

**TÜRK EKONOMİ BANKASI
ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S
REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2009**

*Translated into English
from the Original Turkish Report*

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

**TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR JANUARY 1, 2009 – DECEMBER 31, 2009**

We have audited the accompanying consolidated balance sheet of Türk Ekonomi Bankası A.Ş. and its financial subsidiaries ("the Group") as at December 31, 2009, and the related consolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks' Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by BRSA.

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 Group'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

İstanbul, February 8, 2010

**THE CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2009**

Address : Meclis-i Mebusan Caddesi No: 57
Fındıklı 34427 - Istanbul
Telephone : (0 212) 251 21 21
Fax : (0 212) 249 65 68
Web Site : www.teb.com.tr
E-mail Address : investor.relations@teb.com.tr

The year end consolidated financial report 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

The subsidiaries, associates and jointly controlled entities, financial statements of which are consolidated within the framework of the reporting package are as follows:

Subsidiaries

1. The Economy Bank N.V.
2. Stichting Effecten Dienstverlening
3. Kronenburg Vastgoed B.V.
4. TEB Finansal Kiralama A.Ş.
5. TEB Faktoring A.Ş.
6. TEB Yatırım Menkul Değerler A.Ş.
7. TEB Portföy Yönetimi A.Ş.

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of New 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 audited and presented as attached.

February 8, 2010

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

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

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

Telephone Number: (0212) 251 21 21

Fax Number: (0212) 249 65 68

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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

SECTION ONE

GENERAL INFORMATION

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

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

Name of shareholders	Current Period		Prior 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 December 31, 2009 Parent 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 Parent 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
İzzet Cemal Kişmir	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 Parent 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 in the Parent Bank

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 Parent 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

The Parent Bank's operating areas include corporate, retail and private banking as well as project finance, fund management and custody operations. Beside the ordinary banking operations, the Parent 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). As of December 31, 2009 the Parent Bank has 330 local branches and 4 foreign branches (2008 - 332 local branches, 4 foreign branches).

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet
- II. Consolidated Statement of Off Balance Sheet Contingencies and Commitments
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- VII. Consolidated Profit Distribution Table

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

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

	Note Ref.	Audited Current Period 31.12.2009			Audited Prior Period 31.12.2008		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	344,368	1,167,344	1,511,712	536,128	1,563,431	2,099,559
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	176,429	23,594	200,023	56,756	44,385	101,141
2.1 Financial assets held for trading		176,429	23,594	200,023	56,756	44,385	101,141
2.1.1 Public sector debt securities		133,230	4,687	137,917	11,825	3,780	15,605
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		43,199	18,907	62,106	44,931	40,605	85,536
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)	171,832	552,171	724,003	41,235	1,126,954	1,168,189
IV. MONEY MARKET PLACEMENTS		619,657	84,807	704,464	700,508	56,394	756,902
4.1 Interbank money market placements		610,110	84,807	694,917	700,292	56,394	756,686
4.2 Istanbul Stock Exchange money market placements		145	-	145	-	-	-
4.3 Receivables from reverse repurchase agreements		9,402	-	9,402	216	-	216
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1,603,901	72,979	1,676,880	1,082,396	154,298	1,236,694
5.1 Share certificates		9	2,583	2,592	9	1,554	1,563
5.2 Public sector debt securities		1,603,892	63,018	1,666,910	1,082,387	146,788	1,229,175
5.3 Other marketable securities		-	7,378	7,378	-	5,956	5,956
VI. LOANS	(5)	7,077,534	2,788,198	9,865,732	6,389,603	2,885,641	9,275,244
6.1 Loans and receivables		6,889,382	2,787,705	9,677,087	6,294,170	2,883,418	9,177,588
6.1.1 Loans to Risk Group of the Bank		21,507	32,035	53,542	3,122	8,576	11,698
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		6,867,875	2,755,670	9,623,545	6,291,048	2,874,842	9,165,890
6.2 Non-performing loans		427,991	7,675	435,666	201,525	6,820	208,345
6.3 Specific provisions (-)		(239,839)	(7,182)	(247,021)	(106,092)	(4,597)	(110,689)
VII. FACTORING RECEIVABLES	(18)	289,794	84,363	374,157	196,626	121,955	318,581
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	882,324	19,316	901,640	799,384	19,427	818,811
8.1 Public sector debt securities		882,324	19,316	901,640	799,384	19,427	818,811
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	2,013	-	2,013	12	-	12
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		2,013	-	2,013	12	-	12
9.2.1 Financial investments		2,012	-	2,012	12	-	12
9.2.2 Non-financial investments		1	-	1	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	65,360	341,809	407,169	88,965	488,992	577,957
12.1 Finance lease receivables		79,949	389,180	469,129	114,468	560,528	674,996
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		2,133	406	2,539	1,435	284	1,719
12.4 Unearned income (-)		(16,722)	(47,777)	(64,499)	(26,938)	(71,820)	(98,758)
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	30,976	354	31,330	54,210	2,214	56,424
13.1 Fair value hedge		30,976	354	31,330	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)	156,381	7,765	164,146	168,789	7,914	176,703
XV. INTANGIBLE ASSETS (Net)	(13)	14,300	1,183	15,483	12,300	561	12,861
15.1 Goodwill		1,205	-	1,205	1,205	-	1,205
15.2 Other		13,095	1,183	14,278	11,095	561	11,656
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	48,522	1,536	50,058	28,783	868	29,651
17.1 Current tax asset		-	-	-	10,889	-	10,889
17.2 Deferred tax asset		48,522	1,536	50,058	17,894	868	18,762
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	372,652	36,970	409,622	303,346	62,383	365,729
TOTAL ASSETS		11,856,043	5,182,389	17,038,432	10,459,041	6,535,417	16,994,458

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

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

	Note Ref.	Audited Current Period 31.12.2009			Audited Prior Period 31.12.2008		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	5,920,071	4,443,213	10,363,284	5,619,993	4,875,793	10,495,786
1.1 Deposits from Risk Group of the Bank		169,603	287,471	457,074	242,001	783,616	1,025,617
1.2 Other		5,750,468	4,155,742	9,906,210	5,377,992	4,092,177	9,470,169
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	31,036	26,953	57,989	96,573	79,674	176,247
III. FUNDS BORROWED	(3)	1,142,881	1,317,619	2,460,500	1,781,312	1,546,145	3,327,457
IV. MONEY MARKET BALANCES		1,071,971	-	1,071,971	201,804	-	201,804
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	60	-	60
4.3 Funds provided under repurchase agreements		1,071,971	-	1,071,971	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		246,316	20,916	267,232	242,356	15,289	257,645
VIII. OTHER LIABILITIES	(4)	237,607	388	237,995	223,898	4,164	228,062
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	73,493	-	73,493	67,611	-	67,611
11.1 Fair value hedge		73,493	-	73,493	67,611	-	67,611
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	132,829	18,380	151,209	126,721	20,619	147,340
12.1 General loan loss provisions		70,145	16,681	86,826	60,752	20,619	81,371
12.2 Restructuring reserve		-	-	-	-	-	-
12.3 Reserve for employee benefits		18,512	-	18,512	13,795	-	13,795
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		44,172	1,699	45,871	52,174	-	52,174
XIII. TAX LIABILITY	(8)	37,244	733	37,977	49,335	-	49,335
13.1 Current tax liability		37,244	733	37,977	49,326	-	49,326
13.2 Deferred tax liability		-	-	-	9	-	9
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)	-	483,474	483,474	-	495,055	495,055
XVI. SHAREHOLDERS' EQUITY	(11)	1,714,293	119,015	1,833,308	1,449,652	98,464	1,548,116
16.1 Paid-in capital		1,100,000	-	1,100,000	1,100,000	-	1,100,000
16.2 Supplementary capital		20,119	4,857	24,976	11,394	(3,023)	8,371
16.2.1 Share premium		2,227	-	2,227	2,227	-	2,227
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		16,966	4,857	21,823	8,241	(3,023)	5,218
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 jointly controlled entities (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		340,621	99,807	440,428	164,820	87,927	252,747
16.3.1 Legal reserves		57,519	-	57,519	46,693	-	46,693
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		274,270	99,807	374,077	111,658	86,247	197,905
16.3.4 Other profit reserves		8,832	-	8,832	6,469	1,680	8,149
16.4 Profit or loss		253,553	14,351	267,904	173,438	13,560	186,998
16.4.1 Prior years' income/ (loss)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		253,553	14,351	267,904	173,438	13,560	186,998
16.5 Minority shares	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		10,607,741	6,430,691	17,038,432	9,859,255	7,135,203	16,994,458

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF OFF-BALANCE SHEET CONTINGENCIES AND
COMMITMENTS AS OF DECEMBER 31, 2009 AND 2008

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND
COMMITMENTS

	Note Ref.	Audited Current Period 31.12.2009			Audited Prior Period 31.12.2008		
		TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		7,540,811	7,977,427	15,518,238	6,036,504	7,647,735	13,684,239
I. GUARANTEES	(1), (3)	1,532,701	2,222,970	3,755,671	1,348,770	2,071,470	3,420,240
1.1 Letters of guarantee		1,415,128	1,309,344	2,724,472	1,262,496	1,273,016	2,535,512
1.1.1 Guarantees subject to State Tender Law		78,334	24,009	102,343	60,852	23,317	84,169
1.1.2 Guarantees given for foreign trade operations		134,913	65,521	200,434	126,643	70,864	197,507
1.1.3 Other letters of guarantee		1,201,881	1,219,814	2,421,695	1,075,001	1,178,835	2,253,836
1.2 Bank loans		171	39,034	39,205	-	51,320	51,320
1.2.1 Import letter of acceptance		171	36,594	36,765	-	47,272	47,272
1.2.2 Other bank acceptances		-	2,440	2,440	-	4,048	4,048
1.3 Letters of credit		335	784,043	784,382	238	615,737	615,975
1.3.1 Documentary letters of credit		335	689,769	690,108	238	523,549	523,787
1.3.2 Other letters of credit		-	94,274	94,274	-	92,188	92,188
1.4 Prefinancing 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		116,803	68,573	185,376	85,517	99,511	185,028
1.9 Other collaterals		260	21,976	22,236	519	31,886	32,405
II. COMMITMENTS	(1), (3)	3,110,272	648,459	3,758,731	2,221,159	195,315	2,416,474
2.1 Irrevocable commitments		3,110,272	648,459	3,758,731	2,221,159	195,315	2,416,474
2.1.1 Forward asset purchase commitments		108,571	235,667	344,238	-	182,115	182,115
2.1.2 Forward deposit purchase and sales commitments		-	16,814	16,814	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		2,000	-	2,000	-	-	-
2.1.4 Loan granting commitments		996,619	-	996,619	843,376	-	843,376
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		346,683	380,104	726,787	-	-	-
2.1.7 Payment commitment for checks		650,733	-	650,733	560,682	-	560,682
2.1.8 Tax and fund liabilities from export commitments		14,914	-	14,914	12,448	-	12,449
2.1.9 Commitments for credit card expenditure limits		956,344	1,172	957,516	759,651	1,114	760,765
2.1.10 Commitments for promotions related with credit cards and banking activities		1,899	-	1,899	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		32,509	14,702	47,211	42,720	12,086	54,806
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	2,897,838	5,105,998	8,003,836	2,466,575	5,380,950	7,847,525
3.1 Derivative financial instruments for hedging purposes		469,988	291,511	761,499	582,448	420,017	1,002,465
3.1.1 Fair value hedge		469,988	291,511	761,499	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		2,427,850	4,814,487	7,242,337	1,884,127	4,960,933	6,845,060
3.2.1 Forward foreign currency buy/sell transactions		550,095	1,105,030	1,655,125	482,898	2,293,938	2,776,836
3.2.1.1 Forward foreign currency transactions-buy		358,911	481,993	840,904	258,886	1,128,001	1,386,887
3.2.1.2 Forward foreign currency transactions-sell		191,184	623,037	814,221	224,012	1,165,937	1,389,949
3.2.2 Swap transactions related to f.c. and interest rates		915,490	1,860,058	2,775,548	1,060,295	1,865,893	2,926,192
3.2.2.1 Foreign currency swap-buy		151,511	1,067,639	1,219,150	841,255	559,182	1,400,437
3.2.2.2 Foreign currency swap-sell		563,975	653,905	1,217,884	219,044	1,213,943	1,432,987
3.2.2.3 Interest rate swaps-buy		100,000	69,257	169,257	-	46,384	46,384
3.2.2.4 Interest rate swaps-sell		100,000	69,257	169,257	-	46,384	46,384
3.2.3 Foreign currency, interest rate and securities options		962,265	1,366,226	2,328,491	340,930	347,988	688,918
3.2.3.1 Foreign currency options-buy		440,198	701,814	1,142,012	162,923	182,845	345,768
3.2.3.2 Foreign currency options-sell		485,412	664,412	1,149,824	178,007	165,143	343,150
3.2.3.3 Interest rate options-buy		36,655	-	36,655	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	483,173	483,173	-	453,114	453,114
3.2.4.1 Foreign currency futures-buy		-	234,791	234,791	-	208,133	208,133
3.2.4.2 Foreign currency futures-sell		-	248,382	248,382	-	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)		137,348,045	7,504,361	144,852,406	86,967,681	7,698,290	94,665,971
IV. ITEMS HELD IN CUSTODY		119,506,841	543,183	120,050,024	72,347,416	640,529	72,987,945
4.1 Assets under management		551,881	-	551,881	440,645	-	440,645
4.2 Investment securities held in custody		116,055,410	171,104	116,226,514	68,866,692	178,704	69,045,396
4.3 Checks received for collection		2,754,141	229,619	2,983,760	2,901,234	287,854	3,189,088
4.4 Commercial notes received for collection		145,063	84,934	229,997	138,746	112,307	251,053
4.5 Other assets received for collection		247	57,526	57,773	-	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		17,815,500	6,957,362	24,772,862	14,599,293	7,056,852	21,656,145
5.1 Marketable securities		266,577	8,351	274,928	273,475	12,963	286,442
5.2 Guarantee notes		8,833,394	5,403,205	14,236,599	7,430,760	5,491,782	12,922,542
5.3 Commodity		7,515	104,472	111,987	8,466	126,818	135,284
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		7,478,811	1,077,294	8,556,105	5,635,117	1,048,994	6,684,111
5.6 Other pledged items		1,229,203	364,040	1,593,243	1,251,471	376,295	1,627,766
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		25,704	3,816	29,520	20,972	909	21,881
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		144,888,856	15,481,788	160,370,644	93,004,185	15,346,025	108,350,210

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

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

III. CONSOLIDATED STATEMENT OF INCOME

		Audited Current Period 01.01-31.12.2009	Audited Prior Period 01.01-31.12.2008
		Total	Total
	Note Ref.		
I.	INTEREST INCOME	1,802,718	2,230,566
1.1	Interest on loans	1,320,122	1,528,026
1.2	Interest received from reserve deposits	27,364	44,924
1.3	Interest received from banks	19,852	75,371
1.4	Interest received from money market placements	27,755	87,342
1.5	Interest received from marketable securities portfolio	294,747	308,209
1.5.1	Held-for-trading financial assets	12,866	28,532
1.5.2	Financial assets at fair value through profit and loss	-	-
1.5.3	Available-for-sale financial assets	164,461	244,925
1.5.4	Investments held-to-maturity	117,420	34,752
1.6	Finance lease Income	54,684	60,184
1.7	Other interest income	58,194	126,510
II.	INTEREST EXPENSE	911,498	1,355,540
2.1	Interest on deposits	618,606	930,648
2.2	Interest on funds borrowed	227,483	322,439
2.3	Interest on money market borrowings	44,275	95,495
2.4	Interest on securities issued	-	-
2.5	Other interest expense	21,134	6,958
III.	NET INTEREST INCOME/EXPENSE (I - II)	891,220	875,026
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	281,834	227,991
4.1	Fees and commissions received	405,974	341,002
4.1.1	Non-cash loans	46,465	42,858
4.1.2	Other	359,509	298,144
4.2	Fees and commissions paid	124,140	113,011
4.2.1	Non-cash loans	1,897	842
4.2.2	Other	122,243	112,169
V.	DIVIDEND INCOME	13	481
VI.	NET TRADING INCOME	45,232	(53,929)
6.1	Securities trading gains/ (losses)	62,652	(27,620)
6.2	Gains/ (losses) from derivative financial instruments	(205,382)	(15,301)
6.3	Foreign exchange gains/ (losses)	187,962	(11,008)
VII.	OTHER OPERATING INCOME	32,019	85,308
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)	1,250,318	1,134,877
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	200,268	144,020
X.	OTHER OPERATING EXPENSES (-)	759,582	765,239
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)	290,468	225,618
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)	290,468	225,618
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(22,564)	(38,620)
16.1	Provision for current income taxes	(57,476)	(11,688)
16.2	Provision for deferred taxes	34,912	(26,932)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	267,904	186,998
XVIII.	INCOME ON DISCONTINUED OPERATIONS	-	-
18.1	Income on assets held for sale	-	-
18.2	Income on sale of associates, subsidiaries and jointly controlled entities (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)	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
21.1	Provision for current income taxes	-	-
21.2	Provision for deferred taxes	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	267,904	186,998
23.1	Group's profit/loss	267,904	186,998
23.2	Minority shares	-	-
	Earnings per share	0.2435	0.2212

