404
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	471,838	1,446,312	690,585	7,853	323,070	-	2,939,658
Other Liabilities	8,359	3,955	7,062	39,911	14,625	2,005,590	2,079,502
Total Liabilities	7,655,625	2,157,718	887,068	47,764	337,695	3,650,185	14,736,055
Balance Sheet Long Position	-	-	878,366	2,610,430	-	-	3,488,796
Balance Sheet Short Position	(733,086)	(873,991)	-	-	(42,653)	(1,839,066)	(3,488,796)
Off-Balance Sheet Long Position	45,654	45,654	108,055	403,649	44,132	-	647,144
Off-Balance Sheet Short Position	(43,013)	(40,020)	(113,057)	(372,717)	(46,780)	-	(615,587)
Total Position	(730,445)	(868,357)	873,364	2,641,362	(45,301)	(1,839,066)	31,557

The other assets line in the non-interest bearing column consists of tangible assets amounting to TRY 167,123, intangible assets amounting to TRY 9,857, subsidiaries amounting to TRY 153,921 and the other liabilities line includes the shareholders' equity of TRY 1,423,619.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments

	EURO %	USD %	YEN %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances With The Central Bank Of Turkey	1.68	0.98	-	11.90
Banks	3.79	1.93	-	16.95
Financial Assets At Fair Value Through Profit And Loss	6.79	8.37	-	16.16
Money Market Placements	-	3.38	-	16.14
Available-For-Sale Financial Assets	6.15	7.74	-	16.99
Loans	9.48	7.57	5.16	25.50
Held-To-Maturity Investments	-	-	-	18.98
Liabilities				
Bank Deposits	4.15	2.97	-	14.69
Other Deposits	4.35	4.00	0.33	16.05
Money Market Borrowings	-	-	-	15.05
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.34	5.08	-	17.56

Interest rate sensitivity:

If interest rates had been increased by 0.5% in TRY and FC and all other variables were held constant, the Bank's:

- Net profit for the year would have changed by TRY 5,716 (December 31, 2008 – TRY 6,743).

The interest rate sensitivity the Bank is exposed to due to its balance sheet composition is calculated with the net interest income approach. The net interest income is calculated by using the original interest rates until maturity and using market interest curves until the remaining annualized period subject to analysis. This calculation is re-performed by altering the market interest curves based on rate changes accepted by management. The difference between the initial and re-performed calculation is assessed to be the interest sensitivity of the Bank.

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VI. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank's policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, the Bank manages its maturity risk within the limits determined by Bank's Board of Directors.

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need from deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources. Generally the Bank is in a lender position.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, set to reflect market conditions. The ratios realized during the year were as follows:

	Current Period	Prior Period
	%	%
Average during the period	31	31
Highest	39	42
Lowest	22	25

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VI. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	595,690	1,032,554	-	-	-	-	-	1,628,244
Banks	243,108	112,023	1,039	18,901	-	-	-	375,071
Financial Assets at Fair Value Through Profit and Loss	-	7,539	7,688	237,723	51,645	2,449	-	307,044
Money Market Placements	-	52,964	-	-	-	-	-	52,964
Available-For-Sale Financial Assets	-	25,963	-	488,797	783,148	34,511	2,050	1,334,469
Loans	-	3,853,875	466,677	1,396,111	1,941,772	291,126	182,740	8,132,301
Held-To-Maturity Investments	-	-	-	655,323	157,237	-	-	812,560
Other Assets	-	405,327	208	15,010	13,517	13	360,161	794,236
Total Assets	838,798	5,490,245	475,612	2,811,865	2,947,319	328,099	544,951	13,436,889
Liabilities								
Bank Deposits	122,016	39,410	6,194	-	-	-	-	167,620
Other Deposits	1,761,919	5,593,514	1,033,461	156,921	10	-	-	8,545,825
Funds Provided From Other Financial Institutions	-	627,910	473,091	93,025	95,760	574,747	-	1,864,533
Money Market Borrowings	-	268,766	54,264	-	-	-	-	323,030
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	272,206	-	-	-	-	-	-	272,206
Other Liabilities	-	392,124	17,470	43,023	48,774	19,159	1,743,125	2,263,675
Total Liabilities	2,156,141	6,921,724	1,584,480	292,969	144,544	593,906	1,743,125	13,436,889
Liquidity Gap	(1,317,343)	(1,431,479)	(1,108,868)	2,518,896	2,802,775	(265,807)	(1,198,174)	-
Prior Period								
Total Assets	960,376	6,961,140	620,957	1,725,728	3,694,019	314,121	459,714	14,736,055
Total Liabilities	1,644,595	7,717,633	2,128,434	922,873	167,047	595,876	1,559,597	14,736,055
Liquidity Gap	(684,219)	(756,493)	(1,507,477)	802,855	3,526,972	(281,755)	(1,099,883)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

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VI. Explanations Related to Liquidity Risk (continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of September 30, 2009								
Money market borrowings	-	268,879	55,011	-	-	-	(860)	323,030
Other deposits	1,761,919	5,608,166	1,043,921	162,108	13	-	(30,302)	8,545,825
Bank deposits	122,016	39,438	6,266	-	-	-	(100)	167,620
Funds provided from other financial institutions	-	631,498	487,004	120,431	218,177	641,385	(233,962)	1,864,533
Total	1,883,935	6,547,981	1,592,202	282,539	218,190	641,385	(265,224)	10,901,008
As of December 31, 2008								
Money market borrowings	-	201,883	34	-	-	-	(173)	201,744
Other deposits	1,351,719	6,807,850	718,736	203,620	-	-	(68,390)	9,013,535
Bank deposits	49,472	206,631	381	2,406	-	-	(678)	258,212
Funds provided from other financial institutions	-	182,004	1,452,052	730,758	273,020	686,968	(385,144)	2,939,658
Total	1,401,191	7,398,368	2,171,203	936,784	273,020	686,968	(454,385)	12,413,149

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of September 30, 2009						
Derivative financial instruments for hedging purposes						
Fair value hedge	-	39,361	112,944	237,497	62,241	452,043
Held for trading transactions						
Foreign exchange forward contracts	359,230	220,607	279,074	63,363	-	922,274
Currency swaps	945,304	-	105,251	51,509	14,770	1,116,834
Interest rate swaps	-	162	7,070	13,171	-	20,403
Total	1,304,534	260,130	504,339	365,540	77,011	2,511,554
As of December 31, 2008						
Derivative financial instruments for hedging purposes						
Fair value hedge	58,725	46,293	84,839	342,734	69,947	602,538
Held for trading transactions						
Foreign exchange forward contracts	241,808	209,382	886,245	32,157	-	1,369,592
Currency swaps	972,421	15,026	209,363	57,490	-	1,254,300
Interest rate swaps	200	373	1,024	910	-	2,507
Total	1,273,154	271,074	1,181,471	433,291	69,947	3,228,937

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	119,678	145,808	88,514	163,252
Balances with the Central Bank of Turkey	319,621	1,019,596	447,556	1,382,938
Other	334	23,207	-	17,237
Total	439,633	1,188,611	536,070	1,563,427

b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposit (*)	319,621	228,851	447,556	284,864
Unrestricted time deposit	-	790,745	-	1,098,074
Restricted time deposit	-	-	-	-
Total	319,621	1,019,596	447,556	1,382,938

(*) TRY 528,694 foreign currency and TRY 306,609 domestic currency unrestricted deposit balance comprises of reserve deposits. Unrestricted deposit balance also includes average reserve deposit held in Central Bank. The interest rates applied for reserve deposits are 5.80% for TRY deposits and none for foreign currency deposits (December 31, 2008 – TRY 12.00% and 0.15%-1.18% for foreign currency), respectively.

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (December 31, 2008 – None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (December 31, 2008- None).

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 252,998 (December 31, 2008 – TRY 12,422).

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I. Explanations and Disclosures Related to the Assets (continued)

2. Information on financial assets at fair value through profit and loss (net): (continued)

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	13,645	22,986	21,559	37,831
Swap Transactions	12,240	1,288	7,067	2,454
Futures Transactions	-	-	-	-
Options	3,290	564	9,309	-
Other	33	-	-	-
Total	29,208	24,838	37,935	40,285

3.a) Information on banks :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	20,012	94,539	4,405	246,558
Foreign	23,679	236,841	20,268	241,068
Branches and head office abroad	-	-	-	-
Total	43,691	331,380	24,673	487,626

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	102,934	40,474	49,475	143,282
USA and Canada	72,423	45,124	-	-
OECD Countries (*)	3,462	6,393	-	-
Off-shore banking regions	32,038	25,628	-	-
Other	188	435	-	-
Total	211,045	118,054	49,475	143,282

(*) OECD countries other than European Union countries, USA and Canada.

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I. Explanations and Disclosures Related to the Assets (continued)

4. Information on financial assets available-for-sale:

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	124,597	39,204	179,500	112,103
Other	-	-	-	-
Total	124,597	39,204	179,500	112,103

a.2) Financial assets available-for-sale subject to repurchase agreements: None (December 31, 2008 – None)

Net book value of unrestricted financial assets available-for-sale is TRY 1,170,668 (December 31, 2008 – TRY 903,845).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	1,334,690	1,198,261
Quoted on a stock exchange	1,170,763	906,658
Not quoted	163,927	291,603
Share certificates	2,050	1,563
Quoted on a stock exchange	1,973	1,486
Not quoted	77	77
Impairment provision(-)	(2,271)	(4,376)
Total	1,334,469	1,195,448

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 77 which is recorded at cost since its fair value cannot be reliably estimated. (December 31, 2008 – TRY 77)

5. Information on loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	5,679	44,239	953	14,059
Corporate shareholders	5,679	44,239	953	14,059
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	12,629	-	6,887	-
Total	18,308	44,239	7,840	14,059

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans: (continued)

- b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring (*)	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	7,393,781	-	432,319	123,461
Discount notes	83,420	-	1,183	-
Export loans	926,036	-	15,712	-
Import loans	-	-	-	-
Loans given to financial sector	73,560	-	-	-
Foreign loans	99,389	-	-	-
Consumer loans(**)	1,247,017	-	74,710	4,641
Credit cards	421,812	-	42,394	4,669
Precious metal loans	223,536	-	16,574	-
Other	4,319,011	-	281,746	114,151
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	7,393,781	-	432,319	123,461

(*)The total principal amount of the loans under close monitoring in accordance with the requirements of the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” changed on February 6, 2008.

(**) TRY 53,013 income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

- c) Loans and other receivables according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	4,876,828	-	248,212	19,101
Non-specialized loans	4,876,828	-	248,212	19,101
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and Long-term loans and other receivables	2,516,953	-	184,107	104,360
Non-specialized loans	2,516,953	-	184,107	104,360
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	7,393,781	-	432,319	123,461

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5. Information on loans: (continued)

- d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	63,787	1,117,851	1,181,638
Housing Loans	1,217	580,300	581,517
Vehicle Loans	3,785	109,884	113,669
General Purpose Loans	58,619	427,667	486,286
Other	166	-	166
Consumer Loans –Indexed to FC	942	85,575	86,517
Housing Loans	28	50,727	50,755
Vehicle Loans	617	27,404	28,021
General Purpose Loans	200	4,715	4,915
Other	97	2,729	2,826
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	459,310	-	459,310
With Installments	129,562	-	129,562
Without Installments	329,748	-	329,748
Individual Credit Cards-FC	2,888	-	2,888
With Installments	-	-	-
Without Installments	2,888	-	2,888
Personnel Loans-TRY	3,485	8,310	11,795
Housing Loans	-	-	-
Vehicle Loans	-	13	13
General Purpose Loans	3,469	8,297	11,766
Other	16	-	16
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	70	-	70
With Installments	8	-	8
Without Installments	62	-	62
Personnel Credit Cards-FC	1	-	1
With Installments	-	-	-
Without Installments	1	-	1
Overdraft Accounts-TRY(Real Persons) (*)	46,400	-	46,400
Overdraft Accounts-FC(Real Persons)	18	-	18
Total	576,901	1,211,736	1,788,637

(*) Overdraft accounts include personnel loans amounting to TRY 763.

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5. Information on loans: (continued)

e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	79,173	709,391	788,564
Business Loans	84	35,794	35,878
Vehicle Loans	7,934	148,641	156,575
General Purpose Loans	71,155	500,396	571,551
Other	-	24,560	24,560
Commercial loans with installment facility - Indexed to FC	12,763	159,067	171,830
Business Loans	678	3,000	3,678
Vehicle Loans	1,908	65,097	67,005
General Purpose Loans	10,177	85,269	95,446
Other	-	5,701	5,701
Commercial loans with installment facility –FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	6,258	-	6,258
With Installments	-	-	-
Without Installments	6,258	-	6,258
Corporate Credit Cards-FC	348	-	348
With Installments	-	-	-
Without Installments	348	-	348
Overdraft Accounts-TRY(Legal Entities)	121,128	-	121,128
Overdraft Accounts-FC(Legal Entities)	5,070	-	5,070
Total	224,740	868,458	1,093,198

f) Loans according to borrowers:

	Current Period	Prior Period
Public	19,399	15,934
Private	7,930,162	8,439,167
Total	7,949,561	8,455,101

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	7,830,140	8,397,035
Foreign loans	119,421	58,066
Total	7,949,561	8,455,101

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	-	6,240
Indirect loans granted to subsidiaries and associates	-	-
Total	-	6,240

i) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectibility	12,731	7,166
Loans and receivables with doubtful collectibility	41,706	19,936
Uncollectible loans and receivables	170,688	78,990
Total	225,125	106,092

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5. Information on loans: (continued)

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

Loans and other receivables included in non-performing loans which are restructured or rescheduled by the Bank is TRY 3,475 (December 31, 2008 – TRY 3,222).

j.2) The movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior period end balance	40,705	45,887	114,933
Additions (+)	294,716	636	9,257
Transfers from other categories of non-performing loans (+)	-	210,972	138,469
Transfers to other categories of non-performing loans (-)	210,972	138,469	-
Collections (-)	33,810	23,574	40,869
Write-offs (-)	-	3	13
Corporate and commercial loans	-	-	-
Retail loans	-	3	13
Credit cards	-	-	-
Other	-	-	-
Current period end balance	90,639	95,449	221,777
Specific provision (-)	12,731	41,706	170,688
Net Balances on Balance Sheet	77,908	53,743	51,089

j.3) Information on foreign currency non-performing loans and other receivables: None.