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF PROFIT / LOSS ACCOUNTED FOR
UNDER EQUITY FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited Current Period 01.01-31.12.2009	Audited Prior Period 01.01-31.12.2008
I. Additions to marketable securities revaluation differences for available for sale financial assets	76,054	(3,737)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	683	31,768
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 corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Deferred tax of valuation differences	(4,198)	(669)
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	72,539	27,362
XI. Profit/Loss	(55,251)	7,225
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(55,251)	7,225
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)	17,288	34,587

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Audited																			
	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	
I. Prior Period – 01.01.-31.12.2008																				
Beginning Balance – 31.12.2007		755,000	926	1,805	-	36,423	-	61,105	(23,619)	-	147,070	2,399	-	-	-	-	981,109	-	981,109	
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policy.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		755,000	926	1,805	-	36,423	-	61,105	(23,619)	-	147,070	2,399	-	-	-	-	981,109	-	981,109	
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	2,819	-	-	-	-	2,819	-	2,819	
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		-	-	-	-	-	-	-	31,768	-	-	-	-	-	-	-	31,768	-	31,768	
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)		-	-	-	-	-	-	-	-	186,998	-	-	-	-	-	-	186,998	-	186,998	
XX. Profit distribution		-	-	-	-	10,270	-	136,800	-	-	(147,070)	-	-	-	-	-	-	-	-	
20.1 Dividends distributed		-	-	-	-	10,270	-	136,800	-	-	(147,070)	-	-	-	-	-	-	-	-	
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance 31.12.2008																				
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)		1,100,000	926	2,227	-	46,693	-	197,905	8,149	186,998	-	5,218	-	-	-	-	1,548,116	-	1,548,116	

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited		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	
I.																					
Current Period – 01.01.-31.12.2009																					
Prior period balance – 31.12.2008			1,100,000	926	2,227	-	46,693	-	197,905	8,149	-	186,998	5,218	-	-	-	-	1,548,116	-	1,548,116	
	Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
II. Increase/Decrease related to merger			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Marketable securities valuation differences			-	-	-	-	-	-	-	-	-	-	16,605	-	-	-	-	16,605	-	16,605	
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			-	-	-	-	-	-	-	683	-	-	-	-	-	-	-	683	-	683	
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)			-	-	-	-	-	-	-	-	267,904	-	-	-	-	-	-	267,904	-	267,904	
XVIII. Profit distribution			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(186,998)	-	-	-	-	-	-	-	-	
	18.2 Transfers to reserves		-	-	-	-	10,826	-	176,172	-	-	(186,998)	-	-	-	-	-	-	-	-	
	18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance 31.12.2009																					
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)			1,100,000	926	2,227	-	57,519	-	374,077	8,832	267,904	-	21,823	-	-	-	-	-	1,833,308	-	1,833,308

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note Ref.	Audited Current Period 01.01-31.12.2009	Audited Prior Period 01.01-31.12.2008
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		493,531	500,426
1.1.1 Interest received		1,957,103	1,913,487
1.1.2 Interest paid		(1,143,386)	(1,313,767)
1.1.3 Dividend received		13	481
1.1.4 Fees and commissions received		405,974	341,002
1.1.5 Other income		315,021	782,366
1.1.6 Collections from previously written off loans		142,915	137,962
1.1.7 Payments to personnel and service suppliers		(392,629)	(394,042)
1.1.8 Taxes paid		(53,651)	(32,426)
1.1.9 Others	(1)	(737,829)	(934,637)
1.2 Changes in operating assets and liabilities		(981,964)	892,196
1.2.1 Net (increase) decrease in financial assets held for trading		(120,077)	194,602
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		(7,377)	(11)
1.2.4 Net (increase) decrease in loans		(918,165)	(1,494,445)
1.2.5 Net (increase) decrease in other assets		110,362	(207,534)
1.2.6 Net increase (decrease) in bank deposits		893,412	(968,403)
1.2.7 Net increase (decrease) in other deposits		(123,805)	2,525,986
1.2.8 Net increase (decrease) in funds borrowed		(784,936)	894,780
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	(31,378)	(52,779)
I. Net cash provided from banking operations		(488,433)	1,392,622
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(513,075)	(1,185,984)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		(2,001)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.3 Fixed assets purchases		(19,653)	(69,480)
2.4 Fixed assets sales		9,918	5,687
2.5 Cash paid for purchase of financial assets available for sale		(3,051,654)	(1,246,630)
2.6 Cash obtained from sale of financial assets available for sale		2,662,878	134,212
2.7 Cash paid for purchase of investment securities		(103,360)	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others	(1)	(9,203)	(9,773)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(4,310)	345,422
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		(4,310)	-
3.3 Capital increase		-	345,422
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(1)	(45,912)	570,816
V. Net increase / (decrease) in cash and cash equivalents		(1,051,730)	1,122,876
VI. Cash and cash equivalents at beginning of the period		3,717,943	2,595,067
VII. Cash and cash equivalents at end of the period		2,666,213	3,717,943

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
CONSOLIDATED PROFIT DISTRIBUTION TABLES FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

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

VII. CONSOLIDATED PROFIT DISTRIBUTION TABLE

	(*) Audited Current Period 31.12.2009	Audited Prior Period 31.12.2008
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	-	-
1.2 TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1 Corporate tax (Income tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	-	-
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Based on the regulations in Turkey, profit distribution is not made on the consolidated income.

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Parent Bank prepares its 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 prepared 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 been made to 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:

ASSETS	31.12.2008	
	TRY	FC
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)	-
INCOME STATEMENT	31.12.2008	
Other Interest Income (Increase / (Decrease))	35,927	
Other Interest Expense (Increase / (Decrease))	(35,212)	
Gains from Derivative Financial Instruments (Increase / (Decrease))	(35,927)	
Losses from Derivative Financial Instruments (Increase / (Decrease))	35,212	

Factoring payables are offset from factoring receivables in 2008 financial statements presented for comparison purposes.

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 Group aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and even small individual investors in line with banking legislation. The primary objective of the Parent Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs. Thus, the Parent Bank uses 35% on average of its resources on liquid assets, as well as intending for the highest possible yield with effective maturity management.

The Group 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 AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 Group, risk bearing short term 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 of the Parent Bank 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 of the Parent Bank allows a purchase risk in treasury operations and individual limits are defined by the Board for each product.

The Parent 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 Parent 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 Parent 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 balance sheet structure.

III. Information about the Parent Bank and its Consolidated Subsidiaries

Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, The Economy Bank N.V. (Economy Bank), Stichting Effecten Dienstverlening (Stichting), Kronenburg Vastgoed B.V. (Kronenburg), TEB Finansal Kiralama A.Ş. (TEB Leasing), TEB Faktoring A.Ş. (TEB Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method. The accompanying consolidated financial statements are prepared in accordance with "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated November 8, 2006 numbered 26340. The Parent Bank and the entities included in the consolidation are referred to as "the Group" in this report.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or Financial Leasing Law and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

<u>Commercial Name</u>	<u>Head Office</u>
Economy Bank	Netherlands
Stichting	Netherlands
Kronenburg	Netherlands
TEB Leasing	Turkey
TEB Faktoring	Turkey
TEB Yatırım	Turkey
TEB Portföy	Turkey

Line-by-line consolidation method is used for all the financial institutions included in the consolidation.

When there are differences between the accounting policies of the subsidiaries and the Parent Bank, the financial statements are adjusted in accordance with the principle of materiality. The financial statements of the subsidiaries are prepared as of December 31, 2009 and December 31, 2008.

The transactions and balances between the consolidated entities and the Parent Bank are eliminated.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

III. Information about the Parent Bank and its Consolidated Subsidiaries (continued)

Explanations on Foreign Currency Transactions

Gains or losses arising from foreign currency transactions realized during the year are reflected to the income statement. Foreign currency assets and liabilities at each period-end are translated into Turkish lira at the period-end foreign exchange buying rates and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The EUR exchange rate used for translating foreign currency transactions into Turkish Lira and reflecting these to consolidated financial statements as of December 31, 2009, is TRY 2.1427, in full TRY, while the USD exchange rate is TRY 1.4873, in full TRY (2008 – EUR: TRY 2.1332, in full TRY, USD: TRY 1.5218, in full TRY).

There are no capitalized foreign exchange differences.

The information regarding the principles of foreign currency risk management are stated in Section Four, Note V.

There are no debt securities issued. Foreign exchange gains and losses arising from translating monetary financial assets are reflected to “Foreign Exchange Gains / (Losses) in the income statement.

The foreign currency net investment in consolidated foreign subsidiaries are translated into New Turkish Lira using the exchange rate prevailing at the balance sheet date for their assets and liabilities and twelve months average exchange rate for their income statement items. The currency translation gain arising from the consolidated subsidiaries’ inflation and devaluation differences amounting to TRY 8,832 (2008 - TRY 8,149 currency translation gain) has been recorded in “Other Profit Reserves” under shareholders’ equity.

IV. 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 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.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

As of July 1, 2008, the Parent 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 Parent 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.

V. 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.

VI. 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 using the 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.

VII. 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 Parent Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Parent Bank’s balance sheet in all respects. The Parent 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 Group. 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 Group. 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.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

VII. Explanations on Financial Assets (continued)

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.

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 Group 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.

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VII. 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 Group 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 Group'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 provisions, within the framework of the regulation and principles referred to above; the Parent Bank records general loan loss provisions for loans and other receivables. The Parent 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; the Parent 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. With the change in the same regulation on February 6, 2008, the Parent 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.

Specific reserves are also provided by TEB Leasing and TEB Faktoring based on the Communiqué on "Methods and Principles for the Determination of Receivables to be Reserved for and Allocation of Reserves of Financial Institutions, Leasing, and Factoring Firms" published in the Official Gazette No: 26588 on July 20, 2007 which was amended with the communiqué published in the Official Gazette No. 27270 dated June 26, 2009 and based on the Communiqué about "The Amendment in the Communiqué on Methods and Principles for the Determination of Receivables to be Reserved for and Allocation of Reserves of Finance Companies, Leasing, and Factoring Firms" published in the Official Gazette No: 26808 on March 6, 2008.

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VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Group 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 Group 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.

IX. Explanations on Offsetting of Financial Assets and Liabilities

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

X. 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 by the Group. 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 December 31, 2009, the Group has reverse repurchase agreements amounting to TRY 9,402 (2008 – TRY 216).

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

XI. 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 Group 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 Group does not have any discontinued operations.

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XII. Explanations on Goodwill and Other Intangible Assets

The positive difference of TRY 1,205 (2008 - TRY 1,205), between the acquisition cost and share in the equity of acquired subsidiaries is reflected under the intangible fixed assets as goodwill in the accompanying consolidated financial statements.

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 are 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 Group comprise mainly software. 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. Software used are mainly developed within the Parent Bank by the Parent 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.

XIII. Explanations on Tangible Fixed Assets

Properties 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. 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 the related asset. 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 Parent Bank employs independent appraisers in determining the current fair values of its real estates. As of December 31, 2009, there is a provision for impairment loss amounting to TRY 2,608 for real estates held for resale as per the appraisals performed at the year end (2008 – TRY 1,544).

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XIV. 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 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 Parent 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.

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities conducted by TEB Leasing as "Lessor" are stated under the receivables from the financial leasing activities. The difference between the total of rent payments and the cost of the related fixed assets are reflected to the "unearned income" account. The interest income is calculated and recorded to create a constant rate of return over the lessor's net investment on the leased item.

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

XV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, 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 Group's best expectation of expenses in fulfilling the obligation as of the balance sheet date, and discounted to present value if material.

XVI. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Group 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 Group 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 Group 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 December 31, 2009 is TRY 18,512 (2008 - TRY 13,795).

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XVI. Explanations on Liabilities Regarding Employee Benefits (continued)

Defined Contribution Plans

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

XVII. 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 against 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 of December 31, 2009, TRY 5,467 (2008 - TRY 1,269) 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 Group 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 December 31, 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 in the standalone financial statements of the consolidated subsidiaries.

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 34,912 is stated under the tax provision in the income statement (2008 - TRY 26,932 deferred tax charge). The deferred tax of TRY 5,467 (2008 - TRY 1,269) resulting from differences related to items that are credited 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.

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XVIII. 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 Parent Bank.

The Group has not issued convertible bonds.

XIX. Explanations on Issued Share Certificates

None.

XX. 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.

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Group.

XXII. Explanations on Reporting According to Segmentation

The Group mainly operates in retail and corporate banking segments.

Current Period	Retail	Corporate	Treasury/ Head Office	Eliminations	Total
Net interest income	99,838	545,242	246,140	-	891,220
Net fees and commissions income and other operating income	115,893	186,203	13,657	(1,900)	313,853
Trading profit / loss	3,258	32,206	10,095	(327)	45,232
Dividend income	1,366	1,227	11,974	(14,554)	13
Impairment provision for loans and other receivables (-)	51,492	144,915	3,861	-	200,268
Other operating expenses (-)	175,641	305,159	280,682	(1,900)	759,582
Profit before tax	(6,778)	314,804	(2,677)	(14,881)	290,468
Taxation	-	-	(22,564)	-	(22,564)
Net profit for the period	(6,778)	314,804	(25,241)	(14,881)	267,904

Current Period	Retail	Corporate	Treasury/ Head Office	Eliminations	Total
Segment assets	1,986,569	9,025,823	6,054,504	(30,477)	17,036,419
Investments in associates and subsidiaries	-	-	167,621	(165,608)	2,013
Total Assets	1,986,569	9,025,823	6,222,125	(196,085)	17,038,432
Segment liabilities	5,695,943	5,629,100	3,910,434	(30,353)	15,205,124
Shareholders' equity	-	-	1,999,040	(165,732)	1,833,308
Total Liabilities	5,695,943	5,629,100	5,909,474	(196,085)	17,038,432

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XXII. Explanations on Segment Reporting (continued)

Prior Period	Retail	Corporate	Treasury/ Head Office	Eliminations	Total
Net interest income	59,691	594,784	220,506	45	875,026
Net fees and commissions income and other operating income	105,665	178,549	28,497	588	313,299
Trading profit / loss	(14,049)	7,775	(47,818)	163	(53,929)
Dividend income	1,690	3,070	19,252	(23,531)	481
Impairment provision for loans and other receivables (-)	11,690	91,479	40,851	-	144,020
Other operating expenses (-)	130,062	249,767	387,449	(2,039)	765,239
Profit before tax	11,245	442,932	(207,863)	(20,696)	225,618
Taxation	-	-	(38,620)	-	(38,620)
Net profit for the period	11,245	442,932	(246,483)	(20,696)	186,998

Prior Period	Retail	Corporate	Treasury/ Head Office	Eliminations	Total
Segment assets	1,053,622	8,335,471	7,654,422	(49,069)	16,994,446
Investments in associates and subsidiaries	-	-	165,620	(165,608)	12
Total Assets	1,053,622	8,335,471	7,820,042	(214,677)	16,994,458
Segment liabilities	5,782,881	5,726,570	3,986,167	(49,276)	15,446,342
Shareholders' equity	-	-	1,713,517	(165,401)	1,548,116
Total Liabilities	5,782,881	5,726,570	5,699,684	(214,677)	16,994,458

XXIII. Explanations on Other Matters

BNP Paribas, holding 50% of TEB Mali Yatırımlar A.Ş. which holds the controlling shareholding of 84.25% of the Parent 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 Public Disclosure of the Parent Bank dated June 22, 2009, the Parent 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 CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio

The method used for risk measurement in determining consolidated 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 Measurement and Assessment of Capital Adequacy of Banks" published on October 10, 2007 in the Official Gazette numbered 26669. As of December 31, 2009, the Group's consolidated capital adequacy ratio in accordance with the related Communiqué is 16.95% (2008 – 16.47%).