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5. Information on loans: (continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	90,639	95,449	221,777
Specific Provision (-)	12,731	41,706	170,688
Loans to Real Persons and Legal Entities (Net)	77,908	53,743	51,089
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	40,705	45,887	114,933
Specific Provision (-)	7,166	19,936	78,990
Loans to Real Persons and Legal Entities (Net)	33,539	25,951	35,943
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidating non performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; loans and other receivables for which the collection is believed to be impossible are classified as non performing loans by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Bank.

l) Explanations on write-off policy:

Unrecoverable non performing loans can be written off with the decision of the Board of Directors.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans: (continued)

m) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	3,674,024	2,016,471	1,252,544	374,749	-	7,317,788
Past due not impaired	142,051	321,772	73,824	94,126	-	631,773
Individually impaired	67,778	205,405	37,318	97,364	-	407,865
Total gross	3,883,853	2,543,648	1,363,686	566,239	-	8,357,426

Less: allowance for individually impaired loans	17,775	107,341	37,555	62,454	-	225,125
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Total allowance for impairment	17,775	107,341	37,555	62,454	-	225,125
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Total net	3,866,078	2,436,307	1,326,131	503,785	-	8,132,301
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Prior Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	3,788,900	2,393,823	1,062,249	408,244	-	7,653,216
Past due not impaired	141,442	422,007	160,949	77,487	-	801,885
Individually impaired	31,729	96,094	26,643	47,059	-	201,525
Total gross	3,962,071	2,911,924	1,249,841	532,790	-	8,656,626

Less: allowance for individually impaired loans	19,962	50,719	12,108	23,303	-	106,092
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Total allowance for impairment	19,962	50,719	12,108	23,303	-	106,092
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Total net	3,942,109	2,861,205	1,237,733	509,487	-	8,550,534
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A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2009	19,962	50,719	12,108	23,303	-	106,092
Charge for the period	8,256	95,176	37,343	70,615	-	211,390
Recoveries	(10,443)	(38,554)	(11,896)	(31,464)	-	(92,357)
Amounts written off	-	-	-	-	-	-
At September 30, 2009	17,775	107,341	37,555	62,454	-	225,125

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2008	44,232	16,139	8,132	4,704	-	73,207
Charge for the period	18,079	57,236	16,473	27,433	-	119,221
Recoveries	(1,647)	(7,541)	(5,915)	(4,747)	-	(19,850)
Amounts written off (*)	(40,702)	(15,115)	(6,582)	(4,087)	-	(66,486)
At December 31, 2008	19,962	50,719	12,108	23,303	-	106,092

(*) TRY 76,187 of the non-performing loans portfolio of the Bank with TRY 66,374 provision has been sold to Girişim Varlık Yönetim A.Ş. for TRY 10,850. This balance has been collected as of July 31, 2008 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired at September 30, 2009 is TRY 122,875 (December 31, 2008: TRY 70,356).

Collaterals and credit enhancement obtained during the period:

September 30, 2009	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Residential, commercial or industrial property	9,587	6,518	413	-	-	16,518
Financial assets	-	-	-	-	-	-
Other	-	22	-	-	-	22
Total	9,587	6,540	413	-	-	16,540

December 31, 2008	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Residential, commercial or industrial property	3,953	810	269	-	-	5,032
Financial assets	-	-	-	-	-	-
Other	16	-	-	-	-	16
Total	3,969	810	269	-	-	5,048

Aging analysis of past due but not impaired loans per classes of financial statements:

September 30, 2009	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and advances to customers					
Corporate lending	105,830	8,074	28,147	-	142,051
Small business lending	158,616	91,402	71,754	-	321,772
Consumer lending	4,396	50,665	18,763	-	73,824
Credit cards	92,707	1,202	217	-	94,126
Other	-	-	-	-	-
Total	361,549	151,343	118,881	-	631,773

December 31, 2008	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and advances to customers					
Corporate lending	102,364	15,055	24,023	-	141,442
Small business lending	268,499	72,362	81,146	-	422,007
Consumer lending	98,351	51,364	11,234	-	160,949
Credit cards	74,633	2,772	82	-	77,487
Other	-	-	-	-	-
Total	543,847	141,553	116,485	-	801,885

Of the total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding total loan balance of the customer, that the Bank held as at September 30, 2009 is TRY 364,468 (December 31, 2008: TRY 517,749).

Loans and advances amounting to TRY 2,323,663 have floating interest rates (December 31, 2008 – TRY 4,023,941) and the remaining TRY 5,625,898 have fixed interest rates (December 31, 2008 – TRY 4,431,160).

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on held-to-maturity investments :

a.1) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bond, Treasury bill and similar securities	179,189	-	178,151	-
Other	-	-	-	-
Total	179,189	-	178,151	-

a.2) Held-to-maturity investments subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	330,371	-	206,829	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	330,371	-	206,829	-

Net book value of unrestricted financial assets available-for-sale is TRY 303,000 (December 31,2008 – TRY 412,791).

b) Movement of public sector debt investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	797,771	-
Foreign currency differences on monetary assets	-	-
Purchases during year (*)	28,868	797,771
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Change in income on redeemed cost adjustments	(14,079)	-
Closing Balance	812,560	797,771

(*) Accruals are included in purchases during the year.

7. Information on associates (Net):

a.1) Information on the unconsolidated associates:

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	Istanbul/Turkey	0.1	33.3

b.1) Information on the consolidated associates: None (December 31, 2008 - None).

b.2) Valuation of consolidated associates: None (December 31, 2008 - None).

b.3) Consolidated associates which are quoted on the stock exchange: None (December 31, 2008 - None).

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I. Explanations and Disclosures Related to the Assets (continued)

8. Information on subsidiaries (Net):

- a) Information on the unconsolidated subsidiaries: None (December 31, 2008 - None).
- b) Information on the consolidated subsidiaries:
- b.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
The Economy Bank N.V.	Netherlands	100.00	-
TEB Finansal Kiralama A.Ş.	İstanbul/Turkey	100.00	-
TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	74.94	25.06
TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	46.77	53.23

Information on the consolidated subsidiaries with the order as presented in the table above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
(i) 1,272,323	178,328	9,161	45,880	2,910	10,596	11,884	-
(ii) 488,145	61,959	1,603	43,184	-	2,478	7,538	-
(ii) 490,543	22,240	745	38,352	-	6,953	7,362	-
(iii) 48,110	42,857	1,210	4,134	620	7,105	3,437	-
(iv) 13,749	12,290	580	984	544	3,965	2,066	-

(*) Represents the amounts in the financial statements as of September 30, 2008.