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 the related credit risk is calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

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

Information related to the consolidated capital adequacy ratio:

	Consolidated							Parent Bank						
	Risk Weight							Risk Weight						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash														
Loans														
Balance Sheet Items (Net)														
Cash	327,961	-	10	-	-	-	-	327,953	-	10	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Central Bank of Turkey	922,102	-	-	-	-	-	-	922,102	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	149,310	-	538,643	-	34,255	-	-	-	-	367,842	-	34,255	-	-
Interbank Money Market Placements	694,921	-	-	-	-	-	-	694,776	-	-	-	-	-	-
Receivables From Reverse Repo	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions	9,400	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Deposits	257,208	-	-	-	-	-	-	257,208	-	-	-	-	-	-
Loans	293,015	-	441,048	2,480,064	6,615,714	18,322	192	269,010	-	80,898	2,480,064	5,757,920	18,322	192
Non-performing loans (Net)	-	-	-	-	190,186	-	-	-	-	-	-	188,152	-	-
Financial Lease Receivables	-	-	-	53,661	350,072	-	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	1,561,269	-	12,113	-	4,433	-	-	1,557,669	-	-	-	3,738	-	-
Held to Maturity Investments	865,300	-	-	-	8,262	-	-	852,801	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundry Debtors	-	-	191,796	-	27,582	-	-	-	-	191,796	-	3,516	-	-
Interest and Income Accruals	131,399	-	3,278	31,094	176,839	-	-	130,878	-	1,503	30,586	169,886	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.) (Net)	-	-	-	-	2,013	-	-	-	-	-	-	155,922	-	-
Tangible Assets	-	-	-	-	113,396	-	-	-	-	-	-	104,589	-	-
Other Assets	167,779	-	-	-	37,411	-	-	120,723	-	-	-	30,833	-	-
Off-Balance Sheet Items														
Guarantees and Commitments	179,395	-	449,950	-	2,194,548	-	-	128,672	-	186,743	-	2,156,288	-	-
Derivative Financial Instruments	-	-	106,604	-	35,820	-	-	-	-	105,337	-	35,091	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value at Risk	5,559,059	-	1,743,442	2,564,819	9,790,531	18,322	192	5,261,792	-	934,129	2,510,650	8,640,190	18,322	192
Total Risk Weighted Assets	-	-	348,688	1,282,410	9,790,531	27,483	384	-	-	186,826	1,255,325	8,640,190	27,483	384

Summary information related to the capital adequacy ratio:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	11,449,496	11,000,386	10,110,208	9,710,054
Amount Subject to Market Risk (ASMR)	458,488	403,800	326,175	282,863
Amount Subject to Operational Risk (ASOR) (*)	1,492,474	1,041,648	1,323,618	896,330
Shareholders' Equity	2,271,620	2,049,856	2,082,025	1,922,486
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	16.95	16.47	17.70	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 Consolidated Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
CORE CAPITAL				
Paid-in capital	1,100,000	1,100,000	1,100,000	1,100,000
Nominal capital	1,100,000	1,100,000	1,100,000	1,100,000
Capital commitments (-)	-	-	-	-
Paid-in capital restatement difference	926	926	926	926
Share premium	2,227	2,227	2,158	2,158
Cancellation profits	-	-	-	-
Legal reserves	57,519	46,693	34,959	26,750
First legal reserve (Turkish Commercial Code 466/1)	42,642	32,980	29,423	21,214
Second legal reserve (Turkish Commercial Code 466/2)	14,877	13,713	5,536	5,536
Other legal reserve per special legislation	-	-	-	-
Statutory reserves	-	-	-	-
Extraordinary reserves	382,909	206,054	279,694	123,705
Reserves allocated by the General Assembly	382,909	206,054	279,694	123,705
Retained earnings	-	-	-	-
Accumulated losses	-	-	-	-
Foreign currency share capital exchange difference	-	-	-	-
Restatement differences of legal, statutory and extraordinary reserves	-	-	-	-
Profit	267,904	186,998	210,167	164,198
Current period net profit	267,904	186,998	210,167	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	148,730	152,180	148,730	152,180
Minority Shares	-	-	-	-
Losses (-) (that cannot be covered by reserves)	-	-	-	-
Net current period loss	-	-	-	-
Prior years' losses	-	-	-	-
Leasehold improvements (-)	50,750	-	50,395	-
Prepaid expenses (-)	30,854	31,902	29,475	31,139
Intangible assets (-)	14,278	11,656	10,910	9,857
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-	-	-
Goodwill (Net) (-)	1,205	1,205	-	-
Total Core Capital	1,863,128	1,695,078	1,685,854	1,569,917
SUPPLEMENTARY CAPITAL				
General Loan Loss Reserves	86,826	81,371	74,628	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	311,846	316,220	311,846	316,220
45% of Marketable securities value increase fund	9,820	1,950	9,697	2,647
Associates and subsidiaries	-	-	-	-
Available for sale securities	9,820	1,950	9,697	2,647
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-	-	-
Minority interest	-	-	-	-
Total Supplementary Capital	408,492	399,541	396,171	393,565
TIER III CAPITAL				
CAPITAL	2,271,620	2,094,619	2,082,025	1,963,482
DEDUCTIONS FROM THE CAPITAL		44,763		40,996
Shareholdings in unconsolidated banks and financial institutions	-	-	-	-
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 and Primary and Secondary loans borrowed from them	-	-	-	-
Shareholdings in the banks and financial institutions which are accounted for under the equity pick up method but the assets and liabilities are not consolidated.	-	-	-	-
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 Shareholder's Equity	2,271,620	2,049,856	2,082,025	1,922,486

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II. Explanations Related to the Consolidated Credit Risk

Credit risk is the risk that the Group 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 Parent Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Parent 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 Parent 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 are 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 Parent Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions is generally 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 Parent Bank are generally taken for the financial institutions and countries whose investment level is rated 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 Parent 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 December 31, 2009, the receivables of the Group from its top 100 cash loan customers amount to TRY 2,058,182 (2008 – TRY 1,680,286) with a share of 21.27% in the total cash loans (2008 – 18.31%).

As of December 31, 2009, the receivables of the Group from its top 100 non-cash loan customers amount to TRY 1,403,850 (2008 – TRY 1,255,255) with a share of 37.38% in the total non-cash loans (2008 – 36.70%).

The share of cash and non-cash receivables of the Group from its top 100 customers in total balance sheet and off-balance sheet assets is 20.20% as of December 31, 2009 (2008 – 17.99%).

As of December 31, 2009, the general loan loss provision related with the credit risk taken by the Group is TRY 86,826 (2008 – TRY 81,371).

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II. Explanations Related to the Consolidated Credit Risk (continued)

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	9,264,790	8,832,665	600,942	442,579	2,716,437	2,071,110	1,516,744	2,064,955
Private Sector	7,037,974	7,114,977	146,393	36,979	-	-	757,978	867,241
Public Sector	4,925	15,618	16,448	316	2,706,467	2,063,590	158,110	-
Banks	-	-	438,101	405,284	7,378	5,957	600,656	1,197,714
Retail	2,221,891	1,702,070	-	-	-	-	-	-
Share Certificates	-	-	-	-	2,592	1,563	-	-
Information according to geographical concentration	9,264,790	8,832,665	600,942	442,579	2,716,437	2,071,110	1,516,744	2,064,955
Domestic	9,007,454	8,562,460	493,728	325,376	2,688,081	2,033,417	987,640	1,056,742
European Union Countries	114,137	89,701	13,157	25,485	3,861	13,301	354,496	842,628
OECD Countries***	45,667	34,309	-	2,789	-	11,767	4,653	6,642
Off-shore Banking Regions	17,272	87,143	33,157	932	1,147	-	124,316	69,238
USA, Canada	5,610	6,440	-	6,315	2,515	1,486	44,714	89,270
Other Countries	74,650	52,612	60,900	81,682	20,833	11,139	925	435
Total	9,264,790	8,832,665	600,942	442,579	2,716,437	2,071,110	1,516,744	2,064,955

* 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 the Consolidated Credit Risk (continued)

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income/ Loss
Current Period					
Domestic	15,999,660	11,552,097	3,541,051	-	254,055
European Union Countries	545,442	1,987,775	84,979	-	13,849
OECD Countries (*)	52,449	143,363	62,322	-	-
Off-shore Banking Regions	188,825	744,537	10,913	-	-
USA, Canada	92,735	418,453	826	-	-
Other Countries	157,308	358,899	55,580	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	2,013	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	17,036,419	15,205,124	3,755,671	2,013	267,904
Prior Period					
Domestic	15,373,358	10,278,646	3,274,455	-	173,924
European Union Countries	1,131,463	3,195,642	57,061	-	13,074
OECD Countries (*)	57,955	73,226	10,075	-	-
Off-shore Banking Regions	171,460	1,032,730	30,490	-	-
USA, Canada	114,875	487,066	2,271	-	-
Other Countries	145,335	379,032	45,888	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	12	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	16,994,446	15,446,342	3,420,240	12	186,998

(*) 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 the Consolidated Credit Risk (continued)

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	238,642	3.45	114,439	4.11	213,242	3.41	116,328	4.04
Farming and Raising Livestock	203,062	2.95	84,420	3.03	178,035	2.85	83,938	2.91
Forestry, Wood and Paper	24,598	0.36	28,540	1.03	23,897	0.38	26,117	0.91
Fishery	10,982	0.14	1,479	0.05	11,310	0.18	6,273	0.22
Manufacturing	2,732,120	39.66	1,640,106	58.83	2,449,197	39.20	1,883,224	65.31
Mining and Quarry	187,474	2.72	63,422	2.28	167,203	2.68	93,152	3.23
Production	2,499,316	36.28	1,492,664	53.54	2,266,208	36.27	1,756,905	60.93
Electricity, Gas and Water	45,330	0.66	84,020	3.01	15,786	0.25	33,167	1.15
Construction	328,971	4.78	89,515	3.21	375,065	6.00	38,098	1.32
Services	1,215,030	17.64	812,993	29.16	1,166,136	18.66	720,045	24.97
Wholesale and Retail Trade	296,997	4.31	41,251	1.48	416,998	6.67	85,012	2.95
Hotel, Tourism, Food and Beverage Services	94,972	1.38	66,573	2.39	89,833	1.44	40,390	1.40
Transportation and Communication	238,557	3.46	142,822	5.12	265,089	4.24	115,861	4.02
Financial Institutions	289,028	4.20	468,513	16.81	116,342	1.86	452,483	15.69
Real Estate and Renting Services	114,309	1.66	76,786	2.75	109,954	1.76	12,656	0.44
Self-Employment Services	87,821	1.27	1,135	0.04	90,533	1.45	1,697	0.06
Education Services	10,052	0.15	207	0.01	9,931	0.16	-	-
Health and Social Services	83,294	1.21	15,706	0.56	67,456	1.08	11,946	0.41
Other(*)	2,374,619	34.47	130,652	4.69	2,090,530	32.73	125,723	4.36
Total	6,889,382	100.00	2,787,705	100.00	6,294,170	100.00	2,883,418	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	1,183,741	1,830,494
Due from Banks	724,003	1,168,189
Other money markets	704,464	756,902
Trading financial assets	137,917	15,605
Derivative financial instruments	62,106	85,536
Derivative financial instruments for hedging purposes	31,330	56,424
Financial assets available-for-sale	1,676,880	1,236,694
Held-to-maturity investments	901,640	818,811
Loans (*)	10,647,058	10,171,782
Total	16,069,139	16,140,437
Contingent liabilities	3,755,671	3,420,240
Commitments	3,758,731	2,416,474
Total	7,514,402	5,836,714
Total credit risk exposure	23,583,541	21,977,151

(*) Loans include TRY 374,157 (2008: TRY 318,581) factoring receivables and TRY 407,169 (2008: TRY 577,957) lease receivables.

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II. Explanations Related to the Consolidated Credit Risk (continued)

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

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers			
Corporate lending	4,757,069	183,715	4,940,784
Small business lending	2,290,680	358,587	2,649,267
Consumer lending	1,707,757	61,846	1,769,603
Credit cards	413,164	92,914	506,078
Other	-	-	-
Total	9,168,670	697,062	9,865,732

Prior period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers			
Corporate lending	4,480,787	163,088	4,643,875
Small business lending	2,411,475	467,382	2,878,857
Consumer lending	1,067,541	175,484	1,243,025
Credit cards	408,244	101,243	509,487
Other	-	-	-
Total	8,368,047	907,197	9,275,244

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

	Current Period	Prior Period
Loans and advances to customers		
Corporate lending	142,059	3,222
Small business lending	-	-
Consumer lending	-	-
Other	-	-
Total	142,059	3,222

Credit Rating System

The credit risk is assessed through the internal rating system of the Parent Bank, by classifying loans from highest grade to lowest grade according to the probability of default. As of December 31, 2009, consumer loans, and small business loans are excluded from the internal rating system of the Parent Bank. Additional scoring methodologies are applied for these loans. The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total %
1st Category	The borrower has a very strong financial structure	25.79
2nd Category	The borrower has a good financial structure	22.40
3rd Category	The borrower has an intermediate level of financial structure	45.69
4th Category	The financial structure of the borrower has to be closely monitored in the medium run	6.12
Total		100.00

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III. Explanations Related to the Consolidated Market Risk

The Group 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 Parent Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Parent 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 Parent Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to VAR, as summarized below, is taken into consideration by the standard method. Beside 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. These results are also reported daily to the management.

a) Information Related to Market Risk

	Consolidated	Parent Bank
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	19,995	19,321
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	282	195
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	16,393	6,569
(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	9	9
(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)	36,679	26,094
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	458,488	326,175

b) Average market risk table calculated at the end of the months during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	16,485	19,966	10,596	12,796	15,092	10,401
Common Stock Risk	248	311	216	75	221	-
Currency Risk	16,968	18,160	16,393	16,801	25,005	12,659
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	2,570	7,057	9	3,156	6,277	931
Total Value Subject to Risk	453,391	516,500	409,063	410,360	486,638	340,875

Other price risks

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

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IV. Explanations Related to the Consolidated Operational Risk

- a) Operational risk has been calculated using the Basic Indicator Approach. Market risk measurements are performed monthly.
- b) The Group does not use the Standard Approach.

V. Explanations Related to the Consolidated Currency Risk

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

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

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

The Treasury Department of the Parent 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 Parent Bank's Asset-Liability Committee on a weekly basis.

As of December 31, 2009, the Group's net long position is TRY 143,387 (2008 - TRY 169,461 net long) resulting from short position on the balance sheet amounting to TRY 444,614 (2008 - TRY 461,040 long) and long position on the off-balance sheet amounting to TRY 588,001 (2008 - TRY 291,579 short).

The announced current foreign exchange buying rates of the Parent Bank at December 31, 2009 and the previous five working days in full TRY are as follows:

	24.12.2009	25.12.2009	28.12.2009	29.12.2009	30.12.2009	31.12.2009
USD	1.5070	1.5052	1.5065	1.5026	1.5057	1.4873
CHF	1.4530	1.4508	1.4528	1.4557	1.4492	1.4411
GBP	2.4097	2.4018	2.4068	2.4067	2.3892	2.4025
JPY	1.6474	1.6471	1.6433	1.6360	1.6302	1.6075
EURO	2.1680	2.1702	2.1686	2.1680	2.1603	2.1427

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before December 31, 2008 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.4984
CHF	1.4541
GBP	2.4308
JPY	1.6652
EURO	2.1881

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V. Explanations Related to the Consolidated Currency Risk (continued)

Information on the foreign currency risk of the Group:

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.	648,107	491,789	155	27,293	1,167,344
Banks	203,926	325,016	152	23,077	552,171
Financial Assets at Fair Value Through Profit and Loss (*****)	2,424	3,090	-	-	5,514
Money Market Placements	-	84,807	-	-	84,807
Available-For-Sale Financial Assets	30,335	42,644	-	-	72,979
Loans (**)	1,166,530	1,951,857	16,383	302,680	3,437,450
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-To-Maturity Investments	8,628	10,688	-	-	19,316
Derivative Financial Assets for Hedging Purposes	-	354	-	-	354
Tangible Assets	7,765	-	-	-	7,765
Intangible Assets	1,183	-	-	-	1,183
Other Assets (***)	307,046	168,869	91	2,558	478,564
Total Assets	2,375,944	3,079,114	16,781	355,608	5,827,447
Liabilities					
Bank Deposits	93,044	86,169	87	40,553	219,853
Foreign Currency Deposits (*)	1,827,732	2,225,238	12,775	157,615	4,223,360
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	1,058,156	727,440	-	15,497	1,801,093
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	7,371	11,135	1,606	804	20,916
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	1,377	5,352	-	110	6,839
Total Liabilities	2,987,680	3,055,334	14,468	214,579	6,272,061
Net Balance Sheet Position	(611,736)	23,780	2,313	141,029	(444,614)
Net Off-Balance Sheet Position	781,482	(38,002)	(5,211)	(150,268)	588,001
Financial Derivative Assets (****)	1,313,600	1,347,192	127,109	176,932	2,964,833
Financial Derivative Liabilities (****)	532,118	1,385,194	132,320	327,200	2,376,832
Non-Cash Loans (*****)	752,192	1,423,259	3,353	44,166	2,222,970
Prior Period					
Total Assets	2,758,246	4,266,745	40,295	333,604	7,398,890
Total Liabilities	2,703,176	4,070,723	4,507	159,444	6,937,850
Net Balance Sheet Position	55,070	196,022	35,788	174,160	461,040
Net Off-Balance Sheet Position	138,667	(221,979)	(34,855)	(173,412)	(291,579)
Financial Derivative Assets	815,115	1,685,574	5,579	129,474	2,635,742
Financial Derivative Liabilities	676,448	1,907,553	40,434	302,886	2,927,321
Non-Cash Loans (*****)	774,817	1,246,948	4,922	44,783	2,071,470

(*) Gold account deposits amounting to TRY 23,762 (2008 - TRY 14,791) are included in the foreign currency deposits.

(**) Foreign currency indexed loans amounting to TRY 649,252 (2008 - TRY 902,732) are included in the loan portfolio.

(***) As TRY 13,986 foreign currency indexed factoring receivables are included in other assets while TRY 100 (2008 - TRY 200) prepaid expenses are deducted from other assets, and TRY 21,235 (2008 - TRY 78,270) expense accruals from derivative financial instruments, TRY 16,681 (2008 - TRY 20,619) provision for general loan losses and TRY 1,699 (2008 - None) other provision are deducted from other liabilities.

(****) Forward asset and marketable securities purchase-sale commitments of TRY 117,828 (2008 - TRY 91,180) are added to derivative financial assets and TRY 117,839 (2008 - TRY 90,933) has been added to derivative financial liabilities.

(*****) TRY 18,080 (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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V. Explanations Related to the Consolidated Currency Risk (continued)

Foreign currency sensitivity:

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group'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 (*)	
		December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
		USD	10 increase	(1,422)	(2,596)
USD	10 decrease	1,422	2,596	(393)	120
EURO	10 increase	16,975	19,374	10,074	8,975
EURO	10 decrease	(16,975)	(19,374)	(10,074)	(8,975)

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

The Group'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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VI. Explanations Related to the Consolidated Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Parent 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 Group.

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

Since the Group does not allow maturity mismatches or imposes limits on the 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	989,645	-	-	-	-	522,067	1,511,712
Banks	561,176	7,845	10,582	-	-	144,400	724,003
Financial Assets at Fair Value Through Profit and Loss	3,119	3,225	77,549	58,649	2,371	55,110	200,023
Money Market Placements	704,464	-	-	-	-	-	704,464
Available-For-Sale Financial Assets	306,548	35,229	729,735	566,383	35,700	3,285	1,676,880
Loans(*)	4,165,352	597,379	1,891,437	2,503,918	519,001	188,645	9,865,732
Factoring Receivables	164,302	111,170	97,038	107	-	1,540	374,157
Financial Lease Receivables	33,846	33,290	127,966	193,676	6,045	12,346	407,169
Held-To-Maturity Investments	-	736,302	46,750	118,588	-	-	901,640
Other Assets	23,811	-	231	3,579	19	645,012	672,652
Total Assets	6,952,263	1,524,440	2,981,288	3,444,900	563,136	1,572,405	17,038,432
Liabilities							
Bank Deposits	152,630	60,165	5,231	-	-	78,555	296,581
Other Deposits	6,492,489	1,277,476	254,197	64,764	-	1,977,777	10,066,703
Money Market Borrowings	1,071,971	-	-	-	-	-	1,071,971
Sundry Creditors	1,854	-	-	-	-	265,378	267,232
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	1,267,303	278,339	883,282	190,550	324,500	-	2,943,974
Factoring Payables	-	-	-	-	-	-	-
Other Liabilities	14,414	933	4,163	50,799	16,461	2,305,201	2,391,971
Total Liabilities	9,000,661	1,616,913	1,146,873	306,113	340,961	4,626,911	17,038,432
Balance Sheet Long Position	-	-	1,834,415	3,138,787	222,175	-	5,195,377
Balance Sheet Short Position	(2,048,398)	(92,473)	-	-	-	(3,054,506)	(5,195,377)
Off-Balance Sheet Long Position	64,561	13,387	89,238	488,519	55,452	-	711,157
Off-Balance Sheet Short Position	(51,109)	(13,333)	(80,505)	(484,955)	(59,100)	-	(689,002)
Total Position	(2,034,946)	(92,419)	1,843,148	3,142,351	218,527	(3,054,506)	22,155

(*) Loans with floating interest rates of the Parent Bank amounting to TRY 2,311,525 are included in "Up to 1 Month" while mark to market differences from hedged loans amounting to TRY 46,589 are included in "1-5 Years".

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VI. Explanations Related to the Consolidated 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 164,146; intangible assets amounting to TRY 15,483, TRY 50,058 tax asset, and the other liabilities line includes the shareholders' equity of TRY 1,833,308.

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	-	-	-	7.49
Banks	0.35	0.22	-	9.39
Financial Assets At Fair Value Through Profit And Loss	5.69	7.81	-	12.01
Money Market Placements	1.25	0.84	-	8.97
Available-For-Sale Financial Assets	5.60	7.79	-	13.09
Loans	4.62	4.88	3.86	14.10
Leasing Receivables	8.14	7.78	-	21.68
Factoring Receivables	4.06	3.92	-	12.56
Held-To-Maturity Investments	5.25	5.81	-	9.86
Liabilities				
Bank Deposits	1.38	1.22	0.25	6.62
Other Deposits	2.94	2.21	0.30	8.27
Money Market Borrowings	-	-	-	8.18
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3.56	3.46	-	9.79

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VI. Explanations Related to the Consolidated Interest Rate Risk (continued)

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
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	-	-	-	-	699,233	2,099,559
Banks	901,101	1,021	3,372	-	-	262,695	1,168,189
Financial Assets at Fair Value Through Profit and Loss	553	2,451	11,385	4,155	552	82,045	101,141
Money Market Placements	756,902	-	-	-	-	-	756,902
Available-For-Sale Financial Assets	264,169	61,802	327,051	526,687	55,078	1,907	1,236,694
Loans(*)	4,447,989	769,920	1,767,584	1,936,590	255,505	97,656	9,275,244
Factoring Receivables	201,880	86,434	30,144	-	-	123	318,581
Financial Lease Receivables	43,562	40,298	170,208	298,895	11,242	13,752	577,957
Held-To-Maturity Investments	-	625,585	-	175,932	17,294	-	818,811
Other Assets	19,520	5,993	1,131	46,086	51	568,599	641,380
Total Assets	8,036,002	1,593,504	2,310,875	2,988,345	339,722	1,726,010	16,994,458
Liabilities							
Bank Deposits	218,345	379	2,187	-	-	49,251	270,162
Other Deposits	7,692,251	777,117	410,745	4	-	1,345,507	10,225,624
Money Market Borrowings	201,804	-	-	-	-	-	201,804
Sundry Creditors	-	-	-	-	-	257,645	257,645
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	650,783	1,601,273	986,739	260,647	323,070	-	3,822,512
Factoring Payables	-	-	-	-	-	-	-
Other Liabilities	8,495	4,006	7,075	40,165	14,625	2,142,345	2,216,711
Total Liabilities	8,771,678	2,382,775	1,406,746	300,816	337,695	3,794,748	16,994,458
Balance Sheet Long Position	-	-	904,129	2,687,529	2,027	-	3,593,685
Balance Sheet Short Position	(735,676)	(789,271)	-	-	-	(2,068,738)	(3,593,685)
Off-Balance Sheet Long Position	45,654	60,640	115,616	404,351	44,132	-	670,393
Off-Balance Sheet Short Position	(43,013)	(53,156)	(119,747)	(373,126)	(46,780)	-	(635,822)
Total Position	(733,035)	(781,787)	899,998	2,718,754	(621)	(2,068,738)	34,571

(*) Loans with floating interest rates of the Parent Bank amounting to TRY 4,023,941 are included in "Up to 1 Month" while mark to market differences from hedged loans amounting to TRY 45,757 are included in "1-5 Years".

The other assets line in the non-interest bearing column consists of tangible assets amounting to TRY 176,703; intangible assets amounting to TRY 12,861, TRY 29,651 tax asset and the other liabilities line includes the shareholders' equity of TRY 1,548,116.

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VI. Explanations Related to the Consolidated 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	4.01	2.95	-	19.81
Financial Assets At Fair Value Through Profit And Loss	6.65	8.62	-	15.48
Money Market Placements	-	3.38	-	15.31
Available-For-Sale Financial Assets	5.86	6.74	-	17.16
Loans	7.68	6.20	4.21	22.44
Leasing Receivables	12.00	11.70	-	24.50
Factoring Receivables	6.91	6.62	-	23.84
Held-To-Maturity Investments	5.25	5.72	-	18.38
Liabilities				
Bank Deposits	3.00	2.58	-	15.09
Other Deposits	4.49	2.92	0.33	15.81
Money Market Borrowings	-	-	-	14.93
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.78	4.88	-	18.50

Interest rate sensitivity:

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

- Net profit of the Group for the year would have changed by TRY 4,884 (2008 - TRY 7,826).

The interest rate sensitivity the Group 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 Group.

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VII. Explanations Related to the Consolidated 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 Group'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 Group continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Group, 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 Parent Bank manages its maturity risk within the limits determined by Parent Bank's Board of Directors.

When the funding and liquidity sources are considered, the Parent Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources. Generally the Parent 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 Group. The most important of these is to maintain limits on the ratio of the Parent Bank's net liquid assets to customer liabilities, set to reflect market conditions. The ratio realized during the year were as follows:

	Current Period	Prior Period
	%	%
Average during the period	29	31
Highest	39	42
Lowest	20	25

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VII. Explanations Related to the Consolidated 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	522,067	989,645	-	-	-	-	-	1,511,712
Banks	173,781	531,795	7,845	10,582	-	-	-	724,003
Financial Assets at Fair Value Through Profit and Loss	-	11,727	19,174	100,885	65,866	2,371	-	200,023
Money Market Placements	-	704,464	-	-	-	-	-	704,464
Available-For-Sale Financial Assets	695	-	23,211	691,190	923,492	35,700	2,592	1,676,880
Loans(**)	28,331	4,115,877	593,202	1,886,674	2,534,002	519,001	188,645	9,865,732
Factoring Receivables	-	164,302	111,170	97,038	107	-	1,540	374,157
Financial Lease Receivables	-	33,846	33,290	127,966	193,676	6,045	12,346	407,169
Held-To-Maturity Investments	-	-	451,733	224,706	225,201	-	-	901,640
Other Assets	-	383,960	2,994	8,984	13,139	19	263,556	672,652
Total Assets	724,874	6,935,616	1,242,619	3,148,025	3,955,483	563,136	468,679	17,038,432
Liabilities								
Bank Deposits	97,638	133,547	60,165	5,231	-	-	-	296,581
Other Deposits	2,389,653	6,077,681	1,270,652	212,928	115,789	-	-	10,066,703
Funds Provided From Other Financial Institutions	-	981,257	244,129	845,374	301,738	571,476	-	2,943,974
Money Market Borrowings	-	1,071,971	-	-	-	-	-	1,071,971
Marketable Securities Issued	-	-	-	-	-	-	-	-
Factoring Payables	-	-	-	-	-	-	-	-
Sundry Creditors	257,401	4,349	3,628	-	-	-	1,854	267,232
Other Liabilities	-	310,833	8,687	18,814	56,919	20,183	1,976,535	2,391,971
Total Liabilities	2,744,692	8,579,638	1,587,261	1,082,347	474,446	591,659	1,978,389	17,038,432
Liquidity Gap	(2,019,818)	(1,644,022)	(344,642)	2,065,678	3,481,037	(28,523)	(1,509,710)	-
Prior Period								
Total Assets	1,017,514	7,980,976	919,492	2,291,965	4,112,349	331,343	340,819	16,994,458
Total Liabilities	2,055,319	8,393,528	2,307,849	1,456,350	487,632	601,473	1,692,307	16,994,458
Liquidity Gap	(1,037,805)	(412,552)	(1,388,357)	835,615	3,624,717	(270,130)	(1,351,488)	-

(*) 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.

(**) Loans with floating interest rates of the Parent Bank amounting to TRY 2,311,525 (2008: TRY 4,023,941) are included in "Up to 1 Month" while mark to market differences from hedged loans amounting to TRY 46,589 (2008: TRY 45,757) are included in "1-5 Years".

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VII. Explanations Related to Consolidated 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 December 31, 2009								
Money market borrowings	-	1,073,776	-	-	-	-	(1,805)	1,071,971
Other deposits	2,389,653	6,094,914	1,282,478	221,423	123,388	-	(45,153)	10,066,703
Bank deposits	97,638	133,625	60,256	5,270	-	-	(208)	296,581
Funds provided from other financial institutions	-	990,406	251,306	893,390	432,782	633,259	(257,169)	2,943,974
Total	2,487,291	8,292,721	1,594,040	1,120,083	556,170	633,259	(304,335)	14,379,229
As of December 31, 2008								
Money market borrowings	-	201,943	34	-	-	-	(173)	201,804
Other deposits	1,759,139	7,317,733	776,642	434,622	10,695	-	(73,207)	10,225,624
Bank deposits	49,530	218,536	381	2,406	-	-	(691)	270,162
Funds provided from other financial institutions	-	325,572	1,577,083	1,055,201	609,805	692,731	(437,880)	3,822,512
Total	1,808,669	8,063,784	2,354,140	1,492,229	620,500	692,731	(511,951)	14,520,102

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2009						
Derivative financial instruments for hedging purposes						
Fair value hedge	53,145	1,428	129,455	166,432	62,240	412,700
Held for trading transactions						
Foreign Exchange Forward Contracts	352,364	211,116	206,776	43,965	-	814,221
Currency Swaps	827,674	118,893	114,647	213,511	-	1,274,725
Interest Rate Swaps	248	6,740	5,912	34,101	-	47,001
Total	1,233,431	338,177	456,790	458,009	62,240	2,548,647
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	251,262	218,179	888,352	32,156	-	1,389,949
Currency swaps	975,687	39,799	198,444	62,600	-	1,276,530
Interest rate swaps	593	409	1,362	1,106	-	3,470
Total	1,286,267	304,680	1,172,997	438,596	69,947	3,272,487

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VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

The table below shows the book value and the fair value of the financial assets and liabilities which are not disclosed at their fair value in the financial statements of the Group.

Current period investment securities are comprised of interest-bearing assets held-to-maturity and interest-bearing assets available-for-sale. The fair value of the held to maturity assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The book value of demand deposits, money market placements with floating interest rate and overnight deposits represents their fair values due to their short-term nature. The estimated fair value of deposits and funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the sundry creditors reflect their fair values since they are short-term.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	14,654,045	14,152,378	14,497,444	14,337,499
Money Market Placements	704,464	756,902	704,464	756,902
Banks	724,003	1,168,189	724,003	1,168,189
Available-For-Sale Financial Assets	1,676,880	1,236,694	1,676,880	1,236,694
Held-To-Maturity Investments	901,640	818,811	939,553	827,557
Loans (**)	10,647,058	10,171,782	10,452,544	10,348,157
Financial Liabilities	14,646,461	14,777,747	14,539,222	14,779,379
Bank Deposits	296,581	270,162	296,581	270,179
Other Deposits	10,066,703	10,225,624	9,959,196	10,227,108
Funds Borrowed From Other Financial Institutions (*)	4,015,945	4,024,316	4,016,213	4,024,447
Marketable Securities Issued	-	-	-	-
Sundry Creditors	267,232	257,645	267,232	257,645

(*) Funds provided under repo transactions and interbank money market takings are included in funds borrowed from other financial institutions.

(**) Factoring and lease receivables are included in the loans.

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

- i- For the fair value calculation of loans, the prevailing interest rates as of the balance sheet date were used.
- ii- For the fair value calculation of deposits, the prevailing interest rates as of the balance sheet date were used.
- iii- For the fair value calculation of the balances with banks, the prevailing interest rates as of the balance sheet date were used.
- iv- For the fair value calculation of held-to-maturity investments, quoted prices as of the balance sheet date were used.

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VIII. Explanations Related To Presentation of Financial Assets and Liabilities by Fair Value (continued)

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non observable inputs.

Current Period	Quoted	Valuation techniques – market observable	Valuation techniques – non market observable	Fair value not available
Financial Assets				
Money Market Placements	-	704,464	-	-
Banks	-	724,003	-	-
Available-for-sale financial assets	1,676,880	-	-	-
Held-to-maturity investments	939,553	-	-	-
Loans (**)	-	10,452,544	-	-
Financial Liabilities				
Bank deposits	-	296,581	-	-
Other deposits	-	9,959,196	-	-
Funds borrowed from other financial institutions(*)	-	4,016,213	-	-
Marketable securities issued	-	-	-	-
Sundry creditors	-	267,232	-	-

Prior Period	Quoted	Valuation techniques – market observable	Valuation techniques – non market observable	Fair value not available
Financial Assets				
Money Market Placements	-	756,902	-	-
Banks	-	1,168,189	-	-
Available-for-sale financial assets	1,236,694	-	-	-
Held-to-maturity investments	827,557	-	-	-
Loans (**)	-	10,348,157	-	-
Financial Liabilities				
Bank deposits	-	270,179	-	-
Other deposits	-	10,227,108	-	-
Funds borrowed from other financial institutions(*)	-	4,024,447	-	-
Marketable securities issued	-	-	-	-
Sundry creditors	-	257,645	-	-

(*) Funds provided under repo transactions and interbank money market takings are included in funds borrowed from other financial institutions.

(**) Factoring and lease receivables are included in the loans.

IX. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Group performs trading transactions on behalf of customers, and gives custody, administration and advisory services.