- (i) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and nine months' average rates for profit and loss as of September 30, 2009. The Economy Bank NV has two consolidated subsidiaries named Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.
- (ii) Represents financial figures based on BRSA as of September 30, 2009.
- (iii) Represents consolidated financial figures of TEB Yatırım and TEB Portföy based on Capital Markets Board regulations as of September 30, 2009.
- (iv) Represents financial figures based on Capital Markets Board regulations as of September 30, 2009.

b.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	153,921	152,208
Movements during the period	-	1,713
Purchases	-	-
Bonus shares obtained	-	1,713
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Balance at the end of the period	153,921	153,921
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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I. Explanations and Disclosures Related to the Assets (continued)

8. Information on subsidiaries (Net) (continued):

b.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

			Current Period	Prior Period
Banks	/	The Economy Bank N.V.	61,254	61,254
Leasing Companies	/	TEB Finansal Kiralama A.Ş.	40,190	40,190
Factoring Companies	/	TEB Faktoring A.Ş.	24,037	24,037
Other Financial Subsidiaries	/	TEB Yatırım Menkul Değerler A.Ş.	26,382	26,382
		TEB Portföy Yönetimi A.Ş.	2,058	2,058
Total			153,921	153,921

b.4) Consolidated subsidiaries quoted on the stock exchange: None (December 31, 2008 – None).

9. Information on entities under common control (joint ventures): None (December 31, 2008 – None).

10. Information on finance lease receivables (Net): None (December 31, 2008 – None).

11. Information on derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair value hedge	28,233	515	54,210	2,214
Cash flow hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	28,233	515	54,210	2,214

12. Information on tangible assets :

	Opening Balance December 31, 2008				Ending Balance September 30, 2009
	Additions	Disposals	Other		
Cost:					
Land and buildings	9,637	-	-	-	9,637
Leased tangible assets	57,581	-	(645)	(2)	56,934
Vehicles	518	-	(126)	-	392
Other	256,317	29,260	(12,022)	2	273,557
Total Cost	324,053	29,260	(12,793)	-	340,520
	Opening Balance December 31, 2008				Ending Balance September 30, 2009
	Period Charge	Disposals	Other		
Accumulated Depreciation:					
Land and buildings	(3,337)	(150)	-	-	(3,487)
Leased tangible assets	(40,109)	(4,690)	642	-	(44,157)
Vehicles	(169)	(66)	126	-	(109)
Other (*)	(113,315)	(29,784)	6,598	1,034	(135,467)
Total Accumulated Depreciation	(156,930)	(34,690)	7,366	1,034	(183,220)
Net Book Value	167,123	(5,430)	(5,427)	1,034	157,300

(*) "Other" consists of TRY 510 impairment loss provision booked for assets to be disposed.

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I. Explanations and Disclosures Related to the Assets (continued)

12. Information on tangible assets : (continued)

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: As of September 30, 2009, provision for impairment loss amounting to TRY 510 is booked for real estates to be disposed with respect to appraisals performed at the year end (December 31, 2008: TRY 1,544).
- b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

13. Information on intangible assets:

	Opening Balance December 31, 2008	Additions	Disposals	Other	Ending Balance September 30, 2009
Cost:					
Other intangible assets	29,161	3,419	-	-	32,580
Total Cost	29,161	3,419	-	-	32,580
	Opening Balance December 31, 2008	Period Charge	Disposals	Other	Ending Balance September 30, 2009
Accumulated Amortization:					
Other intangible assets	(19,304)	(4,515)	-	-	(23,819)
Total Accumulated Amortization	(19,304)	(4,515)	-	-	(23,819)
Net Book Value	9,857	(1,096)	-	-	8,761

- a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- d) The book value of intangible fixed assets that are pledged or restricted for use: None.
- e) Amount of purchase commitments for intangible fixed assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements.
- i) Information on goodwill: None.
- j) Movements on goodwill in the current period: None.

14. Information on investment property: None (December 31, 2008 – None).

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I. Explanations and Disclosures Related to the Assets (continued)

15. Explanations on deferred tax asset:

- a) As of September 30, 2009, deferred tax asset computed on the temporary differences is TRY 8,606 (December 31, 2008 – TRY 12,973). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

	Current Period	Prior Period
At January 1,	12,973	44,129
Effect of change in tax rate	-	-
Other	589	-
Deferred tax (charge)/benefit	780	(30,429)
Deferred tax (charge)/benefit (Net)	1,369	(30,429)
Deferred tax accounted for under equity	(5,736)	(727)
Deferred Tax Asset	8,606	12,973

- 16. Information on assets held for sale and discontinued operations:** None (December 31, 2008: None).

17. Information on other assets:

- a) Breakdown of other assets

	Current Period	Prior Period
Clearing Account	166,771	113,780
Collateral Given for Derivative Financial Assets	27,312	57,242
Transaction Costs Related to Financial Liabilities	4,052	6,774
Prepaid Rent Expenses	5,095	5,118
Prepaid Insurance Premiums	2,283	132
Advances Given	1,097	6
Other Prepaid Expenses	19,547	19,115
Receivables from Credit Card Payments	173,448	96,173
Temporary EFT Account	24,587	15,851
Other	12,707	7,979
Total	436,899	322,170

- b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

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SECTION FIVE

II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	196,767	-	751,033	2,122,760	37,230	46,955	635	10,778	3,166,158
Foreign currency deposits	837,281	-	1,328,934	1,001,218	92,194	94,435	430	2,521	3,357,013
Residents in Turkey	786,383	-	1,284,213	970,701	85,995	83,975	354	2,521	3,214,142
Residents abroad	50,898	-	44,721	30,517	6,199	10,460	76	-	142,871
Public sector deposits	225,901	-	4,101	1,289	311	-	19	-	231,621
Commercial deposits	477,900	-	669,576	414,245	27,526	33,084	253	22	1,622,606
Other institutions deposits	10,077	-	20,452	112,259	1,456	1,543	1	-	145,788
Precious metals deposits	13,993	-	1,511	6,050	283	802	-	-	22,639
Interbank deposits	122,016	-	22,587	18,287	3,567	-	1,163	-	167,620
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	6,033	-	-	1,163	-	7,196
Foreign Banks	29,835	-	22,587	12,254	3,567	-	-	-	68,243
Special finance houses	92,181	-	-	-	-	-	-	-	92,181
Other	-	-	-	-	-	-	-	-	-
Total	1,883,935	-	2,798,194	3,676,108	162,567	176,819	2,501	13,321	8,713,445

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	129,855	-	791,513	2,499,108	20,807	33,839	187	399	3,475,708
Foreign currency deposits	676,896	-	1,699,056	1,080,922	105,211	29,995	3,865	80	3,596,025
Residents in Turkey	628,688	-	1,646,870	1,041,666	98,033	22,288	1,458	80	3,439,083
Residents abroad	48,208	-	52,186	39,256	7,178	7,707	2,407	-	156,942
Public sector deposits	76,405	-	7,143	1,157	-	-	-	-	84,705
Commercial deposits	451,838	-	763,541	344,410	26,154	98,316	-	-	1,684,259
Other institutions deposits	8,648	-	10,938	137,532	75	854	-	-	158,047
Precious metals deposits	8,077	-	3,628	2,237	128	721	-	-	14,791
Interbank deposits	49,472	-	187,625	15,632	3,361	-	2,122	-	258,212
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	3,012	-	-	-	2,122	-	5,134
Foreign Banks	17,507	-	184,613	15,632	3,361	-	-	-	221,113
Special finance houses	31,965	-	-	-	-	-	-	-	31,965
Other	-	-	-	-	-	-	-	-	-
Total	1,401,191	-	3,463,444	4,080,998	155,736	163,725	6,174	479	9,271,747

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:

Saving Deposits	Under the Guarantee of Insurance (*)		Exceeding the Limit of Insurance (*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	1,187,420	1,263,272	1,887,192	2,179,589
Foreign currency saving deposits	404,422	366,622	1,345,602	1,587,049
Other deposits in the form of saving deposits	3,512	1,496	17,342	11,571
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	1,595,354	1,631,390	3,250,136	3,778,209

(*) According to the BRSA's circular no 1584 dated February 23, 2005, accruals are included in the saving deposit amounts.