The Group does not deal with fiduciary transactions.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Consolidated 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	140,477	168,877	88,572	163,256
Balances with the Central Bank of Turkey	203,891	979,850	447,556	1,382,938
Other	-	18,617	-	17,237
Total	344,368	1,167,344	536,128	1,563,431

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposit (*)	203,891	251,831	447,556	284,864
Unrestricted time deposit	-	728,019	-	1,098,074
Restricted time deposit	-	-	-	-
Total	203,891	979,850	447,556	1,382,938

(*) TRY 728,019 foreign currency and TRY 198,419 domestic currency unrestricted demand deposit balance comprises of reserve deposits. Unrestricted demand deposit balance also includes average reserve deposit held in Central Bank. The interest rates applied for reserve deposits are 5.20% for TRY deposits and none for foreign currency deposits (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 (2008 – None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (2008 – None).

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 137,917 (2008 – TRY 15,605).

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I. Explanations and Disclosures Related to the Consolidated 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	15,696	14,195	21,559	38,537
Swap Transactions	18,899	1,739	14,063	2,068
Futures Transactions	-	-	-	-
Options	8,374	2,973	9,309	-
Other	230	-	-	-
Total	43,199	18,907	44,931	40,605

3. a) Information on banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	37,534	241,727	20,963	251,492
Foreign	134,298	310,444	20,272	875,462
Branches and head office abroad	-	-	-	-
Total	171,832	552,171	41,235	1,126,954

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	238,427	586,867	31,707	143,282
USA and Canada	44,714	89,270	-	-
OECD Countries(*)	4,653	6,642	-	-
Off-shore banking regions	124,316	69,238	-	-
Other	925	435	-	-
Total	413,035	752,452	31,707	143,282

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

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I. Explanations and Disclosures Related to the Consolidated 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	124,704	40,373	183,406	112,103
Other	-	-	-	-
Total	124,704	40,373	183,406	112,103

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	526,855	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	526,855	-	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 984,948 (2008 – TRY 941,185).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	1,674,868	1,239,507
Quoted on a stock exchange	1,509,681	947,904
Not quoted	165,187	291,603
Share certificates	2,592	1,563
Quoted on a stock exchange	2,515	1,486
Not quoted	77	77
Impairment provision(-)	(580)	(4,376)
Total	1,676,880	1,236,694

All unquoted available for sale equities are recorded at fair value except for the Group's investment of TRY 77 which is recorded at cost since its fair value cannot be reliably estimated (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	1,603	46,004	953	14,059
Corporate shareholders	1,603	46,004	953	14,059
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	22,842	-	6,887	-
Total	24,445	46,004	7,840	14,059

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I. Explanations and Disclosures Related to the Consolidated 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	9,213,608	-	321,420	142,059
Discount notes	76,963	-	1,088	-
Export loans	909,706	-	29,903	-
Import loans	-	-	-	-
Loans given to financial sector	492,515	-	713	-
Foreign loans	327,238	-	513	6,626
Consumer loans(**)	1,702,326	-	61,748	4,529
Credit cards	447,011	-	25,663	8,183
Precious metal loans	246,498	-	14,361	-
Other	5,011,351	-	187,431	122,721
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	9,213,608	-	321,420	142,059

(*) 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” amended on February 6, 2008.

(**) TRY 46,589 income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

- c) Loans 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	5,681,123	-	193,138	21,728
Non-specialized loans	5,681,123	-	193,138	21,728
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and Long-term loans and other receivables	3,532,485	-	128,282	120,331
Non-specialized loans	3,532,485	-	128,282	120,331
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	9,213,608	-	321,420	142,059

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

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	91,672	1,523,986	1,615,658
Housing Loans	2,072	892,310	894,382
Vehicle Loans	5,336	114,969	120,305
General Purpose Loans	84,252	516,707	600,959
Other	12	-	12
Consumer Loans –Indexed to FC	379	76,858	77,237
Housing Loans	-	45,152	45,152
Vehicle Loans	245	22,710	22,955
General Purpose Loans	44	3,626	3,670
Other	90	5,370	5,460
Consumer Loans-FC	7,303	3,132	10,435
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	7,303	3,132	10,435
Other	-	-	-
Individual Credit Cards-TRY	426,379	-	426,379
With Installments	147,281	-	147,281
Without Installments	279,098	-	279,098
Individual Credit Cards-FC	1,852	-	1,852
With Installments	-	-	-
Without Installments	1,852	-	1,852
Personnel Loans-TRY	3,969	8,875	12,844
Housing Loans	-	-	-
Vehicle Loans	-	12	12
General Purpose Loans	3,934	8,863	12,797
Other	35	-	35
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	9,122	-	9,122
With Installments	4,015	-	4,015
Without Installments	5,107	-	5,107
Personnel Credit Cards-FC	50	-	50
With Installments	-	-	-
Without Installments	50	-	50
Overdraft Accounts-TRY(Real Persons) (*)	52,421	-	52,421
Overdraft Accounts-FC(Real Persons)	8	-	8
Total	593,155	1,612,851	2,206,006

(*) Overdraft accounts include personnel loans amounting to TRY 826.

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

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	92,549	760,907	853,456
Business Loans	81	43,861	43,942
Vehicle Loans	11,440	159,972	171,412
General Purpose Loans	80,948	524,515	605,463
Other	80	32,559	32,639
Commercial loans with installment facility - Indexed to FC	14,834	161,561	176,395
Business Loans	-	4,182	4,182
Vehicle Loans	2,280	61,406	63,686
General Purpose Loans	12,313	90,437	102,750
Other	241	5,536	5,777
Commercial loans with installment facility –FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	42,255	-	42,255
With Installments	7,919	-	7,919
Without Installments	34,336	-	34,336
Corporate Credit Cards-FC	1,199	-	1,199
With Installments	-	-	-
Without Installments	1,199	-	1,199
Overdraft Accounts-TRY(Legal Entities)	102,847	-	102,847
Overdraft Accounts-FC(Legal Entities)	4,500	-	4,500
Total	258,184	922,468	1,180,652

f) Loans according to borrowers:

	Current Period	Prior Period
Public	21,373	15,934
Private	9,655,714	9,161,654
Total	9,677,087	9,177,588

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	9,317,509	8,842,117
Foreign loans	359,578	335,471
Total	9,677,087	9,177,588

h) Loans granted to subsidiaries and associates:

Such loans are eliminated from the consolidated financial statements.

i) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectability	12,288	7,166
Loans and receivables with doubtful collectability	53,327	24,533
Uncollectible loans and receivables	181,406	78,990
Total	247,021	110,689

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

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 reschedule

There are no loans or other receivables included in non-performing loans which are restructured or rescheduled by the Parent Bank. (2008 – None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior period end balance	40,705	52,707	114,933
Additions (+)	386,659	2,677	9,879
Transfers from other categories of non-performing loans (+)	-	300,253	194,065
Transfers to other categories of non-performing loans (-)	300,253	194,065	-
Collections (-) (*)	45,795	34,224	90,449
Write-offs (-)	19	106	1,301
Corporate and commercial loans	-	2	440
Retail loans	19	104	861
Credit cards	-	-	-
Other	-	-	-
Current period end balance	81,297	127,242	227,127
Specific provision (-)	12,288	53,327	181,406
Net Balances on Balance Sheet	69,009	73,915	45,721

(*) TRY 29,530 of the non-performing loans portfolio of the Parent Bank with TRY 29,214 provision has been sold to LBT Varlık Yönetim A.Ş. for TRY 1,950. This balance has been collected as of November 9, 2009 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

j.3) Information on foreign currency non-performing loans and other receivables:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period :			
Current period end balance	-	7,675	-
Specific provision (-)	-	7,182	-
Net Balances on Balance Sheet	-	493	-
Prior Period :			
Prior period end balance	-	6,820	-
Specific provision (-)	-	4,597	-
Net Balances on Balance Sheet	-	2,223	-

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

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 collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	81,297	127,242	227,127
Specific provision (-)	12,288	53,327	181,406
Loans to Real Persons and Legal Entities (Net)	69,009	73,915	45,721
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	52,707	114,933
Specific provision (-)	7,166	24,533	78,990
Loans to Real Persons and Legal Entities (Net)	33,539	28,174	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 Parent Bank.

l) Explanation related to 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 Consolidated 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	4,757,069	2,290,680	1,707,757	413,164	-	9,168,670
Past due not impaired	118,499	260,810	61,415	67,693	-	508,417
Individually impaired	101,576	219,835	34,416	79,839	-	435,666
Total gross	4,977,144	2,771,325	1,803,588	560,696	-	10,112,753
Less: allowance for individually impaired loans	36,360	122,058	33,985	54,618	-	247,021
Total allowance for impairment	36,360	122,058	33,985	54,618	-	247,021
Total net	4,940,784	2,649,267	1,769,603	506,078	-	9,865,732
Prior Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	4,480,787	2,411,475	1,067,541	408,244	-	8,368,047
Past due not impaired	149,098	422,007	160,949	77,487	-	809,541
Individually impaired	38,549	96,094	26,643	47,059	-	208,345
Total gross	4,668,434	2,929,576	1,255,133	532,790	-	9,385,933
Less: allowance for individually impaired loans	24,559	50,719	12,108	23,303	-	110,689
Total allowance for impairment	24,559	50,719	12,108	23,303	-	110,689
Total net	4,643,875	2,878,857	1,243,025	509,487	-	9,275,244

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

5. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

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	24,559	50,719	12,108	23,303	-	110,689
Charge for the year	21,655	93,405	33,310	65,606	-	213,976
Recoveries	(9,865)	(22,066)	(6,490)	(10,020)	-	(48,441)
Amounts written off (*)	-	-	(4,943)	(24,271)	-	(29,214)
Exchange differences	11	-	-	-	-	11
At December 31, 2009	36,360	122,058	33,985	54,618	-	247,021

	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 year	22,676	57,236	16,473	27,433	-	123,818
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	24,559	50,719	12,108	23,303	-	110,689

(*) TRY 29,530 of the non-performing loans portfolio of the Parent Bank with TRY 29,214 provision has been sold to LBT Varlık Yönetim A.Ş. for TRY 1,950. This balance has been collected as of November 9, 2009 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

(*) TRY 76,187 of the non-performing loans portfolio of the Parent 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.

The fair value of collaterals, capped with the respective outstanding loan balance, that the Parent Bank holds relating to loans individually determined to be impaired at December 31, 2009 is TRY 126,343 (2008: TRY 70,356).

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

5. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

Collaterals and credit enhancement obtained by the Group during the year:

December 31, 2009	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Residential, commercial or industrial property	11,639	7,324	1,339	-	-	20,302
Financial assets	-	-	-	-	-	-
Other	16	6	17	-	-	39
Total	11,655	7,330	1,356	-	-	20,341

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:

December 31, 2009	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	93,255	6,512	18,732	-	118,499
Small business lending	142,081	69,771	48,958	-	260,810
Consumer lending	7,825	41,900	11,690	-	61,415
Credit cards	67,580	106	7	-	67,693
Other	-	-	-	-	-
Total	310,741	118,289	79,387	-	508,417

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	31,679	-	149,098
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	124,141	-	809,541

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5. Information on loans: (continued)

m) Other explanations and disclosures: (continued)

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 past due and not past due loan balances of the customer, that the Parent Bank held as at December 31, 2009 was TRY 311,296 (2008: TRY 517,749).

Loans and receivables amounting to TRY 2,486,750 have floating interest rates (2008 – TRY 4,034,726) and the rest TRY 7,190,337 have fixed interest rates (2008 – TRY 5,142,862).

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	187,395	-	178,151	-
Other	-	-	-	-
Total	187,395	-	178,151	-

a.2) Held-to-maturity investments subject to repurchase agreements: None (2008 – None).

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	560,365	-	206,829	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	560,365	-	206,829	-

Net book value of unrestricted financial assets held-to-maturity is TRY 153,880 (2008 – TRY 433,831).

b) Movement of held-to-maturity investments:

	Current Period	Prior Period
Beginning balance	818,811	7,740
Foreign currency differences on monetary assets	(183)	888
Purchases during the year(*)	97,111	814,717
Disposals through sales and redemptions	-	(4,534)
Impairment provision (-)	-	-
Change in income on redeemed cost adjustments	(14,099)	-
Closing Balance	901,640	818,811

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

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7. Information on associates (Net):

a.1) Information on the unconsolidated associates:

Participations	Current Period	Prior Period
Other Financial Associates / Kredi Garanti Fonu A.Ş. (*)	2,000	-
Other Financial Associates / Gelişen İşletmeler Piyasası A.Ş.	12	12
Other Non-Financial Associates / Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	1	-
Total	2,013	12

(*) In the Board of Directors meeting on September 23, 2009, the Parent Bank decided to participate in the revised capital structure of Kredi Garanti Fonu A.Ş. including TOBB (Turkish Union of Chambers and Exchange Commodities), KOSGEB (Presidency of Development and Support of Small and Medium-sized Enterprises Administration) and the banks by TRY 4,000. Upon this decision related to the capital increase of Kredi Garanti Fonu A.Ş. on September 11, 2009, the Parent Bank paid TRY 2,000 of its capital commitment of TRY 4,000 on October 14, 2009.

a.2) Gelişen İşletmeler Piyasası A.Ş. commenced its operations on December 30, 2005, and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. commenced its operations on January 8, 2009.

b.1) Information on the consolidated associates: None (2008 – None).

b.2) Valuation of consolidated associates: None (2008 – None).

b.3) Consolidated associates which are quoted on the stock exchange: None (2008 – None).

8. Information on subsidiaries (Net):

a) Information on the unconsolidated subsidiaries: None (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

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

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

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) 1,166,608	180,680	8,948	60,976	3,758	14,351	13,562	-
(ii) 512,396	96,657	1,621	55,509	-	37,176	12,168	-
(ii) 437,564	22,903	750	49,723	-	7,616	9,137	-
(ii) 39,265	35,667	1,865	4,141	486	8,164	5,598	-
(ii) 15,123	13,678	551	1,219	857	5,312	3,036	-

(*) Represents the amounts in the financial statements as of December 31, 2008.

- (i) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and twelve months' average rates for profit and loss as of December 31, 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 regulations as of December 31, 2009.

b.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	165,910	164,136
Movements during the period	2	1,774
Purchases	-	-
Bonus shares obtained	-	1,713
Share in current year income	-	-
Sales	-	-
Revaluation increase	2	61
Provision for impairment	-	-
Balance at the end of the period	165,912	165,910
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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.	34,770	34,770
TEB Portföy Yönetimi A.Ş.	5,354	5,354
Stichting Effecten Dienstverlening	268	267
Kronenburg Vastgoed B.V.	39	38
Total	165,912	165,910

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

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

9. Information on entities under common control (Joint Vent.): None (2008 – None).

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

10. Information on finance lease receivables (Net):

a) Maturity Analysis:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	230,115	195,102	320,469	272,835
Between 1-4 years	215,413	187,146	333,583	285,490
Over 4 years	36,041	34,822	27,678	24,647
Specific provisions	(9,901)	(9,901)	(5,015)	(5,015)
Total	471,668	407,169	676,715	577,957

b) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Other	Total
Neither past due nor impaired	50,673	252,932	-	-	303,605
Past due not impaired	2,242	88,976	-	-	91,218
Individually impaired	-	22,247	-	-	22,247
Total gross	52,915	364,155	-	-	417,070
Less: allowance for individually impaired loans	-	9,901	-	-	9,901
Total allowance for impairment	-	9,901	-	-	9,901
Total net	52,915	354,254	-	-	407,169

Prior Period	Corporate	Small Business	Consumer	Other	Total
Neither past due nor impaired	58,348	494,377	-	-	552,725
Past due not impaired	653	10,827	-	-	11,480
Individually impaired	-	18,767	-	-	18,767
Total gross	59,001	523,971	-	-	582,972
Less: allowance for individually impaired loans	-	5,015	-	-	5,015
Total allowance for impairment	-	5,015	-	-	5,015
Total net	59,001	518,956	-	-	577,957

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

10. Information on finance lease receivables (Net): (continued)

b) Other explanations and disclosures: (continued)

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Other	Total
At January 1, 2009	-	5,015	-	-	5,015
Charge for the year	-	17,359	-	-	17,359
Recoveries	-	(4,421)	-	-	(4,421)
Amounts written off	-	(8,052)	-	-	(8,052)
At December 31, 2009	-	9,901	-	-	9,901

	Corporate	Small Business	Consumer	Other	Total
At January 1, 2008	-	3,831	-	-	3,831
Charge for the year	-	4,070	-	-	4,070
Recoveries	-	(268)	-	-	(268)
Amounts written off	-	(2,618)	-	-	(2,618)
At December 31, 2008	-	5,015	-	-	5,015

The fair value of collaterals that TEB Finansal Kiralama A.Ş. holds relating to lease receivables individually determined to be impaired at December 31, 2009 is TRY 2,894 (2008 – TRY 2,343).

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

December 31, 2009	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	-	2,242	-	-	2,242
Small business lending	38,199	25,868	12,061	12,848	88,976
Consumer lending	-	-	-	-	-
Other	-	-	-	-	-
Total	38,199	28,110	12,061	12,848	91,218

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	191	110	352	-	653
Small business lending	3,557	3,911	2,533	826	10,827
Consumer lending	-	-	-	-	-
Other	-	-	-	-	-
Total	3,748	4,021	2,885	826	11,480

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 past due and not past due loan balances of the customers, that TEB Finansal Kiralama A.Ş. held as at December 31, 2009 was TRY 25,787 (2008 – TRY 30,012).