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b.2) Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad: None.

b.3) Saving deposits not guaranteed by insurance:

i) Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	64,425	58,824
Deposits of ultimate shareholders and their close families	291,241	177,868
Deposits of chairman and members of the Board of Directors and their close families	15,507	11,360
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	2,389	4,552	27,087	36,285
Swap Transactions	36,150	2,256	65,365	4,164
Futures Transactions	-	11,727	-	38,655
Options	4,498	498	5,595	-
Other	120	-	-	-
Total	43,157	19,033	98,047	79,104

3. a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	50,448	99,992	64,371	109,173
From Foreign Banks, Institutions and Funds	578,721	645,452	1,628,592	642,467
Total	629,169	745,444	1,692,963	751,640

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	498,452	563,353	1,320,054	545,087
Medium and long-term	130,717	182,091	372,909	206,553
Total	629,169	745,444	1,692,963	751,640

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II. Explanations and Disclosures Related to the Liabilities (continued)

- c) Additional explanation related to the concentrations of the Bank's major liabilities:

Bank diversifies its funding resources by the customer deposits and by the foreign borrowings. As of September 30, 2009, the Bank has a syndication loan of EUR 142,000,000 and USD 60,000,000, with a maturity of November 26, 2009, under foreign borrowings obtained on December 4, 2008.

Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Bank, in consideration of profitability. Bank takes short and long term preventive measures to spread its customers on a wider spectrum on the basis of customer concentration in the branches.

Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	323,027	-	201,621	-
Financial institutions and organizations	320,479	-	126,644	-
Other institutions and organizations	-	-	69,106	-
Real persons	2,548	-	5,871	-
From foreign transactions	3	-	123	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	3	-	123	-
Total	323,030	-	201,744	-

4. **Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:** None (December 31, 2008 – None).

5. Explanations on financial lease obligations (Net):

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the bank:

In the financial lease agreements, installments are based on useful life, usage periods and principles of the Tax Procedural Code.

- b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

- c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	25	16	99	87
Between 1-4 Years	24	17	42	30
More than 4 Years	-	-	-	-
Total	49	33	141	117

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II. Explanations and Disclosures Related to the Liabilities (continued)

5. Explanations on financial lease obligations (Net): (continued)

d) Explanations regarding operational leases:

Except for the Head-Office-Istanbul and Izmir-Ege Kurumsal Branch buildings, all branch premises of the Bank are leased under operational leases. For the period ended September 30, 2009, operational lease expenses amounting to TRY 55,921 (September 30, 2008 – TRY 47,054) have been recorded in the profit and loss accounts. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice.

e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

6. Information on derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair value hedge (*)	73,797	1	67,611	-
Cash flow hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	73,797	1	67,611	-

(*) Comprised of swaps for hedging purposes.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for First Group Loans and Receivables	48,737	52,247
Provisions for Second Group Loans and Receivables	11,158	14,558
Provisions for Non-Cash Loans	8,231	7,893
Other	-	-
Total	68,126	74,698

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses on the foreign currency indexed loans amounting to TRY 28,047 (December 31, 2008 - TRY 16,269) is net off from loans on the balance sheet.

c) The specific provisions provided for unindemnified non cash loans amount to TRY 9,526 (December 31, 2008 - TRY 1,611).

d) Information on employee termination benefits and unused vacation accrual:

Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in the TAS No:19 and reflected this in the financial statements.

As of September 30, 2009, the Bank provided a reserve of TRY 7,516 (December 31, 2008 - TRY 7,784) for the unused vacations. This balance is classified under other provisions in the financial statements.

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II. Explanations and Disclosures Related to the Liabilities (continued)

7. Information on provisions (continued)

d.1) Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	13,133	10,588
Service cost	1,906	2,088
Interest cost	1,137	1,125
Settlement cost	2,231	273
Actuarial gain / (loss)	-	(149)
Benefits paid	(2,587)	(792)
Total	15,820	13,133

e) Information on other provisions:

e.1) Provisions for possible losses: None (December 31, 2008 – None).

e.2) The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
Provision for employee benefits	7,516	7,784
Provision for promotion of credit cards and banking services	4,110	3,648
Other (*)	13,651	36,715
Total	25,277	48,147

(*) Included in other, TRY 3,890 (December 31, 2008: TRY 20,393) is the provision related to the bonuses to be paid to the personnel and TRY 9,526 is the specific provisions for unindemnified non cash loans.

f) Liabilities on pension rights:

f.1) Liabilities for pension funds established in accordance with “Social Security Institution”: None (December 31, 2008 – None).

f.2) Liabilities resulting from all kinds of pension funds, foundations etc. which provide post retirement benefits for the employees: None (December 31, 2008 – None).

8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for corporate taxes	27,045	-

a.2) Information on taxes payable:

	Current Period	Prior Period
Taxation on Securities	9,819	17,633
Property Tax	919	884
Banking Insurance Transaction Tax (BITT)	9,428	15,664
Foreign Exchange Transaction Tax	7	8
Value Added Tax Payable	423	667
Other (*)	6,132	6,925
Total	26,728	41,781

(*) Others include income taxes deducted from wages amounting to TRY 5,328 (December 31,2008 – TRY 5,963) and stamp taxes payable amounting to TRY 559 (December 31, 2008 - TRY 433).

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II. Explanations and Disclosures Related to the Liabilities (continued)

8. Explanations on taxes payable: (continued)

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	2,430	2,474
Social Security Premiums-Employer	2,586	2,632
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	170	173
Unemployment Insurance-Employer	340	344
Other	-	-
Total	5,526	5,623

c) Explanations on deferred tax liabilities, if any:

None (December 31, 2008 – None).

9. Information on liabilities regarding assets held for sale and discontinued operations:

None (December 31, 2008 – None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Bank has signed an agreement with the International Finance Corporation (IFC) on July 17, 2002, for a subordinated loan of USD 15 million. The maturity of the loan is October 15, 2011 and interest rate is LIBOR+2.85%.

The Bank has signed another agreement with the IFC on June 27, 2005, for a subordinated loan. The facility is a USD 50 million subordinated loan, with a maturity of July 15, 2015 and with an interest rate of LIBOR+3.18%.

The Bank has signed an agreement with the Economy Luxembourg S.A on October 27, 2006 for a subordinated loan. The facility is a EUR 110 million subordinated loan, with a maturity of October 31, 2016, and with a fixed interest rate of 6.10%.