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

11. Information on derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair value hedge	30,976	354	54,210	2,214
Cash flow hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	30,976	354	54,210	2,214

12. Information on tangible assets:

	Opening Balance December 31, 2008				Other	Ending Balance December 31, 2009
	Additions	Disposals				
Cost:						
Land and buildings	18,298	-	-	38		18,336
Leased tangible assets	60,547	-	(8,119)	(2)		52,426
Vehicles	635	-	(126)	(1)		508
Other	267,287	44,667	(27,486)	1,648		286,116
Total Cost	346,767	44,667	(35,731)	1,683		357,386
	Opening Balance December 31, 2008					Ending Balance December 31, 2009
		Period Charge	Disposals			
Accumulated Depreciation:						
Land and buildings	(4,359)	(418)	-	(1)		(4,778)
Leased tangible assets	(43,075)	(6,253)	8,109	-		(41,219)
Vehicles	(258)	(109)	126	-		(241)
Other (*)	(122,372)	(40,489)	18,639	(2,780)		(147,002)
Total Accumulated Depreciation	(170,064)	(47,269)	26,874	(2,781)		(193,240)
Net Book Value	176,703	(2,602)	(8,857)	(1,098)		164,146

(*) "Other" consists of TRY 2,608 impairment loss provision booked for appraised real estates in assets to be disposed (2008 – TRY 1,544).

- 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 December 31,2009 provision for impairment loss amounting to TRY 2,608 is booked for real estates to be disposed with respect to appraisals performed at the year end (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.

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

13. Information on intangible assets:

	Opening Balance December 31, 2008	Additions	Disposals	Other	Ending Balance December 31, 2009
Cost:					
Other intangible assets	35,938	9,203	(51)	(914)	44,176
Total Cost	35,938	9,203	(51)	(914)	44,176
	Opening Balance December 31, 2008	Period Charge	Disposals	Other	Ending Balance December 31, 2009
Accumulated Amortization:					
Other intangible assets	(23,077)	(6,574)	46	912	(28,693)
Total Accumulated Amortization	(23,077)	(6,574)	46	912	(28,693)
Net Book Value	12,861	2,629	(5)	(2)	15,483

- 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: There is a positive goodwill of TRY 1,205 (2008 – TRY 1,205) arising from the purchase of TEB Portföy by TEB Yatırım on February 27, 2005.
- i) Movements on goodwill in the current period:

	Current Period	Prior Period
Gross value at the beginning of the period	1,685	1,685
Accumulated depreciation (-)	480	480
Impairment provision (-)	-	-
Movements within the period :	-	-
Additional goodwill	-	-
Corrections arising from the changes in value of assets and liabilities	-	-
Goodwill written off due to discontinued operations in current period or complete /partial sale of an asset (-)	-	-
Amortization (-)	-	-
Impairment provision (-)	-	-
Reversal of impairment provision (-)	-	-
Other differences occurred in the book value	-	-
Gross value at the end of the period	1,685	1,685
Accumulated amortization (-)	480	480
Impairment provision (-)	-	-
Net book value at the end of the period	1,205	1,205

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

15. Explanations on deferred tax asset:

- a) As of December 31, 2009, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TRY 50,058 (2008 – TRY 18,762). There are no tax exemptions or deductions over which deferred tax asset is computed.

Investment incentive was abolished being effective from January 1, 2006. In case that entities do not have sufficient taxable income, deduction of the unused investment incentive as of December 31, 2005 from 2006, 2007 and 2008 income was allowed however it was not permitted to defer this investment incentive to subsequent periods after 2008. The Constitutional Court abolished this regulation on October 15, 2009 and the time constraint related to investment incentive has been removed as of the issue date of this report. The resolution has been published in the Official Gazette on January 8, 2010. For this reason, TEB Finansal Kiralama A.Ş. recognized deferred tax asset amounting to TRY 36,214 in the year end financial statements assuming that it will take advantage of the unused investment incentive in the subsequent periods.

- 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	18,762	46,272
Effect of change in tax rate	2	94
Other	589	-
Deferred tax (charge)/benefit	34,903	(26,935)
Deferred tax (charge)/benefit (Net)	35,494	(26,841)
Deferred tax accounted for under equity	(4,198)	(669)
Deferred Tax Asset	50,058	18,762

	Current Period	Prior Period
At January 1 (Deferred Tax Liability)	(9)	(12)
Effect of change in tax rate	-	-
Deferred tax (charge)/benefit	9	3
Deferred tax (charge)/benefit (Net)	9	3
Deferred tax accounted for under equity	-	-
Deferred Tax Liability	-	(9)

16. Information on assets held for sale and discontinued operations : None (2008: None).

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

17. Information on other assets:

a) Breakdown of other assets:

	Current Period	Prior Period
Clearing Account	112,330	113,780
Receivables From Securities Transactions	23,365	16,358
Leasing Contracts in Progress	930	6,171
Collateral Given for Derivative Financial Assets	31,743	57,314
Advances Given	3,424	2,787
Transaction Costs Related to Financial Liabilities	7,296	6,774
Prepaid Rents	4,515	5,210
Prepaid Insurance Premiums	99	278
Other Prepaid Expenses	18,944	20,025
Receivables from Credit Cards Payments	162,685	96,173
Temporary EFT Account	30,668	15,851
Other	13,623	25,008
Total	409,622	365,729

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.

18. Information on factoring receivables:

a) Maturity Analysis:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short term	297,515	84,754	202,868	122,235
Medium and Long Term	107	-	-	-
Specific provisions	(7,828)	(391)	(6,242)	(280)
Total	289,794	84,363	196,626	121,955

b) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Other	Total
Neither past due nor impaired	221,833	122,430	-	-	344,263
Past due not impaired	24,139	4,215	-	-	28,354
Individually impaired	2,943	6,816	-	-	9,759
Total gross	248,915	133,461	-	-	382,376
Less: allowance for individually impaired loans	1,403	6,816	-	-	8,219
Total allowance for impairment	1,403	6,816	-	-	8,219
Total net	247,512	126,645	-	-	374,157

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

18. Information on factoring receivables: (continued)

b) Other explanations and disclosures: (continued)

Prior Period	Corporate	Small Business	Consumer	Other	Total
Neither past due nor impaired	207,481	110,977	-	-	318,458
Past due not impaired	-	-	-	-	-
Individually impaired	1,012	5,633	-	-	6,645
Total gross	208,493	116,610	-	-	325,103
Less: allowance for individually impaired loans	1,012	5,510	-	-	6,522
Total allowance for impairment	1,012	5,510	-	-	6,522
Total net	207,481	111,100	-	-	318,581

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Other	Total
At January 1, 2009	1,012	5,510	-	-	6,522
Charge for the period	391	2,108	-	-	2,499
Recoveries	-	(802)	-	-	(802)
Amounts written off	-	-	-	-	-
At December 31, 2009	1,403	6,816	-	-	8,219

	Corporate	Small Business	Consumer	Other	Total
At January 1, 2008	1,030	1,383	-	-	2,413
Charge for the period	-	4,189	-	-	4,189
Recoveries	(18)	(62)	-	-	(80)
Amounts written off	-	-	-	-	-
At December 31, 2008	1,012	5,510	-	-	6,522

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SECTION FIVE

II. Explanations and Disclosures Related to the Consolidated Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	270,084	-	803,947	2,310,906	66,611	37,413	629	11,414	3,501,004
Foreign currency deposits	1,283,739	-	1,186,456	1,338,293	79,720	147,897	161,371	2,122	4,199,598
Residents in Turkey	925,985	-	1,142,739	1,286,703	64,399	74,596	24,790	2,122	3,521,334
Residents abroad	357,754	-	43,717	51,590	15,321	73,301	136,581	-	678,264
Public sector deposits	103,715	-	1,095	1,508	-	-	194	-	106,512
Commercial deposits	705,974	-	670,802	649,711	14,650	27,499	263	102	2,069,001
Other institutions deposits	9,528	-	24,219	87,932	44,702	444	1	-	166,826
Precious metals deposits	16,613	-	3,854	2,086	835	374	-	-	23,762
Interbank deposits	97,638	-	91,200	34,046	64,623	9,057	17	-	296,581
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	14,862	-	-	5,068	-	-	-	-	19,930
Foreign Banks	32,303	-	91,200	28,978	64,623	9,057	17	-	226,178
Special finance houses	50,473	-	-	-	-	-	-	-	50,473
Other	-	-	-	-	-	-	-	-	-
Total	2,487,291	-	2,781,573	4,424,482	271,141	222,684	162,475	13,638	10,363,284

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	129,934	-	791,513	2,499,108	20,807	33,839	189	399	3,475,789
Foreign currency deposits	1,059,779	-	2,161,789	1,112,544	288,223	65,912	77,179	80	4,765,506
Residents in Turkey	677,996	-	1,684,611	1,059,329	122,504	22,582	24,885	80	3,591,987
Residents abroad	381,783	-	477,178	53,215	165,719	43,330	52,294	-	1,173,519
Public sector deposits	76,405	-	7,143	1,157	-	-	-	-	84,705
Commercial deposits	476,296	-	781,210	344,784	26,175	98,321	-	-	1,726,786
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	49,530	-	199,452	15,632	3,361	-	2,187	-	270,162
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	3,012	-	-	-	2,122	-	5,134
Foreign Banks	17,565	-	196,440	15,632	3,361	-	65	-	233,063
Special finance houses	31,965	-	-	-	-	-	-	-	31,965
Other	-	-	-	-	-	-	-	-	-
Total	1,808,669	-	3,955,673	4,112,994	338,769	199,647	79,555	479	10,495,786

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	1,265,160	1,263,272	2,130,077	2,179,589
Foreign currency saving deposits	379,691	366,622	1,302,510	1,587,049
Other deposits in the form of saving deposits	3,372	1,496	18,838	11,571
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	1,648,223	1,631,390	3,451,425	3,778,209

(*) According to the BRSA's circular no 1584 dated on 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) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	64,476	58,824
Deposits of ultimate shareholders and their close families	263,013	177,868
Deposits of chairman and members of the Board of Directors and their close families	10,408	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	2,629	3,341	27,067	36,574
Swap Transactions	21,294	6,142	63,911	4,446
Futures Transactions	-	14,497	-	38,654
Options	7,061	2,973	5,595	-
Other	52	-	-	-
Total	31,036	26,953	96,573	79,674

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	279,972	165,273	136,387	167,645
From Foreign Banks, Institutions and Funds	862,909	1,152,346	1,644,925	1,378,500
Total	1,142,881	1,317,619	1,781,312	1,546,145

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b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	1,130,992	873,061	1,399,774	929,854
Medium and long-term	11,889	444,558	381,538	616,291
Total	1,142,881	1,317,619	1,781,312	1,546,145

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

The Parent Bank diversifies its funding resources by the customer deposits and by the foreign borrowings. As of December 31, 2009, the Bank has a syndication loan of EUR 190,000,000 and USD 92,000,000, with a maturity of November 24, 2010, under foreign borrowings obtained on December 2, 2009.

The Parent Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Parent Bank, in consideration of profitability. The Parent 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	1,071,971	-	201,621	-
Financial institutions and organizations	1,071,243	-	126,644	-
Other institutions and organizations	-	-	69,106	-
Real persons	728	-	5,871	-
From foreign transactions	-	-	123	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	123	-
Total	1,071,971	-	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 (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 group:

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

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

c) Explanation on finance lease payables: None.

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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 Parent Bank are leased under operational leases. For the year ended December 31, 2009, operational lease expenses amounting to TRY 76,346 (2008 – TRY 67,093) 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 (*)	73,493	-	67,611	-
Cash flow hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	73,493	-	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	61,030	55,095
Provisions for Second Group Loans and Receivables	9,225	14,558
Provisions for Non-Cash Loans	8,833	7,893
Other	7,738	3,825
Total	86,826	81,371

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 26,976 (2008 - TRY 16,269) is offset from the loans on the balance sheet.

c) The specific provisions provided for unindemnified non cash loans amount to TRY 10,617 (2008 - TRY 1,611).

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

7. Information on provisions: (continued)

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

The Group 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 December 31, 2009, the Group provided a reserve of TRY 9,476 (2008- TRY 8,660) for the unused vacations. This balance is classified under other provisions in the financial statements.

d.1) Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	13,795	11,187
Service cost	2,676	2,220
Interest cost	1,591	1,190
Settlement cost	1,473	518
Actuarial (gain)/loss	2,410	(168)
Benefits paid	(3,433)	(1,152)
Total	18,512	13,795

e) Information on other provisions:

e.1) Provisions for possible losses: None (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	9,476	8,660
Provision for promotion of credit cards and banking services	4,163	3,648
Other (*)	32,232	39,866
Total	45,871	52,174

(*) Included in other, TRY 20,605 (2008 – TRY 23,543) is the provision related to the bonuses to be paid to the personnel and TRY 10,617 (2008 – TRY 1,611) 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 (2008 – None).

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

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8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for Corporate Taxes	3,913	288

a.2) Information on taxes payable:

	Current Period	Prior Period
Taxation on Securities	9,088	17,633
Property Tax	920	884
Banking Insurance Transaction Tax (BITT)	10,050	16,091
Foreign Exchange Transaction Tax	10	8
Value Added Tax Payable	735	713
Other (*)	7,436	7,493
Total	28,239	42,822

(*) Others include income taxes deducted from wages amounting to TRY 6,108 (2008 – TRY 5,963) and stamp taxes payable amounting to TRY 782 (2008 - TRY 446).

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	2,563	2,628
Social Security Premiums-Employer	2,723	2,815
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	180	185
Unemployment Insurance-Employer	359	365
Other	-	223
Total	5,825	6,216

c) Explanations on deferred tax liabilities, if any:

The deferred tax liability of the Group as of December 31, 2009: None (2008 – TRY 9). The deferred tax liability movement is presented under “Explanations on Deferred Tax Asset”.

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9. Information on liabilities regarding assets held for sale and discontinued operations: None (2008 – None).

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

The Parent 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%. USD 3 million principle of this subordinated loan was paid on October 15, 2009 in accordance with the terms of the main agreement.

The Parent 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 Parent 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 an interest rate of 6.10%.

The Parent 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 said 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 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 LIBOR + 5.25%.

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

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	-	483,474	-	495,055
Total	-	483,474	-	495,055

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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.

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

Prior year income, profitability and liquidity of the Parent 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 the Parent Bank's future interest income via simulations of net interest income and scenario analysis.

- g) Information on preferred shares:

7% of the Parent 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	16,966	4,857	8,241	(3,023)
Foreign Exchange Difference	-	-	-	-
Total	16,966	4,857	8,241	(3,023)

	Current Period	Prior Period
Foreign currency marketable securities value increase fund	4,857	(3,023)
Foreign exchange gains resulting from foreign currency associates, subsidiaries, and securities held to maturity related to the above amount	-	-
Total	4,857	(3,023)

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11. Information on Shareholders' Equity: (continued)

Information on legal reserves:

	Current Period	Prior Period
First legal reserves	42,642	32,980
Second legal reserves	14,877	13,713
Other legal reserves appropriated in accordance with special legislation	-	-
Total	57,519	46,693

Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	374,077	197,905
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	374,077	197,905

Other Information on Shareholders' Equity:

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

	Current Period	Prior Period
At January 1	5,218	2,399
Net unrealized gains on available for sale investments	76,054	(3,737)
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	(55,251)	7,225
Tax effect of net gains on available for sale investments	(4,198)	(669)
Unrealized gains / (losses) on cash flow hedges	-	-
Gains / (losses) on cash flow hedges recycled to income statement	-	-
Tax effect of net gains on cash flow hedges	-	-
At period end	21,823	5,218

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

13. Explanations on factoring payables: None (2008 – None).

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SECTION FIVE

III. Explanations and Disclosures Related to the Consolidated 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 957,516 and TRY 760,765; payment commitments for checks are TRY 650,733 and TRY 560,682 as of December 31, 2009 and December 31, 2008 respectively.

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

The Group, 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 December 31, 2009 total guarantees and commitments consist of letters of guarantee amounting to TRY 2,724,472 (2008 - TRY 2,535,512), acceptances amounting to TRY 39,205 (2008 - TRY 51,320) and letters of credit amounting to TRY 784,382 (2008 -TRY 615,975).

- b.2) Guarantees, suretyships, and similar transactions: The Group has other guarantees and suretyships amounting to TRY 207,612 as of December 31, 2009 (2008 – TRY 217,433).

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

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	206,721	270,707
With maturity of 1 year or less than 1 year	40,135	66,995
With maturity of more than 1 year	166,586	203,712
Other non-cash loans	3,548,950	3,149,533
Total	3,755,671	3,420,240

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

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	22,109	1.44	39,986	1.80	19,275	1.43	22,126	1.07
Farming and raising livestock	16,422	1.07	23,166	1.04	15,739	1.16	14,575	0.71
Forestry	5,180	0.34	16,820	0.76	3,046	0.23	7,551	0.36
Fishery	507	0.03	-	-	490	0.04	-	-
Manufacturing	830,539	54.19	1,142,034	51.37	702,891	52.11	1,130,659	54.58
Mining	43,566	2.85	24,103	1.08	45,075	3.34	26,225	1.26
Production	767,155	50.05	1,101,885	49.57	639,680	47.43	1,078,100	52.05
Electric, gas and water	19,818	1.29	16,046	0.72	18,136	1.34	26,334	1.27
Construction	328,665	21.44	280,978	12.64	251,617	18.66	301,552	14.56
Services	331,611	21.64	335,758	15.10	358,133	26.55	288,954	13.95
Wholesale and retail trade	99,329	6.48	23,038	1.04	185,268	13.74	99,331	4.80
Hotel, food and beverage services	7,139	0.47	3,209	0.14	7,076	0.52	2,864	0.14
Transportation and telecommunication	77,468	5.05	177,007	7.96	46,903	3.48	73,506	3.55
Financial institutions	39,790	2.60	80,748	3.63	36,919	2.73	69,194	3.34
Real estate and renting services	25,949	1.69	22,953	1.03	25,518	1.89	21,086	1.02
Self-employment services	47,328	3.09	10,290	0.46	31,177	2.31	9,334	0.45
Education services	564	0.04	579	0.03	614	0.05	572	0.03
Health and social services	34,044	2.22	17,934	0.81	24,658	1.83	13,067	0.62
Other	19,777	1.29	424,214	19.09	16,854	1.25	328,179	15.84
Total	1,532,701	100.00	2,222,970	100.00	1,348,770	100.00	2,071,470	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	1,394,572	1,297,547	20,556	11,797
Bank acceptances	171	39,034	-	-
Letters of credit	233	783,457	106	586
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	116,943	88,975	120	1,574
Total	1,511,919	2,209,013	20,782	13,957

The Parent Bank provided a reserve of TRY 10,617 (2008 – TRY 1,611) for non-cash loans not yet indemnified amounting to TRY 18,361 (2008 - TRY 9,711).

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)	6,867,168	6,752,292	-	-
Forward transactions	1,655,125	2,776,836	-	-
Swap transactions	2,437,034	2,833,424	-	-
Futures transactions	483,173	453,114	-	-
Option transactions	2,291,836	688,918	-	-
Interest related derivative transactions (II)	375,169	92,768	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	338,514	92,768	-	-
Interest option transactions	36,655	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	-	-	-	-
A.Total trading derivative transactions (I+II+III+IV)	7,242,337	6,845,060	-	-
Types of hedging transactions				
Fair value hedges	-	-	761,499	1,002,465
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	761,499	1,002,465
Total Derivative Transactions (A+B)	7,242,337	6,845,060	761,499	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 as trading transactions are remeasured at fair value.

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

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

As of July 1, 2008, the Parent 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 761,499 of its swap portfolio (2008: TRY 1,002,465) with its loan portfolio.

As of December 31, 2009 and December 31, 2008, breakdown of the Group'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	Future Buy	Future Sell
Current Period								
TRY	358,911	191,184	251,511	663,979	476,853	485,412	-	-
USD	160,626	445,333	272,232	566,736	324,011	322,206	234,791	-
EURO	286,391	145,176	744,288	104,290	245,423	230,800	-	-
OTHER	34,976	32,528	120,376	52,136	132,380	111,406	-	248,382
Total	840,904	814,221	1,388,407	1,387,141	1,178,667	1,149,824	234,791	248,382
Prior Period								
TRY	258,886	224,012	841,255	219,044	162,923	178,007	-	-
USD	562,766	642,559	367,559	1,132,045	83,155	86,107	208,133	-
EURO	523,130	489,882	152,297	73,400	99,690	79,036	-	-
OTHER	42,105	33,496	85,710	54,882	-	-	-	244,981
Total	1,386,887	1,389,949	1,446,821	1,479,371	345,768	343,150	208,133	244,981

As of December 31, 2009, the Group has no cash flow hedges. (2008 – None)

As of December 31, 2009, the Group has no hedge of net investment. (2008 – None)

3. Explanations on contingent liabilities and assets:

a.1) The Group's share in contingent liabilities arising from entities under common control together with other venturers: None.

a.2) Share of entity under common control in its own contingent liabilities: None.

a.3) The Group's contingent liabilities resulting from liabilities of other venturers in entities under common control: 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 December 31, 2009 there are no contingent assets that need to be explained (2008 – None).

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: As of December 31, 2009 there are no contingent liabilities that need to be explained (2008 – None).

4. Custodian and intermediary services:

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

Investment securities held in custody include investment fund participation certificates which are accounted for by their number of certificates. As of balance sheet date the total number of certificates is 11,878,481 thousand (2008 – 13,454,307 thousand) and the total fair value is TRY 1,245,765 (2008 – TRY 1,013,676).

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

5. The information on the Bank's rating by the international rating introductions (*) :

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

Moody's Investor Services: November 2009

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

Fitch Ratings: December 2009

Foreign Currency Commitments	
Long term	BBB-
Short term	F3
View	Stable
Turkish Lira Commitments	
Long term	BBB
Short term	F3
View	Stable
National	AAA (tur)
View	Stable
Individual Rating	C/D
Support Points	2

(*) 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 Consolidated Statement of Income

1. a) Information on interest on loans:

Current Period	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	759,821	140,645	978,821	138,961
Medium and long term loans	373,519	39,418	355,976	48,920
Interest on non-performing loans	6,719	-	5,348	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	1,140,059	180,063	1,340,145	187,881

(*) Includes fees and commissions obtained from cash loans amounting to TRY 39,848 (2008: TRY 44,539).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	10	-	2,371
Domestic banks	1,956	66	3,238	10,818
Foreign banks	5,360	12,460	4,685	54,259
Branches and head office abroad	-	-	-	-
Total	7,316	12,536	7,923	67,448

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	12,219	647	27,020	1,512
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	156,467	7,994	234,142	10,783
Held-to-maturity securities	116,283	1,137	34,513	239
Total	284,969	9,778	295,675	12,534

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

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income
(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	20,093	6,364	29,561	11,722
Foreign banks	123,679	43,048	176,987	70,456
Branches and head office abroad	-	-	-	-
Other financial institutions	-	34,299	-	33,713
Total	143,772	83,711	206,548	115,891

(* Includes fees and commission expenses of cash loans amounting to TRY 3,821 (2008: TRY 1,882).

b) Information on interest expenses to associates and subsidiaries:

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

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

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

Account Name	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TRY								
Bank deposits	-	4,597	469	-	40	286	-	5,392
Saving deposits	6	86,415	259,286	8,283	11,361	71	754	366,176
Public sector deposits	-	445	340	49	2	-	-	836
Commercial deposits	1,824	56,731	47,113	2,914	11,301	28	-	119,911
Other deposits	-	2,493	14,585	1,106	1,508	38	-	19,730
7 days call accounts	-	-	-	-	-	-	-	-
Total	1,830	150,681	321,793	12,352	24,212	423	754	512,045
FC								
Foreign currency deposits	9,281	33,298	40,753	3,945	3,566	5,317	31	96,191
Bank deposits	8	1,612	3,701	2,649	30	2,193	-	10,193
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	2	42	114	7	12	-	-	177
Total	9,291	34,952	44,568	6,601	3,608	7,510	31	106,561
Grand Total	11,121	185,633	366,361	18,953	27,820	7,933	785	618,606

3. Information on dividend income:

	Current Period	Prior Period
Trading securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	13	481
Other	-	-
Total	13	481

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(continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	2,483,826	3,941,735
Gains on capital market operations	76,133	25,203
Gains on derivative financial instruments (**)	483,776	788,555
Foreign exchange gains (*)	1,923,917	3,127,977
Losses (-)	2,438,594	3,995,664
Losses on capital market operations	13,481	52,823
Loss on derivative financial instruments (**)	689,158	803,856
Foreign exchange losses (*)	1,735,955	3,138,985

(*) As of December 31, 2009, the foreign exchange gains on the foreign currency indexed loans are TRY 34,659 (2008: TRY 282,351) and the foreign exchange losses on the foreign currency indexed loans are TRY 31,248 (2008: TRY 11,897).

(**) Gains on hedging transactions are TRY 15,556 (2008 – TRY 101,324), while losses on hedging transactions are TRY 103,640 (2008: TRY 88,026).

5. Information on other operating income:

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

In the comparative consolidated statement of income, 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 Parent 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 Parent 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 consolidated statement of income as of December 31, 2008, which became collectible with the notification to the Parent 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	174,541	104,477
III. Group Loans and Receivables	4,955	3,678
IV. Group Loans and Receivables	30,676	12,467
V. Group Loans and Receivables	138,910	88,332
General provision expenses	3,912	18,214
Provision expenses for possible losses	-	-
Marketable securities impairment losses	2,947	13,418
Financial assets at fair value through profit and loss	143	39
Investment securities available for sale	2,804	13,379
Impairment provision expense	3,117	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	3,117	-
Other	15,751	7,911
Total	200,268	144,020

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

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	376,850	392,985
Reserve for employee termination benefits	8,150	3,760
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	47,269	40,476
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6,574	5,388
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	2,106	1,544
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	261,398	237,158
Rent expenses	76,346	67,093
Maintenance expenses	6,306	6,484
Advertisement expenses	23,617	24,725
Other expenses	155,129	138,856
Loss on sales of assets	983	1,293
Other(*)	56,252	82,635
Total	759,582	765,239

(*) Included in other, premiums paid to the Saving Deposit Insurance Fund is TRY 9,927 (2008 – TRY 8,909).

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

Profit before tax of the Group has increased by 29% for the period ended December 31, 2009 as compared to the prior year. In comparison with the prior period, the Group's net interest income increased by 2%, net fees and commissions income and provision and operating expenses increased by 24% and 6%, respectively.

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

- As of December 31, 2009, the current tax charge is TRY 57,476 (2008 – TRY 11,688 tax charge) and deferred tax benefit is TRY 34,912 (2008 – TRY 26,932 deferred tax charge).
- Deferred tax benefit on temporary differences is TRY 34,912 (2008 – TRY 26,932 deferred tax charge).

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

9. Information on tax provision: (continued)

c) Tax reconciliation:

	Current Period	Prior Period
Profit before tax	290,468	225,618
Additions	93,444	46,349
Disallowables	17,180	4,468
General loan loss provision	3,916	21,494
Provision for possible tax disputes	735	14,711
Effect of different tax rate	63,364	5,015
Other	8,249	661
Deductions	(271,092)	(78,866)
General loan loss provision	(280)	-
Provision for possible tax disputes	(14,711)	-
Recovered tax related to previous years due to inflation accounting	-	(41,207)
Prior years' losses	-	(22,657)
Income from branches abroad	(11,993)	(10,776)
Unused investment incentive	(239,181)	-
Other	(4,927)	(4,226)
Taxable Profit / (Loss)	112,820	193,101
Corporate tax rate	20%	20%
Tax calculated	22,564	38,620

As of December 31, 2009, current tax charge is TRY 57,476 (2008 – TRY 11,688 current tax charge) and deferred tax benefit on temporary differences is TRY 34,912 (2008 – TRY 26,932 deferred tax charge). Net tax charge recognized in the financial statements is TRY 22,564 (2008 – TRY 38,620 net tax charge).

10. Information on net operating income after taxes:

The Group increased its net profit for the year ended December 31, 2009 by 43% as compared to the prior year 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 (2008 – None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (2008 – None).
- Profit or loss attributable to minority shares: None (2008 – None).

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(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 interest income</u>		
Factoring interest income	45,692	70,356
Mark to market differences of the hedged item	8,724	35,927
Other	3,778	20,227
Total	58,194	126,510

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Brokerage commissions received	22,032	21,511
Credit cards commissions and fees	177,022	134,100
Fund management commissions	43,066	34,070
Import letters of credit commissions	4,011	4,275
Inquiry and company search fees and commissions	17,920	17,435
Settlement expense provision, eft, swift, agency commissions	9,915	10,973
Insurance commissions	11,232	10,695
Transfer commissions	7,506	5,322
Commissions and fees earned from correspondent banks	6,389	5,695
Consultancy fees	1,149	1,255
Other	59,267	52,813
Total	359,509	298,144

<u>Other fees and commissions given</u>		
Credit cards commissions and fees	97,548	93,647
Commissions and fees paid to correspondent banks	8,306	6,842
Settlement and swift commissions	3,873	3,386
Other	12,516	8,294
Total	122,243	112,169

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SECTION FIVE

V. Explanations and Disclosures Related to the Consolidated Statement of Shareholders' Equity Movement

- a) Increase resulting from revaluation of financial assets available for sale is TRY 16,605 (2008 – TRY 2,819 increase).

Gain or loss arising from measurement of financial assets available-for-sale included in shareholders' equity in the current period, excluding those related to hedging: Indicated above.

The amount recycled from equity to net income/loss account if the loss or gain related with measurement at fair value is recorded to equity for the financial assets available-for-sale (excluding the assets related to hedging): TRY 55,251 income (2008 – TRY 7,225 loss).

- b) Increase in cash flow risk hedging items: None.
- b.1) Reconciliation of beginning and ending balances: None.
- b.2) Amount recorded in the current period if a gain or loss from a cash flow hedging derivative or non-derivative financial asset is accounted for under shareholders' equity: None.
- c) The reconciliation related with foreign exchange amounts in the beginning and end of the period: None.
- d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None,
- e) Dividends per share proposed subsequent to the balance sheet date: Profit appropriation will be resolved in the General Assembly meeting which has not been yet held as of the date of the accompanying financial statements are authorized for issue.
- f) Proposals to General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this: The Board of Directors has not decided for profit appropriation as of the date of the financial statements are authorized for issue.
- g) Amounts transferred to legal reserves: Amount transferred to legal reserves is TRY 10,826 in 2009 (2008 – TRY 10,270).
- h) Information on shares issued:

TRY 2,041 has been collected from the sale of the share certificates with nominal value of TRY 1,619 on the Istanbul Stock Exchange (ISE) – arising from the capital increase of the Parent Bank in 2008, corresponding to the shares of shareholders who have not used their pre-emptive rights. The Parent Bank has recorded the difference of TRY 422 under the “Share Premiums” account.

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VI. Explanations and Disclosures Related to the Consolidated Statement of Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:

“Other items” amounting to TRY 737,829 (2008 – TRY 934,637) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for personnel expenses, leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

“Net increase/decrease in other liabilities” amounting to TRY 31,378 (2008 – TRY 52,779) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and interbank money market borrowings. “Net increase/decrease in other assets” with a total amount of TRY 110,362 (2008 – TRY 207,534) consists of changes in sundry debtors and other assets.

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flows statement:

Beginning of the period	Current Period	Prior Period
Cash	1,796,800	1,592,944
Cash in TRY/Foreign Currency	251,828	191,089
Central Bank – Unrestricted amount	1,527,735	1,399,404
Other	17,237	2,451
Cash equivalents	1,921,143	1,002,123
Banks	1,164,620	802,621
Money market placements	756,523	199,502
Total cash and cash equivalents	3,717,943	2,595,067

End of the period	Current Period	Prior Period
Cash	1,250,073	1,796,800
Cash in TRY/Foreign Currency	309,354	251,828
Central Bank – Unrestricted amount	922,102	1,527,735
Other	18,617	17,237
Cash equivalents	1,416,140	1,921,143
Banks	711,676	1,164,620
Money market placements	704,464	756,523
Total cash and cash equivalents	2,666,213	3,717,943

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VII. Explanations on the Risk Group of the Parent 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	-	-	82,234	14,059	121,993	7,573
Balance at end of period	-	-	15,688	46,004	60,793	88,948
Interest and commission income	-	-	6,561	2	5,108	234

Included in the balances above, the Parent Bank has placements in foreign bank accounts amounting to TRY 14,085 with respect to direct and indirect corporate and real person shareholders and TRY 8,854 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	-	-	26,294	25,144	7,060	7,074
Balance at end of period	-	-	82,234	14,059	121,993	7,573
Interest and commission income received	-	-	10,452	2	8,792	2,888

Included in the balances above, the Parent Bank has placements in foreign bank accounts amounting to TRY 81,281 with respect to direct and indirect corporate and real person shareholders and TRY 111,248 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	-	-	189,247	587,446	836,370	684,332
Balance at end of period	-	-	282,015	189,247	175,059	836,370
Interest on deposits	-	-	48,906	43,905	6,466	29,451

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	-	-	2,401,449	1,363,285	419,698	75,136
End of period	-	-	1,649,880	2,401,449	746,942	419,698
Total income/loss	-	-	(43,062)	5,316	(41,922)	37,913
Hedging transactions purposes						
Beginning of period	-	-	322,681	-	-	-
End of period	-	-	306,331	322,681	-	-
Total income/loss	-	-	(14,510)	(1,165)	-	-

d) As of December 31, 2009, the total amount of remuneration and benefits provided for the senior management of the Group is TRY 25,024 (2008 – TRY 24,634).