The Bank has obtained a primary subordinated loan by issuing a bond amounting to USD 100 million as of July 31, 2007. The investor of the bond is IFC International Finance Corporation (IFC). The maturity of the borrowing is indefinite with semi-annually interest payment. The interest rate is defined as 6 month LIBOR +3.5% until July 31, 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as 6 month LIBOR + 5.25 %.

Each of the four of the above facilities match BRSA's subordinated loan-capital definitions and contribute to the Bank's capital adequacy ratio in a positive manner, as well as creating long term financing.

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II. Explanations and Disclosures Related to the Liabilities (continued)

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

a) Information on subordinated loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	489,920	-	495,055
Total	-	489,920	-	495,055

11. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock	1,100,000	1,100,000
Preferred stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	1,100,000	1,400,000

c) Information on share capital increases and their sources; other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

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II. Explanations and Disclosures Related to the Liabilities (continued)

11. Information on Shareholders' Equity: (continued)

- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored and reported to Board of Directors, Asset and Liability Committee, and Risk Management by the Budget and Financial Control Group. This group tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

- g) Information on preferred shares:

7% of the Bank's remaining net income after tax subsequent to deducting legal reserves and first dividends, corresponding to the Bank's 60,000 shares of TRY 30 (in full TRY) is distributed to the founder shares.

- h) Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	25,428	3,772	8,274	(2,392)
Foreign Exchange Difference	-	-	-	-
Total	25,428	3,772	8,274	(2,392)

	Current Period	Prior Period
Foreign currency marketable securities value increase fund	3,772	(2,392)
Foreign exchange gains resulting from foreign currency associates, subsidiaries, and securities held to maturity related to the above amount	-	-
Total	3,772	(2,392)

Information on legal reserves:

	Current Period	Prior Period
First legal reserves	29,423	21,214
Second legal reserves	5,536	5,536
Other legal reserves appropriated in accordance with special legislation	-	-
Total	34,959	26,750

Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	279,694	123,705
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	279,694	123,705

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II. Explanations and Disclosures Related to the Liabilities (continued)

Other Information on Shareholders' Equity:

The movement of the marketable securities value increase fund is as follows:

	Current Period	Prior Period
At January 1	5,882	2,214
Net unrealized gains on available for sale investments	85,803	(2,820)
Realized gains on available for sale investments recycled to income statement on disposal	-	-
Realized losses on available for sale investments recycled to income statement on disposal and impairment	(56,749)	7,215
Tax effect of net gains on available for sale investments	(5,736)	(727)
Unrealized gains / (losses) on cash flow hedges	-	-
Gains / (losses) on cash flow hedges recycled to income statement	-	-
Tax effect of gains on cash flow hedges	-	-
At period end	29,200	5,882

12. Information on minority shares: None (December 31, 2008 – None).

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SECTION FIVE

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: Credit card expenditure limit commitments are TRY 817,577 and TRY 759,651; payment commitments for checks are TRY 576,659 and TRY 560,682 as of September 30, 2009 and December 31, 2008, respectively.

- b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

- b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

As of September 30, 2009 total guarantees and commitments consist of letters of guarantee amounting to TRY 2,482,887 (December 31, 2008 - TRY 2,517,674) acceptances amounting to TRY 44,174 (December 31, 2008 - TRY 51,320) and letters of credit amounting to TRY 478,489 (December 31, 2008 -TRY 530,963).

- b.2) Guarantees, suretyships, and similar transactions: The Bank has other guarantees and suretyships amounting to TRY 245,755 as of September 30, 2009 (December 31, 2007 – TRY 217,433).

- c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	235,678	270,536
With maturity of 1 year or less than 1 year	56,749	66,824
With maturity of more than 1 year	178,929	203,712
Other non-cash loans	3,015,627	3,046,854
Total	3,251,305	3,317,390

- c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	19,365	1.38	7,972	0.43	19,275	1.43	13,767	0.70
Farming and raising livestock	15,475	1.10	6,567	0.35	15,739	1.16	7,073	0.36
Forestry	3,273	0.23	544	0.03	3,046	0.23	6,694	0.34
Fishery	617	0.05	861	0.05	490	0.04	-	-
Manufacturing	805,801	57.51	933,417	50.46	702,891	52.11	1,101,905	55.97
Mining	39,327	2.81	23,701	1.28	45,075	3.34	26,225	1.33
Production	747,422	53.34	895,665	48.41	639,680	47.43	1,049,346	53.30
Electric, gas and water	19,052	1.36	14,051	0.77	18,136	1.34	26,334	1.34
Construction	268,920	19.19	281,293	15.21	251,617	18.66	299,778	15.23
Services	290,842	20.75	217,833	11.77	358,133	26.55	237,741	12.08
Wholesale and retail trade	89,546	6.39	26,446	1.42	185,268	13.73	83,713	4.26
Hotel, food and beverage services	7,589	0.54	2,773	0.15	7,076	0.52	2,864	0.15
Transportation and telecommunication	62,785	4.48	117,060	6.33	46,903	3.48	73,506	3.73
Financial institutions	34,455	2.46	23,773	1.29	36,919	2.74	33,599	1.71
Real estate and renting services	27,598	1.97	27,007	1.46	25,518	1.89	21,086	1.07
Self-employment services	38,730	2.76	8,988	0.49	31,177	2.31	9,334	0.47
Education services	481	0.03	607	0.03	614	0.05	572	0.03
Health and social services	29,658	2.12	11,179	0.60	24,658	1.83	13,067	0.66
Other	16,395	1.17	409,467	22.13	16,854	1.25	315,429	16.02
Total	1,401,323	100.00	1,849,982	100.00	1,348,770	100.00	1,968,620	100.00

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1. Information on off-balance sheet liabilities: (continued)

c.3) Information on I st and II nd Group non-cash loans:

Non-cash loans	I st Group		II nd Group	
	TRY	FC	TRY	FC
Letters of guarantee	1,236,226	1,176,313	31,160	39,188
Bank acceptances	871	43,303	-	-
Letters of credit	114	477,464	106	805
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	132,167	111,424	679	1,485
Total	1,369,378	1,808,504	31,945	41,478

The Bank provided a reserve of TRY 9,526 for non-cash loans not yet indemnified amounting to TRY 18,155.

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	6,472,212	6,664,840	-	-
Forward transactions	1,879,353	2,735,646	-	-
Swap transactions	2,201,579	2,787,162	-	-
Futures transactions	456,421	453,114	-	-
Option transactions	1,934,859	688,918	-	-
Interest related derivative transactions (II) :	161,186	102,076	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	161,186	102,076	-	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	34,266	-	-	-
Other trading derivative transactions (IV)	-	-	-	-
A.Total trading derivative transactions (I+II+III+IV)	6,667,664	6,766,916	-	-
Types of hedging transactions				
Fair value hedges	-	-	818,447	1,002,465
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	818,447	1,002,465
Total Derivative Transactions (A+B)	6,667,664	6,766,916	818,447	1,002,465

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

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2. Information related to derivative financial instruments: (continued)

As of July 1, 2008, the Bank has started to apply fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching TRY 818,447 (December 31, 2008:1,002,465) of its swap portfolio with its loan portfolio.