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VII. Explanations on the Risk Group of the Parent Bank (continued)

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 Parent 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	53,542	0.54
Non-cash loans	134,952	3.59
Deposits	457,074	4.41
Derivative financial instruments	2,396,822	33.09
Derivative financial instruments for hedging purposes	306,331	40.23

These transactions are priced in accordance with the general pricing policies of the Parent 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 Group enters into leasing agreements with TEB Finansal Kiralama A.Ş. As of December 31, 2009 the total leasing obligations related to these agreements amounted to TRY 72. This amount is eliminated from the accompanying consolidated financial statements. Additionally, the Parent Bank provides agency services for TEB Yatırım Menkul Değerler A.Ş. via its branches.

Within the limits of the Banking Law, the Group renders cash and non-cash loans to its related parties and the ratio of these to the Group's total cash and non-cash loan portfolio is 1.38%. Details of these loans are explained in the Section V, Note VII- 1a.

As of December 31, 2009 the Parent 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

OTHER EXPLANATIONS

I. Explanations on the Operations of the Parent Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report

The consolidated financial statements of the Group were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent auditor's report dated February 8, 2010 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.

Our subsidiaries in 2009

TEB Factoring

Founded in 1997, TEB Factoring is one of Turkey's leading factoring service providers.

TEB Factoring seeks to satisfy its customers' needs by offering quick solutions. Strictly abiding by and implementing corporate governance principles, TEB Factoring is also a service provider that distinguishes itself by virtue of its technical infrastructure, human resources, and vast knowledge and experience in the factoring industry.

TEB Factoring plays a pioneering role in its sector by developing innovative products and services. During 2009 when small and medium-sized businesses were confronted by a global business downturn, TEB Factoring continued to support the real sector without interruption.

The best export factoring company in 2009

TEB Factoring was voted "Best Export Factoring Company In 2009" by Factors Chain International (FCI), which gave the company an "excellent" rating with a total of 96.4 points out of a possible 100.

Originally founded in 1968, FCI is the world's biggest association of factoring companies. Consisting of 244 factoring concerns from 65 countries, FCI members wrote USD 1,110 billion worth of business last year. Together they handled 65% of the world's factoring business and 82% of all international factoring.

TEB Factoring General Manager Çağatay Baydar was elected Vice President of FCI in 2009.

Financial performance...

All of TEB Factoring's marketing activities are shaped by its strategy of spreading its risk base as much as possible. In 2009 TEB Factoring wrote USD 1,686 million worth of factoring business, of which USD 1,193 million was domestic factoring and USD 493 million was international factoring. The company commanded a 6% market share last year. As a result of all of its activities in 2009, the company booked a profit of TRL 7,616,000 on total assets worth TRL 437.5 million.

MOBILE Factoring

MOBILE Factoring is an innovative product specially developed for small and medium-sized enterprises (SME). Through MOBILE Factoring and mobile offices that serve such businesses, TEB Factoring takes factoring services right to the customer's doorstep. As a pilot project, four vehicles designed and equipped to function as offices traveled around and promoted factoring in industrial parks where small businesses are concentrated.

The aim of MOBILE Factoring, the first undertaking of its kind in Turkey, is to make it possible for businesses in localities outside major cities to take advantage of factoring products and services as conveniently as possible.

In 2010 TEB Factoring plans to increase the number of such specially-designed and fully-equipped mobile offices and to continue promoting factoring services in industrial parks around the country where SMEs are to be found.

TEB Factoring believes that Turkey's GNP will grow about 3% in 2010 and that the Turkish factoring industry will finance about a 4.5% share of that growth. On this basis, the industry can also expect to write about USD 27.5 billion worth of business in the coming year.

In 2010...

Having gone through a transition period in which it completed its infrastructure and put together new packages of products, TEB Factoring made a quick start as it entered 2010. During 2010, TEB Factoring will once again be working to take care of small businesses' liquidity needs in its capacity as a leading player in its sector. TEB Factoring expects to see a growth rate on the order of 25-30% in 2010.

TEB Asset Management

Risk-profiled portfolio management services for individual and institutional investors

Founded in 1999, TEB Asset Management's fundamental objective is to determine the investment vehicle compositions of investment portfolios based on the risk profiles of their individual and corporate customers and to manage those portfolios accordingly.

TEB Asset Management has been providing asset management services since June 2004. The goals of asset management services are to understand the company's individual and corporate customers' investor profiles in line with its analysis of their risk vs return preferences and from among a range of investment model possibilities, to determine the one that best balances risk and return in the customer's view.

As of end-2005, TEB Asset Management began providing corporate asset management services for corporate customers as a specialized line of its asset management services.

The asset management company of the future

TEB Asset Management has successfully laid the foundations of an asset management company whose goal is to position itself in the international arena. Having entered into a synergetic collaboration with its partner BNP Paribas Asset Management, a leading name in the asset management business in the Eurozone, TEB Asset Management is determined to advance quickly towards its goal of becoming a global player.

Innovative approaches in everything from product design to delivery channels

TEB Asset Management gives great importance to designing and delivering innovative products. PortföyPro, FX Performance Model, a range of principal protected funds, and a BRIC fund, are just a handful of the innovative products that TEB Asset Management has recently brought to market that first come to mind.

TEB Asset Management also provides management services for the mutual funds of Millennium Bank.



Changing trends and TEB Asset Management ...

Mutual funds in Turkey have been largely successful in protecting their asset values despite the ravages of the global economic crisis for over a year whereas their European cousins have suffered average losses on the order of 18%. This is because mutual funds in Turkey tend to invest mainly in money market assets rather than in equities and this practice has shielded them against the worst effects of the crisis.

TEB Asset Management believes that interest rates will be coming down in the nearer term and that investors will be looking for different opportunities amidst the uncertainties engendered by the current crisis environment. That being so, one may expect that the need for professional management skills will be felt even more sharply and that both individual and corporate investors will be turning their attentions to mutual funds and to private portfolio management services.

Along the same lines, one may guess that more equities, forward contracts, and other capital market vehicles will be included in funds' portfolios and that both principal-protected and guaranteed mutual funds will emerge to the fore as investors' preferred investment vehicles.

The most important consideration to which TEB Asset Management gives attention when designing products is to come up with products that have been formulated according to the rights strategies and to supply them to the right customers at the right times. One of the most important factors that will ensure the survival and growth of products that are developed is undoubtedly the existence of a good risk management system. TEB Asset Management has fully integrated into its own system the RiskMetrics program which is used in all of BNP Paribas Asset Management's offices worldwide and which makes it possible for the risks incurred on all assets both owned and managed by the company to be quantified instantly.

Performance highlights...

In the first nine months of 2009, the mutual fund industry's assets under management increased 25.7% in value and reached TRL 30.3 billion (USD 20.5 billion). "Type B" (bond & bill/money-market) funds were worth a total of TRL 29.3 billion while "Type A" (equity) funds had combined resources amounting to around TRL 974 million. As of end-2008 the sector had TRL 24.1 billion (USD 16.3 billion) under management and in the twelve months to that date the aggregate values of "Type A" funds, "non-liquid" (bond & bill) Type B funds, and "liquid" (money market) Type B funds had increased 62.5%, 124.6%, and 9.8% respectively. As of the same date, 74% of the industry's assets consisted of Type B money-market funds, 23% of Type B bond & bill funds, and only 3% of Type A equity funds. As of December 2009 on the other hand, Type B money-market funds accounted for an 85% share of the total.

In the twelve months to end-2009 the total value of the mutual funds under TEB Asset Management's management had increased 23% to TRL 1.2 billion. During the same period, the company's market share slipped slightly from 4.01% to 3.94%. At the end of the year, TEB Asset Management was managing 26 portfolios consisting of:

- 18 TEB mutual funds
- 5 TEB Investment mutual funds
- 3 Millennium Bank mutual funds.

At the same time the company was managing two pension funds for Anadolu Hayat Emeklilik while also providing portfolio management services for its corporate and individual customers.

Among the funds under TEB Asset Management's management, the proportion of those demanding advanced management skills is higher than it is at any other portfolio management company in Turkey. TEB Asset Management also serves as a consultant for the Parvest Turkey Equity Fund that is managed by BNP Paribas Asset Management.

At end-2009, TEB Asset Management was managing the portfolios of 29,108 individual and corporate customers and of 11 institutional customers. The total value of the non pension fund assets under management was TRL 1,289 million while the two Anadolu Hayat Emeklilik funds amounted to TRL 25 million.

As it advances towards becoming the asset management company of the future, TEB Asset Management is committed to building its tomorrows on the solid foundations provided by its strong global partnerships, its culture of innovation, its extensive distribution network, its superior human resources, and its customer-focused approach to service.

TEB Leasing

Serving a sector-diversified customer portfolio

TEB's first subsidiary, TEB Leasing is a leasing company that was founded in 1997.

TEB Leasing provides leasing products and services primarily for firms in the construction, medical services, transportation, printing, agriculture, metalworking, textile, and food industries. In addition, the company is also looking into ways to further diversify into energy and mining and into niche markets such as waste treatment.

Performance highlights

The appetite for investment paled considerably in response to the global economic crisis in 2009 and this had a serious impact on the leasing industry. The sector's total business volume shrank 58% as the amount of new business written plummeted from USD 5.3 billion in 2008 to USD 2.2 billion in 2009.

In a year characterized by such a contraction, TEB Leasing booked a turnover worth USD 71 million and achieved a market share of 3.2%. While the sector-wide non-performing loan ratio reached 12% or so as of September 2009, the significantly lower 5% level at TEB Leasing was eloquent evidence of the company's rational credit placement policy.

TEB Leasing had total assets worth TRL 512.4 million in 2009. The most important item among those assets were the company's leasing receivables, which amounted to TRL 407.2 million in value. Shareholders' equity, always the most important indicator of healthy growth, was TRL 96.6 million.

The enduring importance of cross-sale opportunities...

As in 2008 so to in 2009, making cross-sales was foremost among the issues to which leasing companies gave their attention. Some 65% of the leasing sector's business was generated through branch branches. In 2009, such contracts reached an aggregate value of USD 58 million and cross-sales accounted for no less than an 85% share of the sector's business portfolio.

The successful and innovative campaigns that TEB Leasing conducted jointly with TEB under the heading of cross-sale operations earned the firm the "Most Innovative and Creative Group Company" award in the 2009 TEB Group Innovation Awards program.

Supply Lease and other campaigns...

TEB introduced a new product called "Supply Lease" ("Tedarik Lease") that was specially designed for the suppliers of the firms in the bank's corporate and commercial customer portfolios. This product increased cross-sale opportunities within the group by means of highly advantageous packages made available to the suppliers of firms that worked with TEB's corporate and commercial branches.

Efforts to keep interest in leasing products and services lively was supported by means of other campaigns conducted jointly with the bank such as "LeaseRace", "TEB Leasing Summertime", and "All Star 2009".

During 2009 TEB Leasing also gave heightened attention to vendors that were working together with the BNP Paribas Lease Group (BPLG). The number of vendors with which both firms did business jointly reached 20 while a variety of sales-based programs and joint campaigns were organized.

In the future...

In parallel with ongoing economic developments, leasing is ceasing to be solely a source of medium-term financing for which goods serve as the collateral and it is becoming instead a credit product which demands serious technical analysis and for which the importance of consultation emerges to the fore.

TEB Leasing believes that this trend is going to become even more evident in 2010. With this in mind, the company will be seeking to further develop its products and services accordingly and to reach an increasing number of customers through its strong distribution network.

TEB Investment

TEB Investment is a TEB brokerage house subsidiary that became operational in 1997. The company enjoys a strong reputation as much for its ability to respond nimbly and quickly to its customers' changing and complex needs as for its superior services.

2009 was a year of precarious yet sluggish markets...

TEB Investment's equity trading brokerage services continued to be the firm's principal business activity during 2009 in parallel with sectoral conditions and with the interests of the investor base.

Nevertheless there was a significant amount of growth in forward trading brokerage services, a business line into which TEB Investment has been expanding rapidly recently. Market

developments and economic uncertainties almost everywhere made it all but impossible to supply corporate financing services such as public offerings while both the supply of and the demand for consultancy services remained virtually nil.

On the international investor front...

As was the case with other developing markets in 2009, there were significant declines in capital inflows into Turkey whether as portfolio investments or as foreign direct investments. Nowhere was this trend more in evidence than it was in foreign institutional investors' appetite for Turkish capital market equities.

There was only about USD 1.3 billion worth of such portfolio investment in 2009 while nearly USD 3 billion had left the country in 2008. This resulted in a significant contraction in TEB Investment's foreign institutional investor business, a situation that indeed prevailed throughout the entire sector.

At the İstanbul Stock Exchange, there was about a 30% decline in the average daily volume of trading by foreign investors. For those brokerages operating in Turkey that were mostly foreign-owned, this situation led to huge losses in market share and in some cases even to the suspension of activities. TEB Investment by contrast managed to maintain its market share and even to take on new customers.

Resident investors have become more discriminating in their service perceptions.

In the case of brokerage services provided to individual investors who are residents of Turkey, results were rather more successful despite the existence of similar sectoral constraints. High levels of market volatility during the year did not lead to a contraction in trading volumes among domestic investors as they did among foreign; on the contrary, they generated even higher transaction volumes than might otherwise have been expected.

Greater sales effectiveness combined with greater discrimination in service quality perceptions among investors last year made it possible for TEB Investment to double both its transaction volumes and its earnings over what they had been the year before. In 2009 TEB Investment strengthened both its total market share and its position in the sector while also successfully making up for the revenue losses that it sustained as a result of the cutback in its international investor trading activities.

The futures market continued to grow despite the economic crisis.

The futures & options market in Turkey continued to flourish and reached record trading volumes despite the economic crisis.

Indeed TEB Investment futures brokerage was the business line that was the least affected by the crisis. The company's brokerage services in such trading did well in terms of both volumes and market shares.

TEB Investment's commission fee earnings trebled while its market shares and trading volumes doubled. There was a net rise in the number of resident customers while, beginning with the second quarter of the year, there were also significant gains in services supplied to non-resident customers.

Strongly positioned in the sector

TEB Investment numbered among the leading contenders in the sector in terms of both income and volume in 2009. TEB Investment ranked:

- 7th with a 3.4% share of equity trading volumes and, in terms of earnings, among the top five from the standpoint of customer profitability;
- 16th in futures & options brokerage services with a 2% market share and, in terms of earnings, among the top ten.

TEB Investment's competitive advantages played a big role in its having achieved such healthy results. Considered from a strategic perspective, TEB Investment's productive financial structure, effective staff, and change-accommodating flexible infrastructure make up the building blocks of the company's sustainable growth and development.

BNP Paribas Securities Services

TEB Investment's business operations are fully integrated into the branch network of BNP Paribas Securities Services. TEB Investment engages in a synergetic collaboration with BNP Paribas Securities Services not only to keep abreast of market developments in the best way possible but also to take maximum advantage of any customer-based cross-sale opportunities that present themselves.

TEB Investment provides brokerage and custodian services to all BNP Paribas group companies that are involved in investment in Turkey.

The Economy Bank NV

Founded in 1998, Netherlands-based The Economy Bank NV (TEB NV) became operational the same year. TEB NV provides its customers with a wide range of banking products and services that include international trade & commodity finance, forfaiting, treasury, private banking, and retail deposit accounts.

TEB NV's goal is to be one of the most active and service-focused players in Turkish and European financial markets in its capacity as the TEB Group's specialized service provider in the international trade & commodity finance business line. TEB NV seeks to pursue growth and to enlarge its business volumes by negotiating its customers' foreign trade transactions throughout an expanding geographical region.

A proactive portfolio management strategy under crisis conditions

TEB NV adhered to a proactive strategy in the face of the crisis conditions that beset the global financial sector as of the last quarter of 2008 while choosing to manage its loan book and balance sheet volumes with an approach that was even more risk-sensitive than usual. In keeping with this approach, the bank decided to increase the relative weight of liquid financial institution debentures in its portfolio toward the latter part of that year. Not until the last quarter of 2009 did TEB NV gradually begin increasing its portfolio's exposure to corporate customer risk once again.

Throughout 2009 it was TEB NV's policy to manage its cost base with even greater care and in this way it succeeded in balancing its expenditure/income ratio at the 45.9% level. The

bank's pretax profit in 2009 was down 5% year-on and amounted to EUR 9 million. One of the reasons for the observed reduction in profit was the bank's decision to set aside more generous provisions in line with its more sensitive risk management policy. Be that as it may, TEB NV's loan book remained sound in 2009 with a very low NPL ratio on the order of just 0.88%.

During 2009 TEB NV negotiated a total of EUR 1.2 billion worth of foreign trade finance.

The strong performance registered by TEB NV in the retail banking business line that it first ventured into in 2007 provided the bank with an important means of achieving optimal balance in its portfolio in the face of adverse market conditions. By the end of 2009, the number of TEB NV's retail banking customers had reached 11,000.

With its high capital adequacy and highly liquid financial structure, TEB NV is focused on pursuing growth in different business lines with particular attention to be given to foreign trade finance and retail banking.