As of September 30, 2009 and December 31, 2008, breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TRY equivalents:

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell
Current Period								
TRY	377,523	206,915	230,128	739,292	452,079	326,263	-	-
USD	232,808	462,009	290,085	236,545	305,018	378,629	222,910	-
EURO	303,645	214,506	510,344	151,817	176,774	226,730	-	-
OTHER	43,103	38,844	150,449	54,105	52,917	50,715	-	233,511
Total	957,079	922,274	1,181,006	1,181,759	986,788	982,337	222,910	233,511
Prior Period								
TRY	261,915	224,012	889,289	152,046	162,923	178,007	-	-
USD	555,403	623,661	324,449	1,149,490	83,155	86,107	208,133	-
EURO	506,633	488,422	125,112	108,260	99,690	79,036	-	-
OTHER	42,103	33,497	85,710	54,882	-	-	-	244,981
Total	1,366,054	1,369,592	1,424,560	1,464,678	345,768	343,150	208,133	244,981

As of September 30, 2009, the Bank has no cash flow hedges. (December 31, 2008: None.)

As of September 30, 2009, the Bank has no hedge of net investment in foreign operations. (December 31, 2008: None.)

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)

3. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in entity under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes. As of September 30, 2009 there are no contingent assets that need to be explained (December 31, 2008 - None).
 - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: As of September 30, 2009 there are no contingent liabilities that need to be explained (December 31, 2008 - None).

4. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

Investment securities held in custody include investment fund participation certificates which are accounted for with their number of certificates. As of September 30, 2009 the total number of certificates is 11,268,387 thousand (December 31, 2008 – 13,388,799 thousand) and the total fair value is TRY 1,262,012 (December 31, 2008 – TRY 924,039).

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)

5. Information on the Bank's rating by the international rating institutions (*):

The results of the ratings performed by Moody's Investor Services and Fitch Ratings are shown below:

Moody's Investor Services: December 2008

View	Positive
Bank Financial Strength	D+
Foreign Currency Deposits	B1/NP

Fitch Ratings: May 2009

Foreign Currency Commitments	
Long term	BB
Short term	B
View	Stable
New Turkish Lira Commitments	
Long term	BBB-
Short term	F3
View	Stable
National	AAA (tur)
View	Stable
Individual Rating	C/D
Support Points	3

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

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SECTION FIVE

IV. Explanations and Disclosures Related to the Income Statement

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	596,181	79,232	684,630	72,327
Medium and long term loans	275,576	25,726	257,619	29,163
Interest on non-performing loans	4,105	-	4,279	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	875,862	104,958	946,528	101,490

(*) Includes fees and commissions obtained from cash loans. Fees and commissions from cash loans are TRY 27,742 (September 30, 2008: TRY 27,962).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	10	-	1,817
Domestic banks	1,686	35	2,751	425
Foreign banks	3,972	5,250	1,604	27,223
Branches and head office abroad	-	-	-	-
Total	5,658	5,295	4,355	29,465

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	10,327	489	25,587	1,084
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	117,329	5,951	197,581	8,971
Held-to-maturity securities	94,776	-	-	-
Total	222,432	6,440	223,168	10,055

d) Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	1,663	711

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IV. Explanations and Disclosures Related to the Income Statement (continued)

2. a) Information on interest on funds borrowed (*):

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	6,158	3,133	6,790	4,516
Foreign banks	100,576	11,787	110,062	27,346
Branches and head office abroad	-	-	-	-
Other financial institutions	-	25,879	-	23,013
Total	106,734	40,799	116,852	54,875

(*) Includes fees and commission expenses of cash loans amounting to TRY 2,727 (September 30, 2008 : TRY 1,323).

b) Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	2,082	238

c) Information on interest expenses to marketable securities issued: None (September 30, 2008 – None).

d) Distribution of interest expenses on deposits based on maturity of deposits:

Account Name	Time Deposits						Accumulated Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TRY								
Bank deposits	-	4,045	320	-	40	250	-	4,655
Saving deposits	6	68,819	209,853	7,118	10,134	51	524	296,505
Public sector deposits	-	387	308	41	-	-	-	736
Commercial deposits	4	47,756	35,625	2,607	10,485	-	-	96,477
Other deposits	-	1,776	10,647	767	1,321	28	-	14,539
7 days call accounts	-	-	-	-	-	-	-	-
Total	10	122,783	256,753	10,533	21,980	329	524	412,912
FC								
Foreign currency deposits	-	28,514	34,602	3,371	2,780	67	21	69,355
Bank deposits	6	77	129	38	-	-	-	250
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	94	34	89	3	10	-	-	230
Total	100	28,625	34,820	3,412	2,790	67	21	69,835
Grand Total	110	151,408	291,573	13,945	24,770	396	545	482,747

3. Information on dividend income:

	Current Period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	7	4
Other	11,963	18,771
Total	11,970	18,775

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IV. Explanations and Disclosures Related to the Income Statement (continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	1,951,119	2,282,312
Gains on capital market operations	70,841	19,399
Gains on derivative financial instruments (**)	403,063	402,489
Foreign exchange gains(*)	1,477,215	1,860,424
Losses (-)	1,903,730	2,308,993
Losses on capital market operations	8,775	41,497
Losses on derivative financial instruments (**)	538,785	425,062
Foreign exchange losses(*)	1,356,170	1,842,434

(*) As of September 30, 2009, the foreign exchange gains on the foreign currency indexed loans are TRY 31,374 (September 30, 2008 - TRY 72,131) and the foreign exchange losses on the foreign currency indexed loans are TRY 26,957 (September 30, 2008 - TRY 23,867).

(**) Gain on hedging transactions is TRY 11,823 (September 30, 2008 - TRY 8,710) , while loss on hedging transactions is TRY 94,426 (September 30, 2008 - TRY 41,756).

5. Information on other operating income:

The information on the factors affecting the Bank's income including new developments, and the explanation on nature and amount of income earned from such items:

In the statement of income presented for comparison purposes, as a result of a lawsuit opened against the Ministry of Finance of the Turkish Republic ("Ministry") based on the requirement about the deduction of losses arising from the capital decrease in the financial statements of the Bank dated December 31, 2001 based on the Temporary Article 4 with the law numbered 4743 added to the Banking Law No: 4389 that is ceased to be effective on November 1, 2005, by using the statutory and optional reserves as an expense in determining the banks' profit within the framework set out in Paragraph 7 of Article 14 of the annulled Corporate Tax Law No: 5422, the Bank has settled its tax reimbursement issue with the Ministry based on Article 3 of Law No: 5736 "Collection of Some Government Receivables by Compromise Procedures" published in the Official Gazette No: 26800 on February 27, 2008, and it has reflected its receivable amounting to TRY 41,207 in its statement of income as of September 30, 2008, which became collectible with the notification to the Bank by the Ministry in regards to the decision made on the settlement of this reimbursement by deducting that receivable amount from other taxes payable to the extent that 65% of the losses arising from year 2001 inflation accounting adjustment should be taken into account.

6. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	126,948	46,455
III. Group Loans and Receivables	5,672	3,831
IV. Group Loans and Receivables	23,856	13,058
V. Group Loans and Receivables	97,420	29,566
General provision expenses	(7,640)	26,781
Provision expenses for possible losses	-	-
Marketable securities impairment losses	6,733	13,145
Financial assets at fair value through profit and loss	26	91
Investment securities available for sale	6,707	13,054
Impairment provision expense	5,288	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	5,288	-
Other	-	-
Total	131,329	86,381

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IV. Explanations and Disclosures Related to the Income Statement (continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	258,464	261,755
Reserve for employee termination benefits	5,274	2,410
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	34,686	28,721
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	4,515	3,363
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	1,091
Depreciation expenses of assets to be disposed	4	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	175,028	157,723
Rent expenses	55,921	47,054
Maintenance expenses	3,995	3,737
Advertisement expenses	15,211	19,245
Other expenses	99,901	87,687
Loss on sales of assets	840	412
Other (*)	30,765	58,992
Total	509,576	514,467

(*) Included in other, premiums paid to Saving Deposit Insurance Fund is TRY 7,295 (September 30, 2008 – TRY 6,258).

8. Information on profit/(loss) from continued and discontinued operations before taxes:

Profit before tax of the Bank has increased by 21% for the period ended September 30, 2009 as compared to the prior period. In comparison with prior period, the Bank's net interest income increased by 4%, net fees and commissions income, and provisions and operating expenses increased by 25% and 7%, respectively.

9. Information on tax provision for continued and discontinued operations:

- As of September 30, 2009, current tax charge is TRY 42,538 (September 30, 2008 – 13,151), and deferred tax benefit is TRY 780 (September 30, 2008 – TRY 21,532 deferred tax charge).
- Deferred tax benefit on temporary differences is TRY 780 (September 30, 2008 – TRY 21,532 deferred tax charge).

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IV. Explanations and Disclosures Related to the Income Statement (continued)

9. Information on tax provision: (continued)

c) Tax reconciliation:

	Current Period	Prior Period
Profit before tax	228,723	189,348
Additions	14,416	44,479
Disallowables	14,352	2,579
General loan loss provision	-	26,480
Provision for possible tax disputes	-	15,040
Other	64	380
Deductions	(34,350)	(60,410)
Dividend income	(11,921)	(18,656)
General loan loss provision	(6,686)	-
Provision for possible tax disputes	(14,711)	-
Recovered tax related to previous years due to inflation accounting	-	(41,207)
Other	(1,032)	(547)
Taxable Profit / (Loss)	208,789	173,417
Corporate tax rate	%20	%20
Tax calculated	41,758	34,683

As of September 30, 2009, current tax charge is 42,538 (September 30, 2008 – TRY 13,151) and deferred tax benefit on temporary differences is TRY 780 (September 30, 2008 – TRY 21,532 deferred tax charge). Net tax charge recognized in the financial statements is TRY 41,758 (September 30, 2008 – TRY 34,683 tax charge).

10. Information on net profit/(loss) from continued and discontinued operations:

The Bank increased its net profit for the period ended September 30, 2009 by 21% as compared to the prior period profit.

11. The explanations on net income / loss for the period:

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (September 30, 2008 – None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (September 30, 2008 – None).
- Profit or loss attributable to minority shares: None (September 30, 2008 – None).

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IV. Explanations and Disclosures Related to the Income Statement (continued)

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Credit cards commissions and fees	134,592	91,090
Import letters of credit commissions	3,193	3,531
Inquiry and company search fees and commissions	11,360	15,588
Fund management commissions	22,118	17,389
Settlement expense provision, eft, swift, agency commissions	7,344	8,595
Insurance commissions	7,583	8,185
Transfer commissions	4,654	3,761
Commissions and fees earned from correspondent banks	4,649	4,306
Other	41,433	36,316
Total	236,926	188,761
<u>Other fees and commissions given</u>		
Credit cards commissions and fees	72,342	62,619
Commissions and fees paid to correspondent banks	1,628	1,466
Settlement and swift commissions	2,787	2,349
Other	8,625	6,480
Total	85,382	72,914

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V. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) Current Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	6,285	3,771	82,234	14,059	66,936	6,794
Balance at end of period	57	6,267	54,654	44,239	52,152	34,008
Interest and commission income	1,663	188	5,598	1	2,818	122

Included in the balances above, the Bank has placements in foreign bank accounts amounting to TRY 57 from subsidiaries and associates, TRY 48,975 under direct and indirect corporate and real person shareholders and TRY 11,570 from other entities included in the risk group.

b) Prior Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect Shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	717	23,499	26,294	25,144	6,559	5,979
Balance at end of period	6,285	3,771	82,234	14,059	66,936	6,794
Interest and commission income received	711	78	3,980	2	4,142	2,869

Included in the balances above, the Bank has placements in foreign bank accounts amounting to TRY 45 from subsidiaries and associates, TRY 81,281 under direct and indirect corporate and real person shareholders and TRY 63,790 from other entities included in the risk group.

c.1) Information on related party deposits balances:

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior period
Deposits						
Balance at beginning of period	22,816	3,147	189,247	587,446	272,485	31,506
Balance at end of period	64,786	22,816	290,708	189,247	60,457	272,485
Interest on deposits	2,082	238	43,015	38,168	5,744	8,512

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of period	141,755	11,232	2,401,449	1,363,285	419,698	75,136
End of period	46,023	141,755	1,365,052	2,401,449	961,146	419,698
Total income/loss	1,441	(161)	7,027	10,829	(41,442)	(5,544)
Hedging transactions purposes						
Beginning of period	-	-	322,681	-	-	-
End of period	-	-	305,847	322,681	-	-
Total income/loss	-	-	(12,430)	(5,435)	-	-

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V. Explanations on the Risk Group of the Bank (continued)

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances: (continued)

- d) As of September 30, 2009, the total amount of remuneration and benefits provided to the senior management of the Bank is TRY 13,382 (September 30, 2008 – TRY 13,912).

2. Disclosures for related parties:

- a) The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:

In the normal course of its banking activities, the Bank conducted various business transactions with related parties at commercial terms and at rates which approximate market rates.

- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	106,863	1.31
Non-cash loans	84,514	2.60
Deposits	415,951	4.77
Derivative financial instruments	2,372,221	35.58
Derivative financial instruments for hedging purposes	305,847	37.37

These transactions are priced in accordance with the general pricing policies of the Bank and are in line with market rates.

- c) Except for cases whereby separate disclosure is necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b).
- d) Transactions accounted for under the equity method: None.
- e) Disclosures related to purchase and sale of real estate and other assets, services given /received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

The Bank enters into lease agreements with TEB Finansal Kiralama A.Ş. As of September 30, 2009 the total leasing obligations related to these agreements amounted to TRY 33. Additionally, the Bank provides agency services for TEB Yatırım Menkul Değerler via its branches.

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 1.68%. Details of these loans are explained in the Section Five, Note V- 1a.

As of September 30, 2009 the Bank has no purchases and sale of real estate and other assets, transfer of information as a result of research and development and management contracts with the related parties.

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SECTION SIX

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT

I. Explanations on the Independent Accountants' Limited Review Report

The unconsolidated interim financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent accountants' limited review report dated November 2, 2009 is presented preceding the financial statements.

II. Footnotes and Explanations Prepared by Independent Accountants

None.